ANGLO AFRICAN AGRICULTURE PLC

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD 17 JANUARY 2012 TO 31 MARCH 2013

Company Registration No. 07913053 (England and Wales)

DIRECTORS AND ADVISERS

Directors:	Andrew Anthony Monk Konrad Patrick Legg Douglas Dakarai Chikohora
Company Number:	07913053
Registered Address:	11th Floor 6 New Street Square New Fetter Lane London EC4A 3BF
Head Office	New Liverpool House 15-17 Eldon Street London EC2M 7LD
Corporate Adviser	Alfred Henry Corporate Finance Limited Finsgate 5-7 Cranwood Street London EC1V 9EE
Joint Financial Adviser & Broker	VSA Capital Limited New Liverpool House 15-17 Eldon Street London EC2M 7LD
Joint Financial Adviser	Zeus Capital Limited 3 Ralli Courts West Riverside Manchester M3 5FT
Auditors	Jeffreys Henry LLP Finsgate 5-7 Cranwood Street London EC1V 9EE
Solicitors to the Company	DMH Stallard LLP 6 New Street Square New Fetter Lane London EC4A 3BF
Registrars	Neville Registrars Limited Neville House 18 Laurel Lane Halesowen West Midlands B63 3DA

CHAIRMAN'S STATEMENT

FOR THE PERIOD 17 JANUARY 2012 TO 31 MARCH 2013

Anglo African Agriculture plc ("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, including the acquisition of land for food production.

AAA was successfully floated on the ISDX Growth Market on 6 September 2012 and during the period has raised £607,000 in equity.

We have reviewed many potential investments and acquisitions in the agricultural sector throughout sub Saharan Africa and we have established and developed contacts with many potential introducers of businesses in the region.

On 28th March 2013, AAA made an investment of 19% in Dynamic Intertrade (Pty) Limited ("Dynamic") and subsequently provided a secured loan facility of £500,000 to the company. Dynamic is an agro processing company based in Brits, South Africa, involved in the manufacture, import, trading and distribution of herbs, spices, seasonings and confectionary products.

We have an option to acquire the remaining share capital of dynamic and we lent the company £500,000 to enable the business to develop.

We see the investment in Dynamic as an exciting opportunity to build a platform to enable AAA to fulfil its investment objectives and build a significant agricultural presence in Africa. Your board continues to evaluate other opportunities that will be complementary to Dynamic.

The Directors are very conscious of the need to keep running costs of the Company to a minimum. The costs during the period under review amounted to £119,876. Of this amount, approximately £50,000 was incurred to list the Company on the ISDX Growth Market and approximately £30,000 was incurred to make the investment in Dynamic. These costs were one off and so would not be expected to recur unless further acquisitions were made.

Our objective will be to make further investments and acquisitions and in due course, to float the company on AIM.

Andrew Monk
Chairman
17 July 2013

DIRECTORS REPORT

FOR THE PERIOD 17 JANUARY 2012 TO 31 MARCH 2013

The directors present their report and financial statements for the period from 17 January 2012 to 31 March 2013.

The Company was incorporated as Latedusk Limited on 17 January 2012, with the registered number 07913053. The Company changed its name to Anglo African Agriculture Limited on 14 April 2012 and re-registered as a public limited company on 8 May 2012.

Principal activities and review of business

The principal activity of the Company is investment in the agriculture sector in Africa.

Key performance indicators

31 March 2013	**£**
Cash at bank and in hand	546,998
Operating loss	(119,876)
Cash inflow	546,998

Future developments

This is set out in the Chairman's Statement on page 2.

Investing policy

AAA is an investing company quoted on the ISDX-Growth Market. 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, including the acquisition of land for food production.

AAA was admitted to trading onto the ISDX Growth Market on 6 September 2012 following initial subscription by the founding investors and a placing which resulted in the receipt of gross proceeds of £462,266. In addition, the net proceeds of the early exercise of the Warrants outlined below amounted to approximately £145,000.

Business and operational review

A review of the Company's business during the period, together with details of its future plans, is set out in the Chairman's Statement.

Financial review

The Company recorded a loss of £119,876 for the period from 17 January 2012 to 31 March 2013.

During the period, the Company made a loan to an investee company of £500,000, of which £30,000 had been repaid after the period end.

As at 11 July 2013 the Company held approximately £38,000 in cash.

First Investment – Dynamic Intertrade (Pty) Limited

On 28th March 2013, AAA made an investment of 19% in Dynamic Intertrade (Pty) Limited ("Dynamic") and subsequently provided a secured loan facility of £500,000 to Dynamic.

Established in 2007, Dynamic is an agro processing company based in Brits, South Africa, involved in the manufacture, import, trading and distribution of herbs, spices, seasonings and confectionary products. Further details can be found at http://www.dynamicintertrade.co.za/.

In the year ended 31 October 2012, Dynamic achieved an audited operating profit (excluding currency fluctuations on third party loans) of ZAR 1.76m (which at the exchange rate prevailing at the time of the investment, was equivalent to approximately £125,000) on turnover of ZAR 24.9m (£1.78m).

AAA has taken a 19% stake in Dynamic for a consideration of approximately £85,000 which was paid in 3,538,105 AAA shares at 2.4p, (the “Consideration Shares”) being the average 30 day closing price prior to completion (the “AAA Fixed Share Price”).

Furthermore, AAA was granted:

a) an option to acquire the remaining 81% of Dynamic for a multiple of 2.4 times audited EBITDA for the 17 month period ending 31 March 2014, dependent on Dynamic achieving a certain minimum level of profitability, payable in AAA shares at the AAA Fixed Share Price. If Dynamic achieves an audited EBITDA of over c. ZAR4.1m, (c.£300,000) AAA will pay a multiple of 3 times any excess over this amount payable in AAA share at the AAA Fixed Share Price. The option expires on 10 September 2014;

b) An option to acquire a loan from a third party amounting to approximately $3m conditional on the exercise of the above option. If this loan is acquired, AAA will pay the third party 15% of annual audited profits before tax of Dynamic up to a maximum aggregate amount of approximately $225,000. This consideration will be satisfied by the issues of shares in AAA at the AAA Fixed Share Price.

The board are mindful that if the option to acquire the remaining 81% stake in Dynamic is exercised this will be considered a reverse takeover under the ISDX Growth Market - Rules for Issuers.

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.

Early Exercise of Warrants

At the time of Admission to the ISDX Growth Market, shareholders who had participated in the last placing were granted one warrant (“Warrant”) exercisable at 1.5p for each share subscribed for in the placing. These Warrants expire on 5 September 2013. There were previously 45,226,600 Warrants in issue. The Company made a proposal (the “Warrant Proposal”) to warrant holders whereby if they exercised their warrants by 16 January 2013, they would be granted two new warrants at 2.5p expiring on 31 January 2015 (“New Warrants”). Applications to exercise Warrants in accordance with the Warrant Proposal were received in respect of 9,750,000 Ordinary Shares, representing 17.7 per cent. of the Company’s then share capital. The net proceeds of the early exercise of the Warrants amounted to approximately £145,000.

Authority was obtained from shareholders in General Meeting held on 15 February 2013 to issue further share capital to enable the New Warrants to be issued and to provide headroom for future issues of shares.

19,500,000 New Warrants (expiring on 31 January 2015) were issued to qualifying shareholders during the period.

Total Voting Rights and Warrants

Following the issue of 9,750,000 new Ordinary Shares issued pursuant to the exercise of the 9,750,000 Warrants and the issue of the 3,538,105 Consideration Shares, the Company's issued share capital at the end of the period consisted of 68,514,705 Ordinary shares.

The total number of outstanding 1.5p Warrants expiring on 5 September 2013 amounts to 35,476,600. The total number of new 2.5p Warrants expiring on 31 January 2015 amounts to 19,500,000. The total number of 1p warrants, issued to the Company's joint financial advisors, expiring on 5 September 2022 amounts to 2,761,330. The total number of outstanding share options, issued equally to the three current Directors of the Company, expiring on 5 September 2022 amounts to 5,517,138, with an exercise price of 1p per share.

Principal risks and uncertainties

The Directors consider the following risk factors are of particular relevance to the Company's activities and to any investment in the Company. 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:

Development risk

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

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 Company. The market price of agricultural products and crops is volatile and is affected by numerous factors which are beyond the Company'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 Company. 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.

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 Company in the future may have operations. In the event of political instability or changes in government policies in those countries where the Company may operate, the operations and financial condition of the Company could be adversely affected

Financing

The development of the Company's business may depend upon the Company's ability to obtain financing primarily through the raising of new equity capital or debt. The Company's ability to raise further funds may be affected by the success of existing and acquired investments. The Company 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 Company 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.

Going Concern

As explained above, day to day working capital requirements and investment objectives are met by existing cash resources and the issue of equity. At 31 March 2013 the Company had a cash balance of £546,998.

Since that date the Company has lent £500,000 to Dynamic Intertrade (Pty) Limited, in which it holds 19% of the company's share capital.

The Company's forecasts and projections, taking into account reasonably possible changes in the level of overhead costs, show that the Company 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 Company 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.

Directors

The following directors have held office since incorporation on 17 January 2012:

Andrew Monk (Appointed 9 March 2012)
Konrad Legg (Appointed 30 March 2012)
Douglas Chikohora (Appointed 30 March 2012)
Jonathon Round (Appointed 17 January 2012, Resigned 9 March 2012)

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.

Konrad Legg, Executive Director

Konrad has over 40 years' experience working in the City and, more specifically, in the tropical agriculture sector. In the early 1970's Konrad built up Eastern Produce Holdings Ltd, a diversified plantation group which today forms a central part of Camellia Investments plc, a fully listed UK company focused on tea and other tree crops in Africa and India. From mid-1970's he was managing director of Warren Plantation Holdings, a fully listed diversified Plantation group, with interests in tea and coffee, palm oil and rubber in Africa, India, Indonesia, and Papua New Guinea until it was taken over in the early 1980's.

From 1982 Konrad set up and ran as managing director Plantation & General Investments which obtained a full listing in 1984 and it subsequently built up a portfolio of Plantation and commodity related businesses, mainly in Africa, until the company it was subject to a takeover bid in 1997.Konrad has also acquired and developed coffee and Macadamia interests in Tanzania and Malawi on a private basis.

Konrad is an independent non-executive director of two AIM listed companies: Coburg Group plc and M P Evans Plc – the latter being a plantation group with substantial palm oil interests in Indonesia and extensive cattle ranching interests in Australia.

DIRECTORS REPORT

FOR THE PERIOD 17 JANUARY 2012 TO 31 MARCH 2013 (CONTINUED)

Douglas Chikohora, Non-Executive Director

Douglas has over 30 years' successful experience in the mining sector mostly in Africa. He has been a director of AIM listed companies in the past and now sits on the boards of Business Council for Africa and Cluff Africa Associates UK Limited.

Qualified as a Chartered Engineer, he joined the Buchwa Mine in 1981; in 1984 he joined RTZ, Zimbabwe before moving to Cluff Resources in 1987 where he developed the Ayanfuri mine in Ghana, West Africa. In 1996, he was appointed Managing Director of Cluff Mining (West Africa) Ltd; in 2004 he became Technical Director of Cluff Gold plc. and co-founded Cluff Africa Associates in 2010. Throughout his mining career he has established good contacts in the natural resource sector, including agriculture, on the African continent.

The Directors have received no remuneration during the period from 17 January 2012 to 31 March 2013.

As at 31 March 2013, the Directors of the Company held the following shares:

Director	Shareholding	Percentage of the Company's ordinary share capital
Andrew Monk	2,000,000	2.9%
Konrad Legg	6,500,000	9.5%
Douglas Chikohora	2,250,000	3.3%

Notes:
Andrew Monk's entire shareholding is held in his SIPP.
Konrad Legg's holding is held in the name of Investeco Overseas Holdings Limited.

As at 31 March 2013, the Directors share options were:

Director	Options at 1p (expiring 5 September 2022)	Warrants at 1.5p (expiring 5 September 2013)	Warrants at 2.5p (expiring 31 January 2015)
Andrew Monk	1,839,046	1,000,000	1,000,000
Konrad Legg	1,839,046	4,500,000	1,000,000
Douglas Chikohora	1,839,046	750,000	500,000

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 11 July 2013:

Shareholder	Shareholding	Percentage of the Company's ordinary share capital
VSA Capital Group Plc	9,000,000	13.1%
Zeus Capital	9,000,000	13.1%
Pershing Nominees Limited	5,000,000	7.3%
Roger Allard	5,000,000	7.3%
Coc'Roach Limited	5,000,000	7.3%
WB Nominees Limited	3,500,000	5.1%
Christopher Donovan James Pearce	3,000,000	4.4%
HSBC Global Custody Nominee (UK) Limited	3,000,000	4.4%
Corestar Holdings Limited	2,246,338	3.3%

The total warrants and options outstanding at 31 March 2013 was 63,255,068. Refer to note 15 for more detail.

Dividends

No dividends will be distributed for the period ending 31 March 2013.

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 was appointed during the year and 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. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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.

On behalf of the board

Andrew Monk
Chairman
17 July 2013

INDEPENDENT AUDITORS' REPORT

FOR THE PERIOD 17 JANUARY 2012 TO 31 MARCH 2013

We have audited the financial statements of Anglo African Agriculture PLC for the period ended 31 March 2013 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 company'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 company'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 company and the company'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 company'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 and 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 affairs of the company as at 31 March 2013 and of the company's loss for the period then ended;
- the financial statements have been properly prepared in accordance with IFRSs 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 year for which the financial statements are prepared is consistent with the financial statements.

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 Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the company'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
For and on behalf of Jeffreys Henry LLP, statutory auditor

Finsgate
5-7 Cranwood Street
London
EC1V 9EE

17 July 2013

STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD 17 JANUARY 2012 TO 31 MARCH 2013

	Notes	Period ended 31 March 2013
		£
Turnover	4	-
Administrative expenses		(119,876)
Operating loss	5	(119,876)
Bank Interest		-
Loss on ordinary activities before taxation		(119,876)
Tax on loss on ordinary activities	7	-
Loss for the period		(119,876)
Basic and diluted earnings per share	8	(0.28p)

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 Company.

STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD 17 JANUARY 2012 TO 31 MARCH 2013

	Share capital	Share premium	Loss for the period	Share based payments reserve	Total equity
	£	£	£	£	£
Issue of Share Capital	68,515	624,916			693,431
Loss for the period			(119,876)		(119,876)
Increase in Share Based Payments Reserve				16,906	16,906
Balance at 31 March 2013	**68,515**	**624,916**	**(119,876)**	**16,906**	**590,461**

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.

STATEMENT OF THE FINANCIAL POSITION

AT 31 MARCH 2013

	Notes	£	2013 £
Assets			
Non-current assets			
Investment	**10**		84,915
Current assets			
Cash at bank and in hand			546,998
Total assets			631,913
Equity and Liabilities			
Called up share capital	**12**		68,515
Share premium account	**13**		624,916
Share-based payments reserve	**15**		16,906
Profit & loss account	**14**		(119,876)
Total equity	**14**		590,461
Current liabilities			
Creditors: amounts falling due within one year	**11**		41,452
Total liabilities			41,452
Total equity and liabilities			631,913

The notes on pages 15 to 21 form part of these financial statements.

Approved by the Board and authorised for issue on 17 July 2013.

Andrew Monk
Chairman

Company Registration No. 07913053

CASH FLOW STATEMENT

FOR THE PERIOD FROM 17 JANUARY TO 31 MARCH 2013

	Note	2013
		£
Cash flows from operating activities		
Operating loss		(119,876)
Movement in the share based payment reserve	**15**	16,906
Adjustments for:		
Changes in working Capital		
Trade and other payables	**11**	41,452
Net cash flows used in operating activities		(61,518)
Cash flows from financing activities:		
Net proceeds from issue of shares		608,516
Cash at 31 March 2013		546,998

The notes on pages 15 to 21 form part of these 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).

2. **Summary significant accounting policies**

The principal accounting policies applied in the preparation of these financial statements are set out below.

2.1 Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. IFRS comprises of standards issued by the International Accounting Standards Board (IASB) and the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) as adopted by the European Union (EU).

Preparation of financial statements

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

Issued International Financial Reporting Standards (IFRS's) and Interpretations (IFRICS) relevant to company operations

There are no IFRS or IFRIC interpretations that are effective for the first time in this financial period that would be expected to have a material impact on the Company.

Standards, interpretations and amendments to published standards that are not yet effective

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

2.2 Going concern

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

The company made a loss for the period 17 January 2012 to 31 March 2013 of £119,876. The directors have formed a judgement, at the time of approving the financial statements, that it is appropriate to adopt the going concern basis in preparing the financial statements. These financial statements do not include any adjustments that would arise if the Group was unable to continue to trade.

2.3 Compliance with accounting standards

The financial statements are prepared in accordance with applicable accounting standards.

2.4 Investments

Investments are stated at cost less provision for any impairment in value.

2.5 Receivables

Receivables are recognised and stated at fair value less any allowances for doubtful debts

2.6 Trade payables

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

2.7 Share Capital

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

2.8 Share premium

Share premium represents the excess of the amount subscribed for share capital over the nominal value of these shares net of share issue expenses.

2.7 Fair values

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

2.8 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

2.9 Taxation

Tax on profit the profit or loss for the year comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date together with any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

2.10 Share-based compensation

The fair value of the employee and suppliers services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed over the vesting year is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. At each statement of financial position date, the entity revises its estimates of the number of options that are expected to vest. It recognises the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to equity.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

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 and is selected based on past experience, future expectations and benchmarked against peer companies in the industry.

3. Critical accounting estimates and judgements

The Company makes certain estimated and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future actual experience may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Estimates and assumptions

(a) 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.

4. Turnover

	2013
	£
Analysed by geographical market:	-

5. Operating loss

	2013
	£
Operating loss is stated after charging:	
Directors' share based payments expense	16,906
Auditors' remuneration:	
Fees payable to the company's auditor for the audit of the company's annual accounts	3,000

6. Interest payable

	2013
	£
On bank loans and overdrafts	**-**

7. Taxation

	2013 £
Tax charge	-
Factors affecting the tax charge for the year;	-
Profit / (Loss) on ordinary activities before taxation	(119,876)
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20.0%	(23,975)
Tax effect of expense not deductible for tax	3,381
Tax effect of utilisation of tax losses not previously recognised	20,594
Tax Charge	-

The company has excess management expenses of £102,970 available for carry forward against future trading profits. The deferred tax asset in these tax losses at 20% of £20,594 has not been recognised due to the uncertainty of recovery.

8. Loss per share

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:

	2013 £
Loss after tax	(119,876)
Weighted average number of ordinary shares in issue	42,072,239
Basic and diluted loss per share (pence)	0.28p

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 March 2013 there were 57,737,930 outstanding share options and 5,517,138 outstanding share warrants, both are potentially dilutive.

9. Dividends

	2013 £
Dividends paid	-

10. Investments

	2013 £
Investment at cost	84,915

The directors have valued the 19% investment in Dynamic Intertrade (Pty) Limited at cost given the early stages of development.

11. Creditors : amounts falling due within one year

	2013 £
Trade payables	38,452
Accruals	3,000
	41,452

12. Share capital

Allotted, called up and fully paid

	Number	Nominal Value £
Issued (nominal value of 0.1p per Ordinary share)	68,514,705	68,515

On 17 January 2012, the date of incorporation, the company issued 1 Ordinary Share of £1.

On 4 April 2012, the company reorganised its Ordinary Share whereby the 1 Ordinary Share of £1 was subdivided into 1,000 Ordinary Shares of 0.1p

12. Share Capital Continued

On 20 April 2012, the company issued 9,999,000 Ordinary Shares of 0.1p each.

On 4 May 2012, 45,226,600 new Ordinary Shares of 0.1p each were issued at 1p per share by way of share placing. The cash consideration received by the Company was £462,266.

On 27 March 2013, 9,750,000 share warrants over Ordinary Shares of 0.1p were exercised at the subscription price of 1.5p per share.

On 28 March 2013, 3,538,105 new Ordinary Shares of 0.1p each were issued as consideration to acquire a 19% investment in Dynamic Intertrade (Pty) Limited.

13. Share Premium Account

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

14. Reconciliation of movements in shareholders' funds

	2013 £
Loss for year	(119,876)
Nominal value – Ordinary shares issued during the year	68,515
Share premium – Ordinary shares issued during the year	624,916
Movement in Share Based Payments Reserve	16,906
Closing shareholders' funds	590,461

15. Share-based payments

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

On 5 September 2012, 45,226,600 warrants to subscribe for Ordinary Shares, which are exercisable at a price of 1.5p per share, were issued to placees.

On 5 September 2012, 2,761,330 warrants to subscribe for Ordinary Shares, which are exercisable at a price of 1p per share, were issued as consideration to the joint financial advisers of the Company, Zeus Capital Limited and VSA Capital Limited.

On 6 December 2012 the Company made a "Warrant Proposal" to Warrant holders whereby if they exercise their Warrants by 16 January 2013, they will be granted two new warrants at 2.5p per share expiring on 31 January 2015. 9,750,000 warrants were exercised before this date and therefore 19,500,000 warrants to subscribe for Ordinary Shares, which are exercisable at a price of 2.5p per share, were issued.

Options

On 9 May 2012, 5,517,138 were issued to the directors of the Company. The share based payment charge for the year in respect of the issued options was £16,906.

The details of options and warrants are as follows:

15. Share-based payments Continued

Date of Grant	Granted	Exercised/ Vested	Forfeits	At 31.03.13	Exercise Price	Exercise/Vesting Date From	To
Warrants							
05/09/2012	45,226,600	(9,750,000)	-	35,476,600	1.5p	05/09/2012	05/09/2013
09/05/2012	2,761,330	-	-	2,761,330	1p	09/05/2012	05/09/2022
06/12/2012	19.500,000	-	-	19,500,000	2.5p	06/12/2012	31/01/2015
Options							
06/09/2012	5,517,138	-	-	5,517,138	1p	06/09/2012	05/09/2022

The total warrants and options outstanding at 31 March 2013 were 63,255,068.

The number of options outstanding to the directors as at 31 March 2013 were as follows:

Director	Warrants	Options	Total
Andrew Anthony Monk	2,000,000	1,839,046	3,839,046
Konrad Patrick Legg	5,500,000	1,839,046	7,339,046
Douglas Dakarai Chikohora	1,250,000	1,839,046	3,089,046
Totals	**8,750,000**	**5,517,138**	**14,267,138**

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

	6 September 2012
Share price at date of grant	£0.0125
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	£0.0045

The share options outstanding at the year-end had a weighted average remaining contractual life of 9.4 years.

16. Directors' emoluments
There were no directors emoluments in the period

17. Cash and cash equivalents

	2013
	£
Cash at bank	546,998

18. Employees

	2013
The average monthly number of employees (including directors) during the period	Number
	3

19. Employment costs

The amount of £16,906 was charged in the period to establish the Share Based Payments Reserve.

There were no other employment costs in the period.

20. Related party transactions

The director, Andrew Monk, is also a director of VSA Capital Group plc and that group provided corporate finance services amounting £12,000 to the company in the period, the amount owed to VSA Capital Group plc at 31 March 2013 was £12,000.

The company secretary, Stephen Clow, was a partner in the law firm DMH Stallard LLP and that firm provided legal services of £30,000 to the company in the period. The amount owed to DMH Stallard LLP at 31 March 2013 was £18,111.

There were no other related party transactions during the period to 31 March 2013.

21. Control

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

22. Events after the reporting period

During April 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.

After the reporting period Dynamic Intertrade made a £30,000 loan repayment with regard to the loan mentioned above.