AfriAg plc
(formerly 3D Resources plc)

Annual Report and Financial Statements
for the year ended 31 December 2013

Registered number 002845V

ID155261

Contents

AfriAg plc
(formerly 3D Resources plc)

Company information

Directors	David Lenigas (Executive Chairman) Donald Strang (Finance Director) Hamish Harris (Executive Director)
Registered office	34 North Quay Douglas Isle of Man IM1 4LB
Nominated Adviser and Broker	Cairn Financial Advisers LLP 61 Cheapside London, EC2V 6AX United Kingdom
Auditor	Chapman Davis LLP Chartered Accountants and Registered Auditor 2 Chapel Court, London, SE1 1HH United Kingdom
Solicitors to English Law	Kerman & Co. LLP 200 Strand, London, WC2R 1DJ United Kingdom
Solicitors to Isle of Man Law	Dougherty Quinn The Chambers 58 Mount Pleasant Douglas Isle of Man IM1 2PU
Bankers	Lloyds Bank plc 39 Threadneedle Street, London, EC2R 8AU United Kingdom

Chairman's report (incorporating the strategic review)

I am pleased to present the annual report and financial statements for the year ended 31 December 2013.

This has been a period of considerable change for the Group.

During the early part of year, the Company's name and investing policy was changed and I was appointed Executive Chairman. The Company also completed the purchase of a 40% equity interest in African agri-logistics company AfriAg Pty Ltd ("AfriAg SA") and acquired a portfolio of shares in various quoted agricultural companies in accordance with the Company's stated investing policy.

Following these investments being made the Company has now substantially implemented its investing policy in accordance with rule 15 of the AIM Rules for Companies.

The 40% investment in AfriAg SA was made in July 2013. Since then, AfriAg SA has gradually grown its fleet of AfriAg-branded special purpose refrigerated trucks that now transport perishable food and agricultural related produce around southern Africa and then transport these products to supermarkets in Europe, the Middle East and Asia by sea and air freight. Any revenue due to the Company will be by way of periodic dividends from AfriAg SA. The Company is not anticipating any dividends in the short term as any excess working capital from AfriAg SA is being retained to assist with growing that business.

On 17 June 2014, the Company announced its intention to establish a new wholly-owned food marketing and sales and distribution division called AfriAg Marketing, in South Africa with the prime focus of sourcing and then marketing African produce (fresh and frozen) within the southern African region as well as from southern Africa to global markets.

My fellow director Donald Strang and I are in the process of being appointed as the initial directors of this new division. It is proposed that during the start-up phase of this new division that funding will be provided from the Company's current cash reserves. AfriAg Marketing is seeing multiple global opportunities to assist with sourcing and supplying African food produce; in particular in Asia and the Middle East. We will use this new wholly owned division to capitalise on these opportunities for the Company.

The board is confident that AfriAg Marketing will be fully operational by the end of July 2014.

Results for the period

The Group's net loss after taxation for the year was £0.31million (2012 - £4.775 million loss).

Current assets including cash at 31 December 2013 amounted to £244,000 (31 December 2012: £179,000). This has been subsequently boosted since year-end with the £400,000 share placement completed in June 2014.

Outlook

The current Board considers that adoption of the new Investing Policy is in the best interests of the Company and its Shareholders as a whole. The Board envisages an exciting growth period for the Company as it continues to implement its investment strategy of focusing on African related agri-business and agri-logistics and continues to evaluate new investment opportunities in these sectors as they arise.

Since the creation of AfriAg a year ago, the Company had only raised a net £600,000 to year end to rescue the previous business (previously 3D Resources plc, which had been scheduled for de-listing from AIM), pay out old outstanding creditors and invest in a number of agri related businesses. The recent £400,000 funding in June 2014 significantly improved the Company's balance sheet and will enable the Company to grow and continue with its stated investment policy.

The Board would like to take this opportunity to thank our shareholders for their continued support.

I look forward to reporting further progress over the next period and beyond.

David Lenigas
Executive Chairman

27 June 2014

Directors' report

The directors present their report on the group and its audited financial statements for the year ended 31 December 2013.

Principal activity
As at 31 December 2013 the principal activity of the Group is that of investing by seeking to acquire a direct and / or indirect interest in projects and assets in the agriculture and logistics sectors. The Group currently has a focus on opportunities in Africa, Europe and the Middle East but will consider possible opportunities anywhere in the world.

Results and dividends
The income statement is set out on page 10 and has been prepared in Sterling, the functional and reporting currency of the company.

The Group's net loss after taxation attributable to equity holders of AfriAg plc for the year was £0.31million (2012 - £4.775 million loss).

No dividends have been paid or proposed.

Review of the business and future developments
A full review of the Group's performance, financial position and future prospects is given in the Chairman's Report.

Directors and their interests
The interests of the Directors at 31 December 2013 in the ordinary share capital of the Company (all beneficially held) were as follows

	31 December 2013	**31 December 2012**
	No.	No.
David Lenigas	106,000,000	100,000,000
Donald Strang	40,000,000	40,000,000
Hamish Harris	40,000,000	40,000,000

In addition to the issued shares shown above, Donald Strang and Hamish Harris each hold options over 13,600,000 ordinary shares, exercisable at 0.1p at any time up to 31 December 2020.

David Lenigas holds 40,000,000 warrants which entitle him to subscribe for 40,000,000 new Ordinary Shares in the Company at a price of 0.1 pence per Ordinary Share, exercisable at any time up to 31 December 2015. David Lenigas also holds share options over a total of 13,000,000 Ordinary Shares in the Company at an exercise price of 0.1 pence per Ordinary Share.

David Lenigas was appointed as a director on 24 April 2013. Oliver Cooke resigned as a director on 17 May 2013.

Substantial shareholdings
Other than as summarised below, the Directors have not been advised of any individual interest, or group or interests held by persons acting together, which at 27 June 2014 exceeded 3% of the Company's issued share capital.

	Number of Ordinary Shares held	% of issued share capital
Vidacos Nominees Limited	224,250,000	18.88
Cozinix Limited	188,000,000	15.82
JIM Nominees Limited	111,145,333	9.36
Ferlim Nominees Limited	87,350,000	7.35
Redmayne (Nominees) Limited (designation LP3604Y)	65,900,000	5.55
Fiske Nominees Limited	59,224,690	4.99
Beaufort Nominees Limited	43,384,088	3.65
Brewin Nominees (Channel Islands) Limited	40,000,000	3.37
UBS Private Banking Nominees Limited	40,000,000	3.37
Redmayne (Nominees) Limited (designation LOA 0025P)	39,740,000	3.35

Employees
The Company has no directly employed personnel.

Creditor payment policy
The policy of the Company is to:

(a) Agree the terms of payment with suppliers when settling the terms of each transaction;

(b) Ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; and

(c) Pay in accordance with its contractual and other legal obligations provided suppliers comply with the terms and conditions of supply.

Directors' liability
As permitted by the Isle of Man Companies Act 2006, the Company has purchased insurance cover for the Directors against liabilities in relation to the Company.

Charitable donations
During the period, the Company made no charitable donations (2012 - £Nil).

Financial reporting
The Board has ultimate responsibility for the preparation of the annual audited accounts. A detailed review of the performance of the Company is contained in the Chairman's report. Presenting the Chairman's report and Director's Report, the Board seeks to present a balanced and understandable assessment of the Company's position, performance and prospects.

Internal control
A key objective of the Directors is to safeguard the value of the business and assets of the Company. This requires the development of relevant policies and appropriate internal controls to ensure proper management of the Company's resources and the identification and mitigation of risks which might serve to undermine them. The Directors are responsible for the Company's system of internal control and for reviewing its effectiveness. It should, however, be recognised that such a system can provide only reasonable and not absolute assurance against material misstatement or loss.

Risk management
The directors have in place a process of regularly reviewing risks to the business and monitoring associated controls, actions and contingency plans.

The Group's financial risk management policies are set out in Note 17.

Website publication
The directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Corporate Governance
Audit and Remuneration Committees have been established and comprise Donald Strang and David Lenigas, and Donald Strang and Hamish Harris respectively.

The role of the Remuneration Committee is to review the performance of the executive Directors and to set the scale and structure of their remuneration, including bonus arrangements. The Remuneration Committee also administers and establishes performance targets for the Company's employee share schemes and executive incentive schemes for key management. In exercising this role, the terms of reference of the Remuneration Committee require it to comply with the Code of Best Practice published in the Combined Code.

The Audit Committee is responsible for making recommendations to the Board on the appointment of the auditors and the audit fee, and receives and reviews reports from management and the Company's auditors on the internal control systems in use throughout the Company and its accounting policies.

Going concern
Notwithstanding the loss incurred during the period under review, the Directors are of the opinion that ongoing evaluations of the Group's interests and cash resources, indicate that preparation of the Group's financial statements on a going concern basis is appropriate.

Directors' report (continued)
Statement of directors' responsibilities

Isle of Man company law requires the directors to keep reliable accounting records which correctly explain the transactions of the Company, enable the financial position of the Company to be determined with reasonable accuracy at any time and allow financial statements to be prepared. The shareholders have resolved, in accordance with the Companies Act 2006 and the Articles of Association, that the directors prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Company and of its profit or loss for that period.

On this basis the directors have elected to prepare the financial statements for the Company in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

International Accounting Standard 1 requires that accounts present fairly for each financial period the company's financial position, financial performance and cash flows. This requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the International Accounting Standards Board's 'Framework for the preparation and presentation of accounts'. In virtually all circumstances, a fair presentation will be achieved by compliance with all applicable IFRSs. However, directors are also required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable IFRSs have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts comply with the Isle of Man Companies Act 2006. They have a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect 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. Legislation in the Isle of Man governing the preparation and dissemination of accounts may differ from legislation in other jurisdictions.

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the Company's auditors are unaware.

Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the Company's auditors are aware of that information.

By order of the Board of Directors

David Lenigas
Director

27 June 2014

Independent auditor's report to the members of AfriAg plc

We have audited the financial statements of AfriAg plc for the period to 31 December 2013 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity, the Consolidated Cash Flow Statement, the Company Cash Flow Statement, 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 Section 80c of the Isle of Man 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 auditor's 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 directors' responsibilities statement set out on pages 7-8, the directors are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the accounts 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
A description of the scope of an audit of Financial Statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on accounts
In our opinion the accounts:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2013 and of the group's loss, and of the group's and parent company's cash flows for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Isle of Man 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 accounts.

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters where the Isle of Man Companies Act 2006 requires us to report to you, if in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the accounts 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.

Keith Fulton (Senior Statutory Auditor)
for and on behalf of Chapman Davis LLP
Chartered Accountants and Statutory Auditors
London
27 June 2014

Consolidated Statement of Comprehensive Income for the period to 31 December 2013

	Note	Year ended 31 December 2013	18 month period to 31 December 2012
		£	£
Revenue		2,000	-
Cost of sales		-	-
Gross Profit		2,000	-
Administration expenses		(310,342)	466,134
Loss of disposal of investment		-	203,292
Write off of group balance		-	4,105,158
Operating (loss)	4-5	(308,342)	(4,774,584)
Share of associate result		1,831	-
(Loss) before taxation		(306,511)	(4,774,584)
Taxation	7	-	-
(Loss) for the period attributable to equity holders of the parent		(306,511)	(4,774,584)
Other comprehensive income			
Gain on revaluation of available for sale investments		9,788	-
(Loss) on revaluation of derivative financial instrument		(300,000)	-
Other comprehensive income for the period net of taxation		(290,212)	-
Total comprehensive income for the year attributable to equity holders of the parent		(596,723)	(4,774,584)
Loss per share	8		
Basic and diluted		(0.03)	(0.58)

The accompanying accounting policies and notes form part of these financial statements.

Consolidated Statement of financial position at 31 December 2013

	Note	31 December 2013 £	31 December 2012 £
Non-current assets			
Investments in associates	10	**1,328,831**	-
		1,328,831	-
Current assets			
Available for sale assets	11	**211,077**	-
Trade and other receivables	12	**20,225**	7,066
Derivative financial instrument	14	**-**	-
Cash and cash equivalents		**12,426**	171,925
		243,728	178,991
Total assets		**1,572,559**	178,991
Current liabilities			
Trade and other payables	13	**(148,173)**	(21,282)
		(148,173)	(21,282)
Net current assets		**95,555**	157,709
Net assets		**1,424,386**	157,709
Equity			
Share capital	15	**1,055,501**	820,975
Share premium account		**7,963,148**	6,334,274
Share based payment reserve		**181,025**	193,134
Revaluation reserves		**(290,212)**	-
Retained earnings		**(7,485,076)**	(7,190,674)
		1,424,386	157,709

The financial statements of AfriAg plc (registered number 002845V) were approved by the Board of Directors and authorised for issue on 27 June 2014 and were signed on its behalf by:

David Lenigas
Chairman

The accompanying accounting policies and notes form part of these financial statements.

Company Statement of financial position at 31 December 2013

	Note	31 December 2013 £	31 December 2012 £
Non-current assets			
Investments in subsidiary undertakings	9	**11**	-
Trade and other receivables	12	**1,326,989**	-
		1,327,000	-
Current assets			
Available for sale assets	11	**211,077**	
Trade and other receivables	12	**20,225**	7,066
Derivative financial instrument	14	**-**	-
Cash and cash equivalents		**12,426**	171,925
		243,728	178,991
Total assets		**1,570,728**	178,991
Current liabilities			
Trade and other payables	13	**(148,173)**	(21,282)
		(148,173)	(21,282)
Net current assets		**95,555**	157,709
Net assets		**1,422,555**	157,709
Equity			
Share capital	15	**1,055,501**	820,975
Share premium account		**7,963,148**	6,334,274
Share based payment reserve		**181,025**	193,134
Revaluation reserves		**(290,212)**	-
Retained earnings		**(7,486,907)**	(7,190,674)
		1,422,555	157,709

The financial statements of AfriAg plc (registered number 002845V) were approved by the Board of Directors and authorised for issue on 27 June 2014 and were signed on its behalf by:

David Lenigas
Chairman

The accompanying accounting policies and notes form part of these financial statements.

Consolidated Statement of changes in equity for the period to 31 December 2013

	Share capital £	Share premium £	Share based payment reserve £	Revaluation reserves £	Retained earnings £	Total £
At 30 June 2011	170,475	5,366,966	68,220	-	(2,623,593)	2,982,068
Loss for the period	-	-	-	-	(4,774,584)	(4,774,584)
Total Comprehensive Income	-	-	-	-	(4,774,584)	(4,774,584)
Shares issued (net of expenses)	270,500	1,233,308	-	-	-	1,503,808
Subscriber shares	380,000	(266,000)	-	-	-	114,000
Share based payment expense	-	-	332,417	-	-	332,417
Release when options cancelled	-	-	(207,503)	-	207,503	-
Total contributions by and distributions to owners of the Company	650,500	967,308	124,914	-	207,503	1,950,225
At 31 December 2012	820,975	6,334,274	193,134	-	(7,190,674)	157,709
Loss for the period	-	-	-	-	(306,511)	(306,511)
Gain on revaluation of available for sale investments	-	-	-	9,788	-	9,788
(Loss) on revaluation of derivative financial instrument	-	-	-	(300,000)	-	(300,000)
Total Comprehensive Income	-	-	-	(290,212)	(306,511)	(596,723)
Shares issued (net of expenses)	234,526	1,628,874	-	-	-	1,863,400
Options and warrants exercised	-	-	(12,109)	-	12,109	-
Total contributions by and distributions to owners of the Company	234,526	1,628,874	(12,109)	-	12,109	1,863,400
At 31 December 2013	**1,055,501**	**7,963,148**	**181,025**	**(290,212)**	**(7,485,076)**	**1,424,386**

The accompanying accounting policies and notes form part of these financial statements.

AfriAg plc
(formerly 3D Resources plc)

Company Statement of changes in equity for the period to 31 December 2013

	Share capital £	**Share premium £**	**Share based payment reserve £**	**Revaluation reserves £**	**Retained earnings £**	**Total £**
At 30 June 2011	170,475	5,366,966	68,220	-	(2,623,593)	2,982,068
Loss for the period	-	-	-	-	(4,774,584)	(4,774,584)
Total Comprehensive Income	-	-	-	-	(4,774,584)	(4,774,584)
Shares issued (net of expenses)	270,500	1,233,308	-	-	-	1,503,808
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Share based payment expense	-	-	332,417	-	-	332,417
Release when options cancelled	-	-	(207,503)	-	207,503	-
Total contributions by and distributions to owners of the Company	650,500	967,308	124,914	-	207,503	1,950,225
At 31 December 2012	820,975	6,334,274	193,134	-	(7,190,674)	157,709
Loss for the period	-	-	-	-	(308,342)	(308,342)
Gain on revaluation of available for sale investments	-	-	-	9,788	-	9,788
(Loss) on revaluation of derivative financial instrument	-	-	-	(300,000)	-	(300,000)
Total Comprehensive Income	-	-	-	(290,212)	(308,342)	(598,554)
Shares issued (net of expenses)	234,526	1,628,874	-	-	-	1,863,400
Options and warrants exercised	-	-	(12,109)	-	12,109	-
Total contributions by and distributions to owners of the Company	234,526	1,628,874	(12,109)	-	12,109	1,863,400
At 31 December 2013	**1,055,501**	**7,963,148**	**181,025**	**(290,212)**	**(7,486,907)**	**1,422,555**

The accompanying accounting policies and notes form part of these financial statements.

Consolidated Cash flow statement for the period ended 31 December 2013

	12 month period to 31 Dec 2013 £	18 month period to 31 Dec 2012 £
Cash flows from operating activities		
Operating (loss)	(308,342)	(4,774,584)
(Increase)/decrease in trade and other receivables	(13,159)	2,527,339
Increase/(decrease) in trade and other payables	126,891	(22,749)
Share option charge	-	193,134
Investment write-off	-	203,292
Net cash outflow in operating activities	(194,610)	(1,873,568)
Investing activities		
Investment in assets held for sale	(201,289)	-
Investment in associate	(10,000)	-
Net cash outflow in investing activities	(211,289)	-
Financing activities		
Issue of share capital	616,400	1,724,000
Issue costs	(70,000)	(106,192)
Payment for derivative financial instrument	(300,000)	-
Net cash inflow from financing activities	246,400	1,617,808
Net decrease and cash and cash equivalents	(159,499)	(255,760)
Cash and cash equivalents at beginning of period	171,925	427,685
Cash and cash equivalents at end of period	12,426	171,925

The accompanying accounting policies and notes form part of these financial statements.

Company Cash flow statement for the period ended 31 December 2013

	12 month period to 31 Dec 2013 £	18 month period to 31 Dec 2012 £
Cash flows from operating activities		
Operating (loss)	(308,342)	(4,774,584)
(Increase)/decrease in trade and other receivables	(13,159)	2,527,339
Increase/(decrease) in trade and other payables	126,891	(22,749)
Share option charge	-	193,134
Investment write-off	-	203,292
Net cash outflow in operating activities	(194,610)	(1,873,568)
Investing activities		
Investments in subsidiary undertakings	(11)	-
Investment in assets held for sale	(201,289)	-
Loans granted to subsidiaries	(9,989)	-
Net cash outflow in investing activities	(211,289)	-
Financing activities		
Issue of share capital	616,400	1,724,000
Issue costs	(70,000)	(106,192)
Payment for derivative financial instrument	(300,000)	-
Net cash inflow from financing activities	246,400	1,617,808
Net decrease and cash and cash equivalents	(159,499)	(255,760)
Cash and cash equivalents at beginning of period	171,925	427,685
Cash and cash equivalents at end of period	12,426	171,925

The accompanying accounting policies and notes form part of these financial statements.

1 General information

AfriAg plc is a company incorporated in the Isle of Man under the Isle of Man Companies Act 2006. The address of the registered office is given on page 1. The nature of the Company's operations and its principal activities are set out in the directors' report on pages 4 to 8. AfriAg plc's shares are listed on the AIM of the London Stock Exchange. The Company changed its name from 3D Resources Plc by resolution on 24 April 2013

These accounts have been prepared in Sterling because that is the currency of the primary economic environment in which the Company operates.

Adoption of new or amended IFRS

In the current year, the following new and revised Standards and Interpretations have been adopted and have affected the amounts reported in these financial statements.

IFRS 13 Fair Value Measurement

The Company has applied IFRS13 for the first time in the current year. IFRS13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. IFRS13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. Fair value under IFRS13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. Also, IFRS13 includes extensive disclosure requirements.

IFRS13 requires prospective application from 1 January 2013. In addition, specific transitional provisions were given to entities such that they need not apply the disclosure requirements set out in the Standard in comparative information provided for periods before the initial application of the Standard.

In accordance with these transitional provisions, the Company has not made any new disclosures required by IFRS13 for the 2012 comparative period. Other than the additional disclosures, the application of IFRS13 has not had any impact on the amounts recognised in the consolidated financial statements.

Amendments to IAS1 Presentation of Financial Statements
(as part of the Annual Improvements to IFRSs 2009; 2011 Cycle issued in May 2012)

The Annual Improvements to IFRSs 2009; 2011 have made a number of amendments to IFRSs. The amendments that are relevant to the Company are the amendments to IAS1 regarding when a statement of financial position as at the beginning of the preceding period (third statement of financial position) and the related notes are required to be presented. The amendments specify that a third statement of financial position is required when a) an entity applies an accounting policy retrospectively, or makes a retrospective restatement or reclassification of items in its financial statements, and b) the retrospective application, restatement or reclassification has a material effect on the information in the third statement of financial position. The amendments specify that related notes are not required to accompany the third statement of financial position.

This has no impact for the 2013 financial statements.

Adoption of new or amended IFRS (continued)

Amendments to IFRS7 Disclosures

The Company has applied the amendments to IFRS7 Disclosures–Offsetting Financial Assets and Financial Liabilities for the first time in the current year. The amendments to IFRS7 require entities to disclose information about rights of offset and related arrangements (such as collateral posting requirements) for financial instruments under an enforceable master netting agreement or similar arrangement.

As the Company does not have any offsetting arrangements in place, the application of the amendments has had no impact on the disclosures or on the amounts recognised in the financial statements.

At the date of authorisation of these financial statements, the following Standards and Interpretations which have not been applied in these financial statements were in issue but not yet effective (and in some cases had not yet been adopted by the EU):

IFRS9	Financial Instruments
IFRS10	Consolidated Financial Statements
IFRS12	Joint Arrangements#
IAS27 (revised)	Investment Entities
IAS28 (revised)	Investments in Associates and Joint Ventures
IAS32 (revised)	Offsetting Financial Assets and Financial Liabilities
IAS36 (revised)	Recoverable Amount Disclosures for Non Financial Assets
IAS39 (revised)	Novation of Derivatives and Continuation of Hedge Accounting

IFRIC Interpretation21 Levies

The directors do not expect that the adoption of the Standards and Interpretations listed above will have a material impact on the financial statements of the Company in future periods, except as that IFRS9 will impact both the measurement and disclosures of Financial Instruments.

Beyond the information above, it is not practicable to provide a reasonable estimate of the effect of these standards until a detailed review has been completed.

The directors do not expect that the adoption of the standards listed above will have a material impact on the financial statements of the Company in future periods, however, it is not practicable to provide a reasonable estimate of the effect of these standards until a detailed review has been completed.

2 Significant accounting policies

Basis of preparation

The accounts have been prepared in accordance with International Financial Reporting Standards (IFRSs) adopted for the use in the European Union.

The accounts have been prepared under the historical cost convention. The principal accounting policies are set out below.

2 Significant accounting policies (continued)

Basis of Consolidation

The Group financial statements consolidate those of the Company and all of its subsidiary undertakings drawn up to the balance sheet date. Subsidiaries are entities over which the Company has the power to control, directly or indirectly, the financial and operating policies so as to obtain benefits from their activities. The Company obtains and exercises control through voting rights. Subsidiaries are fully consolidated from the date at which control is transferred to the Company. They are deconsolidated from the date that control ceases.

Unrealised gains on transactions between the Company and its subsidiaries are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Acquisitions of subsidiaries are dealt with by the acquisition method. The acquisition method involves the recognition at fair value of all identifiable assets and liabilities, including contingent liabilities of the subsidiary, at the acquisition date, regardless of whether or not they were recorded in the financial statements of the subsidiary prior to acquisition. On initial recognition, the assets and liabilities of the subsidiary are included in the consolidated balance sheet at their fair values, which are also used as the bases for subsequent measurement in accordance with the Group accounting policies. Goodwill is stated after separating out identifiable intangible assets. Goodwill represents the excess of acquisition cost over the fair value of the Group's share of the identifiable net assets of the acquired subsidiary at the date of acquisition. Acquisition costs are written off as incurred.

Investments in associates are initially recognised at cost and subsequently accounted for using the equity method. Any goodwill or fair value adjustment attributable to the Group’s share in the associate is not recognised separately and is included in the amount recognised as investment in associate. The carrying amount of the investment in associates is increased or decreased to recognise the Group’s share of the profit or loss and other comprehensive income of the associate, adjusted where necessary to ensure consistency with the accounting policies of the Group. Unrealised gains and losses on transactions between the Group and its associates are eliminated to the extent of the Group’s interest in those entities. Where unrealised losses are eliminated, the underlying asset is also tested for impairment

Going concern

Notwithstanding the loss incurred during the period under review, the Directors are of the opinion that ongoing evaluations of the Company’s interests and cash resources, indicate that preparation of the Company’s accounts on a going concern basis is appropriate.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts from the sales of goods provided in the normal course of business, net of value added tax and discounts, and is recognised when the significant risks and rewards of ownership of the product have been transferred to a third party. In the case of sale or return transactions, revenue is only recognised when, and only to the level that, risks and rewards are transferred.

Revenue is the invoiced value of goods and services supplied and excludes VAT and other sales based taxes.

2 Significant accounting policies (continued)

Financial instruments

Financial assets and financial liabilities are recognised on the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

The Company's activities give rise to some exposure to the financial risks of changes in interest rates and foreign currency exchange rates. The Company has no borrowings and is principally funded by equity, maintaining all its funds in bank accounts.

Financial assets

Financial assets are classified into the following specified categories; financial assets "at fair value through profit or loss" (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 initial recognition.

Available for sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated to this category or do not qualify for inclusion in any of the other categories of financial assets. The Group's available-for-sale financial assets include listed securities. These available-for-sale financial assets are measured at fair value. Gains and losses are recognised in other comprehensive income and reported within the available-for-sale reserve within equity, except for impairment losses and foreign exchange differences, which are recognised in profit or loss. When the asset is disposed of or is determined to be impaired, the cumulative gain or loss recognised in other comprehensive income is reclassified from the equity reserve to profit or loss and presented as a reclassification adjustment within other comprehensive income. Interest calculated using the effective interest method and dividends are recognised in profit or loss within finance income.

Reversals of impairment losses are recognised in other comprehensive income.

Equity

Share capital is determined using the nominal value of shares that have been issued.

The share premium account represents premiums received on the initial issuing of the share capital. Any transaction costs associated with the issuing of shares are deducted from share premium, net of any related income tax benefits.

The share based payment reserve represents the cumulative amount which has been expensed in the income statement in connection with share based payments, less any amounts transferred to retained earnings on the exercise of share options.

Revaluation reserve represents the unrealised gain or loss on fair/market value movement on available for sale investments and other assets which are valued at their fair value at the balance sheet date.

Retained earnings include all current and prior period results as disclosed in the income statement.

2 Significant accounting policies (continued)

Cash

Cash includes cash in hand, deposits held at call with banks, and bank overdrafts. Bank overdrafts are shown within current liabilities on the balance sheet.

Financial liabilities

Trade payables
Trade payables are non-interest-bearing and are initially measured at fair value and thereafter at amortised cost using the effective interest rate.

Taxation

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

The tax currently payable is based on taxable profit for the period. Taxable profit differs from the net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are never taxable or deductible. The Company’s liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Provisions

Provisions are recognised when the Company has a present obligation as a result of a past event, it is probable that the Company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation.

Share based payments

The Company issues equity-settled share based benefits to employees. All equity-settled share-based payments are ultimately recognised as an expense in profit or loss with a corresponding credit to reserves.

Share-based payments relating to the subsidiary company increase the carrying value of the investment in the subsidiary and are included in the loss on disposal of the subsidiary.

If vesting periods or other non-market vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognised in the current period. No adjustment is made to any expense recognised in prior periods if share options ultimately exercised are different to that estimated on vesting.

Upon exercise of share options the proceeds received net of attributable transaction costs are credited to share capital, and where appropriate share premium.

3 Critical accounting judgements and key sources of estimation uncertainty

In the process of applying the Company's accounting policies, as described in note 2, management has made the following judgements that have the most significant effect on the amounts recognised in the financial statements.

Valuation of share based payments to employees

The Company estimates the expected value of share based payments to employees and this is charged through the income statement over the vesting period. The fair value is estimated using the Black Scholes valuation model which requires a number of assumptions to be made such as level of share vesting, time of exercise, expected length of service and employee turnover and share price volatility. This method of estimating the value of share based payments is intended to ensure that the actual value transferred to employees is provided for by the time such payments are made.

4 Segmental information

An operating segment is a distinguishable component of the Group that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the Group's chief operating decision maker to make decisions about the allocation of resources and assessment of performance and about which discrete financial information is available.
The chief operating decision maker has defined that the Group's only reportable operating segment during the period is the agriculture and logistics sector.

Subject to further acquisitions the Group expects to further review its segmental information during the forthcoming financial year.

The Group has not generated any revenues from external customers during the period, £2,000 (2012: £nil) revenue is from management fees to the associate company.

In respect of the total assets, £243,728 (2012: £178,991) arise in the UK, and £1,327,000 (2012: £nil) arise in South Africa.

5 Operating loss

	Year to 31 Dec 2013 £	18 month Period to 31 Dec 2012 £
Operating loss is stated after charging:		
Share options	**-**	193,134
Audit	**10,000**	5,000
Loss on disposal of investment	**-**	203,292
Write off of subsidiary company balance	**-**	4,105,158

Included in share options is £nil (2012 - £27,377) relating to directors.

In addition to auditors' remuneration shown above, the auditors received the following fees for non audit services.

	2013 £	2012 £
Other financial advisory services	**-**	-

6 Directors' emoluments

Fees and benefits	135,000	65,280

The Company has no directly employed personnel.

2013	**Fees and salaries £000**	**Share based payments £000**	**Total £000**
D Lenigas (#2)	32,000	-	32,000
D Strang	48,000	-	48,000
H Harris	48,000	-	48,000
O Cooke (#1)	7,000		7,000
	135,000	-	135,000
2012	**£000**	**£000**	**£000**
D Strang	2,000	9,126	11,126
H Harris	2,000	9,126	11,126
O Cooke	21,760	9,125	30,885
J Noble (#3)	19,760	-	19,760
G Lay(#3)	19,760	-	19,760
	65,280	27,377	92,657

#1 - resigned 17 May 2013.
#2 - appointed 24 April 2013.
#3 - resigned 24 October 2012.
Directors' interest in share options is set out in note 16.

7 Taxation

	Year to 31 Dec 2013 £	18 month Period to 31 Dec 2012 £
Total current tax	**-**	**-**

The actual tax charges for the period differs from the standard rate applicable in the UK of 23/24% (2012 – 24/26%) for the reasons set out in the following reconciliation:

	2013 £	2012 £
Loss on ordinary activities before tax	(306,511)	(4,774,584)
Tax thereon @ rates above	(71,264)	(1,169,773)
Factors affecting charge for the period:		
Losses arising in territories where no tax is charged	(71,264)	1,169,773
Current tax charge for the period	**-**	-

8 Loss per share

IAS 33 "Earnings per share" requires presentation of diluted earnings / (loss) per share when a company could be called upon to issue shares that would decrease profit or increase loss per share. For a loss making company with outstanding share options, loss per share would only be increased by the exercise of out of money options. Since it seems inappropriate to assume that option holders would exercise out of money options, no adjustment has been made to calculate the diluted loss per share on out of money share options.

Basic and diluted loss per share are calculated on the loss of the company attributable to equity holders of the parent of £306,511 (Period ended 31 December 2012 - £4,774,584) and on weighted average number of ordinary shares of 893,299,984 (31 December 2012 – 820,974,824) in issue.

9 Investments in subsidiaries - Company

	31 December 2013	31 December 2012
	£	£
Cost and net book value		
At 1 January	**-**	64,009
Capital contribution	**-**	139,283
Additions	**11**	-
Disposal	**-**	(203,292)
At 31 December	**11**	-

The investment was sold for a consideration of £1.

The following were subsidiary undertakings held directly by the Company at the end of the year:

Name	**Country of incorporation**	**Proportion of voting rights and ordinary share capital held**	**Nature of business**
AfriAg Limited	England	100%	Holding Company
AfriAg Limited	BVI	100%	Dormant Company

10 Investment in associate - Group

	31 December 2013	31 December 2012
	£	£
At 1 January	**-**	-
Addition at cost	**1,327,000**	-
Share of associate result	**1,831**	-
Carrying value at 31 December	**1,328,831**	-

The Group's share of results of its associate, which is unlisted, and its aggregated assets and liabilities, is as follows:

Name	Country of incorporation	Assets	Liabilities	Revenues	Profit/(Loss)	% interest held
		As at 31 December 2013		Year to 31 December 2013		
AfriAg (Pty) Ltd	South Africa	£20,062	£12,030	£13,124	£9,130	40

AfriAg (Pty) Limited's year end is 31 December.

11 Available-for-sale investments – Group & Company

	31 December 2013	31 December 2012
Current Assets - Listed investments	**£**	£
At 1 January	**-**	-
Acquired during the period	**201,289**	-
Movement in market value	**9,788**	-
At 31 December	**211,077**	-

Available-for-sale investments comprise investments in listed securities which are traded on stock markets throughout the world, and are held by the Group as a mix of strategic and short term investments.

12 Trade and other receivables

	31 December 2013		31 December 2012	
	Group £	**Company £**	Group £	Company £
Current trade and other receivables				
Other debtors	**18,225**	**18,225**	7,066	7,066
Accrued income	**2,000**	**2,000**	-	-
Total	**20,225**	**20,225**	7,066	7,066
Non-Current trade and other receivables				
Loans due from subsidiaries	**-**	**1,326,989**	-	-
Total	**-**	**1,326,989**	-	-

Loans outstanding and due from subsidiaries, are interest free and repayable on demand.

13 Trade and other payables

	31 December 2013		31 December 2012	
	Group £	**Company £**	Group £	Company £
Current trade and other payables				
Trade creditors	**35,173**	**35,173**	3,282	3,282
Accruals	**113,000**	**113,000**	18,000	18,000-
Total	**148,173**	**148,173**	21,282	21,282

14	**Derivative Financial Instrument – Group & Company**	**31 December 2013**	**31 December 2012**
	Shares in Group undertaking	**£**	**£**
	Company		
	Cost		
	Fair value as at 1 January	-	-
	Cost of equity swap arrangement	300,000	-
	Fair value adjustment	(300,000)	-
	As at 31 December	**-**	**-**

On 12 September 2013 the Company announced that it had entered into an equity swap agreement with YAGM over 29,126,213 of the Company's shares. In return for a payment by the Company to YAGM of £300,000 ("the Initial Escrowed Funds"), twelve monthly settlement payments were to be made by YAGM to the Company, or by the Company to YAGM, based on a formula related to the difference between the prevailing market price of the Company's ordinary shares in any month and a 'benchmark price' that is 10% above the Subscription Price. Thus the funds received by the Company in respect of the Swap Shares are dependent on the future price performance of the Company's ordinary shares.

The Initial Escrowed Funds was deposited into an escrow account and the subsequent monthly settlement payments will be managed through the Escrow Account under the terms of the Equity Swap Agreement.

YAGM may elect to terminate the Equity Swap Agreement and accelerate the payments due under it in certain circumstances. The Company may pause a monthly payment under the Equity Swap Agreement once in each six month period.

YAGM has agreed that it and its affiliates will refrain from holding any net short position in respect of the Company's ordinary shares and has agreed restrictions on the volume of ordinary shares in the Company that it can trade from time to time until the expiry or if earlier termination of the Equity Swap Agreement.

By 31 December 2013 nil shares had been closed out for net proceeds of £nil. The remaining balance has been fair valued at 31 December 2013, which has resulted in a fair value adjustment decrease based on the benchmark price and formula of the arrangement, with the unrealised loss debited to revaluation reserve and highlighted in other comprehensive income.

Please see note 21 for events after the reporting period relating to this note.

15 Share capital

	2013 £	2012 £
Allotted, issued and fully paid		
1,055,501,037 (2012 – 820,974,824) ordinary shares of £0.001 each	**1,055,501**	**820,975**

The Company has one class of ordinary shares which carries no right to fixed income.

On 21 August 2013, 4,400,000 shares were issued on the exercise of warrants at 0.1p per share.

On 6 September 2013, the Company issued 188,000,000 shares as part of the acquisition of the 40% share in AfriAg (Pty) Limited, at a price of 0.7p per share. Non-cash consideration.

On 12 September 2013, 29,126,213 shares were issued in a Placing and Equity Swap, at 2.06p per share.

On 30 October 2013, 13,000,000 shares were issued on exercise of share options at 0.1p per share.

During the year ended 31 December 2013, the Company issued a total of 234,526,213 ordinary shares (2012: 650,500,000 ordinary shares).

Warrants in issue

As at 1 January 2013, shareholders had the option of up to 200,000,000 subscription warrants for each subscription share, exercisable at 0.1p per ordinary share. During the year, 4,400,000 warrants were exercised (2012: nil) at 0.1p per share. No warrants were cancelled or lapsed during the period (2012: nil).

As at 31 December 2013, 195,600,000 warrants (2012: 200,000,000) remain outstanding.

Share Options

The Company has as at 31 December 2013, 69,000,000 (2012: 82,000,000) share options issued through its share schemes. During the year no options were issued (2012: 82,000,000), 13,000,000 options were exercised (2012: nil), no options were cancelled or lapsed (2012: nil).

16 Share based payments

	December 2012 Options	December 2012 Warrants
Number of options	82,000,000	200,000,000
Volatility	15.76%	15.76%
Spot price	£0.00165	£0.00165
Interest rate	0.82%	0.82%
Dividend yield	Nil	Nil
Vesting period	1 year	1 year
Contractual life	8 years	3 years
Option value weighted average exercise price	£0.001	£0.001

The volatility assumption is based upon historic share price volatility in the medical sector.

Options granted to certain employees are subject to additional exercise conditions based on the satisfaction of certain performance criteria

As disclosed in note 5 the share option charge for the period was £nil *(2012 - £193,134).*

Exercise Price	1st Anniversary Date	Expiry Date	31 December 2012	Granted	Exercised	31 December 2013	Weighted average exercise price
Summary of options Enterprise management incentive scheme							
£0.001	07/12/2012	31/12/2020	82,000,000	-	(13,000,000)	69,000,000	£0.001
			82,000,000	-	(13,000,000)	69,000,000	
Summary of warrants							
£0.001	07/12/2012	31/12/2015	200,000,000	-	(4,400,000)	195,600,000	£0.001

17 Financial instruments

The Group's financial instruments comprise cash at bank and payables which arise in the normal course of business. It is, and has been throughout the period under review, the Group's policy that no speculative trading in financial instruments shall be undertaken. The Group has been solely equity funded during the period. As a result the main risk arising from the Group's financial instruments is currency risk.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2 of the accounts.

	2013	2012
	£	£
Financial assets (current)		
Cash and cash equivalents	**12,426**	**171,925**
Financial liabilities (current)		
Trade payables	**35,173**	**3,282**

Interest rate risk and liquidity risk

The Group is funded by equity, maintaining all its funds in bank accounts. The Group's policy throughout the period has been to minimise the risk of placing available funds on short term deposit. The short term deposits are placed with banks for periods up to 1 month according to funding requirements.

The Group had no undrawn committed borrowing facilities at any time during the period.

Fair values

Cash and cash equivalents (which are presented as a single class of assets on the face of the balance sheet) comprise cash held by the company with an original maturity of three months or less. The carrying amount of these assets approximates their fair value.

The directors consider there to be no material difference between the book value of financial instruments and their values at the balance sheet date.

18 Related party transactions

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note. Transactions between other related parties are discussed below.

During the period, there were no related party transactions to disclose.

Remuneration of Key Management Personnel

The remuneration of the Directors and other key management personnel of the Group are set out below in aggregate for each of the categories specified in IAS24 Related party Disclosures.

	2013	2012
	£	**£**
Short-term employee benefits	135,000	65,280
Share-based payments	-	27,377
	135,000	**92,657**

19 Capital Commitments & Contingent Liabilities

There are no non-cancellable capital commitments as at the balance sheet date. The Group has no contingent liabilities at the balance sheet date.

20 Ultimate control

The Company has no individual controlling party.

21 Events after the reporting period

On 11 June 2014, the Company completed a placing of 100,000,000 ordinary shares at a price of 0.4p per share, raising gross proceeds of £400,000.

On 11 June 2014, the Company, agreed with YAGM to cancel the equity swap arrangement for £300,000 in aggregate, and the issue of 32,500,000 ordinary shares to YAGM.

22 Profit and loss account of the parent company

As permitted by the Isle of Man Companies Act 2006, the profit and loss account of the parent company has not been separately presented in these accounts. The parent company loss for the year was £308,342 (2012: £4,774,584).