Agriterra

AGRITERRA LIMITED

UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE 6 MONTHS ENDED 30 SEPTEMBER 2017

CHAIR'S STATEMENT

I am pleased to provide an update on our performance in the first half of the 2018 financial year ('H1-2018'). As shareholders will be aware, the Company recently changed its accounting reference date to 31 March (from 31 May, with effect from 31 March 2017), to more effectively co-ordinate the Group's annual report and accounts with the business cycle of the Group's underlying operations. Accordingly, the comparative periods presented in this report are for the six month period ended 30 November 2016 ('H1-2017') and the 10 month period ended 31 March 2017 ('FY-2017').

Mozambique overview

As previously reported, during FY-2017 we focussed our efforts on our Grain and Beef operations in Mozambique, following the decision to dispose of our interests in the Cocoa operations in Sierra Leone, which was completed in June 2017 (as more fully described below). This focus reflects our assessment of the high growth potential of the Mozambican economy which, in the short to medium term, is expected to be supported by the development of the liquefied natural gas ('LNG') industry in the north of the country. Steps towards the development of the LNG industry have now been taken by the two major consortiums of companies (each of which intend to build their own LNG terminal), led on the one hand by ENI S.p.A and on the other by Anadarko Petroleum Corporation. More than US$30 billion is now expected to be invested in Mozambique's LNG sector to build capacity to produce 20 million tonnes per year of LNG, with the first exports, which are destined for Asian markets, due to start in 2021/22. This important development has already started to generate positive economic effects within Mozambique, both on a macro-economic level in terms of positive sentiment regarding the country's return to higher growth rates, as well as at the more granular level of anticipated demand for our products (in particular our beef).

In conjunction with these favourable market dynamics, economic conditions have also improved, with a strengthening of the Metical against both the US$ and South African Rand experienced early in the period, followed by a period of relative stability in the exchange rate at c.60 Metical / US$ and c.4.5 Metical / ZAR. Being a net importer of most goods, the effect of this has been to continue to put downward pressure on inflation in Mozambique – the annualised rate to 30 September 2017 was c.11% which compares to c.25% for the 12 months ended 31 December 2016, and 21% for the 12 months ended 31 March 2017. Despite the fall in inflation, interest rates remain high, with Standard Bank's prime metical lending rate remaining at 27.75% (28% at 31 March 2017). This persistently high lending rate has led us to take actions to decrease our outstanding loan and overdraft balances in the period as more fully described below.

The political environment has also continued to remain stable during the period, with the cease-fire agreement between FRELIMO and RENAMO remaining in place and an apparent willingness by these parties to arrive at resolutions to their primary discussion points in advance of the municipal elections to be held in October 2018 and the Presidential elections in 2019. Further, with a plentiful agricultural harvest in most agricultural commodities in 2017 (including maize), which is expected to repeat in 2018, poorer households are likely to see an improvement in living conditions.

New investment and use of funds

During the period the Group secured new investment of c.US$4.3m from Magister Investments Limited ('Magister') in exchange for a 50.01% shareholding in the Company. Full details regarding Magister were provided to shareholders in the Circular to Shareholders and Notice of General Meeting dated 14 August 2017.

This new funding is being deployed to strengthen the Group's position in Mozambique, with an initial investment of US$0.75m and US$0.25m into the Grain and Beef divisions respectively to reduce their outstanding bank financing. This repayment is in addition to an earlier repayment of US$0.4m in the Beef division following the Group's disposal of its Cocoa assets in Sierra Leone. The related saving in interest costs is expected to amount to approximately US$0.38m per annum, assuming interest rates remain at the current level.

Review

Grain

H1-2018 has seen subdued demand for our maize flour, reflecting the relative abundance of maize during this bumper harvest season. The relative weakness in demand has resulted in a fall in sales volume to c.4,800 tonnes of maize flour in H1-2018 (H1-2017: c.12,600 tonnes) and c.7,700 tonnes of all maize products (H1-2017: c.16,500), with revenue decreasing in metical terms from Metical 421.5m to Metical 111.5m and US$ terms from US$5.76m to US$1.81m. EBITDA has therefore fallen to a loss of US$0.15m (H1-2017: profit of US$0.50m). The normal sales pattern is for demand to increase following the harvest, with peak maize flour sales between December and March; our operational team are closely monitoring market developments to ensure we are pricing our products correctly to maximise sales, and we hope to increase sales in the second half of the year.

In common with many agricultural products, the working capital requirements in the Grain division are significant, principally due to the natural cycle of maize purchases peaking between April and August, with peak maize flour sales in the latter half of the financial year. During H1-2018 we purchased c.19,900 tonnes of maize (H1-2017: c 24,700 tonnes), with a further c.1,900 tonnes purchased after the period end (H1-2017: c.2,300 tonnes) completing our maize purchasing requirements for the season. The Grain division's working capital is financed by bank facilities provided by Standard Bank which, with a current interest rate of 26.00%, continues to erode the overall profitability of the division. After an

interest charge of US$0.40m (H1-2017: US$0.41m), loss before tax for the Grain division was US$0.6m compared to a profit of US$0.09m in H1-2017. In order to mitigate against this high interest cost, the Group has invested US$0.75m during the period in the working capital requirements of the Grain division to reduce its reliance on overdraft financing.

A key area for future improvements to the profitability of the Grain division is the commercial sale of animal feed products produced by our animal feed pelletiser (using maize bran, a by-product of the maize milling process). We have developed our own animal feed products which we will shortly begin to sell on a commercial basis to third party customers.

Beef

In respect of our Beef division, demand remains strong. This is in part supported by the Metical which, despite having strengthened during the period, remains relatively weak, particularly against the South African Rand. Despite this strong demand, we have continued to maintain supply at c.178 tonnes a month of beef products, principally due to our ongoing efforts to improve the productivity in our feedlot where we are focussing on increasing the average stay of our animals to increase their weight. These efforts to improve feedlot productivity are in response to the reduction in internal animal stocks and the fact that traditional sources of supply from the rural community have not fully returned following the cessation of military activity in the country. Once the average stay of animals in the feedlot is increased, we expect to return to supplying approximately 230 tonnes a month of beef products from our existing operations. Due to this reduced supply, revenue has fallen slightly from US$2.64m in H1-2017 to US$2.26m in H1-2018 and operating loss has remained constant at US$0.78m (H1-2017: US$0.78m). After reduced finance costs of US$0.095m (H1-2017: US$0.14m), loss before tax for the Beef division was US$0.87m (H1-2017: US$0.92m).

Cocoa

On 1 June 2017 the Group completed the disposal of its Cocoa division operating subsidiaries in Sierra Leone for US$0.5m. The Cocoa division principally comprised a 3,200 hectare cocoa plantation in the Kenema district of Sierra Leone, a 2,000m^2 warehouse, and related support infrastructure and vehicles. The purchasers were local Sierra Leone businessmen who have existing cocoa production, purchasing and distribution operations in country. The disposal proceeds were applied to reduce the Group's Beef division borrowing facilities in Mozambique and for general working capital purposes.

The Group recorded a profit on the disposal of the Cocoa division of US$0.15m, which was reduced by US$0.13m to US$0.02m following the recycling of translation differences previously reflected in the translation reserve.

Board and senior management changes

As a result of the investment by Magister, the Group re-structured the Board with the appointments of Mr. H Rudland, Mr. G Smith and Mr. B Scott. Mr. A Groves stepped down from the Board to focus on his other business interests.

Subsequent to the period end, Mr. D Cassiano-Silva announced his intention to step down from his position as Finance Director with effect from 31 December 2017. Mr. Cassiano-Silva will remain a Non-Executive Director of the Company thereafter. In order to ensure a period of smooth transition, the Company is in the final stages of agreeing terms with a candidate to assume responsibility for the Company's financial function during an interim period whilst the Company looks to hire a full time Mozambique based group finance director. In addition, in November 2017 Mr. B Scott took on the position of acting Chief Executive Officer ('CEO') to support the local management team as they seek to implement the Company's development strategies; the Company intends to hire a permanent CEO (also based in Mozambique) in the coming months, at which point Mr. Scott will revert to his current position of Chief Operating Officer, Mozambique.

I would like to once again take this opportunity to thank Dan and Andrew for their considerable input into the development of the Company and wish Brendan the best in his new role.

Conclusion

The recent investment from Magister marks a new period for the Group during which we hope to benefit from the experience and connections of our new Board members in the wider Sub-Saharan Africa region. As we look to capitalise on the growth that will inevitably come from the development of the LNG industry in Mozambique, we hope to see improvements in the profitability of the Group and its ability to provide a positive return to shareholders.

CSO Havers
Chair
17 November 2017

FOR FURTHER INFORMATION PLEASE VISIT WWW.AGRITERRA-LTD.COM OR CONTACT:

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CONSOLIDATED INCOME STATEMENT

	Note	**6 months ended 30 September 2017**	6 months ended 30 November 2016	10 months ended 31 March 2017
		Unaudited	Unaudited	Audited
		$000	$000	$000
CONTINUING OPERATIONS				
Revenue	3	**3,781**	8,106	12,807
Cost of sales		**(3,194)**	(7,290)	(11,915)
Gross profit		**587**	816	892
Increase in value of biological assets		**306**	417	487
Operating expenses		**(3,105)**	(2,315)	(4,532)
Other income		**9**	26	29
Profit on disposal of property, plant and equipment and adjustments to the carrying value of assets classified as held for sale		**79**	288	439
Operating loss		**(2,124)**	(768)	(2,685)
Investment revenues		**6**	7	12
Other gains and losses		**-**	(16)	(16)
Finance costs	4	**(501)**	(548)	(927)
Loss before taxation		**(2,619)**	(1,325)	(3,616)
Taxation		**(4)**	(22)	(22)
Loss for the period from continuing operations	3	**(2,623)**	(1,347)	(3,638)
DISCONTINUED OPERATIONS				
Loss for the period from discontinued operations	5	**(35)**	(20)	(136)
Loss for the period attributable to owners of the Company		**(2,658)**	(1,367)	(3,774)
LOSS PER SHARE				
Basic and diluted loss per share from continuing operations		**(0.23)**	(0.13)	(0.35)
Basic and diluted loss per share from continuing and discontinued operations		**(0.23)**	(0.13)	(0.36)
		No.	No.	No.
Weighted average number of shares outstanding for the purposes of calculating basic and diluted loss per share from continuing operations, and basic and diluted loss from continuing and discontinued operations		**1,148,887,600**	1,061,818,478	1,061,818,478

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	6 months ended 30 September 2017 Unaudited	6 months ended 30 November 2016 Unaudited	10 months ended 31 March 2017 Audited
	$000	$000	$000
Loss for the period	**(2,658)**	(1,367)	(3,774)
Items that may be reclassified subsequently to profit or loss:			
Foreign exchange translation differences	**543**	(1,778)	(1,119)
Items reclassified to profit or loss in the period:			
Foreign exchange differences on disposal, liquidation or winding-up of subsidiary companies	**158**	-	-
Other comprehensive income for the period	**701**	(1,778)	(1,119)
Total comprehensive income for the period attributable to owners of the Company	**(1,957)**	(3,145)	(4,893)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	**30 September 2017 Unaudited $000**	30 November 2016 Unaudited $000	31 March 2017 Audited $000
Non-current assets				
Property, plant and equipment		**6,381**	6,009	6,094
Interests in associates		**4**	4	4
		6,385	6,013	6,098
Current assets				
Biological assets		**1,048**	1,066	746
Inventories		**3,187**	3,381	1,253
Trade and other receivables		**828**	1,319	1,557
Assets classified as held for sale		**19**	477	573
Cash and cash equivalents		**4,447**	3,371	2,425
		9,529	9,614	6,554
Total assets		**15,914**	15,627	12,652
Current liabilities				
Borrowings	**6**	**4,673**	3,754	2,730
Trade and other payables		**536**	774	634
Liabilities directly associated with assets classified as held for sale		**-**	127	128
		5,209	4,655	3,492
Net current assets		**4,320**	4,959	3,062
Non-current liabilities				
Borrowings	**6**	**-**	798	734
Total liabilities		**5,209**	5,453	4,226
Net assets		**10,705**	10,174	8,426
Share capital	**8**	**3,373**	1,960	1,960
Share premium		**151,442**	148,622	148,622
Share based payments reserve		**1,988**	1,985	1,985
Translation reserve		**(16,800)**	(18,160)	(17,501)
Accumulated losses		**(129,298)**	(124,233)	(126,640)
Equity attributable to equity holders of the parent		**10,705**	10,174	8,426

The unaudited condensed consolidated financial statements of Agriterra Limited for the 6 months ended 30 September 2017 were approved by the Board of Directors and authorised for issue on 17 November 2017. Signed on behalf of the Board of Directors:

CSO Havers
Chair

CONSOLIDATED CASH FLOW STATEMENT

	Note	**6 months ended 30 September 2017 Unaudited**	6 months ended 30 November 2016 Unaudited	10 months ended 31 March 2017 Audited
		$000	$000	$000
Loss before tax for the period from continuing operations		**(2,619)**	(1,325)	(3,616)
Adjustments for:				
Depreciation		**247**	265	445
Profit on disposal of property, plant and equipment		**(79)**	(288)	(460)
Adjustments to the carrying value of assets classified as held for sale		**-**	-	21
Share based payment expense		**3**	5	5
Foreign exchange loss		**79**	54	104
Increase in value of biological assets		**(306)**	(417)	(487)
Finance costs		**501**	548	927
Investment revenues		**(6)**	(7)	(12)
Decrease in fair value of quoted investments		**-**	16	16
Operating cash flows before movements in working capital		**(2,180)**	(1,149)	(3,057)
Increase in inventories		**(1,829)**	(2,526)	(151)
Decrease / (increase) in trade and other receivables		**824**	(175)	(729)
(Decrease) / increase in trade and other payables		**(180)**	143	(13)
Net decrease in biological assets held for slaughter purposes		**53**	982	1,454
Net cash used in operating activities by continuing operations		**(3,312)**	(2,725)	(2,496)
Corporation tax paid		**(4)**	(22)	(22)
Finance costs	**4**	**(501)**	(548)	(927)
Interest received		**6**	7	12
Net cash used in operating activities by continuing operations		**(3,811)**	(3,288)	(3,433)
Net cash used in operating activities by discontinued operations		**(47)**	-	(48)
Net cash used by operating activities		**(3,858)**	(3,288)	(3,481)
Cash flows from investing activities				
Disposal of subsidiaries	**7**	**474**	-	-
Proceeds from disposal of property, plant and equipment, net of expenses incurred		**202**	538	927
Acquisition of property, plant and equipment		**(11)**	(182)	(204)
Net cash from investing activities by continuing operations		**665**	356	723
Net cash from investing activities in discontinued operations		**21**	-	33
Net cash from investing activities		**686**	356	756
Cash flow from financing activities				
Proceeds from the issue of new Ordinary Shares	**8**	**4,317**	-	-
Expenses incurred in the issue of new Ordinary Shares		**(85)**	-	-
Net draw down of overdraft		**1,766**	2,513	1,145
Net repayment of loans		**(851)**	(1)	(110)
Net cash from financing activities from continuing operations		**5,147**	2,512	1,035
Net cash from financing activities from discontinued operations		**-**	-	-
Net cash from financing activities		**5,147**	2,512	1,035
Net increase / (decrease) in cash and cash equivalents		**1,975**	(420)	(1,690)
Effect of exchange rates on cash and cash equivalents including discontinued operations		**47**	(264)	60
Cash and cash equivalents at beginning of period		**2,425**	4,055	4,055
Cash and cash equivalents at end of period		**4,447**	3,371	2,425

1. GENERAL INFORMATION

Agriterra Limited ('Agriterra' or the 'Company') and its subsidiaries (together the 'Group') is focussed on the agricultural sector in Africa. Agriterra is a non-cellular company limited by shares incorporated and domiciled in Guernsey, Channel Islands. The address of its registered office is Richmond House, St Julians Avenue, St Peter Port, Guernsey GY1 1GZ.

The Company's Ordinary Shares are quoted on the AIM Market of the London Stock Exchange ('AIM').

The unaudited condensed consolidated financial statements have been prepared in US Dollars ('US$' or '$') as this is the currency of the primary economic environment in which the Group operates.

2. BASIS OF PREPARATION

The condensed consolidated financial statements of the Group for the 6 months ended 30 September 2017 (the 'H1-2018 financial statements'), which are unaudited and have not been reviewed by the Company's auditor, have been prepared in accordance with the International Financial Reporting Standards ('IFRS'), as adopted by the European Union, accounting policies adopted by the Group and set out in the report for the 10 month period ended 31 March 2017 (available at www.agriterra-ltd.com). The Group does not anticipate any significant change in these accounting policies for the year ended 31 March 2018. References to 'IFRS' hereafter should be construed as references to IFRSs as adopted by the EU.

This interim report has been prepared to comply with the requirements of the AIM Rules of the London Stock Exchange (the 'AIM Rules'). In preparing this report, the Group has adopted the guidance in the AIM Rules for interim accounts which do not require that the interim condensed consolidated financial statements are prepared in accordance with IAS 34, *'Interim financial reporting'*. While the financial figures included in this report have been computed in accordance with IFRSs applicable to interim periods, this report does not contain sufficient information to constitute an interim financial report as that term is defined in IFRSs.

The financial information contained in this report also does not constitute statutory accounts under the Companies (Guernsey) Law 2008, as amended. The financial information for the 10 month period ended 31 March 2017 is based on the statutory accounts for the period then ended. The auditors reported on those accounts. Their report was unqualified and did not include any statements of emphasis of matter.

The H1-2018 financial statements have been prepared in accordance with the IFRS principles applicable to a going concern, which contemplate the realisation of assets and liquidation of liabilities during the normal course of operations. Having carried out a going concern review in preparing the H1-2018 financial statements, the Directors have concluded that there is a reasonable basis to adopt the going concern principle.

3. SEGMENT INFORMATION

The Executive Committee of the Group consider that the Group's operating activities during the period comprised the segments of Grain, Beef and Cocoa, all 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.

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

6 months ended 30 September 2017 – Unaudited	**Grain**	**Beef**	**Cocoa**	**Unallo-cated**	**Discon-tinued[3]**	**Elimina-tions**	**Total**
	$000	**$000**	**$000**	**$000**	**$000**	**$000**	**$000**
Revenue							
External sales[2]	**1,520**	**2,261**	**9**	**-**	**(9)**	**-**	**3,781**
Inter-segment sales[1]	**289**	**-**	**-**	**-**	**-**	**(289)**	**-**
	1,809	**2,261**	**9**	**-**	**(9)**	**(289)**	**3,781**
Segment results							
- Operating (loss) / profit	**(194)**	**(777)**	**13**	**(1,153)**	**(13)**	**-**	**(2,124)**
- Interest (expense) / income	**(404)**	**(95)**	**-**	**4**	**-**	**-**	**(495)**
(Loss) / profit before tax	**(598)**	**(872)**	**13**	**(1,149)**	**(13)**	**-**	**(2,619)**
Income tax	**(2)**	**(2)**	**-**	**-**	**-**	**-**	**(4)**
(Loss) / profit for the period from continuing operations	**(600)**	**(874)**	**13**	**(1,149)**	**(13)**	**-**	**(2,623)**

6 months ended 30 November 2016 – Unaudited	Grain	Beef	Cocoa	Unallo-cated	Discon-tinued[3]	Elimina-tions	Total
	$000	$000	$000	$000	$000	$000	$000
Revenue							
External sales[2]	5,470	2,636	21	-	(21)	-	8,106
Inter-segment sales[1]	287	-	-	-	-	(287)	-
	5,757	2,636	21	-	(21)	(287)	8,106
Segment results							
- Operating profit / (loss)	494	(784)	(20)	(478)	20	-	(768)
- Interest (expense) / income	(409)	(139)	-	7	-	-	(541)
- Other gains and losses	-	-	-	(16)	-	-	(16)
Profit / (loss) before tax	85	(923)	(20)	(487)	20	-	(1,325)
Income tax	(6)	(1)	-	(15)	-	-	(22)
Profit / (loss) for the period from continuing operations	79	(924)	(20)	(502)	20	-	(1,347)

10 months ended 31 March 2017 - Audited	Grain	Beef	Cocoa	Unallo-cated	Discon-tinued[3]	Elimina-tions	Total
	$000	$000	$000	$000	$000	$000	$000
Revenue							
External sales[2]	8,468	4,339	25	-	(25)	-	12,807
Inter-segment sales[1]	446	-	-	-	-	(446)	-
	8,914	4,339	25	-	(25)	(446)	12,807
Segment results							
- Operating (loss) / profit	(204)	(1,346)	(136)	(1,135)	136	-	(2,685)
- Interest (expense) / income	(686)	(241)	-	12	-	-	(915)
- Other gains and losses	-	-	-	(16)	-	-	(16)
(Loss) / profit before tax	(890)	(1,587)	(136)	(1,139)	136	-	(3,616)
Income tax	(6)	(1)	-	(15)	-	-	(22)
(Loss) / profit for the period from continuing operations	(896)	(1,588)	(136)	(1,154)	136	-	(3,638)

(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 Mozambican market. There were no sales from the Cocoa division in the 6 month period ending 30 September 2017. Sales from the Cocoa division in the 6 month period ending 30 November 2016 and the 10 month period ending 31 March 2017 were supplied within Sierra Leone.

(3) Amounts reclassified to discontinued operations in all periods presented relate to the Cocoa division activities – refer to note 5.1.

The segment items included within continuing operations in the consolidated income statement for the periods are as follows:

6 months ended 30 September 2017 – Unaudited	**Grain**	**Beef**	**Cocoa**	**Unallo-cated**	**Discon-tinued**	**Elimina-tions**	**Total**
	$000	**$000**	**$000**	**$000**	**$000**	**$000**	**$000**
Depreciation	**79**	**168**	**-**	**-**	**-**	**-**	**247**

6 months ended 30 November 2016 - Unaudited	Grain	Beef	Cocoa	Unallo-cated	Discon-tinued	Elimina-tions	Total
	$000	$000	$000	$000	$000	$000	$000
Depreciation	70	195	-	-	-	-	265

10 months ended 31 March 2017 - Audited	Grain	Beef	Cocoa	Unallo-cated	Discon-tinued	Elimina-tions	Total
	$000	$000	$000	$000	$000	$000	$000
Depreciation	123	322	-	-	-	-	445

4. FINANCE COSTS

	6 months ended 30 September 2017 Unaudited $000	6 months ended 30 November 2016 Unaudited $000	10 months ended 31 March 2017 Audited $000
Interest expense:			
Bank borrowings	**501**	548	927

5. DISCONTINUED OPERATIONS

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

	6 months ended 30 September 2017 Unaudited	6 months ended 30 November 2016 Unaudited	10 months ended 31 March 2017 Audited
	$000	$000	$000
Cocoa activities	**(5)**	(20)	(136)
Group re-organisation	**(30)**	-	-
Net loss after tax attributable to discontinued operations	**(35)**	(20)	(136)

5.1. Cocoa activities

Since September 2014, the Group's Cocoa division in Sierra Leone focussed its efforts on maintaining its cocoa plantation assets, while undertaking revenue generating logistics activities, principally providing assistance in the Ebola relief efforts. Sierra Leone was declared Ebola free in the year ended 31 May 2016; consequently, the logistics activities which were being undertaken to provide cash support for the Cocoa division reduced in scale such that the available income from these activities no longer substantially covered the costs of the Cocoa division.

Given the impact of Ebola on the West African region as a whole and the lack of investment appetite from traditional finance sources, the Board formed the view, after due investigations and careful consideration that the Group would be unlikely to be able to raise the finance to continue with the development of the cocoa plantation in the foreseeable future. In this context, the Board therefore believed that it was in the best interests of the Group to sell the Cocoa division to bolster the Group's cash reserves and to enable the Cocoa division to access other finance sources, such as dedicated development and sustainability funds.

As more fully described in the Chair's statement, the Cocoa division's operating companies were sold on 1 June 2017. Further details on the disposal of these subsidiaries are provided in note 7.

The Cocoa activities represented a business segment of the Group and accordingly the results of the Cocoa activities are presented as discontinued operations within the consolidated income statement. The amounts recorded in the consolidated income statement related to the Cocoa activities were as follows:

	6 months ended 30 September 2017 Unaudited $000	6 months ended 30 November 2016 Unaudited $000	10 months ended 31 March 2017 Audited $000
Revenue	**9**	21	25
Cost of sales	**-**	(3)	(3)
Gross profit	**9**	18	22
Operating expenses	**(51)**	(38)	(188)
Profit on disposal of property, plant and equipment	**15**	-	30
Loss before taxation	**(27)**	(20)	(136)
Taxation	**-**	-	-
Loss after tax and net loss attributable to the discontinued Cocoa activities in the period (attributable to owners of the Company)	**(27)**	(20)	(136)
Profit on disposal of the Cocoa activities (Note 7)	**22**	-	-
	(5)	(20)	(136)

5.2. Group re-organisation

During the period, the Group initiated a group rationalisation programme; companies which are no longer necessary in the Group structure are being liquidated or wound up. As a result, the balance included within the Translation reserve relating to those Group companies of $30,000 (6 month period ended 30 November 2016 and 10 month period ended 31 March 2017: $nil) has been reclassified to the result from discontinued operations in the period.

6. BORROWINGS

	30 September 2017 Unaudited $000	30 November 2016 Unaudited $000	31 March 2017 Audited $000
Non-current			
Bank loans	**-**	798	734
Current			
Bank loans	**208**	210	264
Bank overdraft	**4,465**	3,544	2,466
	4,673	3,754	2,730
	4,673	4,552	3,464

Grain division

At the end of all periods presented, the Group had an overdraft facility of 300,000,000 Metical (being approximately $4,909,000 at the 30 September 2017 Metical to US$ exchange rate) to provide working capital funding for its grain operations in Mozambique, principally for the purchase of maize and related operating expenditure. It is secured by a fixed charge against certain of the Group's property, plant and equipment, and a floating charge against all of the maize inventory and finished maize products, and trade receivables. Interest is charged at the counterparty bank's Mozambique prime rate less 1.75%. As at the date of this report, the interest rate on these borrowings is 26.00%. Unless it is cancelled by either party, the facility renews annually on 25 March. On 30 March 2017, the Facility was renewed on a short term basis until 5 May 2017 in order for the formal renewal process to be completed. This process was completed on 27 April 2017 and the Facility was renewed on the terms described above.

As at the period end the Group had undrawn overdraft borrowing facilities for the Grain division of $560,000 at the 30 September 2017 Metical to US$ exchange rate.

Beef division

As at 31 March 2017 and 30 November 2016, the Group had lending facilities totalling 105,000,000 Metical to continue financing its beef operations in Mozambique. The facilities comprised 75,000,000 Metical of term loans and a 30,000,000 Metical overdraft. The term loans, which had been fully drawn as at 30 November 2016, carried interest at the bank's prime lending rate plus 0.25% (currently 28.00%). Capital repayments on these loans commenced during H1-2017 in accordance with their terms. The overdraft renewed annually and carried interest at the bank's prime lending rate (being 27.75% at the date of this report). The lending facilities were secured by a fixed charge against the Group's abattoir in Chimoio and, by a floating change over all cattle and meat inventories, and trade receivables.

On 27 April 2017, the Group and Standard Bank agreed to modify the terms of these borrowing facilities as follows:

1. a new overdraft facility was provided on the same terms as the previous overdraft facility, other than for its renewal date, which was revised to 25 March 2018; and
2. the term loans were replaced by a single loan, with a twelve month term, repayable in equal monthly instalments commencing in May 2017. The balance outstanding on the term loans at that date was 39,133,000 Metical.

All other terms remained unchanged. The restructuring was required due to the change in the nature of the Company's business following the decision to close and de-stock the cattle farms.

As at the period end, the Group had undrawn overdraft borrowing facilities for the Beef division of $375,000 at the 30 September 2017 Metical to US$ exchange rate under the overdraft facility.

7. DISPOSAL OF SUBSIDIARIES

On 1 June 2017, the Group completed the disposal of Tropical Farms Limited and Tropical Farms Plantation (SL) Limited, the Sierra Leone companies which comprised the operating companies in the Group's Cocoa division. The purchasers were local Sierra Leone businessmen who have existing cocoa production, purchasing and distribution operations in country. The disposal was effected in order to generate cash flow for the repayment of borrowing facilities in the Group's Beef division and for general working capital purposes.

The net assets of these subsidiaries at the date of disposal, and the calculation of the profit on disposal were as follows:

	1 June 2017 Unaudited $000
Property, plant and equipment	**362**
Trade and other receivables	**89**
Cash at bank and in hand	**6**
Trade and other payables	**(127)**
	330
Foreign exchange gains and losses recycled to profit and loss on disposal	**128**
Expenses incurred in connection with the disposal	**20**
	478
Gain on disposal (included within loss from discontinued operations – refer to note 5.1)	**22**
Total consideration	**500**

The net cash inflow on disposal was:

Consideration received	**500**
Less:	
Expenses incurred in connection with the disposal	**(20)**
Cash and cash equivalents disposed of	**(6)**
Total consideration	**474**

There were no disposals of subsidiaries in the comparative periods.

8. SHARE CAPITAL

	30 September 2017 Unaudited	30 November 2016 Unaudited	30 March 2017 Audited
Allotted and fully paid			
2,124,061,769 (31 March 2017 and 30 November 2016: 1,061,818,478) Ordinary Shares of £0.001 each	**3,135**	1,722	1,722
155,000,000 Deferred Shares of £0.001 each	**238**	238	238
	3,373	1,960	1,960

On 15 September 2017, the Company issued 1,062,243,291 new Ordinary Shares at the issue price of 0.4064 US cents per Ordinary Share (the 'Magister Subscription price') to Magister Investments Limited pursuant to a share subscription agreement dated 14 August 2017, raising gross proceeds of $4,317,000 and net proceeds, after expenses, of $4,232,000. The transaction was subject to shareholder approval, which was granted at the general meeting of the Company held on 14 September 2017. The Magister Subscription price was fixed in US$. No other ordinary shares were issued in the current or preceding periods.