ANGLO AFRICAN AGRICULTURE PLC

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2017

Company Registration No. 07913053 (England and Wales)

Contents

Directors and Advisers

Directors:	David Lenigas George Roach Robert Scott Andrew Monk Matthew Bonner
Secretary:	Stephen Clow
Company Number:	07913053
Registered Address:	New Liverpool House 15-17 Eldon Street London EC2M 7LD
Head Office	New Liverpool House 15-17 Eldon Street London EC2M 7LD
Financial Adviser and Broker	VSA Capital Limited New Liverpool House 15-17 Eldon Street London EC2M 7LD
Auditors	Jeffreys Henry LLP Finsgate 5-7 Cranwood Street London EC1V 9EE
Solicitors to the Company	Keystone Law 48 Chancery Lane London WC2A 1JF
Registrars	Neville Registrars Limited Neville House 18 Laurel Lane Halesowen West Midlands B63 3DA

Chairman's Statement

For The Year Ended 31 October 2017

Overview
The 2017 financial year has seen the positive results of the significant restructuring of the business announced last year. Revenues have grown 33% to £2.1 million (2016: 29% growth to £1.6 million) This revenue growth was exclusively delivered from Anglo African Agriculture's ("AAA") 100% owned Dynamic Intertrade Ltd (Dynamic Intertrade).

The Company has consolidated its production capacity to around 250 tonnes per month at its modern 3,000m² FSSC compliant facility in Cape Town, South Africa. Dynamic Intertrade manufactures, imports and distributes herbs, spices and seasonings for the food manufacturing sector. The upgrades to the spice milling machines and associated infrastructure were completed and fully operational by the end of February 2017. These upgrades, coupled with operational efficiencies, assisted in the increase of gross profits by 60% to £517,747, and a gross margin of 24.3% (2016: decreased 11% to £323,079, gross margin 20.1%)

Administrative expenses increased to £1,050,929 from £665,228 mainly as a result of increased operational salary expenses, the impairment of the loan to the now disposed joint venture and admission expenses related to issuing equity for working capital, expansion and the acquisition of a 46.8% investment in an associate.

- In the prior year the Company expected to complete the sale of the loss making Guar Bean joint venture company, African Projects and Ventures ("APV"), for circa.£80,000, however the purchasers were unable to finance the purchase and net £73,656 has been impaired in the current year.
- In line with the Group strategy, an acquisition of 46.8% in the South African based Dynamic Intertrade Agri (Pty) Ltd was concluded during the year. In the period since acquisition the share of loss from associates was £9,954 (2016: £ nil).

The consolidated loss for the year reflects the steps taken to re-position the Company for continued growth into the future.

Prospects
Our core business continues to look strong into the 2018 year. The Company continues to add new customers as it further develops the Company's specialty spice blends, new ranges of BBQ spices, curry blends and beef jerky blends for those markets.

The board has reviewed, and continues to focus on reviewing, a number of new and exciting potential acquisitions to add value to AAA and its shareholders.

Thanks
The directors would like to take this opportunity to thank our shareholders, staff and consultants and customers for their continued support, and I look forward to chairing this exciting company as it grows and moves forward in 2018.

David Lenigas
Non-Executive Chairman

Strategic Report

For The Year Ended 31 October 2017

Overview

The primary objective of the strategic report is to provide information for the shareholders and help them to assess how the directors have performed their duty, under section 172 of the Act, to promote the success of the company and to provide context for the related financial statements.

The duty of a director, as set out in section 172 of the Act, is to act in the way he considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

(a) the likely consequences of any decision in the long term;
(b) the interests of the company's employees;
(c) the need to foster the company's business relationships with suppliers, customers and others;
(d) the impact of the company's operations on the community and the environment;
(e) the desirability of the company maintaining a reputation for high standards of business conduct; and
(f) the need to act fairly as between members of the company'.

Review of the Group's Business

Dynamic Intertrade (Pty) Ltd ("Dynamic") is based in a modern 3,000m² FSSC compliant facility in Cape Town, South Africa and is involved in the importation, milling, blending and packaging of agricultural products that include herbs, spices, seasonings and confectionary for both the domestic and export markets. Dynamic's commercial activities fall into two principal categories: milling and/or blending of herbs and spices and bulk trading of agricultural products.

Dynamic recorded an increase in top line revenue of 33% to £2.1 million in the year ended 31st October 2017 (2016: increase of 29% to £1.6 million). This increase was largely due to stronger orders from customers for our core spice lines of paprika and chilli based products, but also the ability of the company to source substantially more raw products thanks to the money raised by the Company during the year and the move towards introducing new batch blended spice ranges for the fish and meat food manufacturing sector.

Gross Profits increased 60% to £517,747 (2016: decreased 11% to £323,079) and represents a 24.4% gross margin (2016: 20.1%) mainly as a result of the positive changes in product mix.

Underlying losses for the year increased to £532,509 (2016: £339,372) due to higher administrative expenses. Administration expenses increased significantly due to admission expenses of £89,895 (2016: £ nil), the impairment of the loan to African projects £73,566 (2016: £ nil) and operational salaries increasing to £329,058 (2016: £236,879).

As announced in the prior year, the AAA board had decided on the disposal of the Guar bean venture, African Projects & Ventures (Pty) Ltd ("APV"), which resulted in a loss on disposal of £73,566 (2016: £ 18,853) taken to income and expense.

In line with the Group strategy, an acquisition of 46.8% in the South African based Dynamic Intertrade Agri (Pty) Ltd was concluded during the year. In the current year since acquisition the loss from associates was £9,954 (2016: £ nil).

Our core business continues to look strong into 2018. The Company continues to add new customers as it further develops the Company's specialty spice blends, new ranges of BBQ spices, curry blends and beef jerky blends for those markets.

Strategic Report (Continued)

For The Year Ended 31 October 2017

Financing

On 17 March 2017, AAA raised £100,000, through the placing of 7,692,308 new ordinary shares of 0.1p each in the Company at a price of 0.5p per placing Share. The proceeds from this placing were used to support working capital requirements at the Company's subsidiary, Dynamic Intertrade, during a period of expansion in this business through diversification of both its product range, a move to higher margin products and the expansion of its client base.

On 26 April 2017, the Company successfully completed a placing of 18,500,000 new ordinary shares at a placing price of 0.65 pence per share to raise gross proceeds of £120,250. The proceeds of this placing were used to satisfy the Company's creditors and provide the necessary working capital to continue growing Dynamic Intertrade's core business.

Although the placing Shares have been allotted, because the combined number of shares placed in 2016 and 2017 comprises more than 10% of the Company's issued share capital, Admission of the placing shares requires the publication of a prospectus in accordance with Prospectus Rule 1.2.1. This Prospectus was published on 22 March 2017.

Acquisition Strategy

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

In line with the strategy, on 3 November 2016 the group acquired 46.8% in the South African based, Dynamic Intertrade Agri (Pty) Ltd ("DIA"), which, since acquisition has been reflected as an investment in associate.

Similarly, on 22 November 2016, the group agreed to dispose of its 49.9% interest in Africa Projects and Ventures, a joint venture with Lamberti based in South Africa. On 31 October 2017 the company's wholly owned subsidiary Dynamic Intertrade (Pty) Limited ("Dynamic") entered into the Sale and Purchase Agreement in terms of which Dynamic will sell the 49.9% of the allotted and issued share capital of APV African Projects and Ventures (Pty) Limited to Misty Rose Properties 11 CC, a company owned by Mr G Roach for the total sum of ZAR1.00.

Key Performance Indicators

	31 October 2017	31 October 2016
	£	£
Turnover	2,126,797	1,605,219
Gross Profit	517,747	323,079
Cash at bank and in hand	75,952	268,790
Underlying operating loss	(369,700)	(339,372)

Strategic Report (Continued)

For The Year Ended 31 October 2017

Loan Facility

Following acquisition, AAA lent Dynamic £500,000 repayable over a period of five years from the first anniversary of drawdown. During the current year AAA advanced Dynamic £147,902 (2016: £100,000). The loan bears interest at 2% above LIBOR. Under the Loan Facility, AAA nominated a director to the board of Dynamic.

Principal Risks and Uncertainties

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

i. Development Risk

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

ii. Sector Risk

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

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

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

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

iii. Political and Regulatory Risk

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

iv. Environmental Risks and Hazards

All phases of the Group's operations are subject to environmental regulation in the areas in which it operates. Environmental legislation is evolving in a manner that may require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees.

Strategic Report (Continued)

For The Year Ended 31 October 2017

There is no assurance that existing or future environmental regulation will not materially adversely affect the Group's business, financial condition and results of operations. Environmental hazards may exist on the properties on which the Group holds interests that are unknown to the Group at present. The Board manages this risk by working with environmental consultants and by engaging with the relevant governmental departments and other concerned stakeholders.

v. Internal Control and Financial Risk Management

The Board has overall responsibility for the Group's systems of internal control and for reviewing their effectiveness. The Group maintains systems which are designed to provide reasonable but not absolute assurance against material loss and to manage rather than eliminate risk.

- The key features of the Group's systems of internal control are as follows:
- Management structure with clearly identified responsibilities;
- Production of timely and comprehensive historical management information presented to the Board;
- Detailed budgeting and forecasting;
- Day to day hands on involvement of the Executive Directors and Senior Management; and
- Regular board and meetings and discussions with the Non-executive directors.

The Group's activities expose it to a number of financial risks including cash flow risk, liquidity risk and foreign currency risk.

vi. Environmental Policy

The Group is aware of the potential impact that its subsidiary and associate companies may have on the environment. The Group ensures that it complies with all local regulatory requirements and seeks to implement a best practice approach to managing environmental aspects.

The wholly owned subsidiary, Dynamic Intertrade operates a Food Safety System Certification ("FSSC") compliant facility in Cape Town. The FSSC provides a framework for effectively managing the organization's food safety responsibilities and. is fully recognized by the Global Food Safety Initiative (GFSI) and is based on existing ISO Standards.

vii. Health and Safety

The Group's aim is to achieve and maintain a high standard of workplace safety. In order to achieve this objective the Group provides ongoing training and support to employees and sets demanding standards for workplace safety.

viii. Financing Risk

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

Strategic Report (Continued)

For The Year Ended 31 October 2017

ix. Credit Risk

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

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

x. Liquidity Risk

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

xi. Market Risk

The group's investments in an associate company comprise a non-controlling shareholding in an unlisted company. The shares are not readily tradable and any monetisation of the shares is dependent on finding a willing buyer.

xii. Capital Risk

The Group manages its capital resources to ensure that entities in the Group will be able to continue as a going concern, while maximising shareholder return.

The capital structure of the Group consists of equity attributable to shareholders, comprising issued share capital and reserves. The availability of new capital will depend on many factors including a positive operating environment, positive stock market conditions, the Group's track record, and the experience of management. There are no externally imposed capital requirements. The Directors are confident that adequate cash resources exist or will be made available to finance operations but controls over expenditure are carefully managed.

Going Concern

These consolidated financial statements are prepared on the going concern basis. The going concern basis assumes that the Group will continue in operation for the foreseeable future and will be able to realise its assets and discharge its liabilities and commitments in the normal course of business. The Group has incurred significant operating losses and negative cash flows from operations as the Group continued to expand its operations during the year under review.

During the year, the Group raised £113,035 in net funding through share subscriptions to fund further investment in Dynamic Intertrade in order to improve production efficiencies and to fund working capital.

Immediately subsequent to the year-end, the Group raised a further £150,000 through the further issue of shares. There remains an active and very liquid market for the Group's shares.

The Directors have prepared cash flow forecasts for the period ended 31 October 2018, taking into account forecast operating cash flows and capital expenditure requirements for Dynamic Intertrade, available working capital and forecast expenditure for the rest of the Group including overheads and other costs. The forecasts include additional funding requirements which the directors believe will be met.

Strategic Report (Continued)

For The Year Ended 31 October 2017

In the event that Dynamic Intertrade fails to meet revenue predictions and any other relevant risk factors arise, the Group will need to obtain additional debt finance or equity to fund its operations for the period to 31 October 2018. The cash flow forecast is dependent on production targets being met at Dynamic Intertrade, maintaining the invoice financing arrangements, generating future sales and the selling prices remaining stable during the period to 31 October 2018.

After careful consideration of the matters set out above, the Directors are of the opinion that the Group will be able to undertake its planned activities for the period to 31 October 2018 from production and from additional fund raising and have prepared the consolidated financial statements on the going concern basis. Nevertheless due to the uncertainties inherent in meeting its revenue predictions and obtaining additional fund raising there can be no certainty in these respects. The financial statements do not include any adjustments that would result if the Group was unable to continue as a going concern.

On behalf of the Board
David Lenigas, Chairman
23 February 2018

Directors' Report

For The Year Ended 31 October 2017

The Directors present their Report and Financial Statements for the year ended 31 October 2017.

Principal Activities

The principal activity of the Group in the year was investing and trading in the agriculture and ancillary sectors in Africa.

Investing Policy

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

Directors

The following Directors have held office in the year:
Andrew Monk
George Roach
David Lenigas
Robert Scott
Matthew Bonner (Appointed 1 May 2017)

Andrew Monk, Non- Executive Director

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, an investment banking and institutional broking firm focussed on natural resources, including agriculture.

George Roach, Non-Executive Director

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

David Lenigas, Non-Executive Chairman

David Lenigas is an experienced executive and entrepreneur with a wide range of board experience in both public and private companies. He has an extensive knowledge of the African food manufacturing, processing and marketing sector having previously served as the Executive Chairman of Lonrho Plc and is currently the Executive Chairman of food logistics and marketing group AfriAg Global Plc.

Robert Scott, Executive Director

Rob has over 20 years of finance experience, with the last ten years specifically focused in Africa within the mining industry and general investments. He has held executive and senior positions with a number of companies, as well as having served on both public and private company boards. He has been involved in companies with locations in South Africa, Angola, Mozambique, Zimbabwe, DRC, CAR, Tanzania, Kenya and Namibia amongst others. Rob has also previously been involved in mining, hotels, agriculture and construction industries.

Matthew Bonner, Non-Executive Director

Matthew Bonner has significant financial leadership experience within the mining, energy and agriculture sectors. He is currently Chief Operating Officer at EAS Advisors LLC, a New York based corporate advisory firm focused on supporting public and private companies operating in the natural resource and commodity sectors in emerging markets.

Directors' Report (Continued)

For The Year Ended 31 October 2017

Directors' remuneration, shareholding and options

The Directors' remuneration in the year ended 31 October 2017 is set out in note 7 of the accounts.

Shareholding

As at 31 October 2017, the Directors of the Company held the following shares:

Director	2017 Shareholding	2017 Percentage of the Company's Ordinary Share Capital	2016 Shareholding	2016 Percentage of the Company's Ordinary Share Capital
George Roach*	33,751,333	16.31%	26,059,025	14,4%
David Lenigas	22,388,000	10.82%	22,388,000	12,4%
Andrew Monk**	12,126,761	5.86%	2,000,000	1,1%
Robert Scott	1,693,078	0.82%	-	-
Matthew Bonner	746,269	0.36%	-	-
Neil Herbert***	-	-	11,000,000	6,1%

* 16,288,646 of these shares are held by or on behalf of Corestar Holdings Ltd and 5,000,000 of these shares are held by or on behalf of Coc'Roach Limited. Corestar Holdings Ltd is a BVI company which is wholly-owned by the Corestar STAR Trust, a trust established for the furtherance of certain purposes which could include the provision of benefits to George Roach and his family, at the discretion of the trustees of the trust. Coc'roach Limited is owned by the Coc'roach Trust. The Coc'roach Trust is a partial discretionary trust pursuant to the terms of which George Roach and his family may fall within the class of potential beneficiaries.

**Andrew Monk's entire shareholding is held within his SIPP (Fitel Nominees Limited) and Hargreave Hale Nominees Limited

*** Neil Herbert resigned as a Director on 05 September 2016.

Share options

As at 31 October 2017 the Directors share options were:

Director	2017 Options at 1p (expiring 5 September 2022)	2017 Options @0.55p (expiring 5 September 2022)	2016 Options at 1p (expiring 5 September 2022)	2016 Options @0.55p (expiring 5 September 2022)
George Roach	1,839,046	2,000,000	1,839,046	2,000,000
Andrew Monk	1,839,046	2,000,000	1,839,046	2,000,000
Robert Scott	1,000,000	-	1,000,000	-
Matthew Bonner	3,600,000	-	-	-
Sub-total	8,278,092	4,000,000	4,678,092	4,000,000
Neil Herbert*	1,839,046	2,000,000	1,839,046	2,000,000
Total	10,117,138	6,000,000	5,517,138	6,000,000

The total warrants and share options outstanding at 31 October 2017 were 23,717,514 (2016 – 29,994,844). Refer to note 22 for more detail.

* Neil Herbert resigned as a Director on 05 September 2016.

Directors' Report (Continued)

For The Year Ended 31 October 2017

Dividends

No dividends will be distributed for the current year (2016 - nil).

Supplier Payment Policy

It is the Group'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.

Substantial Interests

The Group has been informed of the following shareholdings that represent 3% or more of the issued Ordinary Shares of the Company as at 21 February 2018:

Shareholder	2017 Shareholding	2017 Percentage of the Company's Ordinary Share Capital	2016 Shareholding	2016 Percentage of the Company's Ordinary Share Capital
HSBC Global Custody Nominee	22,388,060	9.9%	22,388,060	12.4%
Vidacos Nominees Limited	13,462,687	5.9%	13,462,687	7.5%
SVS (Nominees) Limited	11,735,541	5.2%	-	-
Huntress (CI) Nominees Limited	11,000,000	4.9%	11,000,000	6.1%
Hargreaves Lansdown (Nominees) Limited	10,597,855	4.7%	-	-
Hargreave Hale Nominees Limited	10,126,761	4.5%	-	-
Barclays Direct Investing Nominees Limited	9,801,136	4.3%	-	-
Lynchwood Nominees Limited	9,371,343	4.1%	-	-
Vidacos Nominees Limited	8,596,338	3.8%	8,596,338	4.7%
JIM Nominees Limited	8,575,072	3.8%		
Platform Securities Nominees Limited	8,500,000	3.7%	9,000,000	5.0%
ZRH Nominees (0105) LTD	7,692,308	3.4%	-	-
Rulegale Nominees Limited	7,500,000	3.3%	7,500,000	4.1%

Auditors

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

Directors' Report (Continued)

For The Year Ended 31 October 2017

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 the Group and of the profit or loss of the Company and the Group for that year. 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, disclose with reasonable accuracy at any time the financial position of the Company and the Group and enable them to ensure that the financial statements comply with the Companies Act 2006.

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

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

Statement of Disclosure to Auditors

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

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

Branches Outside the UK

The Group head office is in London and both the Dynamic Intertrade Pty Limited and Dynamic Intertrade Agri (Pty) Ltd offices are located in South Africa.

Directors' Report (Continued)

For The Year Ended 31 October 2017

Post Balance Sheet Events

Further information on events after the reporting date is set out in note 25.

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

In accordance with Section 414C (1) of the Companies Act 2006, the group chooses to report the review of the business, the future outlook and the risks and uncertainties faced by the Company in The Strategic Report on page 5.

Strategic Report

In accordance with Section 414C (1) of the Companies Act 2006, the group chooses to report the review of the business, the future outlook and the risk and uncertainties faced by the Company in The Strategic report on page 5 to 10.

On behalf of the Board
David Lenigas, Chairman
23 February 2018

Directors' Remuneration Report

For The Year Ended 31 October 2017

Introduction

The information included in this report is not subject to audit other than where specifically indicated.

Remuneration Committee

The remuneration committee consists of Andrew Monk and George Roach. This committee's primary function is to review the performance of executive directors and senior employees and set their remuneration and other terms of employment.

The committee is also responsible for administering any share option scheme. The table indicates share options held by the current directors, directors of the subsidiary and former directors of the company.

Director	2017 Warrants	2017 Options	2016 Warrants	2016 Options
George Roach	-	3,839,046	-	3,839,046
Andrew Monk	-	3,839,046	-	3,839,046
Robert Scott	-	1,000,000	-	1,000,000
Matthew Bonner	-	3,600,000	-	-
Mark Nielson	-	3,000,000	-	3,000,000
Totals	-	15,278,092	-	11,678,092

The Company has one executive director

The remuneration policy

It is the aim of the committee to remunerate executive directors competitively and to reward performance. The remuneration committee determines the company's policy for the remuneration of executive directors, having regard to the UK Corporate Governance Code and its provisions on directors' remuneration.

Service agreements and terms of appointment

The directors have service contracts with the company.

Directors' interests

The directors' interests in the share capital of the company are set out in the Directors' report.

Directors' emoluments

Details of the remuneration packages are included in note 7 – notes to the Consolidated Financial statements.

No pension contributions were made by the company on behalf of its directors.

Directors' Remuneration Report

For The Year Ended 31 October 2017 (Continued)

Approval by shareholders

At the next annual general meeting of the company a resolution approving this report is to be proposed as an ordinary resolution.

This report was approved by the board on 23 February 2018.

On Behalf of the Board
Andrew Monk - Committee Chairman
23 February 2018

Corporate Governance

For The Year Ended 31 October 2017

Policy

The policy of the board is to manage the affairs of the Company with reference to the UK Corporate Governance Code, which is publicly available from the Financial Reporting Council.

Application of principles of good governance by the board of directors

The board currently comprises of four non-executive directors and one executive director (2016: four non-executive directors).

David Lenigas was appointed chairman on 5 September 2016.

The articles of association require a third, but not greater than a third, of the directors to retire by rotation each year.

There are regular board meetings each year and other meetings are held as required to direct the overall company strategy and operations. Board meetings follow a formal agenda covering matters specifically reserved for decision by the board. These cover key areas of the company's affairs including overall strategy, acquisition policy, approval of budgets, major capital expenditure and significant transactions and financing issues.

The board has delegated certain responsibilities, within defined terms of reference, to the audit committee and the remuneration committee as described below. The appointment of new directors is made by the board as a whole. During the year ended 31 October 2017, there were three formal board meetings, one audit committee meeting and one remuneration committee meeting. All meetings were fully attended.

The board undertakes a formal annual evaluation of its own performance and that of its committees and individual directors, through discussions and one-to-one reviews with the Chairman and the Senior Independent Director.

Audit committee

The audit committee is currently headed by David Lenigas, the Chairman, and also comprises George Roach and Robert Scott. The committee's terms of reference are in accordance with the UK Corporate Governance Code. The committee reviews the company's financial and accounting policies, interim and final results and annual report prior to their submission to the board, together with management reports on accounting matters and internal control and risk management systems. It reviews the auditors' management letter and considers any financial or other matters raised by both the auditors and employees.

The committee considers the independence of the external auditors and ensures that, before any non-audit services are provided by the external auditors, they will not impair the auditor's objectivity and independence. During the year, non-audit services totalled £750 (2016 – £nil) and covered normal taxation and other related compliance work, which did not impact on the auditors' objectivity or independence.

There is currently no internal audit function within the Group. The directors consider that this is appropriate of a Group of this size.

The committee has primary responsibility for making recommendations to the board in respect of the appointment, re-appointment and removal of the external auditors.

On Behalf of the Board
David Lenigas, Chairman
23 February 2018

Independent Auditors' Report

To the Members of Anglo African Agriculture Plc

Independent auditor's report to the members of Anglo African Agriculture Plc

Opinion

We have audited the financial statements of Anglo African Agriculture Plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 October 2017 which comprise the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity, company statement of changes in equity, consolidated statement of financial position, company statement of financial position, consolidated statement of cash flows, company statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards.

In our opinion:

- 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 October 2017 and of the group's loss 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 IFRS's as adopted by the European Union; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to note 2 a. in the financial statements, which explains that the Group has incurred significant operating losses and negative cash flows from operations. The Group forecasts include additional funding requirements upon which the Group is dependent. The directors are satisfied that these funding requirements will be met. Additionally, in the event that Dynamic Intertrade fails to meet its revenue predictions, the Group will need to obtain additional debt or equity financing in order to fund its operations for at least the next twelve months. The directors are satisfied that this can be achieved. These events or conditions, along with other matters as set out in note 2 a. indicate that a material uncertainty exists that may cast doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Independent Auditors' Report

To the Members of Anglo African Agriculture Plc (Continued)

Our audit approach

Overview

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. This is not a complete list of all risks identified by our audit.

- Possible impairment of Goodwill and the Long term investment
- Recoverability of long term loans
- Going concern assumption
- Accounting treatment of acquisition of associate

These are explained in more detail below

Materiality:

Group financial statements:

- £51,000 (31 October 2016: £42,000)

- Based on the average of the following:

a. 2% of Revenue
b. 2.5% of Gross Assets
c. 10% of Net Profit

Company financial statements:

- £26,000 (31 October 2016: £20,000)

- Based on the average of the following:

d. 2.5% of Gross Assets
e. 10% of Net Profit

Audit scope

- We conducted audits of the complete financial information of Anglo African Agriculture plc, Dynamic Intertrade Pty Limited, Dynamic Intertrade Agri Pty Limited and APV Joint Venture.
- We performed specified procedures over certain account balances and transaction classes at other Group companies.
- Taken together, the Group companies over which we performed our audit procedures accounted for 100% of the absolute profit before tax (i.e. the sum of the numerical values without regard to whether they were profits or losses for the relevant reporting units) and 100% of revenue.

Independent Auditors' Report

To the Members of Anglo African Agriculture Plc (Continued)

Key audit matters

Key audit matter	How our audit addressed the key audit matter
Possible impairment of goodwill and long term investment During the year the Group carried goodwill of £226,644 (31 October 2016: £226,644) in relation to the excess sum of consideration paid and the fair value of the acquirer's previously held equity interest in the acquiree over the net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed. The directors have assessed whether the goodwill shows any indicators of impairment. The adjusted company profit before tax, which is considered by management to be a key metric and is discussed in their discussion of KPIs, is directly impacted by the amount of costs capitalised and the amounts included in the reconciliation of the adjusted income measures. We focused on whether impairment was required and if the unallocated goodwill should be allocated to an individual investment.	We considered whether the component of the Group was still profit making and had an ability to trade successfully into the future. We reviewed the component auditor's working papers and carried out additional testing on high risk areas. We tested management's assumption that no impairment existed by carrying out sensitivity analysis through changing the assumptions used and re- running the cash flow forecast. We reviewed the latest management accounts to gauge how trading was carrying on in the 2018 financial year. The net assets of the main subsidiary exceeds that of the investment carrying value, supported by robust performance with no going concern issues. We found no material exceptions in our testing.
Recoverability of long term loans The Company had long term loans owed of £802,789 at the year ended 31 October 2017. (31 October 2016: £637,798) The Directors have confirmed the loans are all treated as long term, with flexible repayment terms, with interest all rolled up and included in any repayment due. The Company had a long term loan to Dynamic Intertrade Limited of £415,000 (31 October 2016: £415,000) at the year ended 31 October 2017. The Company had an intercompany loan to Dynamic Intertrade Limited of £387,789 (31 October 2016: £222,798) at the year ended 31 October 2017.	The analysis work undertaken by the directors shows that the subsidiary is expected to remain cash generative and profitable based on their business. We have understood and assessed the methodology used by the directors in this analysis and determined it to be reasonable. We reviewed the component auditor's working papers and carried out additional testing on high risk areas. We tested management's assumption that no impairment existed by carrying out sensitivity analysis through changing the assumptions used and re- running the cash flow forecast.
Going concern assumption The Group is dependent upon its ability to generate sufficient cash flows to meet continued operational costs and hence continue trading. Foreign exchange risk continues to be a key risk in South Africa, which	Management's going concern forecasts include a number of assumptions related to future cash flows and associated risks. Our audit work has focused on evaluating and challenging the reasonableness of these assumptions and their impact on the forecast period.

can affect results annually. The going concern assumption is dependent on future growth of the current business along with future acquisitions to grow the scale of the business and future capital raises.	Specifically we obtained, challenged and assessed managements going concern forecast and performed procedures including: • Challenging management as to the reasonableness of pricing assumptions applied based on benchmarking to market data; • Verifying the consistency of key inputs relating to future costs and production to other financial and operational information obtained during the audit; • Performing sensitivity analysis on managements "base case", including applying downside scenarios such as lower sales prices, reduced production and restricted growth and considering the mitigating actions highlighted by management in the event that they were required.
Accounting treatment adopted on acquisition of associate The Company purchased a 46.81% equity interest in Dynamic Intertrade Agri Pty Limited ("the Associate") in November 2016 for a share for share consideration of £100,000 plus a deferred consideration of £50,000 if certain performance target were met. The value of the associate at 31 October 2017 was £90,046 (31 October 2016 : £nil) The investment is treated under IAS 28 by management as its deemed to meet the definition of an associate as it has between 20% - 50% equity holding and has an elected member to the board. The investment has been treated at cost minus the percentage loss of net assets at year end.	We reviewed the final agreement and transaction which took place, to unsure all elements of the transaction were treated correctly. We reviewed the associate's financial statements to see if it met the additional requirements for the additional consideration. We reviewed the net assets of the Associate and recalculated the net assets figure and multiplied it by the percentage equity interest held.

Our application of materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Independent Auditors' Report

To the Members of Anglo African Agriculture Plc (Continued)

Based on our professional judgment, we determined materiality for the financial statements as a whole as follows:

	Group financial statements	Company financial statements
Overall materiality	£51,000 (31 October 2016: £42,000).	£24,000 (31 October 2016: £20,000).
How we determined it	Based on the average of 10% of profit before tax, 2.5% of gross assets and 2% of Revenue.	Based on the average of 10% of loss before tax and 2.5% of gross assets.
Rationale for benchmark applied	We believe that profit before tax is a primary measure used by shareholders in assessing the performance of the Group whilst gross asset values and revenue are a representation of the size of the Group; both are generally accepted auditing benchmarks.	We believe that profit before tax is a primary measure used by shareholders in assessing the performance of the Company whilst gross asset values are a representation of the size of the Company; both are generally accepted auditing benchmarks.

For each component in the scope of our Group audit, we allocated a materiality that is less than our overall Group materiality. The range of materiality allocated across components was between £10,000 and £35,000.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £2,550 (Group audit) (31 October 2016: £1,800) and £1,300 (Company audit) (31 October 2016: £1,000) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

An overview of the scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgments, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the Group and the Company, the accounting processes and controls, and the industry in which they operate.

The Group financial statements are a consolidation of 4 reporting units, comprising the Group's operating businesses and holding companies.

Independent Auditors' Report

To the Members of Anglo African Agriculture Plc (Continued)

We performed audits of the complete financial information of Anglo African Agriculture plc, Dynamic Intertrade Pty Limited, Dynamic Intertrade Agri Pty Limited and APV Joint Venture reporting units, which were individually financially significant and accounted for 100% of the Group's revenue and 100% of the Group's absolute profit before tax (i.e. the sum of the numerical values without regard to whether they were profits or losses for the relevant reporting units). We also performed specified audit procedures over goodwill and other intangible assets, as well as certain account balances and transaction classes that we regarded as material to the Group at the 4 reporting units, one based in the United Kingdom and 3 more in South Africa.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

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

Independent Auditors' Report

To the Members of Anglo African Agriculture Plc (Continued)

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 30, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or the parent company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Independent Auditors' Report

To the Members of Anglo African Agriculture Plc (Continued)

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Use of this report

This report, including the opinions, has been prepared for and only for the parent company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other matters which we are required to address

We were appointed as auditors by the Company at the Annual General Meeting on 24 April 2017. Our total uninterrupted period of engagement is 4 years, covering the periods ending 31 March 2013 to 31 October 2017.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the group or the parent company and we remain independent of the group and the parent company in conducting our audit.

Our audit opinion is consistent with the additional report to the audit committee.

Sanjay Parmar (Senior Statutory Auditor)
For and on behalf of Jeffreys Henry LLP, Statutory Auditor
Finsgate
5-7 Cranwood Street
London EC1V 9EE
23 February 2018

Anglo African agriculture plc

Statement of Comprehensive Income

For the Year Ended 31 October 2017

	Notes	Group Year Ended 31 October 2017	Group Year Ended 31 October 2016	Company Year Ended 31 October 2017	Company Year Ended 31 October 2016
		£	£	£	£
Turnover		2,126,797	1,605,219	-	-
Cost of Sales		(1,609,050)	(1,282,140)	-	-
Gross Profit		517,747	323,079	-	-
Other Income	5	673	2,767	-	-
Administrative expenses	8	(860,417)	(665,218)	(161,405)	(103,765)
Share of loss of associate	8	(9,954)	-	(9,954)	-
Impairment of loan to Joint Venture	8	(73,566)	-	-	-
Admission expenses	8	(106,992)	-	(106,992)	-
Operating loss		(532,509)	(339,372)	(278,351)	(103,765)
Bank Interest Receivable		-	4,109	-	4,109
Finance Costs	9	(17,748)	(97,771)	-	-
Loss before taxation		(550,257)	(433,034)	(278,351)	(99,656)
Tax on loss on ordinary activities	10	-	-	-	-
Loss and total comprehensive income for the year		(550,257)	(433,034)	(278,351)	(99,656)
Basic and diluted loss per share	11	(0.28p)	(0.38p)		

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

Statement of Changes in Equity

For the Year Ended 31 October 2017

	Group Share Capital	Group Share Premium	Group Share Based Payments Reserve	Group Retained Earnings	Group Total Equity
	£	£	£	£	£
Balance at 1 November 2015	94,896	1,107,373	11,586	(864,254)	349,601
Share Based Payments Reserve	-	-	(3,714)	-	(3,714)
Issue of Shares	85,896	464,104	-	-	550,000
Loss for the year	-	-	-	(433,034)	(433,034)
Balance at 31 October 2016	180,792	1,571,477	7,872	(1,297,288)	462,853
Share Based Payments Reserve	-	-	8,573	-	8,573
Issue of Shares	26,192	194,058	-	-	220,250
Loss for the year	-	-	-	(550,257)	(550,257)
Balance at 31 October 2017	206,984	1,765,535	16,445	(1,847,545)	141,419

Share capital is the amount subscribed for shares at nominal value.
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.
Retained earnings represent the cumulative loss of the Group attributable to equity shareholders.

Company Statement of Changes in Equity

For the Year Ended 31 October 2017

	Company Share Capital	Company Share Premium	Company Share Based Payments Reserve	Company Retained Earnings	Company Total Equity
	£	£	£	£	£
Balance at 1 November 2015	94,896	1,107,373	11,586	(509,756)	704,099
Share Based Payments Reserve	-	-	(3,714)	-	(3,714)
Issue of Shares	85,896	464,104	-	-	550,000
Loss for the year	-	-	-	(99,656)	(99,656)
Balance at 31 October 2016	180,792	1,571,477	7,872	(609,412)	1,150,729
Share Based Payments Reserve	-	-	8,573	-	8,573
Issue of Shares	26,192	194,058	-	-	220,250
Loss for the year	-	-	-	(278,351)	(278,351)
Balance at 31 October 2017	206,984	1,765,535	16,445	(887,763)	1,101,201

Anglo African agriculture PLC

Statement of the Financial Position

As at 31 October 2017

	Notes	Group 31 October 2017	Group 31 October 2016	Company 31 October 2017	Company 31 October 2016
		£	£	£	£
Assets					
Non-Current Assets					
Investment in Subsidiaries	13	-	-	297,915	297,915
Investment in Associate	13	90,046	-	90,046	-
Loan to Joint Venture	14	-	84,473		-
Long Term Intercompany Loans		-		794,839	637,798
Property, Plant and Equipment	15	121,322	159,595	-	-
Goodwill on Consolidation	16	226,644	226,644	-	-
		438,012	470,712	1,182,800	935,713
Current assets					
Inventories	17	203,782	166,393	-	-
Trade and Other Receivables	18	380,414	440,455	18,470	8,134
Cash and Cash Equivalents	19	75,952	268,790	43,299	240,337
		660,148	875,638	61,769	248,471
Total Assets		1,098,160	1,346,350	1,244,569	1,184,184
Equity and Liabilities					
Share Capital	21	206,984	180,792	206,984	180,792
Share Premium Account	21	1,765,535	1,571,477	1,765,535	1,571,477
Share-Based Payments Reserve	22	16,445	7,872	16,445	7,872
Accumulated Deficit		(1,847,545)	(1,297,288)	(887,763)	(609,412)
Total Equity		141,419	462,853	1,101,201	1,150,729
Current Liabilities					
Trade and Other Payables	20	956,741	883,497	143,368	33,455
Total Liabilities		956,741	883,497	143,368	33,455
Total Equity and Liabilities		1,098,160	1,346,350	1,244,569	1,184,184

The notes on pages 31 to 56 form part of these financial statements

Approved by the Board and authorised for issue on 23 February 2018.
David Lenigas, Chairman
Company Registration No. 07913053

Anglo African agriculture Plc

Cash Flow Statements

For the year ended 31 October 2017

	Notes	Group Year Ended 31 October 2017	Group Year Ended 31 October 2016	Company Year Ended 31 October 2017	Company Year Ended 31 October 2016
		£	£	£	£
Cash flows from operating activities					
Operating loss		(532,509)	(339,372)	(278,351)	(99,656)
Add: Depreciation	15	52,400	49,116	-	-
Add: Foreign exchange movements on fixed assets	15	38,316	(28,545)	-	-
Add: Movement on share based payments reserve		8,573	(3,714)	8,573	(3,714)
Professional fees on raising		7,215	-	7,215	-
Share of loss of associate	13.1	9,954	-	9,954	-
Loss on disposal of jointly controlled entity		73,566	-	-	-
Changes in working capital					
(Increase) / decrease in inventories		(37,389)	165,113	-	-
(Increase) / decrease in receivables		60,041	(217,378)	(10,336)	101,638
Increase / (decrease) in payables		73,244	162,448	109,913	(23,872)
Interest received		-	4,109	-	-
Finance Costs		(17,748)	(97,771)	-	-
Net cash flow from operating activities		(264,337)	(305,994)	(153,032)	(25,604)
Investing Activities					
Acquisition of fixed assets	15	(30,629)	(55,729)	-	-
Disposal of fixed assets	15	-	-	-	-
Increase / (decrease) in loans - jointly controlled entities		(10,907)	(1,894)	-	(322,798)
Long term intercompany loan advanced		-	-	(157,041)	-
Sale of investments		-	18,514	-	-
Net cash flow from investing activities		(41,536)	(39,109)	(157,041)	(322,798)
Cash flows from financing activities:					
Net proceeds from issue of shares	21	113,035	550,000	113,035	550,000
Net cash flow from financing activities		113,035	550,000	113,035	550,000
Net cash flow		(192,838)	204,897	(197,038)	201,598
Opening Cash and cash equivalents	19	268,790	63,893	240,337	38,739
Closing Cash and cash equivalents	19	75,952	268,790	43,299	240,337

The notes on pages 31 to 56 form part of these financial statements

Approved by the Board and authorised for issue on 23 February 2018.
David Lenigas, Chairman
Company Registration No. 07913053

Notes to the Consolidated Financial Statements

1. General Information

Anglo African Agriculture plc is a company incorporated in the United Kingdom. Details of the registered office, the officers and advisers to the Company are presented on the Directors and Advisers page at the beginning of this report. The Company has a standard listing on the London Stock Exchange main market. The information within these financial statements and accompanying notes have been prepared for year ended 31 October 2017 with comparatives for year ended 31 October 2016.

2. Basis of Preparation and Significant Accounting Policies

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

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

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

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

a. Going Concern

These consolidated financial statements are prepared on the going concern basis. The going concern basis assumes that the Group will continue in operation for the foreseeable future and will be able to realise its assets and discharge its liabilities and commitments in the normal course of business. The Group has incurred significant operating losses and negative cash flows from operations as the Group continued to expand its operations during the year under review.

During the year, the Group raised £113,035 in net funding through share subscriptions to fund further investment in Dynamic Intertrade in order to improve production efficiencies and to fund working capital.

Immediately subsequent to the year-end, the Group raised a further £150,000 through the further issue of shares. There remains an active and very liquid market for the Group's shares. The Group is currently finalising a loan agreement facility of R2 million.

The Directors have prepared cash flow forecasts for the period ended 31 October 2018, taking into account forecast operating cash flows and capital expenditure requirements for Dynamic Intertrade, available working capital and forecast expenditure for the rest of the Group including overheads and other costs. The forecasts include additional funding requirements which the directors believe will be met.

Anglo African agriculture plc

Notes to the Consolidated Financial Statements

In the event that Dynamic Intertrade fails to meet revenue predictions and any other relevant risk factors arise, the Group will need to obtain additional debt finance or equity to fund its operations for the period to 31 October 2018. The cash flow forecast is dependent on production targets being met at Dynamic Intertrade, maintaining the invoice financing arrangements, generating future sales and the selling prices remaining stable during the period to 31 October 2018.

After careful consideration of the matters set out above, the Directors are of the opinion that the Group will be able to undertake its planned activities for the period to 31 October 2018 from production and from additional fund raising and have prepared the consolidated financial statements on the going concern basis. Nevertheless due to the uncertainties inherent in meeting its revenue predictions and obtaining additional fund raising there can be no certainty in these respects. The financial statements do not include any adjustments that would result if the Group was unable to continue as a going concern.

New and Amended Standards Adopted by the Company

There are no IFRS and IFRIC interpretations that are effective for the first time for the financial year beginning on or after 1 November 2017 that would be expected to have a material impact on the Group.

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

The following new standards, amendments to standards and interpretations have been issued, but are not effective for the financial year beginning 1 November 2017 and have not been early adopted:

Reference	Title	Summary	Application date of standard (Periods commencing on or after)
Amendments to IFRS 1	First-time adoption of International Financial Reports Standards	Amendments resulting from Annual Improvements 2014-2016 Cycle (removing short-term exemptions)	1 November 2018
Amendments to IFRS 2	Share-based payments	Amendments to clarify the classification and measurement of share based payment transactions	1 November 2018
Amendment to IFRS 4	Insurance Contracts	Amendments regarding the interaction of IFRS 4 and IFRS 9	1 November 2018
IFRS 9	Financial Instruments	Requirements on the classification and measurement of financial assets and liabilities and includes an expected credit losses model which replaces the current loss impairment model. Also includes the hedging amendment that was issued in 2013	1 November 2018
Amendments to IFRS 12	Disclosure of interests in other entities	Amendments resulting from Annual Improvements 2014-2016 (Clarifying Scope)	1 November 2017
IFRS 15	Revenue from contracts with customers	Specifies how and when to recognize revenue from contracts as well as requiring more information and relevant disclosures.	1 November 2018
IFRS 16	Leases	Original issue	1 November 2019
IFRS 17	Insurance Contracts	Establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts issued.	1 November 2021

Amendments to IAS 7	Statement of Cash Flows	Amendments as a result of the disclosure initiative	1 November 2017
Amendments to IAS 12	Income Taxes	Amendments regarding the recognition of deferred tax assets for unreleased losses	1 November 2017
Amendments to IAS 28	Investments in Associates and Joint Ventures	Amendments resulting from Annual improvements 2014-2016 cycle (Clarifying certain fair value measurements	1 November 2018
Amendments to IAS 39	Financial Instruments: Recognition and measurement	Amendments to permit entity to elect to continue to apply the hedge accounting requirements in IAS 39 for a fair value hedge of the interest rate exposure of a portion of a portfolio of financial assets or financial liabilities when IFRS 9 is applied and to extend the fair value option to certain contracts that meet the 'own use' scope exception	1 November 2018
Amendments to IAS 40	Investment Property	Amendments to clarify transfers or property to or from Investment property	1 November 2018
Amendments to IFRIC 22	Foreign Currency transactions and advance consideration	Amendments to clarify the accounting for transactions that include the receipt or payment of advance consideration in a foreign currency.	1 November 2018
Amendments to IFRIC 23	Uncertainty over income tax treatments	Addresses how to reflect uncertainty in accounting for income taxes.	1 November 2018

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

b. Basis of Consolidation

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

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

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

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

Notes to the Consolidated Financial Statements (Continued)

Business Combinations

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

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

- Deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits respectively;

- Liabilities or equity instruments related to share-based payment transactions of the acquiree or the replacement of an acquiree's share-based payment transactions with share-based payment transactions of the Group are measured in accordance with IFRS 2 Share-based Payment at the acquisition date; and

- Assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard.

Goodwill

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

the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Joint Ventures and Associates

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

Notes to the Consolidated Financial Statements (Continued)

c. Property, Plant and Equipment

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

Leasehold improvements	33.3%
Furniture, fixtures and equipment	17%
Plant and machinery	20%
Computer equipment	33.3%

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

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

d. Investments in Subsidiaries

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

e. Inventories

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

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

Notes to the Consolidated Financial Statements (Continued)

f. Impairment of Non-Financial Assets

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

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

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

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

g. Financial Instruments

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

i. Financial Assets

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

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

Notes to the Consolidated Financial Statements (Continued)

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

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

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

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

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

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

ii. Financial Liabilities and Equity

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

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

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

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

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

Notes to the Consolidated Financial Statements (Continued)

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

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

iii. Trade and Other Receivables

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

iv. Trade and Other Payables

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

v. Fair Values

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

h. Borrowings

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

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

i. Revenue Recognition

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

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

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

Notes to the Consolidated Financial Statements (Continued)

j. Cost of Sales

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

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

k. Borrowing Costs

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

l. Taxation

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

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

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

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

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

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

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

Notes to the Consolidated Financial Statements (Continued)

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

m. Cash and Cash Equivalents

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

n. Provisions and Contingencies

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

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

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

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

o. Share Capital

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

p. Foreign Currencies

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

Notes to the Consolidated Financial Statements (Continued)

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

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

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

Rate compared to £	Year End Rate 2017	Year End Rate 2016
South African Rand	18.75	16.58
US Dollar	1.32	1.23

q. Finance Leases

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

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

r. Operating Leases

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

s. Employee Benefits

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

t. Segmental Reporting

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

Notes to the Consolidated Financial Statements (Continued)

3. Critical Accounting Estimates and Judgements

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

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

a. Inventory Valuation

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

b. Impairment of Receivables

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

c. Income Taxes

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

d. Share Based Payments

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

Notes to the Consolidated Financial Statements (Continued)

e. Depreciation and Amortisation

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

4. Segmental Reporting

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

5. Other Income

	2017	2016
	£	£
Other income	673	2,767

Other income represents the bad debts recovered and sundry income.

6. Personnel Expenses and Staff Numbers (Including Directors)

Number	Group		Company	
	2017	2016	2017	2016
The average number of employees in the year were:				
Directors	5	4	5	4
Management	3	3		
Accounts and Administration	2	1	-	-
Sales	2	2	-	-
Manufacturing/Warehouse	16	15	-	-
Total	28	25	5	4
	£	£	£	£
The aggregate payroll costs for these persons were:	383,121	255,873	55,656	18,994
Average ratio of executive pay verse average employee pay	0.78	0.74		

Notes to the Consolidated Financial Statements (Continued)

7. Directors' Remuneration

Salaries and Fees	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
David Lenigas	12,000	1,000	12,000	1,000
George Roach	12,000	6,000	12,000	6,000
Robert Scott	12,000	1,000	12,000	1,000
Andrew Monk *	13,656	6,828	13,656	6,828
Matt Bonner	6,000	-	6,000	-
Neil Herbert	-	4,166	-	4,166
Craig Anthony Forbes	-	16,357	-	-
	55,656	35,351	55,656	18,994

* Included in Andrew Monks remuneration is £ 1,656 for National Insurance

8. Expenses - Analysis by Nature

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Auditors' remuneration for audit services: Parent	10,500	6,000	10,500	6,000
Auditors' remuneration for other services: Parent	750	-	750	-
Auditors' remuneration for audit services: Subsidiary	4,331	2,865	-	-
Depreciation on property, plant and equipment	52,400	49,116	-	-
(Gain) / loss on exchange	(13,779)	7,657	-	-
Personnel expenses (Note 6)	383,121	255,873	55,656	18,994
Other administrative expenses	423,094	343,707	94,499	78,801
Sub-total	860,417	665,218	161,405	103,795
Impairment of loan to Joint Venture	73,566	-	-	-
Admission expenses	106,992	-	106,992	-
Loss from Associated entity	9,954	-	9,954	-
Total administrative expenses	1,050,929	665,218	278,351	103,765

9. Finance Costs

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Interest	17,748	97,771	-	-

Notes to the Consolidated Financial Statements (Continued)

Finance costs represent interest and charges in respect of the discounting of invoices.

10. Taxation

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

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Tax Charge	-	-	-	-
Factors affecting the tax charge:				
Loss on ordinary activities before taxation	(550,257)	(433,034)	(278,351)	(99,656)
Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 19.75% (2016: 20%)	(108,676)	(86,609)	(54,974)	(19,931)
Tax effect of expense not deductible for tax	1,522	2,000	1,522	2,000
Tax effect of utilisation of tax losses	107,154	84,609	53,452	17,931
Difference – Actual and Parent tax rate	-	-	-	-
Tax Charge	-	-	-	-

The Company has excess management expenses of £187,346 (2016 - £184,548) available for carry forward against future trading profits. The deferred tax asset in these tax losses at 19.75% of £37,001 (2016 - £36,910) has not been recognised due to the uncertainty of recovery.

11. Loss Per Share

Loss per share data is based on the Group result for the year and the weighted average number of shares in issue. Basic loss per share is calculated by dividing the loss attributable to equity shareholders by the weighted average number of ordinary shares in issue during the year:

	Group	
	2017	2016
	£	£
Loss after tax	(550,257)	(433,034)
Weighted average. number of ordinary shares in issue	194,791,752	114,461,821
Basic and diluted loss per share (pence)	**(0.28p)**	**(0.38p)**

Basic and diluted earnings per share are the same, since where a loss is incurred the effect of outstanding share options and warrants is considered anti-dilutive and is ignored for the purpose of the loss per share calculation. As at 31 October 2017 there were 2,761,330 (31 October 2016 - 12,638,660) outstanding share warrants and 20,956,184 (2016 – 17,356,184) outstanding options, both are potentially dilutive.

Notes to the Consolidated Financial Statements (Continued)

12. Dividends

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Dividends Paid	-	-	-	-

13. Investments

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Investment in Subsidiary	-	-	297,915	297,915
Investment in Associate	90,046	-	90,046	-

13.1. Investment in Associate

	Group	Group	Company	Company
	2017	2016	2017	2016
	£	£	£	£
Investment in Dynamic Intertrade Agri (Pty) Ltd	100,000	-	100,000	-
Share of loss of Associate	(9,954)	-	(9,954)	-
Carrying value	90,046	-	90,046	-

As at 31 October 2017, the Company directly and indirectly held the following subsidiary and associate:

Name of company	Principal activities	Country of incorporation and place of business	Proportion (%) of equity interest 2017	Proportion (%) of equity interest 2016
Dynamic Intertrade (Pty) Limited	Trading in Agricultural Products	South Africa	100%	100%
Dynamic Intertrade Agri (Pty) Limited	Agricultural commodity trading and distribution	South Africa	46.8%	-

On 3 November 2016 the group acquired 46.8% in Dynamic Intertrade Agri (Pty) Ltd ("DIA"), which investment has been equity accounted since acquisition.

Notes to the Consolidated Financial Statements (Continued)

Summarised financial information of the associate company

	2017	2016
Non-current assets	5,793	-
Current assets	134,466	-
Cash and cash equivalents	1,819	
Total assets	144,094	-
Non-current liabilities	48,137	-
Current liabilities	62,909	-
Total Liabilities	111,045	-
Turnover	1,226,678	-
Loss before taxation	(28,470)	-
Total comprehensive income	(28,470)	-
Depreciation	2,482	-
Interest income	267	-
Interest Expensed	-	-
Income tax expense	-	-

14. Loan to Joint Venture

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Loan to Joint Venture	-	84,473	[illegible]	-

On 22 November 2016 the Group agreed to sell its 49.9% interest in Africa Projects and Ventures, a joint venture with Lamberti based in South Africa.
In the prior year the loan represented an interest free long term loan made to Africa Projects and Ventures. During the year under review this loan was impaired in full and a charge of £73,566 (2016: £ nil) was taken to income and expense.

On 31 October 2017 the company's wholly owned subsidiary Dynamic Intertrade (Pty) Limited ("Dynamic") entered into the Sale and Purchase Agreement in terms of which Dynamic will sell the 49.9% of the allotted and issued share capital of APV African Projects and Ventures (Pty) Limited to Misty Rose Properties 11 CC, a company owned by Mr G Roach for the total sum of ZAR1.00.

Notes to the Consolidated Financial Statements (Continued)

15. Property, Plant and Equipment

Group	Leasehold Property £	Furniture and fixtures £	Plant and machinery £	Total £
Cost				
At 01 November 2016	25,007	4,505	436,449	465,961
Additions	2,918	733	26,978	30,629
Disposals	(4,650)	-	-	(4,650)
Exchange differences	(2,959)	(640)	(56,335)	(59,934)
As at 31 October 2017	20,316	4,598	407,092	432,006
Depreciation				
At 01 November 2016	11,332	2,552	292,482	306,366
Charge for the year	7,574	485	44,341	52,400
Released on disposal	(4,635)	-	-	(4,635)
Exchange differences	(2,320)	(392)	(40,735)	(43,447)
As at 31 October 2017	11,951	2,645	296,088	310,684
Net Book Value				
As at 31 October 2017	8,365	1,953	111,004	121,322
At 01 November 2016	13,675	1,953	143,967	159,595

The holding company held no tangible fixed assets at 31 October 2017 and 2016.

16. Goodwill

Goodwill has been calculated as £226,644 (2016: £226,644) and is measured as the excess of the sum of the consideration paid and the fair value of the acquirer's previously held equity interest in the acquiree over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

Goodwill has been tested for impairment as at the balance sheet date. The recoverable amount of goodwill at 31 October 2016 and 2017 was assessed on the basis of value in use. As this exceeded the carrying values no impairment loss was recognised. The key assumptions in the calculation to assess value in use are future revenues and the ability to generate future cash flows.

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

The key assumptions used in the value in use calculations in 2016 and 2017 were as follows:

- A discount rate of 10%
- Sales growth of 18%
- Weighting of probabilities assigned to potential earnings.

Notes to the Consolidated Financial Statements (Continued)

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

17. Inventories

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Raw materials	115,114	152,976	-	-
Work-in-progress	14,497	4,344	-	-
Finished goods	74,171	9,073	-	-
	203,782	166,393	-	-

18. Trade and other receivables

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Trade Receivables	344,389	432,321	-	-
Other Receivables	36,025	8,134	18,470	8,134
	380,414	440,455	18,470	8,134

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

The Directors consider that the carrying amount of trade receivables and other receivables approximates their fair value.

19. Cash and Cash Equivalents

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Cash on hand	75,952	268,790	43,299	240,337

20. Trade and Other Payables

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Trade payables	859,717	842,782	143,368	33,455
Other payables	46,477	14,554	-	-
Related party payables	50,547	26,161	-	-
	956,741	883,497	143,368	33,455

Notes to the Consolidated Financial Statements (Continued)

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

Included in other payables are the following related party financial liabilities:

G Roach	23,131	26,161
M Bonner	27,416	-

Terms:

G Roach: The loan bears interest at the South African prime overdraft rate. The interest will be calculated and paid when the loan is repaid. The loan is repayable as decided upon from time to time.
M Bonner: The loan bears interest at the South African prime overdraft rate. The interest is calculated and paid quarterly. The loan is repayable as decided upon from time to time.

21. Share Capital and Share Premium

Allotted, called up and fully paid share capital and share premium	Number	Nominal Value £	Share Premium £	Total £
Balance at 1 November 2015	94,896,125	94,896	1,107,373	1,202,269
Issued during the year	85,895,321	85,896	464,104	550,000
Balance at 31 October 2016	180,791,446	180,792	1,571,477	1,752,269
Issued during the year	26,192,308	26,192	194,058	220,250
Balance at 31 October 2017	206,983,754	206,984	1,765,535	1,972,519

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

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

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

During the year the company placed these shares and as the number of placing shares comprised more than 10% of the companies issued share capital, and although the placing shares has been allotted, admission of the placing shares required publication of a Prospectus within a twelve month period. On 22 March 2017, the company announced that the Prospectus had been approved by the UK Listing Authority. The April 2016, September 2016 and March 2017 shares were admitted to the Standard Listing segment of the Official List of the UK Listing Authority and to trading on the London Stock Exchange Main Market. In total these shares amounted to 93,587,829 Ordinary Shares.

22. Share Based Payments Reserve

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

Notes to the Consolidated Financial Statements (Continued)

Warrants

There are 2,761,330 warrants to subscribe for ordinary shares at 31 October 2017 (31 October 2016: 12,638,660). Of these:-

- 2,761,330 warrants are exercisable at a price of 1.5p and were issued as consideration to the joint financial advisers of the Company, Zeus Capital Limited and VSA Capital Limited.
- In the prior year 9,877,330 warrants were exercisable at a price of 2.75p, all of which expired during the current year.

Options

At 1 November 2016 there were 17,356,184 share options issued to the directors and a senior manager of the Company. During the year a further 3,600,000 share options were granted to a Director (2016: 11,839,046).

The movement on the share based payment charge for the year was £8,572 (2016 - £-3,714) in respect of the issued options. The details of warrants and options are as follows:

Date of Grant	At 01 November 2016	Granted/ Exercised/ Vested	Forfeits	At 31 October 2017	Exercise Price	Exercise/Vesting Date From	To
Warrants							
06/09/2012	2,761,330	-	-	2,761,330	1p	06/09/2012	05/09/2022
11/08/2014	9,877,330	-	9,877,330	-	2.75p	11/08/2014	31/01/2017
Options							
06/09/2012	17,356,184	3,600,000	-	20,956,184	1p	13/08/2014	05/09/2022
	29,994,844	3,600,000	9,877,330	23,717,514			

The remuneration committee's aim is to remunerate executive directors competitively and to reward performance. The remuneration committee determines the company's policy for the remuneration of executive directors, having regard to the UK Corporate Governance Code and its provisions on directors' remuneration.

The number of warrants and options outstanding to the Directors that served in the year, as at 31 October 2017 were as follows:

Director	2017 Warrants	2017 Options	2016 Warrants	2016 Options
Andrew Monk	-	3,839,046	-	3,839,046
George Roach	-	3,839,046	-	3,839,046
Robert Scott	-	1,000,000	-	1,000,000
Matthew Bonner	-	3,600,000	-	-
Sub-total	-	12,278,092	-	12,517,138
Neil Herbert *	-	3,839,046	6,000,000	3,839,046
Total	-	16,117,138	6,000,000	15,090,784

* Neil Herbert resigned as a Director on 5 September 2016 and his warrant options expired on 31 January 2017.

Notes to the Consolidated Financial Statements (Continued)

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

Share price at date of grant	£0.001- £0.225 / £0.025
Exercise price	£0.0055
Expected volatility	30%
Expected dividend	0%
Contractual life	5 years
Risk free rate	1.25%
Estimated fair value of each option	£0.0045

The share options outstanding at the year-end had a weighted average remaining contractual life of 4.5 years (2016: 6 years).

23. Operating lease

Operating lease charges	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Premises	94.001	71,605	-	-
Equipment	5,019	3,977	-	-
	99,020	75,582	-	-

Minimum lease payments	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Not later than one year	105,132	75,582	-	-
Between one year and five years	196,635	301,767	-	-
Later than five years	-	-	-	-
	301,767	377,349	-	-

24. Financial instruments

The Group uses financial instruments comprising cash, trade and other receivables and trade and other payables. Cash balances are held in Sterling, US Dollars and South African Rand.

The Group has a policy of not hedging and therefore takes market rates in respect of foreign exchange risk. However, rates are monitored closely by management.

Anglo African agriculture PLC

Notes to the Consolidated Financial Statements (Continued)

Financial assets and liabilities

2017	Cash and receivables £	Financial liabilities at amortised cost £	Total £
Trade and other receivables	344,389	-	344,389
Other receivables	36,025	-	36,025
Cash and cash equivalents	75,952	-	75,952
	456,366	-	456,366
Trade payables	-	859,718	859,718
Other payables	-	46,477	46,477
Related party payables	-	50,547	50,547
	-	956,742	956,742

2016	Cash and receivables £	Financial liabilities at amortised cost £	Total £
Trade and other receivables	432,321	-	432,321
Other receivables	8,134	-	8,134
Cash and cash equivalents	268,790	-	268,790
	709,245	-	709,245
Trade payables	-	842,782	842,782
Other payables	-	34,554	34,554
Related party payables	-	26,161	26,161
		883,497	883,497

Valuation techniques and assumptions applied for the purposes of measuring fair value

The fair value of cash and receivables and liabilities approximates the carrying values disclosed in the financial statements.

Capital management

The Group manages its capital resources to ensure that entities in the Group will be able to continue as a going concern, while maximising shareholder return.

The capital structure of the Group consists of equity attributable to shareholders, comprising issued share capital and reserves. The availability of new capital will depend on many factors including a positive operating environment, positive stock market conditions, the Group's track record, and the experience of management. There are no externally imposed capital requirements. The Directors are confident that adequate cash resources exist or will be made available to finance operations but controls over expenditure are carefully managed.

Foreign currency risk

The Group undertakes certain transactions denominated in foreign currencies. Hence, exposures to exchange rate fluctuations arise.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

Notes to the Consolidated Financial Statements (Continued)

	Liabilities		Assets	
	2017	2016	2017	2016
	£	£	£	£
United States dollar (USD$)	-	-	177	177
South African Rand (ZAR)	813,376	823,880	598,379	627,168
	813,376	823,880	598,556	627,345

Cash and cash equivalents

	Liabilities		Assets	
	2017	2016	2017	2016
	£	£	£	£
Sterling	-	-	43,122	240,337
United States dollar (USD$)	-	-	177	-
South African Rand (ZAR)	-	-	32,653	28,453
	-	-	75,952	268,790

The presentation currency of the Group is UK Pounds sterling.

The Group is exposed primarily to movements in Sterling and South African Rand, the former currency in which the Group receives most of its funding, against other currencies in which the Group incurs liabilities and expenditure.

Sensitivity analysis

Financial instruments affected by foreign currency risk include cash and cash equivalents, trade other receivables and trade and other payables. The following analysis, required by IFRS 7 Financial Instruments: Disclosures, is intended to illustrate the sensitivity of the Group's financial instruments (at year end) to changes in market variables, being exchange rates.

The following assumptions were made in calculating the sensitivity analysis:

- All income statement sensitivities also impact equity
- Translation of foreign subsidiaries and operations into the Group's presentation currency have been excluded from this sensitivity as they have no monetary effect on the results

Income Statement / Equity

	2017	2016
	£	£
Exchange rates:		
+10% US$ Sterling (GBP)	18	17
-10% US$ Sterling (GBP)	(18)	(17)
+10% South African Rand (ZAR) Sterling (GBP)	3,265	2,845
-10% South African Rand (ZAR) Sterling (GBP)	(3,265)	(2,845)

The above sensitivities are calculated with reference to a single moment in time and will change due to a number of factors including:

- Fluctuating other receivable and trade payable balances
- Fluctuating cash balances
- Changes in currency mix

Notes to the Consolidated Financial Statements (Continued)

Credit risk

Financial instruments that potentially subject the Group to a significant concentration of credit risk consist primarily of trade receivables and cash and cash equivalents. The Group limits its exposure to credit loss from trade receivables by reviewing credit exposures to all customers and discounting of trade receivables. The Group limits its exposure to credit loss by placing its cash with major financial institutions. As at 31 October 2017, the Group held £75,952 in cash and cash equivalents (2016: £268,790).

Liquidity risk

All of the Group's financial liabilities are classified as current. The Group intends to settle these liabilities from revenue generated from sales production and working capital.

Market risk

The group's investments in an associate company comprise a non-controlling shareholding in an unlisted company. The shares are not readily tradable and any monetisation of the shares is dependent on finding a willing buyer.

25. Related Party Transactions

Director's fees

The previous Chairman, Andrew Monk, is a director of VSA Capital Limited and that company provided services amounting to £79,433 (2016 - £40,000) to the Company during the year.

During the year ended 1 October 2017 £15,104 was paid to Directors of the company (2016: £14,856) As at 31 October 2017 £39,000 remained unpaid to the directors of the company (2016: £4,138).

Other related party transactions

1. Included in trade and other payables are the following related party financial liabilities:

	2017	2016
	£	£
G Roach	23,131	26,161
M Bonner	27,416	-

Terms:

G Roach: The loan bears interest at prime overdraft rate. The interest will be calculated and paid when the loan is repaid. The loan is repayable as decided upon from time to time.

M Bonner: The loan bears interest at prime overdraft rate. The interest will be calculated and paid when the loan is repaid. The loan is repayable as decided upon from time to time.

2. African Projects and Ventures ("APV").

On 31 October 2017 the company's wholly owned subsidiary Dynamic Intertrade (Pty) Limited ("Dynamic") entered into the Sale and Purchase Agreement in terms of which Dynamic will sell the 49.9% of the allotted and issued share capital of APV African Projects and Ventures (Pty) Limited to Misty Rose Properties 11 CC, a company owned by Mr G Roach for the total sum of ZAR1.00.

Notes to the Consolidated Financial Statements (Continued)

26. Controlling Party Note

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

27. Events Subsequent to 31 October 2017

On 23 November 2017 Mr Rob Scott, an existing Non-Executive Director of the Company, took on the role of Executive Director. Mr Scott will be responsible for driving growth and seeking acquisitions.

On 1 November 2017 AAA raised £113,035 by way of subscription of 20,000,000 new ordinary shares of 0.1p each at a price of 0.7p per Subscription Share. The Subscription proceeds will be used to provide additional working capital.

28. Financial Instruments Risks

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