



Agriterra

AGRITERRA LIMITED

ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE
YEAR ENDED
31 MARCH 2019

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CHAIR'S STATEMENT AND STRATEGIC REVIEW

I am pleased to present the annual report of the Group for the year ending 31 March 2019 ('FY-19'). As shareholders are aware, the Company's shares have been suspended from trading on AIM since 1 October 2019, pending further investigation into a theft uncovered by management in June 2019. Further details are included below and in note 27 to the financial statements.

During the year, the Group has focussed its efforts on its core revenue generating businesses, the Grain and Beef divisions based in Mozambique. The London office was closed in the final quarter of the previous year ('FY-18') and the executive operational management are now entirely based in Chimoio, Mozambique. This is intended to provide a solid platform for future growth and profitability.

During the year the Company elected to observe the principles of the QCA Corporate Governance Code (the "Code") to the extent that they consider them to be applicable and appropriate for a Group of Agriterra's size and stage of development, through the maintenance of efficient and effective management frameworks accompanied by good communication. Further details are available at <http://www.agriterra-ltd.com/corporategovernance.aspx>.

Strategy and Business Model

The Company's strategy is to operate efficient, profitable businesses in Mozambique so as to create value for its shareholders and other stakeholders by supplying beef and milled maize products to the local market.

The Company currently has two operational agricultural divisions:

- Beef, which sources cattle from local farmers and then processes them through its own feedlot, abattoir operations and retail units through Mozbife Limitada ('Mozbife')
- Grain, which operates maize purchasing and processing businesses through Desenvolvimento e Comercialização Agrícola Limitada ('DECA') and Compagri Limitada ('Compagri').

These two divisions have built strong brands in Mozambique. The Board intends to use these foundations to further grow and diversify its product range in order to gain further market share of the agricultural sector in Mozambique and explore export and investment opportunities in surrounding countries.

Once the operations in Mozambique are profitable, the Company's longer term strategy is to become a leading agri-operator and food provider in Sub-Saharan Africa.

The Company is aware of its environmental, social and governmental responsibilities and the need to maintain effective working relationships across a range of stakeholder groups. The major shareholder is represented on the Board ensuring their views are incorporated into AGTA's decision-making process. The Company also engages on a regular basis with the minority shareholders. In addition to the Group's staff and shareholders, the local community in Mozambique is a primary stakeholder. In purchasing maize and cattle directly from the local community, the Group plays an important role in local economic development, supporting small scale farmers and the developing commercial sector. Further details of some of the social and community initiatives undertaken during the year are set out in the directors' report.

Operations review

Grain division

Following a good harvest, the first half of the year saw subdued demand and pricing for the division's maize flour, reflecting the relative abundance of maize in the informal sector. However steps taken during the period to improve the yield and quality of maize meal were well received in the market and, together with a traditional seasonal increase in volumes in the second half of the year, meal sales volumes for the year rose 2% to 16,791 tonnes (FY-18: 16,472 tonnes). Sales of all maize products including animal feed to Mozbife fell to 5,271 tonnes (FY-18: 6,663 tonnes). Nonetheless a favourable pricing environment generated increased revenue in Metical terms to MZN 391.5m (FY-18: MZN 323.1m) and in US\$ terms to US\$ 6.5m (FY-18: US\$ 5.2m).

During the period, a series of rationalisation measures were also taken to realign the division's cost base with the lower levels of demand. The benefits of these started to come through in the second half of the period. The division is reporting an EBITDA loss of US\$ 485,000 (FY-18: loss of US\$ 597,000). EBITDA has been reconciled and defined in note 5.

Historically the cycle of maize purchases following the harvest leads to a significant working capital requirement for the Grain division in the first half of the year which unwinds in the second half. The division finances this requirement using local borrowing facilities. The interest charge for the year remains high at US\$ 916,000 (FY-18: US\$ 951,000). The division is reporting a loss after tax of US\$ 1.8m (FY-18: US\$ 1.7m). As the local maize market develops, the division has successfully adjusted its purchasing strategy to smooth out the peaks in demand for working capital. This is reflected in lower inventory levels in comparison to previous years. The steps taken to improve quality has allowed the division to expand its product range. New distribution channels are being developed with a view to increasing the brand's national exposure and to enter the informal market during FY-20. These measures are expected to improve margins and smooth the demand cycle.

Beef division

The outbreak of foot and mouth in Mozambique in February 2018 severely curtailed the movement in cattle and limited the division's ability to increase the pipeline of cattle in the feedlot, and throughput to the abattoir. Although restrictions have been removed in some areas, access to the main buying areas remains limited. New sources of commercial cattle have been identified. These cattle go straight to slaughter and help meet short term changes in demand. Strict bio-security measures are in force at the feedlot and the Dombe ranch and the operation has remained disease free as at the year end and to date.

Following the recent announcement of the award of a grant from Fundo Catalitico Para Inovacao E Demonstracao ("FCID") of US\$ 823,000, the division will be rolling out nine "centres of cattle sales" in the Mozambique Province of Manica. This will help improve the availability and quality of local cattle in future years. The first of these is expected to be operational in the near future.

The division is reporting meat sales for the year of 1,260 tonnes (FY-18: 1,453 tonnes). A change in pricing policy enabled revenues to increase 7% in Metical terms to MTN 307m (FY-18: MTN 288m) and in US dollar terms to US\$ 5.0m (FY-18: US\$ 4.7m).

The measures taken to improve efficiencies of forage cropping and the introduction of pelletised animal feed sourced from the Grain division, has led to significantly improved performance in the feedlot. Together with the full benefit from the rationalisation of the division's ranching operations in the previous year, the division reported a significant reduction in its EBITDA loss to US\$ 485,000 (FY-18: US\$ 1,252,000). EBITDA has been reconciled and defined in note 5. After a fall in the interest charge to US\$ 100,000 (FY-18: US\$ 140,000), the division is reporting a loss after tax of US\$ 0.6m (FY-18: US\$ 1.7m).

Key Performance Indicators

The Board monitors the Group's performance in delivery of strategy by measuring progress against Key Performance Indicators (KPIs). These KPIs comprise a number of operational, financial and non-financial metrics.

	2019	2018
Grain division		
- Average milling yield	76.2%	72.6%
- Meal sold (tonnes)	16,791	16,472
- EBITDA (note 5)	(485,000)	(597,000)
- Net debt	(3,670,000)	(3,625,000)
- Available headroom under banking facilities	537,000	1,709,000
Beef division		
- Slaughter herd size – number of head	2,468	3,956
- Average daily weight gain in feedlot (% of body mass)	0.32	0.25
- Meat sold (tonnes)	1,260	1,453
- EBITDA (note 5)	(485,000)	(1,252,000)
- Net debt	663,000	180,000
- Available headroom under banking facilities	195,000	309,000
Group		
- EPS	(14.6)	(31.1)
- Liquidity - cash plus available headroom under facilities	2,702,000	4,769,000

These indicators have been budgeted for the first time for FY-20 and are used to monitor progress on a monthly basis. Further strategic KPIs will be introduced once the immediate key goal of moving the existing businesses into profitability has been achieved.

Fraud Investigation

Following the report to the Auditors of the incidence of theft which occurred on 17 June 2019, the Auditors requested a detailed investigation of the circumstances. An initial management review brought to light a further incident concerning a fictitious purchase of grain in January 2019. Consequently, the Audit Committee commissioned an external team of internal auditors to conduct a detailed review of the procurement cycle. This review brought to light a further incidence in December 2018, together with a potential theft of petty cash which could not be accounted for. The gross loss to the Group of all incidences was US\$ 21,000 with a net loss of US\$ 9,000. The Auditors questioned the independence of the internal audit team and therefore could not conclude that the frauds did not have a material impact on the financial statements without the need for a forensic audit. The Company commissioned PKF Littlejohn LLP to perform the forensic audit, the scope of which was agreed with the Auditors. The forensic audit concluded that there was no evidence that further incidences of fraud had occurred and that there was no material impact on the financial statements of those incidences which had come to light. The additional costs incurred by the Auditors in respect of the frauds were approximately US\$55,000 and by the forensic auditor approximately US\$ 155,000.

Financial Review

Towards the end of FY-18, the corporate office in London was closed and all senior operational management are now based in Chimoio. Central costs have therefore fallen significantly to US\$ 0.5m (FY-18: US\$ 1.6m). Together with the reduced loss at the Beef division, the Group is reporting a reduction of 39% in the loss after taxation of US\$ 3.1m (FY-18 US\$ 5.1m).

Net Debt at 31 March 2019 was US\$ 2.4m (FY-18: US\$ 0.7m). Details of the Group’s banking facilities are set out in note 19 to the financial statements. Since the year-end, additional facilities have been agreed, to enable the Grain division to invest in the working capital required to secure sufficient grain to meet its operational targets.

Risk management

The Company is subject to various risks and the future outlook for the Group, and growth in shareholder value should be viewed with an understanding of these risks. According to the risk, the Board may decide to tolerate it, seek to mitigate it through controls and operating procedures, or transfer it to third parties. The following table shows the principal risks facing the Group and the actions taken to mitigate these:

Key risk factor	Detail	How it is managed	Change in the period
Foreign Exchange	The Group’s operations are impacted by fluctuations in exchange rates and the volatility of the Metical	The Group’s borrowing facilities are denominated in Metical	No change. The Metical has been relatively stable over the last couple of years as inflation falls and interest rates come down
Political instability	Changes to government policy and applicable laws could adversely affect operations or the financial condition of the Group	Contingency plans to protect assets and staff should political or military tensions escalate	Increase with Presidential elections in October 2019
Land ownership in Mozambique	Property rights and land are exclusive to the state. The state grants rights to use and develop land “DUATs”. The operations are dependent upon maintaining the relevant DUATs	Observance of any conditions attaching to a DUAT	No change
Maize growing season	Adverse weather conditions, national or regional could impact on the availability and pricing of grain	Diversify sources of supply and supply agreements	No change. Operations were disrupted for a few days until regular power was restored following Cyclone Idai in March 2019. Only superficial damage to facilities occurred and all personnel were safe
Cattle and cattle feed	Cattle are subject to diseases and infections. The availability and price of feed impacts profitability	Stringent Bio-security measures are in place at the Farms and Feedlot. The division is now self-sufficient in roughage crops and acquires a majority of its feed from the Grain division	Reduced – Improved farming and silage storage facilities. Some Foot and Mouth restrictions have been lifted
Access to working capital	The Group is reliant on local banking facilities in Mozambique	During the year, the Group swapped a MTN 240m overdraft facility into a 5 year amortizing term loan	Reduced – the term loan reduces the exposure to reliance on the renewal of short-term facilities
Compliance	There is a risk of a breach of the Group’s business or ethical conduct standards and breach of anti-corruptions laws, resulting in investigations, fines and loss of reputation	The Board reinforces an ethical corporate culture. Anti-bribery policies are in place, with regular training throughout the organisation	No change
COVID-19	COVID-19 has had a significant negative impact globally, both economically and socially. There is a risk that there will be a significant outbreak of the COVID-19 virus in Mozambique which could potentially impact the population through contraction of COVID-19 and Government enforced measures, and in turn impact the Group’s operations.	Plans are being put in place to protect our staff and production capabilities. The Group remains alert to the fast changing environment and is prepared to put in place mitigating actions as events develop. Our products, meal and beef, are key staples in the domestic Mozambican market and demand is not expected to be significantly affected should the pandemic take hold. The impact on future liquidity has been discussed further in the Going Concern section below.	The outbreak of COVID-19 occurred post period end. The outbreak has not yet spread significantly to Mozambique with only limited cases reported to date.

The Board is also responsible for establishing and monitoring the Group’s systems of internal controls. Although no system of internal control can provide absolute assurance against material misstatement or loss, the Group’s systems are designed to provide the directors with reasonable assurance that problems are identified on a timely basis and dealt with appropriately. The Board reviews the effectiveness of the systems of internal control and considers the major business risks and the control environment on a regular basis. In light of this control environment the Board considers that there is no current requirement for a permanent separate internal audit function.

Going concern

The Group's business activities together with the factors likely to affect its future performance are set out in this strategic review. Note 21 to the financial statements refers to the Group's objectives, policies and procedures for managing its capital, its financial risk management objectives, its financial instruments and exposures to credit, interest rate and liquidity risk.

As set out in note 19, the Group is funded by a combination of short and long-term borrowing facilities. Subsequent to the year-end, additional banking facilities have been agreed as set out in note 26. The Group has received correspondence from the banks providing overdraft facilities indicating that they do not presently see any reason why the current overdraft facilities would not be extended at their respective renewal dates (with certain facilities becoming due for renewal in April and June 2020).

The Group has prepared forecasts for the Group's ongoing businesses covering the period of at least 12 months from the date of approval of these financial statements. These forecasts are based on assumptions including, inter alia, that there are no significant disruptions to the supply of maize or cattle to meet its projected sales volumes and that key inputs are achieved, such as forecast selling prices and volume, budgeted cost reductions, and projected weight gains of cattle in the feedlot. They further take into account working capital requirements and currently available borrowing facilities. These forecasts show that the Group is projected, in the short term, to continue to experience net cash outflows rather than inflows. Based on a base case forecast (inclusive of remedial action such as deferral of planned capital expenditure and reduction in working capital balances), the Group anticipates a shortfall in available cash against its pre-existing facilities within the next 12 months and is contingent on securing additional funding, either through additional loan and overdraft facilities or through raising cash through capital transactions to remain a going concern. The Group's key products, meal and beef are important basic consumables in the domestic market in Mozambique and the demand for which is expected to remain high should COVID-19 take hold in Mozambique. However, the impacts of COVID-19 are not currently known and therefore a sensitised version of the Group's forecasts have been prepared which both increases the shortfall against pre-existing facilities and shortens the timing before a shortfall arises.

The Group is in negotiations with a number of lenders regarding additional funding to address the shortfall and to support the growth that the business anticipates after the resolution of the funding shortfall. Further details of the directors' considerations are set out in note 3 to the financial statements.

The directors note that COVID-19 has had a significant negative impact on the global economy, which may mean it is harder to secure additional funding than it has historically been. Nonetheless, based on the factors described above, whilst there are no contractual guarantees, the directors are confident that the existing financing will remain available to the Group and additional sources of finance will be available. The directors, with the operating initiatives already in place, are also confident that the Group will achieve its cash flow forecasts. Therefore, the directors have prepared the financial statements on a going concern basis.

The forecasts show that the Group requires further funding to meet its commitments as they fall due and in addition to this the Group is reliant on maintaining its existing borrowings. If the Group's forecasts are adversely impacted by COVID-19 or other factors, then the Group may require further funding earlier than expected. These conditions and events indicate the existence of material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern and the Group may therefore be unable to realise their assets and discharge their liabilities in the ordinary course of business. These financial statements do not include the adjustments that would result if the Group were unable to continue as a going concern.

Outlook

The Group as a whole had a good start to FY-20. Sales to relief agencies after Cyclone Idai, underpinned sales in the Grain division in our traditionally quiet first quarter, however inventory overhang in the market as a result of the aid programmes slowed continued sales progress in the second quarter. The Beef division has seen a fall in volumes as the South African Rand depreciated to less than 4 Metical during Q1/early Q2 FY-20, which led to tough trading conditions in the south of the country where our beef product has to compete with imports from South Africa. Plans are being made and finance sought to develop a sustainable presence in the Maputo market. This will provide a platform for growth in the Beef division. Elections were held in October 2019 and led to variable demand in Q3 FY-20 for both divisions. The outbreak of COVID-19 has not yet spread significantly to Mozambique with only limited cases reported to date. Plans are being put in place to protect our staff and production capabilities. Our products, meal and beef, are key staples in the domestic Mozambican market and although demand is not expected to be significantly affected should the pandemic take hold, there are potential short term risks which are disclosed further in the key risks section above.

Board changes

On 28 December 2018 Mr. Daniel Cassiano-Silva stepped down from his non-executive role. I would like to thank Dan for his valuable contribution to the development of the Group during his previous executive role as Group Finance Director.

The Board has been strengthened with the appointment of Mr. Neil Clayton on 9th January 2019 and Ms. Amanda Thorburn on 1st March 2019 as independent non-executive directors. Further appointments will be made as the Group's requirements develop including the appointment of a further independent non-executive director, which the Company hopes to announce shortly. Details of the directors and the committees they serve on are set out in the Corporate Governance report.

CSO Havers,
Executive Chair
30 March 2020

CORPORATE GOVERNANCE

The Company is quoted on AIM and from 28th September 2018 was required to comply with the provisions of a recognised corporate governance code. The board elected to adopt the Quoted Company Alliance Corporate Governance Code (the “QCA code”). Further details are available at <http://www.agriterra-ltd.com/corporategovernance.aspx>.

The Board is committed to applying a standard of corporate governance commensurate with its size and stage of growth and the nature of its activities.

The Board

Following the investment by Magister Investments Limited in September 2017, the board structure has been re-organised to ensure it has the appropriate balance of skills and independence. The Board currently comprises the Executive Chair, two non-independent Non-Executive Directors and two independent Non-Executive Directors who were appointed during the year. The Board is looking to further enhance its composition, skills and balance as the company develops. The Board currently comprises:

Caroline Havers, Executive Chair (AC; IC chair)

Ms. Havers is a highly experienced litigation/dispute resolution lawyer having spent over 30 years within international law firms working with clients operating in a variety of African jurisdictions and industry sectors. During her legal career, Ms. Havers has been both a partner and managing director of different law firms. She provides advice on compliance and governance and is a long qualified CEDR Mediator

Whilst the Group consolidates its operations in Mozambique, the Board appointed Ms. Havers as Executive Chair. It is intending to appoint a Chief Executive Officer, based in Mozambique in due course.

Hamish Rudland, Non-Executive Director (IC)

Mr. Rudland has extensive experience across logistics, agriculture, agro-processing, distribution and property. After graduating from Massey University, New Zealand, he returned to Zimbabwe in 1997 to start a passenger transport business that he soon diversified into fuel tank haulage in the early 2000s. Thereafter Mr. Rudland structured acquisitions of foreign-owned asset rich companies to list on the Zimbabwe Stock Exchange. Mr. Rudland has substantial investments in Zimbabwe Stock Exchange listed companies which focus on his core competencies but also synergise where advantages can be made.

As a result of Mr. Rudland’s relationship to Magister Investments Limited, he is not considered to be an “independent” director for the purposes of the QCA Corporate Governance Code.

Gary Smith, Non-Executive Director (AC; RC)

Mr. Smith is an experienced finance professional and is currently a non-executive director of several companies in Zimbabwe and Mauritius. Mr. Smith worked in the UK for several years where he was employed at Deutsche Bank, University of Surrey and Foxhills Club & Resort. Upon returning to Africa he worked for a large transport and logistics company in Mozambique for four years before returning home to Zimbabwe and the above positions.

Mr. Smith is a Chartered Accountant and a resident and citizen of Zimbabwe. As a result of Mr. Smith’s relationship with Magister Investments Limited, he is not considered to be an “independent” director for the purposes of the QCA Corporate Governance Code.

Neil Clayton, Non-Executive Director (AC; RC Chair)

Mr. Clayton is a Chartered Accountant and has over 30 years of experience in a variety of listed and un-listed companies. Specifically, Mr. Clayton brings significant experience and expertise as regards listed companies operating in Africa as well as particular knowledge of the Company’s business and requirements, having held an interim finance role at the Company during 2018.

Despite his recent work with the Company the Board considers Mr. Clayton to be an “independent” director for the purposes of the QCA Corporate Governance Code.

Amanda Thorburn, Non-Executive Director (AC Chair; RC)

Ms. Thorburn is an associate chartered management accountant and has 25 years’ experience of working in Southern Africa across a variety of financial and advisory roles focused on the telecoms and agribusiness sectors. Ms. Thorburn has also established and run her own baby linen manufacturing company. Since June 2011, she has focused her attention on the agricultural sector, and has consulted and advised on various aspects of many agriculture projects in the region with a strong focus on value chain development in the livestock sector.

The Board considers Ms. Thorburn to be an “independent” director for the purposes of the QCA Corporate Governance Code.

The Executive Chair is expected to commit a minimum of 2 weeks per month and the non-executive directors are expected to commit 2 days a month. In addition, all directors are expected to devote any additional time that might be required in order to discharge their duties.

Board meetings are held quarterly in Mozambique. The attendance record of directors, since appointment, for the year is as follows:

	Meetings held	Meetings attended
Caroline Havers	4	4
Dan Cassiano-Silva (resigned 28 December 2018)	3	0
Neil Clayton (appointed 9 January 2019)	1	1
Hamish Rudland	4	4
Gary Smith	4	4
Amanda Thorburn (appointed 1 March 2019)	1	0

The Board has entrusted the day-to-day responsibility for the direction, supervision and management of the business to the Senior Management Committee (the 'SMT'). The SMT is currently comprised of the Executive Chair, the Operations Director and Chief Financial Officer in Mozambique.

Certain matters are specifically reserved to the Board for its decision including, *inter alia*, the creation or issue of new shares and share options, acquisitions, investments and disposals, material contractual arrangements outside the ordinary course of business and the approval of all transactions with related parties.

There is no agreed formal procedure for the directors to take independent professional advice at the Group's expense. The Company's directors submit themselves for re-election at the Annual General Meeting at regular intervals in accordance with the Company's Articles of Incorporation.

The Company has adopted a share dealing code for directors' dealings which is appropriate for an AIM quoted company. The directors and the Company comply with the relevant provisions of the AIM Rules and the Market Abuse Regulation (EU) No. 596/2014 relating to share dealings and take all reasonable steps to ensure compliance by the Group's employees.

Board committees

Due to the current size of the Board and the Company, there is no separate Nominations Committee and any new directors are appointed by the whole Board.

At the Board meeting held in March 2019 the new Audit ("AC"), Investment ("IC") and Remuneration Committees ("RC") were established. Terms of reference have been agreed subsequent to the year end and full committee reports will be published in the next annual report.

The Audit Committee is chaired by Amanda Thorburn and has been actively engaged in the planning and conduct of the Audit of these financial statements. The Committee has formally met twice since the year end and the Chair has had independent conversations with the Audit partners both in Mozambique and London where executive management have not been present.

Terms and conditions for Directors

The Executive Chair and Non-Executive Directors do not have service contracts but appointment letters setting out their terms of appointment. The appointments may be terminated on three months' notice by either party. The Non-Executive Directors receive an annual base fee reflecting their respective time commitments and do not receive any benefits in addition to their fees, nor are they eligible to participate in any pension, bonus or share-based incentive arrangements.

Directors' remuneration

Remuneration details are set out in note 9 to the financial statements.

Evaluation of Board performance

As the Board has been reconstituted over the last 18 months, no formal review of the effectiveness of its performance as a unit, as well as that of its committees and the individual directors has been taken. Given the Company's size, performance reviews are to be carried out internally from time to time. Reviews will endeavour to identify skills development or mentoring needs of directors and the wider senior management team.

The Board recognises that the current procedures remain to be formally implemented and therefore do not accord with the QCA Guidelines. However it is anticipated that these procedures will be augmented to a standard appropriate for the size and stage of development of the Company.

Communication with shareholders

The Group aims to ensure all communications concerning the Group's activities are clear, fair and accurate. The Board is however keen to improve its dialogue with shareholders. The Group's website is regularly updated and announcements are posted onto the Company's website.

The results of voting on all resolutions in future general meetings will be posted to the Company's website, including any actions to be taken as a result of resolutions for which votes against have been received from at least 20 per cent of independent shareholders.

DIRECTORS' REPORT

The directors the Company hereby present their annual report together with the audited financial statements for the year ended 31 March 2019 for the Group. At the Annual General Meeting held on 30 November 2017, the shareholders approved a resolution to consolidate 100 existing ordinary shares of 0.1p each ("Existing Ordinary Share") into one new ordinary share of 10p each ("New Ordinary Share"). All references to the number of shares in issue at 31 March 2019 and in the comparative year relate to New Ordinary Shares.

Except where otherwise noted, amounts are presented in this Directors' report in United States Dollars ('\$' or 'US\$').

1. LISTING DETAILS

Agriterra is a non-cellular Guernsey registered company limited by shares, whose ordinary shares ('Ordinary Shares') are quoted on the AIM Market of the London Stock Exchange ('AIM') under symbol AGTA.

2. PRINCIPAL ACTIVITIES, BUSINESS REVIEW AND FUTURE DEVELOPMENTS

The principal activity of the Group is the investment in, development of and operation of agricultural projects in Africa. The Group's current operations are focussed on maize and beef in Mozambique. A review of the Group's performance by business segment and future prospects are given in the Chair's statement and strategic review, together with a review of the risks and uncertainties impacting on the Group's long-term performance.

3. RESULTS AND DIVIDENDS

The Group results for the year ending 31 March 2019 show a loss after taxation of \$3,095,000 (2018: loss \$5,084,000). The Directors do not recommend the payment of a final dividend (2018: \$nil). No interim dividends were paid in the year (2018: \$nil).

Further details on the Group's performance in the year are included in the Chair's statement and strategic review.

4. DIRECTORS

4.1. DIRECTORS IN OFFICE

The Directors who held office during the year and until the date of this report were:

Director	Position
CSO Havers	Executive Chair
DL Cassiano-Silva (resigned 28 December 2018)	Non-Executive Director
NWH Clayton (appointed 9 January 2019)	Non-Executive Director
HBW Rudland	Non-Executive Director
GR Smith	Non-Executive Director
A Thorburn (appointed 1 March 2019)	Non-Executive Director

4.2. DIRECTORS' INTERESTS

As at the date of this report, the interests of the Directors and their related entities in the Ordinary Shares of the Company were:

	Ordinary Shares held
HBW Rudland*	10,622,433

Mr. Rudland's interest is held through Magister Investments Limited ('Magister'). Magister is a private limited company incorporated in the Republic of Mauritius, wholly owned by Mauritius International Trust Company Limited, as trustee of the Casa Trust (a Mauritius registered trust). Mr. Hamish Rudland is the Settlor of the Casa Trust and the beneficiaries of the Casa Trust are Mr. Rudland, his wife, Mrs. Bridgette Rudland and their three children (all of whom are under 18 years old).

4.3. DIRECTORS' EMOLUMENTS

Details of the nature and amount of emoluments payable by the Group for the services of its Directors during the financial year are shown in note 9 to the financial statements.

DIRECTORS' SHARE OPTIONS

Details of the Director's interests in share options of the Company during the financial year are as follows:

Director	At 31 March 2018 and 2019	Exercise price GBP	Date from which Exercisable	Expiry date
DL Cassiano-Silva	25,000	£1.47	(1)	(2)

(1) These options were granted on 15 March 2014 and vest 20% per annum on the first to fifth anniversary from the date of grant.

(2) These options expire five years after the date they vest.

These options lapsed on 28 June 2019.

4.4. DIRECTORS' INDEMNITIES

The Company has made qualifying third party indemnity provisions for the benefit of its Directors which remain in force at the date of this report.

5. SUBSTANTIAL SHAREHOLDINGS

To the best of the knowledge of the Directors, except as set out in the table below, there are no persons who, as of 30 March 2020, are the direct or indirect beneficial owners of, or exercise control or direction over 3% or more of the Ordinary Shares in issue of the Company.

	Number of Ordinary Shares	% Holding
Magister Investments Limited	10,622,433	50.01%
Gersec Trust Reg.	2,779,656	13.90%
Mr. William Philip Seymour Richards	982,500	4.63%
Global Resources Fund	678,886	3.20%
Peter Gyllenhammar AB	647,500	3.05%

6. EMPLOYEE INVOLVEMENT POLICIES

The Group places considerable value on the awareness and involvement of its employees in the Group's performance. Within bounds of commercial confidentiality, information is disseminated to all levels of staff about matters that affect the progress of the Group and that are of interest and concern to them as employees.

7. SUPPLIER PAYMENT POLICY AND PRACTICE

The Group's policy is to ensure that, in the absence of dispute, all suppliers are dealt with in accordance with its standard payment policy which is to abide by the terms of payment agreed with suppliers for each transaction. Suppliers are made aware of the terms of payment. The number of days of average daily purchases included in trade payables at 31 March 2019 was 20 days (2018: 4 days).

8. POLITICAL AND CHARITABLE DONATIONS

During the year no political and charitable donations were made (2018: \$nil).

9. SOCIAL AND COMMUNITY ISSUES

The mission of the Group in Mozambique is to work with and support the local producers by creating an efficient route to market of a top quality national product. We strongly believe in the "field to fork" process and will continue to develop this concept as the group of companies grow. We have recently created a slogan called "Do campo para mesa" meaning "From the field to the table" which simply cements our beliefs in the business. We respect that it is part of our wider responsibility to promote the development of the countries in which we operate. Central to this development and continued economic growth is employment and training. Wherever possible, the Group continues to ensure that its expertise and specialist skills and facilities are made available to the broader community.

Particular activities undertaken during the year have focused on (1) practical, 'on the ground' training for students from various universities in Mozambique studying, inter alia, production practices in beef and cattle, milling practices (including mill engineering), veterinary sciences and animal sciences; (2) dissemination of agricultural management knowledge and practices; and (3) provision of health and medical assistance.

Milling

With respect to educational activities, this year DECA hosted two 6 month post-graduation internship for students in HR and IT technology in the Administration department. Then we recruited 2 post graduate students in Finance who are currently under an internship and if successful will be taken on permanently in the finance department as cost accountants. We have also hosted one position for 3 months in the Technical department in the milling section in food technology. Our Manager in Tete has recently graduated in business and economics and continues to run our facility in Tete as the senior Manager in charge.

Beef

The Mozbife Vanduzi feedlot hosted 38 animal and veterinary science students and 17 students in the Abattoir throughout the year for practical aspects of their university courses. We have recently employed a post graduate food technologist in the Abattoir to support the quality control system. We recently trained 60 employees in the Abattoir and butcheries on meat processing and quality control practices to ensure our product is always of a high standard. Mozbife is currently working to become Global Gap accredited from the farm to the feedlot in ensuring traceability and quality standard of products at all times.

With respect to the promotion of health and medical assistance, DECA recently donated its ambulance to Dr Abrantes' clinic in Chimoio which is the first port of call for the operations in case of any emergency. He also coordinates and monitors progress on mid to long term treatments ensuring employees are supported through whatever treatments are required. We have undertaken further work on the clinic in the district of Dombe to provide a service base for this very rural community.

Community relations initiatives have recently received a major boost this year in that Mozbife was awarded a US\$ 823,000 grant from the Catalytic fund to construct 9 community buying points in the various areas we operate in. These cattle buying centres (or known as CBC's) will formalize the buying process by having state of the art equipment and infrastructure in place to support the activities. This investment has also brought about the creation of 9 associations who have all been registered and have received training in functioning as an association. The CBC will certainly go a long way in cementing our support within these communities. We envisage bolting on other activities like maize buying and the selling of the finished goods of which they supply into. At Vanduzi, manure from the feedlot is given to surrounding small scale farming associations, being out growers for Companhia de Vanduzi and Westfalia who commercially export fruit and vegetables to the European market. Both DECA and Mozbife sponsored the annual Christmas party for three orphanages with over 200 children in Msika district, and meal was distributed to certain communities during the planting season to ensure local seed stocks were planted.

10. INDEPENDENT AUDITOR AND STATEMENT OF PROVISION OF INFORMATION TO THE INDEPENDENT AUDITOR

BDO LLP have expressed their willingness to continue in office as independent auditor of the Company and a resolution to re-appoint them will be proposed at the forthcoming Annual General Meeting.

The Directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is not aware and each Director has taken all the steps that he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

11. ADDITIONAL INFORMATION AND ELECTRONIC COMMUNICATIONS

Additional information on the Company can be found on the Company's website at www.agriterra-ltd.com.

The maintenance and integrity of the Company's website is the responsibility of the Directors; the work carried out by the auditor does not involve consideration of these matters and accordingly, the auditor accepts no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

The Company's website is maintained in compliance with AIM Rule 26.

By Order of the Board.

CSO Havers
Executive Chair
30 March 2020

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

The Companies (Guernsey) Law, 2008, as amended (the '2008 Law') requires the Directors to prepare group financial statements for each financial year in accordance with generally accepted accounting principles.

The Directors are required by the AIM Rules of the London Stock Exchange to prepare group financial statements in accordance with International Financial Reporting Standards ('IFRS') as adopted by the European Union ('EU').

The financial statements of the Group are required by law to give a true and fair view and are required by IFRS as adopted by the EU to present fairly the financial position and financial performance of the Group.

In preparing the Group 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 they have been prepared in accordance with IFRSs as adopted by the EU; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and Company transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the financial statements are properly prepared in accordance with the Companies (Guernsey) Law, 2008. They are also responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website. Legislation in Guernsey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Directors confirm they have discharged their responsibilities as noted above.

INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS OF AGRITERRA LIMITED

Opinion

We have audited the financial statements of Agriterra Limited (“the Parent Company”) and its subsidiaries (the ‘Group’) for the year ended 31 March 2019 which comprises the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated statement of changes in equity, the consolidated cash flow statement and notes to the consolidated financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion the financial statements:

- give a true and fair view of the state of the Group’s affairs as at 31 March 2019 and of the Group’s loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been properly prepared in accordance with the requirements of the Companies (Guernsey) Law, 2008.

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 Group 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 3 to the financial statements concerning the Group’s ability to continue as a going concern which shows that the Group will need to renew its overdraft facilities and maintain its current borrowings and raise further finance in order to continue as a going concern. As disclosed in note 3, the Group’s overdraft facilities require renewal within the going concern period. In addition to this the Group have noted further uncertainty created by the COVID-19 pandemic which could impact the ability to raise further financing.

The matters explained in note 3 indicate that material uncertainties exist that may cast significant doubt on the Group’s ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Group was unable to continue as a going concern. Our opinion is not modified in respect of this matter.

Given the conditions and uncertainties noted above, we considered going concern to be a Key audit matter. Our audit procedures in response to this key audit matter included the following:

- We reviewed the recent renewal of the overdraft facility and obtained representations from the Board that there has been no correspondence from the bank in respect of the breach of covenants in respect of the term loan.
- We requested and have obtained, assurance from the banks that overdraft facilities are likely to be extended beyond the current expiry date.
- We critically assessed management’s financial forecast over their period of going concern assessment to March 2021. This included consideration of the key underlying assumptions and involved reviewing actual performance against budget.
- We have undertaken sensitivity analysis on management’s forecasts based on the achieved run rate in FY-20.
- We discussed these matters with management and the Audit Committee and obtained representations from the Board in respect of the future plans of the Group.
- We reviewed the Group’s assessment of the impact of COVID-19 using our knowledge of the business and the industry that the Group operates in.
- We evaluated the adequacy of disclosures made in the financial statements. We found that the disclosure of this matter was adequately described.

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.

In addition to the key audit matter on going concern above we note the following key audit matters:

Impairment assessment of the Beef and Grain divisions

As detailed in note 14, the Group's principal non-current assets relate to the Beef and Grain divisions. Management must assess at each reporting date whether there is any objective evidence of impairment of the Group's assets. Management noted that indicators of impairment exist, such as the losses incurred during the year. Management undertook impairment tests using the value in use (VIU) method to determine if, as at 31 March 2019, the recoverable amount of each of the divisions was greater than its carrying value. This assessment involved significant management judgement and estimates, as detailed in the significant accounting policies and estimates note and note 4. We therefore considered the impairment assessment and the appropriateness of the estimates and disclosures to be a key audit matter.

How we addressed the matter. We evaluated management's value in use impairment models for the Grain and Beef divisions and critically challenged the key estimates and assumptions used by management by comparing forecast revenue and costs to historic actual performance, comparing inflation and discount rate assumptions to third party independent sources and confirming that the forecasts were formally reviewed and approved by the Board and were consistent with operational budgets. We performed sensitivity analysis over individual key inputs, together with a combination of sensitivities over such inputs including pricing, sales volumes and operation costs and assessed the level of cash under such sensitivities. We reviewed the disclosures in the financial statements, particularly the disclosures of key estimates and assumptions which impact the fair values, and the sensitivity analysis thereon.

Key Observations: We found management's assessment of the carrying value of the Beef and Grain divisions to be acceptable and appropriately disclosed.

Valuation of Biological assets

As detailed in note 16, as at 31 March 2019 the Group holds \$830,000 of biological assets (2018: \$1,137,000) which are principally comprised of livestock in the Beef division. The valuation of these assets requires management estimation to derive the fair value of livestock assets in accordance with IAS 41 'Biological Assets'. Management have determined the valuation of these assets with reference to input assumptions including the average price of cattle purchased (per KG) in the period preceding year-end, the size of the livestock herd as at 31 March 2019, the daily growth rate of cattle (and the impact on the herd value over time) and the expected costs to sell. This valuation involved significant management judgement and estimates, as detailed in the significant accounting policies and estimates note and note 4. We therefore considered the impairment assessment and the appropriateness of the estimates and disclosures to be a key audit matter.

How we addressed the matter. We evaluated management's fair value model for the valuation of livestock and critically challenged the key estimates and assumptions used by management being selling prices, foreign exchange rates and costs to bring them to market. In doing so, corroborated the estimates to actual selling prices, market data and actual costs respectively. We also confirmed that inputs were appropriate under relevant accounting standards and were derived from information materially consistent with the financial statements and third party independent sources. We reviewed the disclosures in the financial statements, particularly the disclosures of key estimates and assumptions.

Key Observations: We found management's assessment of the valuation of Biological assets to be acceptable and appropriately disclosed.

Fraud

As disclosed in note 27, fraudulent payments totalling \$21,000 were discovered by Management. There was a risk that further frauds were not detected. A forensic investigation was undertaken by an independent expert which did not identify any further frauds.

How we addressed the matter. We involved forensic specialists from BDO who reviewed management's assessments of the identified frauds and reviewed management's assessment and conclusion that no further frauds had occurred. As disclosed in note 27, we determined that a forensic investigation undertaken by an independent expert was required. We considered whether we could rely on the work of the independent expert who carried out the forensic investigation. Our consideration involved making an assessment of the expert's competence, capabilities and their independence. At the planning stage of their work we reviewed their scope, and we also reviewed their final report and conclusions. Throughout our review of the forensic investigation, we involved forensic specialists from BDO.

Key Observations: We found the scope of the forensic investigation to be appropriate, and the frauds to be appropriately disclosed.

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Group materiality was determined to be \$160,000 (2018 – \$200,000). The basis for determining materiality was 1.5% of total assets. Total assets was selected as the basis for determining materiality because the business is loss-making, cash consumptive and recently raised significant financing and therefore it was concluded that the most relevant metric to users of the financial statements was an asset-based measure, reflecting stakeholders' desire to understand the closing asset position and liquidity of the Group.

Performance materiality is the application of materiality at the individual account or balance level set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole. Performance materiality was set at \$120,000 (2018 – \$100,000) for the Group. The basis for performance materiality was 75% (2018 – 50%) of the above materiality levels. We selected the level of performance materiality based on an assessment of the history of errors and the number of significant components.

Each significant component of the Group was audited to a lower level of materiality ranging from \$52,500 to \$105,000 (2018 – \$76,000 to \$110,000).

We agreed with the Audit Committee that we would report to the Committee all individual audit differences identified during the course of our audit in excess of \$3,500. We also agreed to report differences below these thresholds that, in our view warranted reporting on qualitative grounds.

An overview of the scope of our audit

Our Group audit was scoped by obtaining an understanding of the Group and its environment, including the Group's system of internal control, and assessing the risks of material misstatement in the financial statements at the Group level. Our Group audit scope focused on the Group's principal operating businesses being the Grain and Beef divisions, which were subject to a full scope audit for Group reporting purposes by BDO Mozambique. Together with the parent company and its Group consolidation, which was also subject to a full scope audit by BDO LLP, these represent the significant components of the Group.

The remaining components of the Group were considered non-significant holding companies and these components were principally subject to analytical review procedures. 100% of the Group's revenue and 100% of the Group's total assets were subject to full audit procedures. The audits of each of the components were principally performed in the United Kingdom and Mozambique. All of the audits were conducted by BDO LLP and BDO Mozambique. As part of our audit strategy, the senior members of the BDO LLP audit team visited each of the principal operating locations in the year in addition to holding frequent calls and meetings with the BDO Mozambique component team.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the annual report and consolidated financial statements, 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies (Guernsey) Law, 2008 requires us to report to you if, in our opinion:

- proper accounting records have not been kept by the Parent Company; or
- the Parent financial statements are not in agreement with the accounting records; or
- we have failed to obtain all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

Responsibilities of Directors

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Parent Company's members, as a body, in accordance with Section 262 of the Companies (Guernsey) Law, 2008. Our audit work has been undertaken so that we might state to the Parent Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

BDO LLP
Chartered Accountants
London
30 March 2020

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

CONSOLIDATED INCOME STATEMENT

For the year ended 31 March 2019

		Year ended 31 March 2019	Year ended 31 March 2018
	Note	US\$000	US\$000
Continuing operations			
Revenue	5	10,629	9,222
Cost of sales		(9,891)	(8,184)
Increase in fair value of biological assets		478	510
Gross profit		<u>1,216</u>	<u>1,548</u>
Operating expenses		(3,860)	(5,619)
Other income		225	25
Profit on disposal of property, plant and equipment		340	88
Operating loss	6	<u>(2,079)</u>	<u>(3,958)</u>
Finance costs	10	<u>(1,016)</u>	<u>(1,084)</u>
Loss before taxation		<u>(3,095)</u>	<u>(5,042)</u>
Taxation	11	-	(4)
Loss for the year from continuing operations		<u>(3,095)</u>	<u>(5,046)</u>
Discontinued operations			
Loss for the year from discontinued operations	12	-	(38)
Loss for the year attributable to owners of the Company		<u>(3,095)</u>	<u>(5,084)</u>
		US cents	US cents
LOSS PER SHARE			
Basic and diluted loss per share from continuing operations	13	<u>(14.6)</u>	<u>(30.9)</u>
Basic and diluted loss per share from continuing and discontinued operations	13	<u>(14.6)</u>	<u>(31.1)</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2019

	Year ended 31 March 2019	Year ended 31 March 2018
	US\$000	US\$000
Loss for the year	<u>(3,095)</u>	<u>(5,084)</u>
Items that may be reclassified subsequently to profit or loss:		
Foreign exchange translation differences	<u>(133)</u>	<u>764</u>
Other comprehensive (loss)/income for the year	<u>(133)</u>	<u>764</u>
Total comprehensive loss for the year attributable to owners of the Company	<u>(3,228)</u>	<u>(4,320)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2019

	Note	31 March 2019 US\$000	31 March 2018 US\$000
Non-current assets			
Property, plant and equipment	14	6,292	6,315
Intangible assets	15	166	-
		6,458	6,315
Current assets			
Biological assets	16	830	1,137
Inventories	17	675	938
Trade and other receivables	18	698	1,096
Assets classified as held for sale		-	19
Cash and cash equivalents		2,197	3,541
		4,400	6,731
Total assets		10,858	13,046
Current liabilities			
Borrowings	19	1,708	4,235
Trade and other payables	20	1,186	469
		2,894	4,704
Net current assets		1,506	2,027
Non-current liabilities			
Borrowings	19	2,850	-
		2,850	-
Total liabilities		5,744	4,704
Net assets		5,114	8,342
Share capital	22	3,373	3,373
Share premium		151,442	151,442
Share based payment reserve		172	1,988
Translation reserve		(16,870)	(16,737)
Accumulated losses		(133,003)	(131,724)
Equity attributable to equity holders of the parent		5,114	8,342

The financial statements on pages 15 to 40 were approved and authorised for issue by the Board of Directors on 30 March 2020.

Signed on behalf of the Board of Directors by:

CSO Havers
Chair
30 March 2020

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2019

		Share capital	Share premium	Share based payment reserve	Translation reserve	Accumulated losses	Total Equity
	Note	US\$000	US\$000	US\$000	US\$000	US\$000	US\$000
Balance at 1 April 2017		1,960	148,622	1,985	(17,501)	(126,640)	8,426
Loss for the year		-	-	-	-	(5,084)	(5,084)
Other comprehensive income:							
Exchange translation gain on foreign operations		-	-	-	764	-	764
Total comprehensive loss for the year		-	-	-	764	(5,084)	(4,320)
Transactions with owners							
Issue of shares net of expenses		1,413	2,820	-	-	-	4,233
Share based payments	23	-	-	3	-	-	3
Total transactions with owners for the year		1,413	2,820	3	-	-	4,236
Balance at 31 March 2018		3,373	151,442	1,988	(16,737)	(131,724)	8,342
Loss for the year		-	-	-	-	(3,095)	(3,095)
Other comprehensive income:							
Exchange translation loss on foreign operations		-	-	-	(133)	-	(133)
Total comprehensive loss for the year		-	-	-	(133)	(3,095)	(3,228)
Transactions with owners							
Share based payments	23	-	-	(1,816)	-	1,816	-
Total transactions with owners for the year		-	-	(1,816)	-	1,816	-
Balance at 31 March 2019		3,373	151,442	172	(16,870)	(133,003)	5,114

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 March 2019

	Year ended 31 March 2019 US\$000	Year ended 31 March 2018 US\$000
Cash flows from operating activities		
Loss before tax from continuing operations	(3,095)	(5,042)
Adjustments for:		
Amortisation and depreciation	14/15 620	490
Profit on disposal of property, plant and equipment	(340)	(87)
Share based payment expense	23 -	3
Foreign exchange loss/(gain)	80	(181)
Net decrease in biological assets	16 754	194
Increase in value of biological assets	16 (478)	(510)
Finance costs	10 1,016	1,097
Investment revenues	-	(13)
Impairment of current and non-current assets	-	4
Operating cash flows before movements in working capital	(1,443)	(4,045)
Decrease in inventories	238	481
Decrease in trade and other receivables	392	772
Increase/(decrease) in trade and other payables	744	(297)
Cash used in operating activities by continuing operations	(69)	(3,089)
Corporation tax paid	-	(4)
Interest received	-	13
Net cash used in operating activities by continuing operations	(69)	(3,080)
Net cash used in operating activities by discontinued operations	-	(38)
Net cash used in operating activities	(69)	(3,118)
Cash flows from investing activities		
Proceeds from disposal of subsidiary, net of costs and cash balances disposed of	-	476
Proceeds from disposal of property, plant and equipment, net of expenses incurred	346	232
Acquisition of property, plant and equipment	14 (920)	(116)
Acquisition of intangible assets	15 (193)	-
Net cash (used in)/generated from investing activities	(767)	592
Cash flows from financing activities		
Issue of shares, net of expenses incurred	-	4,233
Net (repayment)/draw down of overdrafts	19 (3,258)	1,506
Net draw down/(repayment) of loans	19 3,773	(1,035)
Finance costs	(1,016)	(1,097)
Net cash (used in)/generated from financing activities	(501)	3,607
Net (decrease)/increase in cash and cash equivalents	(1,337)	1,081
Effect of exchange rates on cash and cash equivalents	(7)	35
Cash and cash equivalents at beginning of the year	3,541	2,425
Cash and cash equivalents at end of the year	2,197	3,541

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Agriterra is incorporated and domiciled in Guernsey, the Channel Islands, with registered number 42643. Further details, including the address of the registered office, are given on page 41. The nature of the Group's operations and its principal activities are set out in the Directors' report. A list of the investments in subsidiaries and associate companies held directly and indirectly by the Company during the year and at the year-end, including the name, country of incorporation, operation and ownership interest is given in note 3.

The reporting currency for the Group is the US Dollar ('\$' or 'US\$') as it most appropriately reflects the Group's business activities in the agricultural sector in Africa and therefore the Group's financial position and financial performance.

The financial statements have been prepared in accordance with IFRSs as adopted by the EU.

2. ADOPTION OF NEW AND REVISED STANDARDS AND INTERPRETATIONS

2.1 In the current year, the Group has adopted all new and revised IFRSs that are relevant to its operations and effective for annual reporting periods beginning on or after 1 January 2018. At the date of authorisation of these financial statements for the year ended 31 March 2019, the following IFRSs were adopted:

2.1.1 IFRS 9 FINANCIAL INSTRUMENTS

IFRS 9 has replaced IAS 39 Financial Instruments:

- **Recognition and measurement:** Financial assets are classified by reference to the business model within which they are held and their contractual cash flow characteristics. IFRS 9 introduces a 'fair value through other comprehensive income' category for certain debt instruments. Financial liabilities are classified in a similar manner to under IAS 39, however there are differences in the requirements applying to the measurement of an entity's own credit risk.
- **Impairment:** IFRS 9 introduces an 'expected credit loss' model for the measurement of the impairment of financial assets, so it is no longer necessary for a credit event to have occurred before a credit loss is recognised.
- **Hedge accounting:** Introduces a new hedge accounting model that is designed to be more closely aligned with how entities undertake risk management activities when hedging financial and non-financial risk exposures. The Group does not hedge account for these accounts.
- **Derecognition:** The requirements for derecognition of financial assets and liabilities are carried forward from IAS 39. Following an assessment of the classification of each financial asset no changes to classification were required. Management have performed an assessment of expected credit losses for the Group receivables (note 18).

The Group applied the modified retrospective transition method.

2.1.2 IFRS 15 Revenue from Contracts with Customers

IFRS 15 provides a single, principles based five-step model to be applied to all contracts with customers.

The five steps in the model are as follows:

- Identify the contract with the customer
- Identify the performance obligations in the contract
- Determine the transaction price
- Allocate the transaction price to the performance obligations in the contracts
- Recognise revenue when (or as) the entity satisfies a performance obligation.

Guidance is provided on topics such as the point in which revenue is recognised, accounting for variable consideration, costs of fulfilling and obtaining a contract and various related matters. New disclosures about revenue are also introduced.

Management has assessed the core principle of IFRS 15, that the Company will recognise revenue to depict the transfer of promised goods to customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for the goods. Group revenue comprises the sale of processed agricultural produce in the retail and wholesale markets. Revenue is recognised when goods are collected or delivered to the customer in line with published or contracted terms and conditions. The Company has reviewed the terms and conditions of the Company and is satisfied that there is no change to the timing of revenue recognition under IFRS 15.

2.2 The Group has not applied the following new, revised or amended pronouncements that have been issued by the IASB as they are not yet effective for the annual financial year beginning 1 April 2018.

2.2.1 IFRS 16 Leases

IFRS 16 specifies how an IFRS reporter will recognise, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17.

The mandatory implementation required by the standard is for years beginning on or after 1 January 2019. This change in accounting policy will be implemented for the first time for the financial year ending 31 March 2020 with the relevant analysis completed for the interim results to 30 September 2019.

The directors do not expect there to be a material impact to the financial statements from the adoption of this standard.

3. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared on a historical cost basis, except for certain financial instruments, biological assets and share based payments. Historical cost is generally based on the fair value of the consideration given in exchange for the assets acquired. The principal accounting policies adopted are set out below in this note.

Going concern

The Group has prepared forecasts for the Group's ongoing businesses covering the period of 12 months from the date of approval of these financial statements. These forecasts are based on assumptions including, *inter alia*, that there are no significant disruptions to the supply of maize or cattle to meet its projected sales volumes and that key inputs are achieved, such as forecast selling prices and volume, budgeted cost reductions, and projected weight gains of cattle in the feedlot. They further take into account working capital requirements and currently available borrowing facilities.

These forecasts show that the Group is projected, in the short term, to continue to experience net cash outflows rather than inflows. As disclosed in the Chair's statement, based on a base case forecast (inclusive of remedial action such as deferral of planned capital expenditure and reduction in working capital balances), the Group anticipates a shortfall in available cash against its pre-existing facilities within the next 12 months and is contingent on securing additional funding either through additional loan and overdraft facilities or through raising cash through capital transactions to remain a going concern.

The Group's focus remains on continuing to improve operational performance of the Grain and Beef divisions with emphasis on volume and pricing growth to increase gross margins.

Grain division: Plans show volumes of 32,000 tonnes in the year ending 31 March 2021 ("FY-21"), (Year ended 31 March 2019: 16,791 tonnes) supported by new customer orders resulting from the new product ranges and improved quality of product as set out in the Strategic Report. In September 2019, the division secured additional overdraft financing facilities (\$ 0.9m). In addition, the division is planning to introduce further new consumer product lines. These initiatives and increased volume will require additional investment in capital expenditure and working capital and additional banking facilities are being sought to support this growth.

Beef division: The FY-21 forecast shows significant revenue growth against FY-19 with projected monthly revenues averaging \$ 0.51m (FY-19: \$ 0.42m). The forecast is supported by the initiatives put in place during FY-19 and FY-20. In particular it is planned to build an increased presence in the Maputo region over the coming year.

COVID-19: The Group is developing plans to deal with COVID-19. The key focus will be on maintaining the health of our workforce. Intercontinental travel by senior management has been suspended and the regional travel policy will respond to regional advice as it evolves. The Group's key products, meal and beef are important basic consumables in the domestic market in Mozambique, demand for which is expected to remain high should COVID-19 take hold in Mozambique. The Group therefore does not anticipate any planned closures of sites or cessation of revenues. However, the impacts of COVID-19 are not currently known and therefore a sensitised version of the Group's forecasts have been prepared which both increases the shortfall against pre-existing facilities and shortens the timing before a shortfall arises.

Corporate overheads are forecast to be consistent with the current run rate. Certain one-off expenditure to address the matters described in note 26 were incurred during FY-20.

The divisional forecasts for FY-21 show a significant improvement in operating performance as compared to that reported for the year ended 31 March 2019 (and those achieved in the year ending 31 March 2020). However, there can be no certainty that the turnaround plans will be successful, and the forecasts are sensitive to small adverse changes in the operations of the divisions. The forecasts show that the Group will require additional funding in the going concern period to meet the anticipated growth. Our sensitised forecasts, in which remedial action is taking which restricts growth in favour of short-term cash benefit, also forecasts the need for further funding in the going concern period. Discussions are ongoing with the banks to arrange additional facilities and the Group is evaluating further disposals of non-core assets.

As set out in notes 19 and 26, the Group is funded by a combination of short and long-term borrowing facilities. \$ 2.3m of overdraft facilities are due for renewal within the next 12 months and the Group is required to make \$ 0.8m of repayments in respect of the bank loan principal amount together with principal on finance leases of \$ 0.1m.

To date the Group has continued to make all repayments of interest and principal on the term loan. The Group has also received correspondence from the banks providing overdraft facilities indicating that they do not presently see any reason why the current overdraft facilities would not be extended at their respective renewal dates (with certain facilities becoming due for renewal in April 2020). Consequently, the forecasts include all contractual interest and capital repayments and assume that both the term loan and overdraft facilities will continue to be available and will be renewed for a further year when they are reviewed in 2020.

Based on the above, whilst there are no contractual guarantees, the directors are confident that the existing financing will remain available to the Group and additional sources of finance will be available. The directors, with the operating initiatives already in place and funding options available are confident that the Group will achieve its cash flow forecasts. Therefore, the directors have prepared the financial statements on a going concern basis.

The forecasts show that the Group requires further funding to meet its commitments as they fall due and in addition to this the Group is reliant on maintaining its existing borrowings. If the Group's forecasts are adversely impacted by COVID 19 or other factors then the Group may require further funding earlier than expected. COVID-19 has had a significant negative impact on the global economy which may mean it is harder to secure additional funding than it has historically been. These conditions and events indicate the existence of material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern and the Group may therefore be unable to realise their assets and discharge their liabilities in the ordinary course of business. These financial statements do not include the adjustments that would result if the Group were unable to continue as a going concern.

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 31 March 2019. The company controls an investee if all three of the following elements are present: power over the investee, exposure to variable returns from the investee, and the ability of the investor to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

Intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

As at 31 March 2019, the Company held equity interests in the following undertakings:

Direct investments

	Proportion held of equity instruments	Country of incorporation and place of business	Nature of business
Subsidiary undertakings			
Agriterra (Mozambique) Limited	100%	Guernsey	Holding company

Indirect investments of Agriterra (Mozambique) Limited

	Proportion held of equity instruments	Country of incorporation and place of business	Nature of business
Subsidiary undertakings			
DECA - Desenvolvimento E Comercialização Agrícola Limitada	100%	Mozambique	Grain
Compagri Limitada	100%	Mozambique	Grain
Mozbife Limitada	100%	Mozambique	Beef
Carnes de Manica Limitada	100%	Mozambique	Beef
Aviação Agriterra Limitada	100%	Mozambique	Dormant

Foreign currency

The individual financial statements of each company in the Group are prepared in the currency of the primary economic environment in which it operates (its 'functional currency'). The consolidated financial statements are presented in US Dollars.

In preparing the financial statements of the individual companies, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the date of the transaction. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's operations are translated at exchange rates prevailing at the balance sheet date. Income and expense items are translated at the average exchange rates for each month, unless exchange rates fluctuate significantly during the month, in which case exchange rates at the date of transactions are used. Exchange differences arising from the translation of the net investment in foreign operations and overseas branches are recognised in other comprehensive income and accumulated in

equity in the translation reserve. Such translation differences are recognised as income or expense in the year in which the operation or branch is disposed of.

The following are the material exchange rates applied by the Group:

	Average Rate		Closing Rate	
	2019	2018	2019	2018
Mozambican Metical: US\$	60.82	61.15	63.73	61.31

Operating segments

The Chief Operating Decision Maker is the Board. The Board reviews the Group’s internal reporting in order to assess performance of the business. Management has determined the operating segments based on the reports reviewed by the Board which consider the activities by nature of business.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, net of discounts, value added taxes and other sales related taxes.

Performance obligations and timing of revenue recognition:

All of the Group’s revenue is derived from selling goods with revenue recognised at a point in time when control of the goods has transferred to the customer. This is generally when the goods are collected or delivered to the customer. There is limited judgement needed in identifying the point control passes: once physical delivery of the products to the agreed location has occurred, the Group no longer has physical possession, usually it will have a present right to payment. Consideration is received in accordance with agreed terms of sale.

Determining the contract price:

All of the Group’s revenue is derived from fixed price lists and therefore the amount of revenue to be earned from each transaction is determined by reference to those fixed prices.

Allocating amounts to performance obligations:

For most sales, there is a fixed unit price for each product sold. Therefore, there is no judgement involved in allocating the price to each unit ordered.

There are no long-term contracts in place. Sales commissions are expensed as incurred. No practical expedients are used.

Operating loss

Operating loss is stated before investment revenues, other gains and losses, finance costs and taxation.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial year of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. The Group did not incur any borrowing costs in respect of qualifying assets in any year presented.

All other borrowing costs are recognised in profit or loss in the year in which they are incurred.

Share based payments

The Company issues equity-settled share based payments to certain employees of the Group. These payments are measured at fair value (excluding the effect of non-market based vesting conditions) at the date of grant and the value is expensed on a straight-line basis over the vesting year, based on the Group’s estimate of the shares that will eventually vest and adjusted for non-market based vesting conditions.

Fair value is measured by use of the Black Scholes model. 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.

Employee benefits

Short-term employee benefits

Short-term employee benefits include salaries and wages, short-term compensated absences and bonus payments. The Group recognises a liability and corresponding expense for short-term employee benefits when an employee has rendered services that entitle him/her to the benefit.

Post-employment benefits

The Group does not contribute to any retirement plan for its employees. Social security payments to state schemes are charged to profit and loss as the employee’s services are rendered.

Leases

Leases that transfer substantially all the risks and rewards of ownership are classified as finance leases. During the years presented in these financial statements, the Group was counterparty to certain operating lease contracts. Rentals payable under operating leases are charged to profit and loss on a straight-line basis over the term of the relevant lease.

Taxation

The Company is resident for taxation purposes in Guernsey and its income is subject to income tax, presently at a rate of zero per cent per annum. The income of overseas subsidiaries is subject to tax at the prevailing rate in each jurisdiction.

The income tax expense for the year comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised in other comprehensive income or directly in equity, when tax is recognised in other comprehensive income or directly in equity as appropriate. Taxable profit differs from accounting profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

Current tax expense is the expected tax payable on the taxable income for the year. It is calculated on the basis of the tax laws and rates enacted or substantively enacted at the balance sheet date and includes any adjustment to tax payable in respect of previous years. Deferred tax is calculated using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the asset can be utilised. This requires judgements to be made in respect of the availability of future taxable income.

The Group's deferred tax assets and liabilities are calculated using tax rates that are expected to apply in the year when the liability is settled or the asset realised based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred income tax assets and liabilities are offset only when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

No deferred tax asset or liability is recognised in respect of temporary differences associated with investments in subsidiaries, branches and joint ventures where the Group is able to control the timing of reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

Property, plant and equipment

All items of property, plant and equipment are stated at historical cost less accumulated depreciation (see below) and impairment. Historical cost includes expenditure that is directly attributable to the acquisition. Subsequent costs are included in the asset's carrying value when it is considered probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Depreciation is charged on a straight-line basis over the estimated useful lives of each item, as follows:

Land and buildings:		
Land	Nil	
Buildings and leasehold improvements	2%	– 33%
Plant and machinery	5%	– 25%
Motor vehicles	20%	– 25%
Other assets	10%	– 33%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. Gains and losses on disposals are determined by comparing proceeds received with the carrying amount of the asset immediately prior to disposal and are included in profit and loss.

Impairment of property, plant and equipment

At each balance sheet date, the Group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit and loss because the Group does not record any assets at a revalued amount.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no

impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit and loss.

Biological assets

Consumer biological assets, being the beef cattle herd, are measured in accordance with IAS 41, 'Agriculture' at fair value less costs to sell, with gains and losses in the measurement to fair value recorded in profit and loss. Breeding cattle, comprising bulls, cows and heifers are expected to be held for more than one year, and are classified as non-current assets. The non-breeding cattle comprise animals that will be grown and sold for slaughter and are classified as current assets.

Cattle are recorded as assets at the year-end and the fair value is determined by the size of the herd and market prices at the reporting date.

Cattle ceases to be a biological asset from the point it is slaughtered, after which it is accounted for in accordance with the accounting policy below for inventories.

Forage crops are valued in accordance with IAS 41, 'Agriculture' at fair value less costs to harvest. As there is no ready local market for forage crops, fair value is calculated by reference to the production costs of previous crops. The cost of forage is charged to profit or loss over the year it is consumed.

Inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The cost of inventories is based on the weighted average principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

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

Financial assets

Financial assets are classified as either financial assets at amortised cost, at fair value through other comprehensive income ("FVTOCI") or at fair value through profit or loss ("FVPL") depending upon the business model for managing the financial assets and the nature of the contractual cash flow characteristics of the financial asset.

A loss allowance for expected credit losses is determined for all financial assets, other than those at FVPL, at the end of each reporting period. The Group applies a simplified approach to measure the credit loss allowance for trade receivables using the lifetime expected credit loss provision. The lifetime expected credit loss is evaluated for each trade receivable taking into account payment history, payments made subsequent to year-end and prior to reporting, past default experience and the impact of any other relevant and current observable data. The Group applies a general approach on all other receivables classified as financial assets. The general approach recognises lifetime expected credit losses when there has been a significant increase in credit risk since initial recognition.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. The Group derecognises financial liabilities when the Group's obligations are discharged, cancelled or have expired.

Trade and other receivables

Trade receivables are accounted for at amortised cost. Trade receivables do not carry any interest and are stated at their nominal value as reduced by appropriate expected credit loss allowances for estimated recoverable amounts as the interest that would be recognised from discounting future cash payments over the short payment period is not considered to be material. Other receivables are accounted for at amortised cost and are stated at their nominal value as reduced by appropriate expected credit loss allowances.

Financial liabilities

The classification of financial liabilities at initial recognition depends on the purpose for which the financial liability was issued and its characteristics.

All purchases of financial liabilities are recorded on trade date, being the date on which the Group becomes party to the contractual requirements of the financial liability. Unless otherwise indicated the carrying amounts of the Group's financial liabilities approximate to their fair values.

The Group's financial liabilities consist of financial liabilities measured at amortised cost and financial liabilities at fair value through profit or loss.

A financial liability (in whole or in part) is derecognised when the Group has extinguished its contractual obligations, it expires or is cancelled. Any gain or loss on derecognition is taken to the statement of comprehensive income.

Borrowings

Borrowings are included as financial liabilities on the Group balance sheet at the amounts drawn on the particular facilities net of the unamortised cost of financing. Interest payable on those facilities is expensed as finance cost in the period to which it relates.

Trade and other payables

Trade and other payables are initially recorded at fair value and subsequently carried at amortised cost.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or, in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

For all other financial instruments not traded in an active market, the fair value is determined by using valuation techniques deemed to be appropriate in the circumstances. Valuation techniques include the market approach (i.e. using recent arm's length market transactions adjusted as necessary and reference to the current market value of another instrument that is substantially the same) and the income approach (i.e. discounted cash flow analysis and option pricing models making as much use of available and supportable market data as possible).

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting year.

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies which are described in note 3, the directors are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year or in the year of the revision and future years if the revision affects both current and future years. The effect on the financial statements of changes in estimates in future years could be material.

Impairment

Impairment reviews for non-current assets are carried out at each balance sheet date in accordance with IAS 36, Impairment of Assets. Reported losses in the Beef and Grain divisions were considered to be indications of impairment and a formal impairment review was undertaken.

The impairment reviews are sensitive to various assumptions, including the expected sales forecasts, cost assumptions, capital requirements, and discount rates among others. The forecasts of future cash flows were derived from the operational plans in place to address the requirement to increase both volumes and margins across the two divisions. Real commodity prices were assumed to remain constant at current levels.

Discount rate: Current central bank prime MIMO benchmark rate is 15% and with inflation at around 3.5%, the benchmark real interest rate is around 11.5%. The real rate assumed in these forecasts is 12.5%, consistent with prior years. Current nominal bank borrowing rates are 19%, but these are expected to fall further as the economy returns to growth and inflation remains stable. The Beef division is not sensitive to an increase in the discount rate to 15.5%.

Grain division: The forecasts for the Grain division show a return towards the 10 year moving average with meal sales increasing to 27,000 tonnes in FY-20 (Year ending 31 March 2019: 16,791). A shortfall in the projected volumes of 10% or a reduction in the gross margin of more than 20% would lead to an indication of impairment.

Beef division: The forecasts for the Beef division show volumes of all meat products improving to 1,600 tonnes in FY-20 (Year ending 31 March 2019: 1,260 tonnes) and to 1,800 tonnes in FY-21. A fall in forecasted sales volumes of 3% or a reduction in budgeted gross margin of 3% would be required to trigger the need for a further impairment. The assets of the Beef division were impaired by \$ 3.1m in the year ended 31 May 2016 following the

decision to destock the ranches. The Board continues to evaluate the development of these assets, however it is too early to consider whether or not the previous impairment charge should be reversed.

No impairments were recorded in the year ended 31 March 2019 or the year ended 31 March 2018.

Biological assets

Cattle are accounted for as biological assets and measured at their fair value at each balance sheet date. Fair value is based on the estimated market value for cattle in Mozambique of a similar age and breed, less the estimated costs to bring them to market, converted to US\$ at the exchange rate prevailing at the year end. Changes in any estimates could lead to the recognition of significant fair value changes in the consolidated income statement, or significant changes in the foreign currency translation reserve for changes in the Metical to US\$ exchange rate.

The herd may be categorised as either the breeding herd or slaughter herd, depending on whether it was principally held for reproduction or slaughter. At 31 March 2019 the value of the breeding herd disclosed as a non-current asset was \$nil (31 March 2018: \$nil). The value of the herd held for slaughter disclosed as a current asset was \$ 0.8m (31 March 2018: \$ 1.1m).

The Group has increased its capacity to produce sufficient forage to meet its requirements in the feedlot. Accordingly forage crops have been valued at 31 March 2019 at \$ 5,000 (31 March 2018: \$ 28,000).

Recoverability of input Value Added Tax

Mozambique Value Added Tax ('IVA') operates in a similar manner to UK Value Added Tax ('VAT'). The Group is exempt from IVA on its sales of maize products under the terms of Mozambique tax law. The Group is able to recover input sales tax on substantially all of the purchases of the Grain division. The Group is always therefore in a net recovery position of IVA in respect of its Grain operations. To date the Group has not succeeded in recovering IVA from the Mozambique Government. Due to the significant uncertainty over the recoverability of these IVA balances, the Group has provided in full against the assets as at 31 March 2018 and 31 March 2019. As at 31 March 2019, the gross and net IVA recoverable assets are respectively \$ 1,046,000 (31 March 2018: \$1,057,000) and \$nil (31 March 2018: \$nil) at the US\$ to Metical exchange rate of 63.73 (31 March 2018: 61.31) at that date.

5. SEGMENT REPORTING

The Board considers that the Group's operating activities comprise the segments of Grain and Beef and which are undertaken in Africa. In addition, the Group has certain other unallocated expenditure, assets and liabilities, either located in Africa or held as support for the Africa operations.

Segment revenue and results

The following is an analysis of the Group's revenue and results by operating segment:

Year ending 31 March 2019	Grain	Beef	Unallo- cated	Elimina- tions	Total
	US\$000	US\$000	US\$000	US\$000	US\$000
Revenue					
External sales ⁽²⁾	5,586	5,043	-	-	10,629
Inter-segment sales ⁽¹⁾	873	-	-	(873)	-
	<u>6,459</u>	<u>5,043</u>	<u>-</u>	<u>(873)</u>	<u>10,629</u>
Segment results					
- Operating loss	(1,168)	(973)	(503)	-	(2,644)
- Interest expense	(916)	(100)	-	-	(1,016)
- Other gains and losses	309	252	4	-	565
Loss before tax	<u>(1,775)</u>	<u>(821)</u>	<u>(499)</u>	<u>-</u>	<u>(3,095)</u>
Income tax	-	-	-	-	-
Loss after tax	<u>(1,775)</u>	<u>(821)</u>	<u>(499)</u>	<u>-</u>	<u>(3,095)</u>

Year ending 31 March 2018	Grain	Beef	Cocoa ⁽³⁾	Unallo- cated	Discon- tinued ⁽⁴⁾	Elimina- tions	Total
	US\$000	US\$000	US\$000	US\$000	US\$000	US\$000	US\$000
Revenue							
External sales ⁽²⁾	4,519	4,703	-	-	-	-	9,222
Inter-segment sales ⁽¹⁾	680	-	-	-	-	(680)	-
	<u>5,199</u>	<u>4,703</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(680)</u>	<u>9,222</u>
Segment results							
- Operating (loss) / profit	(747)	(1,588)	(31)	(1,630)	38	-	(3,958)
- Interest (expense) / income	(951)	(140)	-	7	-	-	(1,084)
(Loss) / profit before tax	<u>(1,698)</u>	<u>(1,728)</u>	<u>(31)</u>	<u>(1,623)</u>	<u>38</u>	<u>-</u>	<u>(5,042)</u>
Income tax	<u>(2)</u>	<u>(2)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4)</u>
(Loss) / profit for the year after tax	<u>(1,700)</u>	<u>(1,730)</u>	<u>(31)</u>	<u>(1,623)</u>	<u>38</u>	<u>-</u>	<u>(5,046)</u>

(1) Inter-segment sales are charged at prevailing market prices.

(2) Revenue represents sales to external customers and is recorded in the country of domicile of the Group company making the sale. Sales from the Grain and Beef divisions are principally for supply to the Mozambique market.

(3) Expenses incurred prior to the disposal of the Cocoa division.

(4) Amounts reclassified to discontinued operations – refer to note 12.

The segment items included in the consolidated income statement for the year are as follows:

Year ending 31 March 2019	Grain	Beef	Unallo- cated	Elimina- tions	Total		
	US\$000	US\$000	US\$000	US\$000	US\$000		
Depreciation and amortisation	<u>374</u>	<u>236</u>	<u>10</u>	<u>-</u>	<u>620</u>		
Year ending 31 March 2018	Grain	Beef	Cocoa	Unallo- cated	Discon- tinued	Elimina- tions	Total
	US\$000	US\$000	US\$000	US\$000	US\$000	US\$000	US\$000
Depreciation	<u>152</u>	<u>338</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>490</u>

Segment assets, liabilities and capital expenditure

Segment assets consist primarily of property, plant and equipment, biological assets, inventories, trade and other receivables and cash and cash equivalents. Segment liabilities comprise operating liabilities, including an overdraft financing facility in the Grain segment, and bank loans and overdraft financing facilities in the Beef segment.

Capital expenditure comprises additions to property, plant and equipment.

The segment assets and liabilities at 31 March 2019 and capital expenditure for the year then ended are as follows:

	Grain US\$000	Beef US\$000	Unallocated US\$000	Total US\$000
Assets	<u>3,964</u>	<u>4,885</u>	<u>2,009</u>	<u>10,858</u>
Liabilities	<u>(4,742)</u>	<u>(861)</u>	<u>(141)</u>	<u>(5,744)</u>
Capital expenditure	<u>355</u>	<u>727</u>	<u>31</u>	<u>1,113</u>

Segment assets and liabilities are reconciled to Group assets and liabilities as follows:

	Assets US\$000	Liabilities US\$000
Segment assets and liabilities	<u>8,849</u>	<u>(5,603)</u>
Unallocated:		
Intangible asset	21	-
Other receivables	16	-
Cash and cash equivalents	1,972	-
Accrued liabilities	-	(141)
	<u>10,858</u>	<u>(5,744)</u>

The segment assets and liabilities at 31 March 2018 and capital expenditure for the year then ended are as follows:

	Grain US\$000	Beef US\$000	Cocoa US\$000	Unallocated US\$000	Total US\$000
Assets	4,984	4,918	-	3,144	13,046
Liabilities	(3,981)	(528)	-	(195)	(4,704)
Capital expenditure	9	107	-	-	116

Segment assets and liabilities are reconciled to Group assets and liabilities as follows:

	Assets US\$000	Liabilities US\$000
Segment assets and liabilities	9,902	(4,509)
Unallocated:		
Other receivables	22	-
Cash and cash equivalents	3,122	-
Trade payables	-	(72)
Accrued liabilities	-	(123)
	13,046	(4,704)

Key performance Indicator

The Board considers that earnings before interest, tax, depreciation and amortisation (“EBITDA”) is a key performance indicator in measuring operational performance. It is calculated as follows:

Year ending 31 March 2019

	Grain US\$000	Beef US\$000	Unallo- cated US\$000	Total US\$000
Loss before tax	(1,775)	(821)	(499)	(3,095)
- Interest expense	916	100	-	1,016
- Depreciation and amortisation charge	374	236	10	620
EBITDA	(485)	(485)	(489)	(1,459)

Year ending 31 March 2018

	Grain US\$000	Beef US\$000	Cocoa ⁽³⁾ US\$000	Unallo- cated US\$000	Discon- tinued ⁽⁴⁾ US\$000	Total US\$000
Loss before tax	(1,700)	(1,730)	(31)	(1,623)	38	(5,046)
- Interest expense	951	140	-	(7)	-	1,084
- Depreciation and amortisation charge	152	338	-	-	-	490
EBITDA	(597)	(1,252)	(31)	(1,630)	38	(3,472)

Significant customers

In the year ended 31 March 2019, 2 customers of the Grain segment generated revenue of \$ 2.3m amounting to 11.4% of Group revenue for one customer and 10.6% for the other. One customer of the Beef segment generated revenue of \$ 1.3m amounting to 12.5% of Group revenue (Year ended 31 March 2018: one customer of the Grain division generated revenue of \$ 1,2m amounting to 12.5% of Group revenue).

6. OPERATING LOSS

Operating loss has been arrived at after charging / (crediting):

	Year ended 31 March 2019 US\$000	Year ended 31 March 2018 US\$000
Depreciation of property, plant and equipment (see note 14)	600	490
Amortisation of intangible asset (see note 15)	20	-
Profit on disposal of property, plant and equipment	(340)	(87)
Net foreign exchange gain	(11)	(162)
Impairment of investment in associate	-	4
Staff costs (see note 8)	1,971	2,095

7. AUDITORS REMUNERATION

Amounts payable to the auditors and their associates in respect of audit services are as follows:

	Year ended 31 March 2019 US\$000	Year ended 31 March 2018 US\$000
Fees payable to the Company's auditor for the audit of the Company's accounts	130	56
Fees payable to the Company's auditor for the forensic audit of the Company's subsidiaries	55	
Fees payable to the Company's auditor and their associates for other services to the Group:		
The audit of the Company's subsidiaries	79	26
Total audit fees	264	82

Other than as disclosed above, the Company's auditor and their associates have not provided additional services to the Group.

8. STAFF COSTS

The average monthly number of employees (including executive Directors) employed by the Group for the year was as follows:

	Year ended 31 March 2019 Number	Year ended 31 March 2018 Number
Office and Management	60	72
Operational	497	536
	557	608

Their aggregate remuneration comprised:

	Year ended 31 March 2019 US\$000	Year ended 31 March 2018 US\$000
Wages and salaries	1,904	2,036
Social security costs	67	56
Share based payment charge	-	3
	1,971	2,095

9. REMUNERATION OF DIRECTORS

Year ended 31 March 2019	Salary US\$000	Bonus US\$000	Share based payment US\$000	Total US\$000
CS Havers	41	-	-	41
DL Cassiano-Silva	-	-	-	-
NWH Clayton	2	-	-	2
HWB Rudland	10	-	-	10
GR Smith	10	-	-	10
A Thorburn	1	-	-	1
	64	-	-	64
	64	-	-	64
Year ended 31 March 2018	Salary US\$000	Bonus US\$000	Share based payment US\$000	Total US\$000
CS Havers	46	-	-	46
DL Cassiano-Silva	136	82	2	220
AS Groves	65	49	-	114
HWB Rudland	5	-	-	5
B Scott	68	-	-	68
GR Smith	5	-	-	5
	325	131	2	458
	325	131	2	458

10. FINANCE COSTS

	Year Ended 31 March 2019 US\$000	Year ended 31 March 2018 US\$000
Interest receivable on bank deposits	-	13
Interest expense on bank borrowings and overdrafts	<u>(1,016)</u>	<u>(1,097)</u>
Net finance costs	<u>(1,016)</u>	<u>(1,084)</u>

11. TAXATION

	Year Ended 31 March 2019 US\$000	Year ended 31 March 2018 US\$000
Loss before tax from continuing activities	<u>(3,095)</u>	<u>(5,042)</u>
Tax credit at the Mozambican corporation tax rate of 32% (2018: 32%)	(990)	(1,613)
Tax effect of expenses that are not deductible in determining taxable profit	107	18
Tax effect of (income not taxable) or losses not allowable	125	(66)
Tax effect of net losses not recognised in overseas subsidiaries (net of effect of different rates)	758	1,661
Statutory taxation payments irrespective of income	<u>-</u>	<u>4</u>
Tax expense	<u>-</u>	<u>4</u>

The tax reconciliation has been prepared using a 32% tax rate, the corporate income tax rate in Mozambique, as this is where the Group's principal assets of its continuing operations are located.

The Group has not recognised any tax credits for the year ended 31 March 2019 (2018: \$nil). The Group has operations in overseas jurisdictions where it has incurred taxable losses which may be available for offset against future taxable profits amounting to approximately \$ 11,386,000 (2018: \$ 14,168,000). In addition, the Group has further deductible timing differences relating to property, plant and equipment, and foreign exchange gains and losses on intercompany loans, amounting to approximately \$ 25,660,000 (2018: \$ 28,876,000). No deferred tax asset has been recognised for these tax losses and other deductible timing differences as the requirements of IAS 12, 'Income taxes', have not been met.

The Company is resident for taxation purposes in Guernsey and its income is subject to Guernsey income tax, presently at a rate of zero percent per annum (2018: zero percent per annum). No tax is payable for the year. Deferred tax has not been provided for, as brought forward tax losses are not recoverable under the Income Tax (Zero 10) (Guernsey) Law, 2007 (as amended).

12. DISCONTINUED OPERATIONS

The loss after tax arising on discontinued operations during the year is analysed by business operation as follows:

	Year ended 31 March 2019 US\$000	Year ended 31 March 2018 US\$000
Cocoa activities	-	(8)
Group rationalisation	<u>-</u>	<u>(30)</u>
Net loss after tax attributable to discontinued operations (attributable to owners of the Company)	<u>-</u>	<u>(38)</u>

The Cocoa division's operating companies were sold on 1 June 2017.

13. LOSS PER SHARE

The calculation of the basic and diluted loss per share is based on the following data:

	Year ended 31 March 2019 US\$000	Year ended 31 March 2018 US\$000
Loss for the year for the purposes of basic and diluted earnings per share from continuing activities	(3,095)	(5,046)
Loss for the year for the purposes of basic and diluted earnings per share from discontinued activities	-	(38)
Loss for the year for the purposes of basic and diluted earnings per share attributable to equity holders of the Company	(3,095)	(5,084)
Weighted average number of Ordinary Shares for the purposes of basic and diluted loss per share	21,240,618	16,351,388
Basic and diluted loss per share - US cents	(14.6)	(31.1)
Basic and diluted loss per share from continuing activities - US cents	(14.6)	(30.9)
Basic and diluted loss per share from discontinued activities - US cents	-	(0.2)

At the Annual General Meeting held on 30 November 2017, the shareholders approved a resolution to consolidate 100 existing ordinary shares of 0.1p each ("Existing Ordinary Share") into one new ordinary share of 10p each ("New Ordinary Share"). The weighted average number of ordinary shares used for the purposes of calculating loss per share for the year ending 31 March 2019 and year ending 31 March 2018 refer to New Ordinary Shares.

The Company has issued options over ordinary shares which could potentially dilute basic loss per share in the future. There is no difference between basic loss per share and diluted loss per share as the potential ordinary shares are anti-dilutive.

14. PROPERTY, PLANT AND EQUIPMENT

	Land and buildings US\$000	Plant and machinery US\$000	Motor vehicles US\$000	Other Assets US\$000	Total US\$000
Cost					
At 1 April 2017	12,952	3,944	1,779	306	18,981
Additions	12	95	1	8	116
Disposals	-	(17)	(168)	(15)	(200)
Disposal of subsidiary	(5,950)	-	-	-	(5,950)
Exchange rate adjustment	645	340	244	26	1,255
At 31 March 2018	7,659	4,362	1,856	325	14,202
Additions	67	685	131	37	920
Disposals	(35)	(134)	(90)	(106)	(365)
Reclassification	41	(41)	-	-	-
Exchange rate adjustment	(338)	(189)	(73)	(9)	(609)
At 31 March 2019	7,394	4,683	1,824	247	14,148
Accumulated depreciation and impairment					
At 1 April 2017	8,995	1,999	1,706	187	12,887
Charge for the year	124	260	78	28	490
Disposals	-	(2)	(162)	(15)	(179)
Disposal of subsidiary	(5,950)	-	-	-	(5,950)
Exchange rate adjustment	157	266	200	16	639
At 31 March 2018	3,326	2,523	1,822	216	7,887
Charge for the year	(5)	852	(323)	76	600
Disposals	(35)	(134)	(89)	(53)	(311)
Reclassification	41	(41)	-	-	-
Exchange rate adjustment	(138)	(120)	(54)	(8)	(320)
At 31 March 2019	3,189	3,080	1,356	231	7,856
Net book value					
31 March 2019	4,205	1,603	468	16	6,292
31 March 2018	4,333	1,839	34	109	6,315

For the year ended 31 March 2019, a depreciation charge of \$ 600,000 (2018: \$ 490,000) has been included in the consolidated income statement within operating expenses and \$ nil (2018: \$ nil) has been included within discontinued operations.

Property, plant and equipment with a carrying amount of \$ 4,719,000 (2018: \$ 4,674,000) have been pledged to secure the Group's bank overdrafts and loans (note 19). The Group is not allowed to pledge these assets as security for other borrowings or sell them to another entity.

15. INTANGIBLE ASSETS

	<u>US\$000</u>
Cost	
At 31 March 2018	-
Additions	193
Exchange rate adjustment	(7)
At 31 March 2019	<u>186</u>
Accumulated amortisation	
At 31 March 2018	-
Charge for the year	20
Exchange rate adjustment	-
At 31 March 2019	<u>20</u>
Net book value	
31 March 2019	<u>166</u>
31 March 2018	<u>-</u>

Intangible assets comprise investment in management information and financial software.

At 31 March 2019 and 31 March 2018, the Group had no contractual commitments for the acquisition of property, plant and equipment.

16. BIOLOGICAL ASSETS

	<u>US\$000</u>
Fair value	
At 1 April 2017	746
Purchase of biological assets	2,913
Sale, slaughter or other disposal of biological assets	(3,107)
Change in fair value of the herd	510
Foreign exchange adjustment	75
At 31 March 2018	<u>1,137</u>
Purchase of biological assets	1,608
Sale, slaughter or other disposal of biological assets	(2,362)
Change in fair value of the herd	478
Foreign exchange adjustment	(31)
At 31 March 2019	<u>830</u>

At 31 March 2019 and 2018, all cattle are held for slaughter. The slaughter herd has been classified as a current asset. Forage crops included in current assets are US\$ 5,000 (2018: US\$ 28,000).

At 31 March 2019 the slaughter herd comprised 2,468 head (2018: 3,956), with an average weight of 270kgs (2018: 260 kgs) and average value of US\$ 335 (2018: US\$ 281).

For valuation purposes, cattle that are not in the feedlot are grouped into classes of animal (e.g. bulls, cows, steers etc.) and a standard animal weight per breed and class was then multiplied by the number of animals in each class to determine the estimated total live weight of all animals in the herd. For animals in the feedlot, their weight has been estimated based on their individual weigh in data at the closest weigh in date to the year end. Cattle are generally kept for periods less than 3 months before slaughter.

The Group's slaughter herd have been pledged in full to secure the Beef division's bank overdraft and loans (see note 19).

17. INVENTORIES

	31 March 2019 US\$000	31 March 2018 US\$000
Consumables and spares	297	304
Raw materials	48	301
Work in progress	-	4
Finished goods	330	329
	<u>675</u>	<u>938</u>

During the year inventories amounting to US\$ 7,690,000 (2018: US\$ 7,077,000) were included in cost of sales.

Inventories with a carrying amount of \$ 331,000 (2018: \$ 452,000) have been pledged to secure the Grain division's bank overdraft and inventories with a carrying value of \$ 168,000 (2018: \$ 166,000) having been pledged to secure the Beef division's bank overdraft and loans (see note 19).

18. TRADE AND OTHER RECEIVABLES

	31 March 2019 US\$000	31 March 2018 US\$000
Trade receivables	542	1,048
Other receivables	138	11
Prepayments	18	37
	698	1,096

Trade receivables

	31 March 2019 US\$000	31 March 2018 US\$000
Trade receivables - gross	865	1,087
Loss allowance	(323)	(39)
	542	1,048

Trade receivables are amounts due from customers for goods sold in the ordinary course of business. They are generally due for settlement within 30 days and therefore are all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on the days past due.

At 31 March 2019	Current	More than 30 days	More than 60 Days	More than 90 days	Total
	US\$000	US\$000	US\$000	US\$000	US\$000
Expected loss rate	0%	0%	0%	97%	37%
Gross trade receivables	384	124	25	332	865
Loss allowance	-	-	-	323	323

At 31 March 2018	Current	More than 30 days	More than 60 Days	More than 90 days	Total
	US\$000	US\$000	US\$000	US\$000	US\$000
Expected loss rate	0%	0%	0%	48%	4%
Gross trade receivables	669	319	18	81	1,087
Loss allowance	-	-	-	39	39

The closing loss allowances for trade receivables as at 31 March 2019 reconcile to the opening loss allowances as follows:

	31 March 2019 US\$000	31 March 2018 US\$000
Loss allowances at 1 April previously calculated under IAS 39	39	36
Increase in loan loss allowance recognised in profit or loss during the year	297	8
Receivables written off during the year as uncollectible	-	(8)
Exchange rate adjustment	(13)	3
Loss allowances at 31 March	323	39

Trade receivables are provided for when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than 120 days past due. This is used as the basis of the ECL provision disclosed above. The Group determines the percentage based on historic trends. Impairment losses on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

In the prior year, the impairment of trade receivables was assessed based on the incurred loss model. Individual receivables which were known to be uncollectable were written off by reducing the carrying amount directly. The other receivables were assessed collectively to determine whether there was objective evidence that an impairment had been incurred but not yet been identified. For these receivables the estimated impairment losses were recognised in a separate provision for impairment. Receivables for which an impairment provision was recognised were written off against the provision when there was no expectation of recovering additional cash.

Trade receivables with a carrying amount of \$ 134,000 (2018: \$ 799,000) have been pledged to secure the Grain division's bank overdraft and trade receivables with a carrying value of \$ 324,000 (2018: \$ 249,000) have been pledged to secure the Beef division's bank overdraft and loans (see note 19).

Further details on the Group's financial assets are provided in note 21.

19. BORROWINGS

	31 March 2019 US\$000	31 March 2018 US\$000
Non-current liabilities		
Bank loans	2,510	-
Finance leases	340	-
	2,850	-
Current liabilities		
Bank loans	753	50
Finance leases	48	-
Overdraft	907	4,185
	1,708	4,235
	4,558	4,235

Beef division

On 27 April 2017, the Group agreed revised lending facilities with Standard Bank to finance the Beef division in Mozambique. The existing term loans were consolidated into one loan repayable in twelve monthly instalments commencing May 2017. At 31 March 2018, the remaining balance was \$ 0.05m. This was settled in May 2018.

On 18 February 2019, the Group entered into a finance lease for MTN 27.6m (\$ 0.43m) repayable over 5 years, secured on certain agricultural equipment.

The Beef division has an overdraft facility of 30 million Metical (\$ 0.47m). The amount drawn down at 31 March 2019 was \$ 0.32m (2018: \$ 0.34m).

On 25 May 2019, the overdraft facility has been renewed for a further 12 months and carries an interest rate at the Bank's prime lending rate (19.5%) at 31 March 2019.

The facilities are secured as follows:

	31 March 2019 US\$000	31 March 2018 US\$000
Fixed Charge		
Property, plant and equipment	2,913	1,913
Floating Charge		
Cattle	825	1,109
Meat Inventories	168	166
Trade receivables	324	249
	4,230	3,437

Grain division

On 27 April 2017, the Group formally completed the renewal of the Grain division's 300 million Metical overdraft facility to provide working capital funding, principally for the purchase of maize and related operating expenditure. The amount drawn down at 31 March 2018 was \$ 3.84m.

On 25 May 2018 the facility was restructured into a 240 million Metical (\$ 3.77m) 5 year term loan with an interest rate of the Bank's prime lending rate +0.25% and a 12 month 60 million Metical (\$ 0.94m) overdraft facility at the Bank's prime lending rate less 1.75%. At 31 March 2019, the principal outstanding on the term loan was 208 million Metical (\$ 3.26m) and the amount drawn on the overdraft facility was 37.2 million Metical (\$ 0.58m). On 25th May 2019, the overdraft facility was renewed for a further 12 months.

The facilities are secured as follows:

	31 March 2019	31 March 2018
	US\$000	US\$000
Fixed Charge		
Property, plant and equipment	1,806	2,761
Floating Charge		
Maize and maize product inventories	331	452
Trade receivables	134	799
	2,271	4,012

As further security to the bank loans and overdrafts, Agriterra Limited has issued a Corporate guarantee in favour of the bank. Under the terms of the guarantee, it may only be called upon once the bank has exhausted all possible means of recovering the debt in Mozambique.

Reconciliation to cash flow statement

	At 31 March 2018	Cash flow US\$000	Foreign Exchange US\$000	At 31 March 2019
	US\$000	US\$000	US\$000	US\$000
Non-current bank loan	-	2,987	(137)	2,850
Current bank loan	50	786	(35)	801
Overdrafts	4,185	(3,258)	(20)	907
	4,235	515	(192)	4,558

	At 31 March 2017	Cash flow US\$000	Foreign Exchange US\$000	At 31 March 2018
	US\$000	US\$000	US\$000	US\$000
Non-current bank loan	734	(798)	64	-
Current bank loan	264	(237)	23	50
Overdrafts	2,466	1,506	213	4,185
	3,464	471	300	4,235

20. TRADE AND OTHER PAYABLES

	31 March 2019	31 March 2018
	US\$000	US\$000
Trade payables	622	123
Other payables	294	50
Accrued liabilities	270	296
	1,186	469

'Trade payables', 'Other payables' and 'Accrued liabilities' principally comprise amounts outstanding for trade purchases and ongoing costs. No interest is charged on any balances.

The Directors consider that the carrying amount of financial liabilities approximates their fair value.

21. FINANCIAL INSTRUMENTS

21.1. Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximising the return to shareholders. The capital structure of the Group comprises its net debt (the borrowings disclosed in note 19 after deducting cash and bank balances) and equity of the Group as shown in the statement of financial position. The Group is not subject to any externally imposed capital requirements.

The Board reviews the capital structure on a regular basis and seeks to match new capital requirements of subsidiary companies to new sources of external debt funding denominated in the currency of operations of the relevant subsidiary. Where such additional funding is not available, the Group funds the subsidiary company by way of loans from the Company. The Group places funds which are not required in the short term on deposit at the best interest rates it is able to secure from its bankers.

Current interest rates on borrowings in Mozambique are very high, with the prime lending rate at 19.5% at 31 March 2019 (2018: 24%). In light of this, the Group has been rationalising its operations, with particular focus on disposing of surplus assets to reduce external debt levels. The Group has restructured its loan facilities in Mozambique to finance its Grain operations (note 19).

21.2. Categories of financial instruments

The following are the Group financial instruments as at the year-end:

	31 March 2019 US\$000	31 March 2018 US\$000
Financial assets		
Cash and bank balances	2,197	3,541
Other loans and receivables	681	1,059
	<u>2,878</u>	<u>4,600</u>
Financial liabilities		
Amortised cost	5,744	4,637
	<u>5,744</u>	<u>4,637</u>
	<u>(2,866)</u>	<u>(37)</u>

21.3. Financial risk management objectives

The Group manages the risks arising from its operations, and financial instruments at Executive operating and Board level. The Board has overall responsibility for the establishment and oversight of the Group's risk management framework and to ensure that the Group has adequate policies, procedures and controls to manage successfully the financial risks that the Group faces.

While the Group does not have a written policy relating to risk management of the risks arising from any financial instruments held, the close involvement of the senior executives in the day to day operations of the Group ensures that risks are monitored and controlled in an appropriate manner for the size and complexity of the Group. Financial instruments are not traded, nor are speculative positions taken. The Group has not entered into any derivative or other hedging instruments.

The Group's key financial market risks arise from changes in foreign exchange rates ('currency risk') and changes in interest rates ('interest risk'). The Group is also exposed to credit risk and liquidity risk. The principal risks that the Group faces as at 31 March 2019 with an impact on financial instruments are summarised below.

21.4. Market Risk

The Group is exposed to currency risk and interest risk. These are discussed further below.

21.4.1. Currency risk

Certain of the Group companies have functional currencies other than US\$ and the Group is therefore subject to fluctuations in exchange rates in translation of their results and financial position into US\$ for the purposes of presenting consolidated accounts. The Group does not hedge against this translation risk. The Group's financial assets and liabilities by functional currency of the relevant Group company are as follows:

	Assets		Liabilities	
	31 March 2019 US\$000	31 March 2018 US\$000	31 March 2019 US\$000	31 March 2018 US\$000
United States Dollar ('US\$')	1,972	3,120	141	175
Mozambique Metical ('MZN')	906	1,480	5,603	4,462
	<u>2,878</u>	<u>4,600</u>	<u>5,744</u>	<u>4,637</u>

The Group transacts with suppliers and/or customers in currencies other than the functional currency of the relevant Group Company (foreign currencies). The Group does not hedge against this transactional risk. As at 31 March 2019 and 31 March 2018, the Group's outstanding foreign currency denominated monetary items were principally exposed to changes in the US\$ / GBP and US\$ / MZN exchange rate.

The following tables detail the Group's exposure to a 5, 10 and 15 per cent increase in the US\$ against GBP and separately to a 10, 20 and 30 per cent increase against the Metical. For a weakening of the US\$ against the relevant currency, there would be a comparable impact on the profit and other equity, and the balances would be of opposite sign. The sensitivity analysis includes only outstanding foreign currency denominated items and excludes the translation of foreign subsidiaries and operations into the Group's presentation currency. The sensitivity also includes intra-group loans where the loan is in a currency other than the functional currency of the lender or borrower. A negative number indicates a decrease in profit and other equity.

	31 March 2019 US\$000	31 March 2018 US\$000
GBP Impact		
Profit or loss		
5% Increase in US\$	(7)	(7)
10% Increase in US\$	(14)	(13)
15% Increase in US\$	(21)	(20)
Other equity		
5% Increase in US\$	(7)	(73)
10% Increase in US\$	(14)	(146)
15% Increase in US\$	(21)	(219)
MZN Impact		
Profit or loss		
10% Increase in US\$	-	50
20% Increase in US\$	-	100
30% Increase in US\$	-	149
Other equity⁽¹⁾		
10% Increase in US\$	(6,407)	(6,434)
20% Increase in US\$	(12,815)	(12,868)
30% Increase in US\$	(19,222)	(19,302)

⁽¹⁾ This is mainly due to the exposure arising on the translation of US\$ denominated intra-group loans provided to Metical functional currency entities which are included as part of the Group's net investment in the related entities.

21.4.2. Interest rate risk

The Group is exposed to interest rate risk because entities in the Group hold cash balances and borrow funds at floating interest rates. As at 31 March 2019 and 31 March 2018, the Group has no interest bearing fixed rate instruments.

The Group maintains cash deposits at variable rates of interest for a variety of short term periods, depending on cash requirements. The Grain and Beef operations in Mozambique are also financed through bank facilities. The rates obtained on cash deposits are reviewed regularly and the best rate obtained in the context of the Group's needs. The weighted average interest rate on deposits was nil % (2018: 0.25%). The weighted average interest on drawings under the overdraft facilities and bank loans was 20.14% (2018: 26.05%). The Group does not hedge interest rate risk.

The following table details the Group's exposure to interest rate changes, all of which affect profit and loss only with a corresponding effect on accumulated losses. The sensitivity has been prepared assuming the liability outstanding at the balance sheet date was outstanding for the whole year. In all cases presented, a negative number in profit and loss represents an increase in finance expense/decrease in interest income. The sensitivity as at 31 March 2019 and 31 March 2018 is presented assuming interest rates on cash balances remain constant, with increases of between 20bp and 1000bp on outstanding overdraft and bank loans. This sensitivity to interest rate rises is deemed appropriate because the Group interest bearing liabilities are Metical based. Although the macroeconomic scenario in Mozambique is now improving and interest rates are falling, they remain high with prime rates of 19.5% at 31 March 2019 (2018: 24%). Any further depreciation in the Metical could see this trend reverse.

	31 March 2019 ⁽¹⁾ US\$000	31 March 2018 ⁽¹⁾ US\$000
+ 20 bp increase in interest rates	(5)	(1)
+ 50 bp increase in interest rates	(12)	(3)
+100 bp increase in interest rates	(24)	(7)
+200 bp increase in interest rates	(47)	(14)
+500 bp increase in interest rates	(118)	(35)
+800 bp increase in interest rates	(189)	(55)
+1000 bp increase in interest rates	(236)	(69)

⁽¹⁾ The table above is prepared on the basis of an increase in rates. A decrease in rates would have the opposite effect.

21.5. Credit risk

Credit risk arises from cash and cash equivalents, and deposits with banks and financial institutions, as well as outstanding receivables. The Group's principal deposits are held with various banks with a high credit rating to diversify from a concentration of credit risk. Receivables are regularly monitored and assessed for recoverability. The impact of COVID-19 on the credit risk of the Group has been considered in the Going Concern disclosures in note 3.

The maximum exposure to credit risk is the carrying value of the Group financial assets disclosed in note 21.2. Details of provisions against financial assets are provided in note 18.

21.6. Liquidity risk

The Group policy throughout the year has been to ensure that it has adequate liquidity by careful management of its working capital. The operating executives continually monitor the Group's actual and forecast cash flows and cash positions. They pay particular attention to ongoing expenditure, both for operating requirements and development activities, and matching of the maturity profile of the Group's overdrafts to the processing and sale of the Group's maize and beef products. The impact of COVID-19 on the liquidity risk of the Group has been considered in the Going Concern disclosures in note 3.

At 31 March 2019 the Group held cash deposits of \$ 2,197,000 (2018: \$ 3,541,000). At 31 March 2019 the Group had overdraft and bank loans facilities of approximately \$ 5,063,000 (2018: \$ 5,452,000) of which \$ 4,558,000 (2018: \$ 4,224,000) were drawn. As at the date of this report the Group has adequate liquidity to meet its obligations as they fall due.

The following table details the Group's remaining contractual maturity of its financial liabilities. The table is drawn up utilising undiscounted cash flows and based on the earliest date on which the Group could be required to settle its obligations. The table includes both interest and principal cash flows.

	31 March 2019 US\$000	31 March 2018 US\$000
1 month	2,159	4,612
2 to 3 months	134	25
4 to 12 months	601	-
1 to 2 years	1,634	-
3 to 5 years	1,216	-
	<u>5,744</u>	<u>4,637</u>

22. SHARE CAPITAL

	Authorised Number	Allotted and fully paid Number	US\$000
At 1 April 2017			
Ordinary shares of 0.1p each	2,345,000,000	1,061,818,478	1,722
Issue of shares	-	1,062,243,291	1,413
At 30 November 2017	2,345,000,000	2,124,061,769	3,135
Consolidation 1 new ordinary share of 10p each for 100 ordinary shares of 0.1p each	(2,321,550,000)	(2,102,821,151)	-
At 31 March 2018 and 31 March 2019	23,450,000	21,240,618	3,135
At 31 March 2018 and 31 March 2019			
Deferred shares of 0.1p each	155,000,000	155,000,000	238
Total share capital	<u>178,450,000</u>	<u>176,240,618</u>	<u>3,373</u>

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

On 30 November 2017, the shareholders approved a resolution to consolidate 100 existing ordinary shares of 0.1p each ("Existing Ordinary Share") into one new ordinary share of 10p each ("New Ordinary Share"). All references to the number of shares in issue at 31 March 2019 and in the comparative year relate to New Ordinary Shares.

The deferred shares carry no right to any dividend; no right to receive notice, attend, speak or vote at any general meeting of the Company; and on a return of capital on liquidation or otherwise, the holders of the deferred shares are entitled to receive the nominal amount paid up after the repayment of £1,000,000 per ordinary share. The deferred shares may be converted into ordinary shares by resolution of the Board.

23. SHARE BASED PAYMENTS

23.1. Charge in the year

The Group recorded a charge within Operating expenses for share based payments of \$ nil (2018: \$ 3,000) in respect of options issued in previous years vesting during the year. No options were issued during the year (2018: \$nil).

23.2. Outstanding options and warrants

The Group, through the Company, has two unapproved share option schemes which were established to provide equity incentives to the Directors of, employees of and consultants to the Group. The schemes' rules provide that the Board shall determine the exercise price for each grant which shall be at least the average mid-market closing price for the three days immediately prior to the grant of the options. The minimum vesting year is generally one year. If options remain unexercised after a year of 4 or 5 years from the date of grant, or vesting, the options expire. Options are forfeited if the employee leaves the Group before the options vest.

In addition to share options issued under the unapproved share option schemes, on 1 June 2015, the Group created a warrant instrument (the 'Instrument') to provide suitable incentives to the Group's employees, consultants and agents, and in particular those based, or those spending considerable time, on site at the Group's operations. Up to 1,000,000 warrants (the 'Warrants') to subscribe for new Ordinary Shares in the Company (the 'Warrant Shares') maybe issued pursuant to the Instrument. The exercise price of each Warrant is £0.65 (the share price of the Company being approximately 0.6p when the Instrument was created) and the subscription year during which time the Warrants may be exercised and Warrant Shares issued is the 5-year year from 1 June 2016 to 1 June 2021. Subject to various acceleration provisions, a holder of Warrants is not entitled to sell more than 1,000 Warrant Shares in any day nor more than 10,000 Warrant Shares (in aggregate) in any calendar month, without Board consent. 50,000 Warrants are in issue.

The following table provides a reconciliation of share options and warrants outstanding during the year. The number of shares or warrants and their respective exercise prices have been adjusted to reflect the share consolidation (see note 22):

	Year ended 31 March 2019 Number	Weighted average exercise price (p)	Year ended 31 March 2018 Number	Weighted average exercise price (p)
At beginning of year	335,850	160	335,850	160
Granted in the year	-	-	-	-
Terminated in the year	-	-	-	-
Lapsed in the year	(184,690)	83	-	-
At end of year	151,160	263	335,850	160
Exercisable at year end	151,160	263	325,850	160

A transfer of \$ 1,816,000 was made from the share based payments reserve to the accumulated losses reserve in respect of the options that lapsed during the year.

At 31 March 2019, the following options and warrants over ordinary shares of 10p each have been granted and remain unexercised:

Date of grant	Total options	Exercisable Options	Exercise price P	Expiry date
29 July 2012	18,080	18,080	350p	29 July 2023
29 July 2012	18,080	18,080	550p	11 January 2020
01 March 2013	20,000	20,000	550p	30 April 2019
01 March 2013	20,000	20,000	275p	11 January 2020
15 March 2014	25,000	25,000	150p	15 March 2024
1 June 2015	50,000	50,000	65p	1 June 2021
	151,160	151,160		

24. RELATED PARTY DISCLOSURES

Magister Investments Limited ("Magister"), holds 50.01% of the ordinary share capital of the Company and is the ultimate controlling party.

On 14 September 2017, shareholders approved the subscription by Magister for 10,622,433 ordinary shares at a price of 31.26p per share.

AS Groves, a director of the Company during the year ended 31 March 2018, is also a director of Liberian Cocoa Corporation ('LCC'), African Management Services Limited ('AMS'), Consolidated Growth Holdings Limited (formerly Sable Mining Africa Limited, 'CGH'), Atlas African Industries

Limited ('AAI') and East Africa Packaging Limited ('EAPC'). The Group transacted with these companies during the prior year to 31 March 2018. No such transactions have occurred during the year ended 31 March 2019.

During the year ending 31 March 2018, AMS provided accounting, office, treasury and administrative services to the Group for fees of \$ 289,500. As at 31 March 2018 the Group owed \$ nil to AMS. On 19th October 2017, the Group disposed of its shareholding in AMS to CGH for a nominal consideration.

As at 31 March 2018 the Group was owed \$ nil from LCC.

During the year ended 31 March 2018 the Group and CGH incurred certain expenses on each other's behalf, which were refunded in full during the year. At 31 March 2018, the amount due to CGH was \$ nil.

At 31 March 2018 the carrying value of amounts due from AAI was \$ nil.

The remuneration of the Directors, who are the key management personnel of the Group, is set out in note 9.

25. OPERATING LEASES OUTSTANDING

At 31 March 2019 the Group had commitments for future minimum lease payments under non-cancellable operating leases for land and buildings, which fall due as follows:

	31 March 2019 US\$000	31 March 2018 US\$000
Within one year	51	78
In the second to fifth years inclusive	31	-
	82	78
Operating lease rentals recognised as an expense in the consolidated income statement were as follows:		
Land and buildings	67	96

26. EVENTS SUBSEQUENT TO THE BALANCE SHEET DATE

On 25 May 2019, Standard Bank renewed its overdraft facilities for a further year (see note 19)

On 17 June 2019, an incident of theft occurred which was picked up by local operational management, whereby a payment was made for a fictitious purchase of grain amounting to US\$ 5,000, of which US\$ 4,000 was subsequently recovered. This was not brought to the Auditor's attention until the closing stages of the audit in September 2019. The Company's shares were suspended from trading on AIM on 1 October 2019 pending a requirement from the Auditors for the Company to undertake further investigation (see note 27).

On 8 July 2019, Mozbife received the first tranche of a grant award totalling MTN 52.45m (US\$ 823,000) from the Fundo Catalitico Para Inovacao E Demonstracao ("FCID"). The funds will be used to establish 9 community association Cattle Sales Centres around Manica province.

On 30 August 2019 Banco Unico made available to DECA an additional overdraft facility of MTN 30m (US\$ 471,000). The facility bears interest at Prime. The facility is secured on a USD cash deposit funded by Agriterra Limited. The facility was renewed on 28 February 2020 for a further 6 months.

On 10 September 2019 Mozabanco made available to DECA a further overdraft facility of MTN 60m (US\$ 942,000). Interest is at prime plus 0.5%. The facility is unsecured and is due for renewal on 9 June 2020.

The impact of COVID-19 is a non-adjusting event after the reporting period. The impact of COVID-19 on the estimates and judgements of the financial statements has been considered by the Group and although there are inherent risks and uncertainties as disclosed on page 3 in the Chair's statement, as at the date of signing, COVID-19 has not had a material impact on the financial statements. Further details in relation to Going Concern are disclosed in note 3.

27. FRAUD INVESTIGATION

Following the report to the Auditors of the incidence of theft which occurred on 17 June 2019, the Auditors requested a detailed investigation of the circumstances. An initial management review brought to light a further incident concerning a fictitious purchase of grain in January 2019. Consequently, the Audit Committee commissioned an external team of internal auditors to conduct a detailed review of the procurement cycle. This review brought to light a further incidence in December 2018, together with a potential theft of petty cash which could not be accounted for. The gross loss to the Group of all incidences was US\$ 21,000 with a net loss of US\$ 9,000. The Auditors questioned the independence of the internal audit team and therefore could not conclude that the frauds did not have a material impact on the financial statements without the need for a forensic audit. The Company commissioned PKF Littlejohn LLP to perform the forensic audit, the scope of which was agreed with the Auditors. The forensic audit concluded that there was no evidence that further incidences of fraud had occurred and that there was no material impact on the financial statements of those incidences which had come to light. The additional costs incurred by the Auditors in respect of the frauds were approximately US\$ 55,000 and by the forensic auditor approximately US\$ 155,000.

COMPANY INFORMATION AND ADVISERS

Country of incorporation	Guernsey, Channel Islands
Registered address	Richmond House St Julian's Avenue St Peter Port Guernsey GY1 1GZ
Directors	Caroline Havers (Executive Chair) Neil Clayton (Non-executive) Hamish Rudland (Non-executive) Gary Smith (Non-executive) Amanda Thorburn (Non-executive)
Auditor	BDO LLP 55 Baker Street London W1U 7EU
Solicitors	Carey Olsen 8-10 Throgmorton Avenue London EC2N 2DL
Nominated adviser and broker	Strand Hanson 26 Mount Row London W1K 3SQ
Registrars	Neville Registrars Limited Neville House 18 Laurel Lane Halesowen B63 3DA