ANGLO AFRICAN AGRICULTURE PLC

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2014

Company Registration No. 07913053 (England and Wales)

Contents

Directors and Advisers

Directors:	Andrew Anthony Monk Neil Herbert Craig Forbes George Roach
Company Number:	07913053
Registered Address:	New Liverpool House 15-17 Eldon Street London EC2M 7LD
Head Office	New Liverpool House 15-17 Eldon Street London EC2M 7LD
ISDX Corporate Adviser	Cairn Financial Advisers LLP 61 Cheapside London EC2V 6AX
Financial Adviser & Broker	VSA Capital Limited New Liverpool House 15-17 Eldon Street London EC2M 7LD
Auditors	Jeffreys Henry LLP Finsgate 5-7 Cranwood Street London EC1V 9EE
Solicitors to the Company	Moore Blatch LLP 6th Floor 125 Old Broad Street London EC2N 1AR
Registrars	Neville Registrars Limited Neville House 18 Laurel Lane Halesowen West Midlands B63 3DA

Chairman's Statement

For The Year Ended 31 October 2014

We have continued to grow our core business organically although 2014 proved to be a quieter year as we made less progress than we had hoped on our corporate ambitions. Having said that we have been good guardians of shareholders' interests and not doing a deal for a deal's sake.

The Board recognises that our shareholders have invested with us to see acquisitions in African Agriculture. We have considered a wide range of potential transactions but none have been possible to close in a way that would have added to shareholder value and therefore we have moved on rather than complete a deal that may lose value. We recognise that size is important and that as shareholders you would like increased liquidity in the Company. To that end we are now actively looking at some larger deals where the consideration would be largely for shares.

We are also now progressing a move to a Standard Listing on the Main Market of the London Stock Exchange to make us more attractive to institutional investors as the ISDX Growth Market has not proved to be a successful platform. We believe a Standard Listing is a better route for AAA as a small growing company.

Corporate costs in 2014 were higher than we had hoped, but these were largely one off costs related to the reverse takeover of Dynamic Intertrade and costs incurred in planning for a move to a main market listing. As non-executive directors we continue to take no salary whilst the Company is still in its infancy. This has meant that some of my colleagues have stepped down from the board, but remain supportive. I would like to thank them all.

2015 should be an exciting year with further growth in the core business as it benefits from being part of AAA. We also expect to complete a major acquisition which would be transformational for your Company.

Andrew Monk, Chairman
27 March 2015

Strategic Report

For The Year Ended 31 October 2014

Review of the Group's Business

Dynamic Intertrade was acquired by AAA in the reverse takeover that was completed in July 2014.

Dynamic is presently based in Brits, South Africa and is involved in the importation, milling, blending and packaging of agricultural products that include herbs, spices, seasonings and confectionary for both the domestic and export markets. Dynamic's commercial activities fall into three principal categories: milling and/or blending of herbs and spices; extraction of guar gum from guar beans; and bulk trading of agricultural products. Dynamic recorded 29% top line growth in the year ended 31st October 2014. This growth, largely in milling and blending, was achieved as a direct result of better purchasing capability that resulted from loan funding provided by AAA. Dynamic recorded an operating profit for the period of R2.1m, up by R1.3m year on year. This was offset to some degree by the performance of our joint guar bean venture, African Projects & Ventures (Pty) Ltd ("APV"), where we hold a 49.9% interest. APV performed below expectations in the 2014 season as a result of the unseasonably high rainfall experienced in Limpopo Province, South Africa that resulted in lower than anticipated crop yields. This and initial start-up expenses caused a loss attributable to Dynamic of R1.27m.

APV has spread its growing program for the 2015 season to include five Southern African countries in order to minimise the risk of a repeat of this loss. The growing program is managed by a fully dedicated Agro-Technician employed by APV. Advances in the extraction process has resulted in APV now achieving its targeted 25% guar gum yield from the guar beans, up from 20% in the previous season.

In order for Dynamic to achieve its set objectives, it has decided to move its food manufacturing plant from Brits to more suitable premises in Cape Town. These premises will facilitate FSSC accreditation whilst locating Dynamic closer to the majority of its local market and will improve Dynamics competitiveness in the export market by reducing inland transport costs. The Dynamic's core operational management team will also all be relocating.

Dynamic has reached an agreement to acquire a used Steam Sterilizing plant in South Africa for R750,000, subject to successful completion of product trial runs. When these are successfully completed, the plant will be relocated to our new premises. The commissioning of this plant and our relocated factory will significantly support both our local and export market ambitions.

Acquisition Strategy

The Directors' strategy is to develop the business of Dynamic both organically and by acquisition. It is intended that future acquisitions made by the Company will be complementary to Dynamic's business and relate to production, transportation and trading of food products in sub-Saharan Africa, including the acquisition of land for food production. The Company has access to a range of prospects through the Directors' extensive contact network and actively reviews other acquisition opportunities.

Key Performance Indicators

	31 October 2014	31 October 2013
	£	£
Cash at bank and in hand	90,456	25,144
Underlying operating loss (excluding listing costs of £225,572)	(128,223)	(1,853)

Strategic Report (Continued)

For The Year Ended 31 October 2014

Loan Facility

AAA lent Dynamic £500,000 repayable over a period of five years from the first anniversary of drawdown. The Loan bears interest at 2% above LIBOR. Under the Loan Facility, AAA nominated a director to the board of Dynamic. During the year the amount of £75,000 was repaid by Dynamic to AAA.

Principal Risks and Uncertainties

The Directors consider the following risk factors are of particular relevance to the Group's activities. It should be noted that the list is not exhaustive and that other risk factors not presently known or currently deemed immaterial may apply. The risk factors are summarised below:

i. Development Risk

The Group's development will be dependent on the ability of the Directors to expand the current business and identify suitable investment opportunities and to implement the Group's strategy. There is no assurance that the Group's activities will be successful in acquiring a suitable investment.

ii. Sector Risk

The agriculture sector is a highly competitive market and many of the competitors will have greater financial and other resources than the Company and as a result may be in a better position to compete for opportunities.

The development of agricultural enterprises involves significant uncertainties and risks including unusual climatic conditions such as drought, improper use of pesticides, availability of labour and seasonality of produce, any one of which could result in damage to, or destruction of crops, environmental damage or pollution all of which could have a material adverse impact on the business, operations and financial performance of the Group.

The market price of agricultural products and crops is volatile and is affected by numerous factors which are beyond the Group's control. These include international supply and demand, the level of consumer product demand, international economic trends, currency exchange rate fluctuations, the level of interest rates, the rate of inflation, global or regional political events and international events as well as a range of other market forces. Sustained downward movements in agricultural prices could render less economic, or uneconomic, any development or investing activities to be undertaken by the Group. Certain agricultural projects involve high capital costs and associated risks. Unless such projects enjoy long term returns, their profitability will be uncertain resulting in potentially high investment risk.

iii. Country Risk

African countries experience varying degrees of political instability. There can be no assurance that political stability will continue in those countries where the Group in the future may have operations. In the event of political instability or changes in government policies in those countries where the Group may operate, the operations and financial condition of the Group could be adversely affected.

iv. Financing Risk

The development of the Group's business may depend upon the Group's ability to obtain financing primarily through the raising of new equity capital or debt. The Group's ability to raise further funds may be affected by the success of existing and acquired investments. The Group may not be successful in procuring the requisite funds on terms which are acceptable to it (or at all) and, if such funding is unavailable, the Group may be required to reduce the scope of its investments or the anticipated expansion. Further, Shareholders' holdings of Ordinary Shares may be materially diluted if debt financing is not available.

Strategic Report (Continued)

For The Year Ended 31 October 2014

v. Credit Risk

The directors have reviewed the forecasts prepared by both AAA and Dynamic and believe that Dynamic has adequate resources available to meet its obligations to make capital repayments of the loan to AAA.

In the event that Dynamics trading performance is below that forecast, AAA will exercise a degree of flexibility on the repayment timetable. With the Dynamic turnover increasing and the Group forecasting profitability there is no requirement for any impairment charge.

vi. Liquidity Risk

The Directors have reviewed the working capital requirements of both AAA and Dynamic and believe that, following stress tests and variance analysis on the forecasts, there is sufficient working capital to fund the business while expanding turnover and achieving sustainable profitability.

Going Concern

The day to day working capital requirements and investment objectives are met by existing cash resources and the issue of equity. At 31 October 2014 the Group had a cash balance of £90,456 (31 October 2013 - £25,144). The Group's forecasts and projections, taking into account reasonably possible changes in the level of overhead costs, show that the Group should be able to operate within its available cash resources. The Directors have, at the time of approving the financial statements, a reasonable expectation that the Group has adequate resources to continue in existence for the foreseeable future. They therefore continue to adopt the going concern basis of accounting in preparing the financial statements.

On behalf of the Board
Craig Forbes, Chief Executive Officer
27 March 2015

Directors' Report

For The Year Ended 31 October 2014

The Directors present their Report and Financial Statements for the year ended 31 October 2014.

Principle Activities

The principal activity of the Group in the period was investing and trading in the agriculture sector in Africa.

Investing Policy

AAA was established as a means to invest in or acquire companies engaged in the agriculture sector in Africa. The Directors intend to use their collective experience to identify appropriate investment opportunities in the production, transportation and trading of food products.

Directors

The following Directors have held office in the period:

Andrew Monk
Douglas Chikohora (Resigned 31 October 2014)
Craig Anthony Forbes (Appointed 13 August 2014)
Neil Herbert (Appointed 24 February 2014)
George Roach (Appointed 31 October 2014)

Andrew Monk, Non-Executive Chairman

Andrew has a successful stock broking career spanning 30 years. In that time he has built up strong relationships with many major UK institutions. He was employed by Hoare Govett ABN AMRO for 11 years before founding Oriel Securities as Joint CEO. Andrew later became CEO of Blue Oar Plc, and Chief Executive of VSA Capital Group PLC, an investment banking and institutional broking firm focussed on natural resources, including agriculture.

Craig Anthony Forbes, Chief Executive Officer

Craig has extensive knowledge of herbs and spices and over 16 years of experience in the food industry at management level. Previously a commodity trader, Craig has broad experience of sourcing agricultural products and growers throughout Africa and beyond, and has developed relationships with Dynamic's key strategic suppliers and customers. Craig was a founding member and director of Dynamic and was appointed CEO of Dynamic in June 2010.

Neil Herbert, Non-Executive Director

Neil is an entrepreneur and investor with a strong background of managing African businesses and experience in the food processing industry. Neil has worked in the resource sector since he joined Chilean copper miner Antofagasta PLC in 1998, having previously been employed by PwC in Europe. Until May 2013, he was Co-Chairman and Managing Director of Polo Resources Ltd. Neil has managed companies through project acquisitions, disposals, mine development, stock market listings and fund raising and has considerable experience as a director.

George Roach, Non-Executive Director

George Roach is an experienced, senior business leader and entrepreneur who has spent his career in the resources sector mainly in Sub-Saharan Africa. He is, inter alia, currently Chief Executive Office of Premier African Minerals Inc., an AIM quoted, African resources group of companies.

The Directors have received no remuneration in the year ended 31 October 2014. As at 31 October 2014, the Directors of the Company held the following shares:

Directors' Report (Continued)

For The Year Ended 31 October 2014

Director	Shareholding	Percentage of the Company's Ordinary Share Capital
Andrew Monk	2,000,000	2.1%
Neil Herbert	6,000,000	6.3%
Craig Anthony Forbes	3,248,689	3.4%
George Roach	13,596,338	14.3%

Andrew Monk's entire shareholding is held in his SIPP.

George Roach's shareholding is held through Corestar Holdings Limited and Coc'Roach Limited.

As at 31 October 2014 the Directors share options were:

Director	Options at 1p (expiring 5 September 2022)	Warrants @2.5p (expiring 31 January 2015)	Warrants @2.75p (expiring 31 January 2017)
Andrew Monk	1,839,046	1,000,000	-
Neil Herbert	1,839,046	-	6,000,000
Craig Anthony Forbes	1,839,046	-	-

Substantial Interests

The Company has been informed of the following shareholdings that represent 3% or more of the issued Ordinary Shares of the Company as at 31 October 2014:

Shareholder	Shareholding	Percentage of the Company's Ordinary Share Capital
VSA Capital Group Plc	10,126,761	10.7%
Zeus Capital	9,000,000	9.5%
Corestar	8,596,338	9.1%
Huntress (CI) Nominees Limited	6,000,000	6.3%
Rulegate Nominees Limited	5,500,000	5.8%
Coc'Roach Limited	5,000,000	5.3%
Pershing Nominees Limited	5,000,000	5.3%
Roger Allard	5,000,000	5.3%
WB Nominees Limited	3,500,000	3.7%
Christopher Donovan James Pearce	3,000,000	3.2%
Craig Anthony Forbes	3,248,689	3.4%
HSBC Global Custody Nominee (UK) Limited	3,000,000	3.2%

The total warrants and options outstanding at 31 October 2014 were 39,494,844 (2013 - 25,939,422). Refer to note 25 for more detail.

Dividends

No dividends will be distributed for the current period (2013 - nil).

Directors' Report (Continued)

For The Year Ended 31 October 2014

Supplier Payment Policy

It is the Company's payment policy to pay its suppliers in conformance with industry norms. Trade payables are paid in a timely manner within contractual terms, which is generally 30 to 45 days from the date an invoice is received.

Auditors

Jeffreys Henry LLP has expressed its willingness to continue in office and a resolution to reappoint them will be proposed at the Annual General Meeting.

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations. Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted for use in the European Union. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether the Company financial statements have been prepared in accordance with IFRS as adopted by the European Union subject to any material departures disclosed and explained in the Financial Statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The Directors are responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website.

Statement of Disclosure to Auditors

Each person who is a Director at the date of approval of this Annual Report confirms that:

- So far as the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware; and
- Each Director has taken all the steps that he ought to have taken as Director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.
- Each Director is aware of and concurs with the information included in the Strategic Report.

Directors' Report (Continued)

For The Year Ended 31 October 2014

Branches Outside the UK

The Group head office is in London and the Dynamic Intertrade Pty Limited office is in South Africa.

Post Balance Sheet Events

Further information on events after the reporting date are set out in note 28.

The Directors' have chosen to produce a Strategic Report that discloses a fair review of the Company's business, the key performances metrics that the Directors review along with a review of the key risks to the business.

On Behalf of the Board
Andrew Monk, Chairman
27 March 2015

Independent Auditors' Report

To the Members of Anglo African Agriculture Plc

We have audited the financial statements of Anglo African Agriculture PLC for the year ended 31 October 2014 which comprise the statement of comprehensive income, statement of changes in equity, statement of financial position, statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the Group's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Group's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Group and the Group's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of Directors and Auditors

As explained more fully in the statement of Directors' responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the Audit of the Financial Statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Chairman's Statement, the Strategic Report and the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on Financial Statements

In our opinion:

- The financial statements give a true and fair view of the state of the Group and the Parent Company's affairs as at 31 October 2014 and of the Group's loss for the year then ended;
- The financial statements have been properly prepared in accordance with IFRS as adopted by the European Union;
- Have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on Other Matter Prescribed by the Companies Act 2006

In our opinion the information given in the Directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Independent Auditors’ Report (Continued)

Matters for Which We are Required to Report by Exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept by the Group, or returns adequate for our audit have not been received from branches not visited by us; or
- The Group’s financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of Directors’ remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit.

Sanjay Parmar
Senior Statutory Auditor
27 March 2015

For and on behalf of Jeffreys Henry LLP, Statutory Auditor:
Finsgate
5-7 Cranwood Street
London
EC1V 9EE

Consolidated Statement of Comprehensive Income

For the Year Ended 31 October 2014

	Notes	Year Ended 31 October 2014	Seven-Month Period Ended 31 October 2013
		£	£
Turnover	4	865,985	-
Cost of Sales		(583,751)	-
Gross Profit		282,234	-
Other Income	5	15,856	-
Finance Costs	8	(5,698)	-
Administrative expenses	9	(646,187)	(8,882)
Operating loss		(353,795)	(8,882)
Bank Interest Receivable		286	7,029
Loss before taxation		(353,509)	(1,853)
Tax on loss on ordinary activities	10	-	-
Loss and total comprehensive income for the period.		(353,509)	(1,853)
Basic and diluted earnings per share	**11**	**(0.44p)**	**-**

Since there is no other comprehensive loss, the loss for the period is the same as the total comprehensive loss for the period attributable to the owners of the Group.

Consolidated Statement of Changes In Equity

For the Year Ended 31 October 2014

	Share Capital	Share Premium	Retained Earnings	Share Based Payments Reserve	Total Equity
	£	£	£	£	£
Balance at 1 November 2013	**70,015**	**645,916**	**(121,192)**	**16,369**	**611,108**
Issue of Share Capital	24,881	461,457			486,338
Loss for the period			(353,509)		(353,509)
Balance at 31 October 2014	**94,896**	**1,107,373**	**(474,701)**	**16,369**	**743,937**

Share capital is the amount subscribed for shares at nominal value.

Retained losses represent the cumulative loss of the Group attributable to equity shareholders.

The share premium has arisen on the issue of shares at a premium to their nominal value.

Share-based payments reserve relate to the charge for share-based payments in accordance with IFRS 2.

Consolidated Statement of the Financial Position

As at 31 October 2014

	Notes	31 October 2014	31 October 2013
		£	£
Assets			
Non-Current Assets			
Investment	14	8,864	84,915
Other Financial Assets	14	7,875	-
Loan to Joint Venture	15	94,431	-
Property, Plant and Equipment	18	41,759	-
Goodwill on Consolidation	16	226,644	-
		379,573	84,915
Current assets			
Inventories	19	380,911	
Trade and Other Receivables	20	483,821	507,029
Cash and Cash Equivalents	21	90,456	25,144
		955,188	532,173
Total Assets		**1,334,761**	**617,088**
Equity and Liabilities			
Share Capital	23	94,896	70,015
Share Premium Account	23	1,107,373	645,916
Share-Based Payments Reserve	26	16,369	16,369
Retained Earnings	24	(474,701)	(121,192)
Total Equity	**25**	**743,937**	**611,108**
Current Liabilities			
Trade and Other Payables	22	590,824	5,980
Total Liabilities		590,824	5,980
Total Equity and Liabilities		**1,334,761**	**617,088**

The notes on pages 19 to 39 form part of these financial statements.

Approved by the Board and authorised for issue on 27 March 2015.
Andrew Monk, Chairman
Company Registration No. 07913053

Consolidated Cash Flow Statement

For the year ended 31 October 2014

	Notes	Year Ended 31 October 2014	Seven Months Ended 31 October 2013
		£	£
Cash flows from operating activities			
Operating loss		(353,795)	(8,882)
Add: Depreciation	17	4,582	-
Foreign exchange movements		101,580	
Changes in working capital			
Increase in inventories		(117,606)	
Increase/(decrease) in receivables		(101,258)	(42,501)
Increase in payables		195,222	
Interest received		286	7,029
Net cash flow from operating activities		(270,989)	(44,354)
Investing Activities			
Net cash on acquisition of subsidiary		85,266	-
Increase in financial assets		(4,926)	-
Loans to Jointly controlled entities		(46,876)	-
Repayments on loans receivable		130,837	
Net cash flow from investing activities		164,301	-
Cash flows from financing activities:			
Net proceeds from issue of shares		172,000	22,500
Loan made to current asset investment		-	(500,000)
Net cash flow from financing activities		172,000	(477,500)
Net cash flow		65,312	(521,854)
Opening Cash	21	25,144	546,998
Closing Cash	21	90,456	25,144

The notes on pages 19 to 39 form part of these financial statements

Company Statement of the Financial Position

As at 31 October 2014

	Notes	31 October 2014	31 October 2013
		£	£
Assets			
Non-Current Assets			
Investment	14	297,915	84,915
Long Term Intercompany Loans		425,000	500,000
		722,915	584,915
Current Assets			
Trade and Other Receivables	20	118,683	7,029
Cash and Cash Equivalents	21	35,577	25,144
		154,260	32,173
Total Assets		**877,175**	**617,088**
Equity and Liabilities			
Share Capital	23	94,896	70,015
Share Premium Account	23	1,107,373	645,916
Share-Based Payments Reserve	26	16,369	16,369
Retained Earnings	24	(355,849)	(121,192)
Total Equity	25	**862,789**	**611,108**
Current Liabilities			
Trade and Other Payables	22	14,386	5,980
Total Liabilities		**14,386**	**5,980**
Total Equity and Liabilities		**877,175**	**617,088**

The notes on pages 19 to 39 form part of these financial statements.

Approved by the Board and authorised for issue on 27 March 2015.
Andrew Monk, Chairman
Company Registration No. 07913053

Company Cash Flow Statement

For the year ended 31 October 2014

	Notes	Year Ended 31 October 2014	Seven Months Ended 31 October 2013
		£	£
Cash Flows from Operating Activities			
Operating Loss	13	(234,657)	(1,853)
Adjustments for:			
Changes in working capital			
Trade (Recevables)/Payables		(1,910)	(42,501)
Net Cash Outflows from operations		**(236,567)**	**(44,354)**
Investing Activities			
Loan made to subsidiary		-	(500,000)
Repayment of loan to subsidiary		75,000	-
Net Cash Inflows/(Outflows) from investing activities		**75,000**	**(500,000)**
Cash Flows from Financing Activities:			
Net Proceeds from Issue of Shares		172,000	22,500
Net Cash Inflow from financing activities		172,000	22,500
Net Cash flow		10,433	(521,854)
Opening Cash	21	**25,144**	**546,998**
Closing Cash	21	**35,577**	**25,144**

The notes on pages 19 to 39 form part of these financial statements.

Company Statement of Changes in Equity

For the Year Ended 31 October 2014

	Share Capital	Share Premium	Retained Earnings	Share Based Payments Reserve	Total Equity
	£	£	£	£	£
Balance at 1 November 2013	**70,015**	**645,916**	**(121,192)**	**16,369**	**611,108**
Issue of Share Capital	24,881	461,457			486,338
Loss for the period			(234,657)		(234,657)
Balance at 31 October 2014	**94,896**	**1,107,373**	**(355,849)**	**16,369**	**862,789**

Share capital is the amount subscribed for shares at nominal value.

Retained losses represent the cumulative loss of the Company attributable to equity shareholders.

The share premium has arisen on the issue of shares at a premium to their nominal value.

Share-based payments reserve relate to the charge for share-based payments in accordance with IFRS 2.

Notes to the Consolidated Financial Statements

1. General Information

Anglo African Agriculture plc is a company incorporated in the United Kingdom. Details of the registered office, the officers and advisers to the Company are presented on the Directors and Advisers page at the beginning of this report. The Company is listed on the ISDX Growth Market (AAAP). The information within these financial statements and accompanying notes have been prepared for year ended 31 October 2014 and for the comparatives, the seven month period from 1 April 2013 to 31 October 2013.

2. Basis of Preparation and Significant Accounting Policies

The consolidated financial statements of Anglo African Agriculture plc have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS's as adopted by the EU), IFRS Interpretations Committee and the Companies Act 2006 applicable to companies reporting under IFRS.

The consolidated financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 3. The preparation of financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Although these estimates are based on management's experience and knowledge of current events and actions, actual results may ultimately differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

a. Going Concern

These financial statements have been prepared on the assumption that the Group is a going concern. When assessing the foreseeable future, the Directors have looked at a period of at least twelve months from the date of approval of this report. The forecast cash-flow requirements of the business are contingent upon the ability of the Group to generate future sales and renew long term borrowings.

After making enquiries, the Directors firmly believe that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

New and Amended Standards Adopted by the Company

There are no IFRSs or IFRIC interpretations that are effective for the first time for the financial year beginning on or after 1 November 2013 that would be expected to have a material impact on the Group.

Standards, Interpretations and Amendments to Published Standards which Are Not Yet Effective

The following new standards, amendments to standards and interpretations have been issued, but are not effective for the financial year beginning 1 November 2013 and have not been early adopted:

Notes to the Consolidated Financial Statements (Continued)

Reference	Title	Summary	Application date of standard	Application date of Group
Amendments to IAS 19	Defined Benefit Plans: Employee Contributions	Clarifies that the treatment of contributions when they are independent of the number of years of service	Periods commencing on or after 1 July 2014	1 January 2015
IFRS 9	Financial Instruments	Revised standard for accounting for financial instruments	Periods commencing on or after 1 January 2015	1 November 2015
IAS 36	Impairment of assets	Limited scope amendments to disclosure requirements	Periods commencing on or after 1 January 2014	1 November 2015
IAS 39	Hedge accounting and novation of derivatives	Provides relief from discontinuing hedge accounting when novation of a hedging instrument to a central counterparty meets specified criteria	Periods commencing on or after 1 January 2014	1 November 2015
IFRS 21	Accounting for levies imposed by governments	Clarifies that the obligating event giving rise to a liability to pay a levy is the activity described in legislation that triggers payment of the levy	Periods commencing on or after 1 January 2014	1 November 2015
IFRS 10, IFRS 12, IAS 27	Exception from consolidation for "investment entities"	Amendments have been made to define an "investment entity" and to introduce an exception from consolidation and the required disclosures	Periods commencing on or after 1 January 2014	1 November 2015
IAS 32	Financial instruments: Presentation	Clarifies the requirements for offsetting of financial assets and financial liabilities	Periods commencing on or after 1 January 2014	1 November 2015
IFRS 14	Regulatory deferral accounts	Aims to enhance the comparability of financial reporting by entities subject to rate-regulations	Periods commencing on or after 1 January 2016	1 November 2016
IFRS 15	Revenue from contracts with customers	Specifies how and when to recognise revenue from contracts as well as requiring more informative and relevant disclosures	Periods commencing on or after 1 January 2017	1 November 2017
IFRIC 21	Levies	Provides guidance on when to recognise a liability for government levies	Periods commencing on or after 1 January 2014	1 November 2014

The Directors anticipate that the adoption of these standards and the interpretations in future periods will have no material impact on the financial statements of the Group.

Notes to the Consolidated Financial Statements (Continued)

b. Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 31st October each year. Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Where certain assets of the subsidiary are measured at revalued amounts or fair values and the related cumulative gain or loss has been recognised in other comprehensive income and accumulated in equity, the amounts previously recognised in other comprehensive income and accumulated in equity are accounted for as if the Company had directly disposed of the related assets (i.e. reclassified to profit or loss or transferred directly to retained earnings). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IAS 39 "Financial Instruments: Recognition and Measurement" or, when applicable, the cost on initial recognition of an investment in an associate or a jointly controlled entity.

Business Combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except that:

- Deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits respectively;
- Liabilities or equity instruments related to share-based payment transactions of the acquiree or the replacement of an acquiree's share-based payment transactions with share-based payment transactions of the Group are measured in accordance with IFRS 2 Share-based Payment at the acquisition date; and
- Assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after assessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Notes to the Consolidated Financial Statements (Continued)

Joint Ventures and Associates

A joint venture is a contractual agreement under which two or more parties conduct an economic activity and unanimous approval is required for the financial and operating policies. Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding between 20% and 50% of the voting rights. Joint ventures and associates are accounted for using the equity method, which involves recognition in the consolidated income statement of AAA's share of the net result of the joint ventures and associates for the year. Accounting policies of joint ventures and associates have been changed where necessary to ensure consistency with the policies adopted by the Group. AAA's interest in a joint venture or associate is carried in the statement of financial position at its share in the net assets of the joint venture or associate together with goodwill paid on acquisition, less any impairment loss. When the share in the losses exceeds the carrying amount of an equity-accounted company (including any other receivables forming part of the net investment in the company), the carrying amount is written down to nil and recognition of further losses is discontinued, unless we have incurred legal or constructive obligations relating to the company in question.

c. Property, Plant and Equipment

Property, plant and equipment are stated at historical cost less subsequent accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred. Depreciation on property, plant and equipment is calculated using the straight-line method to write off their cost over their estimated useful lives at the following annual rates:

Furniture, fixtures and equipment	17%
Leasehold improvements	20%
Plant and machinery	20%
Computer equipment	33%

Useful lives and depreciation method are reviewed and adjusted if appropriate, at the end of each reporting period.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the relevant asset, and is recognised in profit or loss in the year in which the asset is derecognised.

d. Investments in Subsidiaries

Investments in subsidiaries are stated at cost less, where appropriate, provisions for impairment.

e. Inventories

Inventories are carried at the lower of cost and net realisable value. Cost is determined using specific identification and in the case of work in progress and finished goods, comprises the cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and applicable selling expenses.

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

Notes to the Consolidated Financial Statements (Continued)

f. Impairment of Non-Financial Assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely dependent on those from other assets. Where the carrying amount of an asset or cash generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

Impairment losses are recognised in profit or loss in those expense categories consistent with the function of the impaired asset, except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount of an asset since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. This increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in the profit and loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

g. Financial Instruments

Financial assets and financial liabilities are recognised on the statement of financial position when an entity becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the income statement.

i. Financial Assets

The Group's accounting policies for financial assets are set out below.

Management determine the classification of its financial assets at initial recognition depending on the purpose for which the financial assets were acquired and where allowed and appropriate, re-evaluate this designation at every reporting date.

All financial assets are recognised on a trade date when, and only when, the Group becomes a party to the contractual provisions of an instrument. When financial assets are recognised initially, they are measured at fair value plus transaction costs, except for those finance assets classified as at fair value through profit or loss ('FVTPL'), which are initially measured at fair value.

Financial assets are classified into the following specified categories: financial assets at FVTPL, 'held-to-maturity' investments, 'available for sale' (AFS) financial assets and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition.

Notes to the Consolidated Financial Statements (Continued)

i. Financial Assets

De-recognition of financial assets occurs when the rights to receive cash flows from the investments expire or are transferred and substantially all of the risks and rewards of ownership have been transferred.

At each reporting date, financial assets are reviewed to assess whether there is objective evidence of impairment. If any such evidence exists, impairment loss is determined and recognised based on the classification of the financial asset.

Loans and receivables (including trade receivables, prepayments, deposits and other receivables, cash and bank balances) are non-derivative financial assets with fixed or determinable payments that are not quoted on an active market.

At each reporting date subsequent to initial recognition, loans and receivables are carried at amortised cost using the effective interest method, less any identified impairment losses. An impairment loss is recognised in the statement of comprehensive income when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the original effective interest rate. Impairment losses are reversed in subsequent periods when an increase in the asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to a restriction that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

ii. Financial Liabilities and Equity

Financial liabilities and equity are recognised on the Group's statement of financial position when the Group becomes a party to a contractual provision of an instrument. Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of transaction costs.

The Group's financial liabilities include amounts due to a director, trade payables and accrued liabilities. These financial liabilities are classified as FVTPL are stated at fair value with any gains or losses arising on re-measurement recognised in profit or loss. Other financial liabilities, including borrowings are initially measured at fair value, net of transaction costs.

Other financial liabilities, including borrowings, are subsequently measured at amortised cost using the effective interest rate method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Financial liabilities are de-recognized when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognised and the consideration paid is recognised in the statement of comprehensive income.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and a recognition of a new liability, and the difference in the respective carrying amounts is recognised in the statement of comprehensive income.

iii. Trade and Other Receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment losses for bad and doubtful debts, except where the receivables are interest-free loans made to related parties without any fixed repayment terms or the effect of

Notes to the Consolidated Financial Statements (Continued)

iii. Trade and Other Receivables (Continued)

discounting would be material. In such cases, the receivables are stated at cost less impairment losses for bad and doubtful debts.

iv. Trade and Other Payables

Liabilities for trade and other payables which are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method, unless the effect of discounting would not be material, in which case they are stated at cost.

v. Fair Values

The carrying amounts of the financial assets and liabilities such as cash and cash equivalents, receivables and payables of the Group at the balance sheet date approximated their fair values, due to the relatively short term nature of these financial instruments.

h. Borrowings

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the balance sheet date, in which case they are presented as non-current liabilities.

Borrowings are initially recorded at fair value, net of transaction costs and subsequently carried for at amortised costs using the effective interest method. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method. Borrowings which are due to be settled within twelve months after the balance sheet date are included in current borrowings in the balance sheet even though the original term was for a period longer than twelve months and an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the balance sheet date and before the financial statements are authorised for issue.

i. Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for the sales of goods and the use by others of the Group's assets yielding interest, net of rebates and discounts.

Revenue on sales of goods is recognised on the transfer of risks and rewards of ownership, which generally coincides with the time when the goods are delivered to customers and title has been passed.

Interest income from a financial asset, is recognised on an accrual basis using the effective interest rate method by applying the rate that exactly discounts the estimated future cash receipts through the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

j. Cost of Sales

Cost of sales consists of all costs of purchase and other directly incurred costs.

Cost of purchase comprises the purchase price, import duties and other taxes (other than those subsequently recoverable by the Group from the taxing authorities), if any, and transport, handling and other costs directly attributable to the acquisition of goods. Trade discounts, rebates and other similar items are deducted in determining the costs of purchase. Cost of conversion primarily consists of hiring charges of subcontractors incurred during the course of conversion.

k. Borrowing Costs

Borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Notes to the Consolidated Financial Statements (Continued)

l. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statement of comprehensive income because it excludes items of income and expense that are taxable or deductible in other years, and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amount of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences.

Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary differences arise from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of the each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised. The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current or deferred tax for the year is recognised in profit or loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case the current and deferred tax is also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

m. Cash and Cash Equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents for the purpose of the consolidated statement of cash flows.

n. Provisions and Contingencies

Provisions are recognised when the Group has a present obligation as a result of a past event, and it is probable that the Group will be required to settle that obligation. Provisions are measured at the Directors' best estimate of the expenditure required to settle the obligation at the statement of financial position date, and are discounted to present value where the effect is material. Provisions are not recognised for future operating losses.

Notes to the Consolidated Financial Statements (Continued)

n. Provisions and Contingencies (Continued)

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

When the effect of discounting is material, the amount recognised for a provision is the present value at the reporting date of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the statement of comprehensive income.

Contingent liabilities are not recognised in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognised in the financial statements but disclosed when an inflow of economic benefits is probable.

n. Share Capital

Ordinary shares are classified as equity. Proceeds from issuance of ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against share capital.

o. Foreign Currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in the respective functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical costs in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on translation of monetary items, are recognised in profit or loss in the period in which they arise. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in other comprehensive income, in which cases, the exchange differences are also recognised directly in other comprehensive income.

For the purposes of presenting the consolidated financial statements, assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. South African Rand) at the rate of exchange prevailing at the end of the reporting period, and their income and expenses are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity.

The principal exchange rates during the year are set out in the table below:

Rate compared to £	Year End Rate 2014	Year End Rate 2013
South African Rand	17.36	16.14
US Dollar	1.60	1.61

p. Operating Leases

Assets held under finance leases are initially recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Lease payments are treated as a reduction of the lease obligation on the remaining balance of the liability.

Notes to the Consolidated Financial Statements (Continued)

p. Operating Leases (Continued)

Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised. Contingent rentals are recognised as expenses in the periods in which they are incurred.

Where the Group has the use of assets held under operating leases, payment made under the leases are charged to profit or loss over the accounting periods covered by the lease term except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset. Lease incentives received are recognised in profit or loss as an integral part of the aggregate net lease payments made. Contingent rentals are charged to profit or loss in the accounting period in which they are incurred.

q. Employee Benefits

Salaries, annual bonuses, paid annual leave and the cost to the Group of non-monetary benefits are accrued in the period in which employees of the Group render the associated services. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

r. Segmental Reporting

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

3. Critical Accounting Estimates and Judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

In the application of the Group's accounting policies, which are described above, management is required to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and assumptions that had a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are discussed below.

a. Inventory Valuation

Inventory is valued at the lower of cost and net realisable value. Net realisable value of inventories is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling expenses. These estimates are based on the current market conditions and the historical experience of selling products of a similar nature. It could change significantly as a result of competitors' actions in response to severe industry cycles. The Group reviews its inventories in order to identify slow-moving merchandise and uses markdowns to clear merchandise. Inventory value is reduced when the decision to markdown below cost is made.

b. Impairment of Receivables

The Group's management reviews receivables on a regular basis to determine if any provision for impairment is necessary. The policy for the impairment of receivables of the Group is based on, where appropriate, the evaluation of collectability and ageing analysis of the receivables and on management's judgement. A considerable amount of judgement is required in assessing the ultimate realisation of these outstanding amounts, including the current creditworthiness and the past collection history of each debtor. If the financial conditions of debtors of the Group were to deteriorate, resulting in an impairment of their ability to make payments, provision for impairment may be required.

Notes to the Consolidated Financial Statements (Continued)

c. Income Taxes

The Group is subject to income taxes in South Africa and the UK. Significant judgement is required in determining the provision for income taxes and the timing of payment of the related tax. There are certain transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax provision in the period in which such determination is made.

d. Share Based Payments

The fair value of share-based payments recognised in the income statement is measured by use of the Black Scholes model, which takes into account conditions attached to the vesting and exercise of the equity instruments. The expected life used in the model is adjusted; based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations. The share price volatility percentage factor used in the calculation is based on management's best estimate of future share price behaviour based on past experience, future expectations and benchmarked against peer companies in the industry.

e. Depreciation and Amortisation

The Group depreciates property, plant and equipment and amortises the leasehold land and land use rights on a straight-line method over the estimated useful lives. The estimated useful lives reflect the Directors' estimate of the periods that the Group intends to derive future economic benefits from the use of the Group's property, plant and equipment.

4. Segmental Reporting

In the opinion of the Directors, the Group has one class of business, being the trading of agricultural materials. The Group's primary reporting format is determined by the geographical segment according to the location of its establishments. There is currently only one geographic reporting segment, which is South Africa. All revenues and costs are derived from the single segment.

5. Other Income

	2014	2013
	£	£
Other income	15,856	-

Other income includes an insurance claim received and profit on the sale of a non-current asset.

Notes to the Consolidated Financial Statements (Continued)

6. Personnel Expenses and Staff Numbers (Including Directors)

Number	**Group**		**Company**	
	2014	**2013**	**2014**	**2013**
The average number of employees in the year were:				
Management	4	-	-	-
Accounts and Administration	1	-	-	-
Sales	1	-	-	-
Manufacturing/Warehouse	20	-	-	-
	26	-	-	-
	£	**£**	**£**	**£**
The aggregate payroll costs for these persons were:	112,807	-	-	-

7. Directors' Remuneration

Salaries and Fees	**Group**		**Company**	
	2014	**2013**	**2014**	**2013**
	£	**£**	**£**	**£**
Craig Anthony Forbes	50,270	-	-	-
	50,270	**-**	**-**	**-**

8. Finance Costs

	Group		**Company**	
	2014	**2013**	**2014**	**2013**
	£	**£**	**£**	**£**
Interest	5,698	-	-	-
	5,698	**-**	**-**	**-**

9. Expenses - Analysis by Nature

	Group		**Company**	
	2014	**2013**	**2014**	**2013**
	£	**£**	**£**	**£**
Auditors' remuneration for audit services: Parent	6,000	2,000	6,000	2,000
Auditors' remuneration for audit services: Subsidiary	11,104	-	-	-
Depreciation on property, plant and equipment	4,582	-	-	-
Personnel expenses (Note 6)	112,807	-	-	-
Other administrative expenses	286,122	6,882	14,502	6,882
Admission expenses	225,572	-	225,572	-
Total administrative expenses	**646,187**	**8,882**	**246,074**	**8,882**

Notes to the Consolidated Financial Statements (Continued)

10. Taxation

The charge for the year can be reconciled to the profit before taxation per the consolidated statement of comprehensive income as follows:

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Tax Charge	-	-	-	-
Factors affecting the tax charge:				
Loss on ordinary activities before taxation	(353,509)	(1,853)	(234,657)	(1,853)
Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20.0%	(70,702)	(371)	(46,931)	(371)
Tax effect of expense not deductible for tax	41,530	-	41,530	
Tax effect of utilisation of tax losses	38,680	371	5,401	371
Difference – Actual and Parent tax rate	(9,508)	-		
Tax Charge	-	-	-	-

The Company has excess management expenses of £50,936 (7 months to 31 October 2013 - £23,930) available for carry forward against future trading profits. The deferred tax asset in these tax losses at 20% of £10,187 (7 months to 31 October 2013 - £4,786) has not been recognised due to the uncertainty of recovery.

11. Earnings Per Share

Earnings per share data is based on the Group result for the year and the weighted average number of shares in issue.

Basic loss per share is calculated by dividing the loss attributable to equity shareholders by the weighted average number of ordinary shares in issue during the period:

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Loss after tax	(353,509)	(1,853)	(234,657)	(1,853)
Weighted ave. number of ordinary shares in issue	80,358,407	69,075,453	80,358,407	69,075,453
Basic and diluted loss per share (pence)	**(0.44p)**	**-**	**(0.29p)**	**-**

Basic and diluted earnings per share are the same, since where a loss is incurred the effect of outstanding share options and warrants is considered anti-dilutive and is ignored for the purpose of the loss per share calculation. As at 31 October 2014 there were 32,138,660 (31 October 2013 - 22,261,330) outstanding share warrants and 7,356,184 (31 October 2013 - 3,678,092) outstanding options, both are potentially dilutive.

Notes to the Consolidated Financial Statements (Continued)

12. Dividends

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Dividends Paid	-	-	-	-

13. Company Result for the Year

The Company has elected to take the exemption under section 408 of the Companies Act 2006 not to present the parent Company income statement account.

The loss of the parent Company for the year ended 31 October 2014 was £234,657 (7 months to 31 October 2013: loss of £1,853).

14. Non-Current Asset Investments

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Investment in Subsidiary	-	84,915	297,915	84,915
Investment in Joint Venture	8,864	-	-	-
Other Financial Assets	7,875	-	-	-
	16,739	**84,915**	**297,915**	**84,915**

The Company acquired for £213,000 a further 81% in in Dynamic Intertrade (Pty) Limited on 10 July 2014 increasing its shareholding from 19% to 100%.

As at 31 October 2014, the Company directly and indirectly held the following subsidiaries:

Name of companies	Principal activities	Country of incorporation and place of business	Proportion (%) of equity interest 2014	Proportion (%) of equity interest 2013
Dynamic Intertrade (Pty) Limited	Trading in Agricultural Products	South Africa	100%	19%

15. Long-Term Loan

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Loan to Joint Venture	94,431	-	-	-
	94,431	**-**	**-**	**-**

This is an interest free long term loan made to Africa Projects and Ventures.

Notes to the Consolidated Financial Statements (Continued)

16. Goodwill

Goodwill is measured as the excess of the sum of the consideration paid and the fair value of the acquirer's previously held equity interest in the acquiree over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

Cost	**£**
At 01 November 2013	
Acquisition of subsidiary	226,644
As at 31 October 2014	226,644

Goodwill has been tested for impairment as at the balance sheet date. The recoverable amount of goodwill at 30 June 2014 was assessed on the basis of value in use. As this exceeded the carrying values no impairment loss was recognised.

The key assumptions in the calculation to assess value in use are future revenues and the ability to generate future cash flows. The most recent financial results and forecasts for the next year were used, followed by an extrapolation of future cash flows using a price earnings ratio. The projected results were discounted at a rate which is a prudent evaluation of the pre-tax rate that reflects current market assessments of the time value of money and risks specific to the cash-generating unit.

The key assumptions used in the value in use calculations in 2014 were as follows:

- A discount rate of 10%
- Weighting of probabilities assigned to potential earnings.

The Directors believe the significance of the earning potential identified mean that the goodwill does not require impairment at this early stage.

17. Business Combinations

Acquisition of Dynamic Intertrade (Pty) Limited

On 30 June 2014, the Company acquired a controlling interest in Dynamic Intertrade (Pty) Limited, a business which produces and sells food products within Southern Africa for a total consideration of £297,915.

The goodwill of £226,644 arising from the acquisition is attributable to the expected future profitability of the acquired business and the growth potential of the African food industry.

The following table summarises the consideration paid for Dynamic Intertrade (Pty) Limited and the amounts of assets acquired and liabilities assumed recognised at the acquisition date.

	£
Fair value consideration at 30 June 2014	
Investment on 28th March 2013 in equity instruments for 19% of share capital (3,538,105 shares)	84,915
Investment on 9th July 2014 in equity instruments for 81% of share capital (10,000,000 shares)	213,000
	297,915

Notes to the Consolidated Financial Statements (Continued)

17. Business Combinations (Continued)

	£
Recognised amounts of identifiable assets acquired and liabilities assumed	
Cash and cash equivalents	54,878
Property, plant and equipment	41,759
Investment in jointly controlled entities	8,864
Loan receivable from jointly controlled entities	94,431
Other financial assets	7,875
Inventories	380,911
Trade and other receivables	460,922
Trade and other payables	(978,369)
Total identified net assets	71,271
Goodwill on acquisition	226,644

The Directors have reviewed the acquisition for additional intangible assets and do not believe there to be any further intangible assets acquired with this acquisition.

The acquisition had the following effect on net cash out flows within the cash flow statement:

	£
Net cash outflows from:	
Operating activities	(34,422)
Net cash on acquisition	85,266
Increase in other financial assets	(4,926)
Loans to jointly controlled entities	(46,876)
Repayments on loans receivable	55,837
Net cash flow due to the acquisition	54,879

Notes to the Consolidated Financial Statements (Continued)

18. Property, Plant and Equipment

Group	Leasehold Property	Furniture and fixtures	Plant and machinery	Total
	£	£	£	£
Cost				
At 01 November 2013	-	-	-	-
On Acquisition	33,243	2,587	261,107	296,937
Additions	-	-	-	-
As at 31 October 2014	33,243	2,587	261,107	296,937
Depreciation				
At 01 November 2013	-	-	-	-
On Acquisition	28,873	1,638	220,085	250,596
Charge for the year	352	170	4,060	4,582
As at 31 October 2014	29,225	1,808	224,145	255,178
Net Book Value				
As at 31 October 2014	**4,018**	**779**	**36,962**	**41,759**
At 01 November 2013	4,370	949	41,022	46,341

The holding company held no tangible fixed assets at 31 October 2013 and 2014.

19. Inventories

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Inventories	380,911	-	-	-
	380,911	**-**	**-**	**-**

20. Trade and other receivables

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Intercompany Loans	-	507,029	118,683	507,029
Trade Receivables	454,566	-	-	
Other Debtors	29,094	-	-	-
Loans to Employees	161			
	483,821	**507,029**	**118,683**	**507,029**

Notes to the Consolidated Financial Statements (Continued)

20. Trade and other receivables (Continued)

Group Trade receivables - These represent amounts receivable on the sale of agricultural products and are included after provisions for doubtful debts.

Company Receivables - The intercompany loan was made to Dynamic Intertrade (Pty) Limited in April 2013. Interest is being accrued at the rate of LIBOR +2% on this loan and the terms of repayment are a £100,000 capital repayment which falls due each year on the last business day in February starting with the first payment in February 2014. In view of the current tough trading conditions, an agreement to delay the repayment of the loan may be implemented. The interest receivable for the year ended 31 October 2014 on this loan is £11,416 (7 months to 31 October 2013 - £7,029).

21. Cash and Cash Equivalents

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Cash and Cash Equivalents	**90,456**	**25,144**	**35,577**	**25,144**

22. Trade and Other Payables

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Trade Payables	526,301	480	8,386	480
Other Creditors	64,523	5,500	6,000	5,500
	590,824	**5,980**	**14,386**	**5,980**

Trade payables represent amounts due for the purchase of agriculture materials and administrative expenses. The Directors consider that the carrying amount of trade payables approximates to their fair value.

23. Share capital

Allotted, called up and fully paid ordinary shares of 0.1p each	**Number**	**Nominal Value**	**Share Premium**	**Total**
		£	£	£
Balance at 1 November 2013	70,014,705	70,015	645,916	715,931
Ordinary 0.1p shares issued in the year	24,881,420	24,881	461,457	486,338
Balance at 31 October 2014	94,896,125	94,896	1,107,373	1,202,269

Notes to the Consolidated Financial Statements (Continued)

24. Retained Earnings

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Opening Balance	(121,192)	(119,876)	(121,192)	(119,876)
Loss for the Period	(353,509)	(1,853)	(234,657)	(1,853)
Movement in the Share Based Reserve	-	537	-	537
Balance at 31 October	**(474,701)**	**(121,192)**	**(355,849)**	**(121,192)**

25. Reconciliation of Movements in Shareholders' Funds

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Opening Shareholders' Funds	611,108	590,461	611,108	590,461
Loss for the Period	(353,509)	(1,853)	(234,658)	(1,853)
Shares Issued - Nominal Value	24,881	1,500	24,881	1,500
Shares Issued - Share Premium	461,457	21,000	461,457	21,000
Movement in the Share Based Reserve	-	(537)	-	(537)
Movement in Profit and Loss	-	537	-	537
Balance at 31 October	**743,937**	**611,108**	**862,789**	**611,108**

26. Share Based Payments Reserve

The Company has a share-ownership compensation scheme for senior executives of the Company whereby senior executives may be granted options to purchase Ordinary Shares in the Company.

Warrants

There are 32,138,660 warrants to subscribe for ordinary shares at 31 October 2014 (22,261,330 at 31 October 2013). Of these:-

- 2,761,330 warrants are exercisable at a price of 1.5p and were then issued as consideration to the joint financial advisers of the Company, Zeus Capital Limited and VSA Capital Limited.
- 19,500,000 warrants are exercisable at a price of 2.5p (expired on 31 January 2015).
- 9,877,330 warrants are exercisable at a price of 2.75p.

Notes to the Consolidated Financial Statements (Continued)

26. Share Based Payments Reserve (Continued)

Options

At 1 November 2013 there were 3,678,092 share options issued to the a director and a senior manager of the Company. During the year 5,517,138 were issued to the Directors of the Company. Following the resignation of a Director on 31 October 2014, 1,839,046 were forfeited. As a result there were 7,356,184 options issued at 31 October 2014 and these expire on 5 September 2022.

There was no net movement on the share based payment charge for the year (2013 - £537) in respect of the issued options. The details of options and warrants are as follows:

Date of Grant	At 31/10/13	Granted/ Exercised/ Vested	Forfeits	At 31/10/14	Exercise Price	Exercise/Vesting Date From	To
Warrants							
06/09/2012	2,761,330	-	-	2,761,330	1p	06/09/2012	05/09/2022
06/12/2012	19,500,000	-	-	19,500,000	2.5p	06/12/2012	31/01/2015
11/08/2014		9,877,330		9,877,330	2.75p	11/08/2014	31/01/2017
Options							
06/09/2012	5,517,138	3,678,092	(1,839,046)	7,356,184	1p	13/08/2014	05/09/2022

The 19,500,000 warrants were not exercised prior to 31 January 2015 and so have expired.

The total warrants and options outstanding at 31 October 2014 were 39,494,844 (31 October 2013 - 25,939,422).

The number of warrants and options outstanding to the Directors that served in the period, as at 31 October 2014 were as follows:

Director	Warrants	Options	Total
Andrew Monk	1,000,000	1,839,046	2,839,046
Craig Anthony Forbes	-	1,839,046	1,839,046
Neil Herbert	6,000,000	1,839,046	7,839,046
Totals	7,000,000	5,517,138	12,517,138

The estimated fair value of the options in issue was calculated by applying the Black-Scholes option pricing model. The assumptions used in the calculation were as follows:

Share price at date of grant	£0.0125/£0.1175
Exercise price	£0.01
Expected volatility	50%
Expected dividend	0%
Contractual life	7 years
Risk free rate	2.5%
Estimated fair value of each option	£0.0022

The share options outstanding at the year-end had a weighted average remaining contractual life of 7 years.

Notes to the Consolidated Financial Statements (Continued)

27. Related Party Transactions

The Chairman, Andrew Monk, is also a directors of VSA Capital Group plc and that group provided services amounting to £53,256 (7 months to 31 October 2013 - £840) to the Company during the period. The balance owed at the 31 October 2014 was nil (31 October 2014: £240).

Craig Anthony Forbes is a director of Dynamic Intertrade Pty Limited.

There were no other related party transactions during the period to 31 October 2014.

28. Controlling Party Note

There is no single controlling party. Significant shareholders are listed in the Directors Report and Business Review.

29. Events Subsequent to 31 October 2014

There were no material events following the 31 October 2014 year end.

30. Financial Instruments Risks

The risks posed to the Company are set out in the Strategic Report. The Directors do not consider that there are any significant changes in the Company's risk profile.