



# Agriterra

AGRITERRA LIMITED

ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE  
YEAR ENDED  
31 MARCH 2024

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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 2024. During the year, the Group had a strategic review and formulated a 5-year plan to improve and expand the operational performance across all divisions to achieve profitability. The initial phase was to align the workforce with the business volumes and to revise the sales strategy.

The Company continues 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/investor-relations/corporate-governance/>

### Strategy and Business Model

The Group continues to focus on adding value along the entire maize and beef value chain, by developing and offering new products to the market. It has three operating divisions:

- Grain, which operates maize purchasing and processing businesses through Desenvolvimento e Comercialização Agrícola Limitada (DECA) and Compagri Limitada (Compagri).
- Beef, which sources cattle from local farmers and then processes them through its own feedlot, abattoir and retail units through Mozbife Limitada (Mozbife)
- Snax, which sources maize grits from DECA, processing them into flavoured puffs through DECA Snax Limitada, a joint venture company in which DECA has a majority interest.
- Biscuits, which was planned and developed during the year 2023/2024 and commissioned in June 2024, trading under the brand name of Doko Doko. Biscuits will remain under the Grain division until it is more established.

During the year the Company secured shareholder loans of, in aggregate, c.US\$4.6m (2023: c.US\$7.9m) to repay commercial bank debt and to fund working capital for the Grain and Beef divisions. This has resulted in a reduction in debt servicing costs.

The Group is aware of its environmental, social and governmental responsibilities and the need to maintain effective working relationships across a range of stakeholders. The major shareholder is represented on the Board, both at the Executive and Non-Executive level, ensuring their views are incorporated into the Board's decision-making process. 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.

### Mozambique overview

During the current period the Metical remained steady against the US\$1; MZN63.90 (2023; US\$1; MZN 63.88). Annual inflation decreased faster than anticipated to 7.1%, against 10.3% in the previous year. The Authorities are maintaining controls to ensure fiscal discipline, during the period the prime lending rate rose to 23.50% to contain inflation but has since started reducing (20.6% September 2024) and is expected to decrease further by the end of 2024. In addition, the Central Bank increased the Prudential Deposit Ratio from 10.5% to 39%.

The continuing instability and Islamist attacks in Cabo Delgado have restricted the production of Liquefied Natural Gas (LNG) slowing the anticipated income in our Beef division from this sector as this sector contributed significant revenue to the Beef division in the past. However, the medium-term outlook is positive, with growth expected to accelerate to 4.6% over 2025 to 2026.

A report from the African Development Group: "The fiscal deficit improved from 5.1% of GDP in 2022 to about 2.8% in 2023, reflecting cuts in public spending and higher domestic revenue collection as the economy gradually recovered. Mozambique is in debt distress, but its debt is assessed as sustainable on a forward-looking basis."

### Operations review

#### Grain division

The division secured a US\$2 million shareholder loan to fund grain working capital in August 2023 and purchased 14,494 tons of maize. In addition, 1,000 tons of mealie meal was imported from South Africa when the cost of maize in Mozambique increased to US\$315 per ton, and hence it was more economic to import, in accordance with the sales strategy.

The Grain division generated revenue amounting to US\$6.2 million (FY23: US\$8.6 million) after selling 10,882 tons (2023: 17,819 tons) of mealie meal, the average meal selling price increased by 18% to US\$570 per ton (2023: US\$482).

The Grain division's bank borrowings decreased by US\$1.1 million due to repayment of bank borrowings of US\$1 million and finance leases were fully repaid during the year. The Grain division has one outstanding commercial bank loan amounting to US\$0.6 million.

Operating costs increased by US\$0.1m to US\$1.2m, EBITDA decreased to negative US\$0.02m (2023: positive EBITDA of US\$0.6m) due to low sales volumes and high cost of maize during the year. Finance costs decreased to US\$0.3m (2023: US\$1.0m) and depreciation cost amounted to US\$0.5m (2023: US\$0.5m) resulting in a loss before tax of US\$0.78m (2023: loss US\$0.86m).

#### Beef division

The Beef division generated revenue of US\$3.0 million (FY23: US\$3.13 million). The main customers are wholesale customers being the catering companies and supermarkets. Retail customers are more sensitive to price as compared to quality and there was increased competition from cheaper meat from the informal market. Although sales volumes were 9.4% higher than previous year (728 tons vs 666 tons in FY23) the price of beef per kg decreased by 10.2% to combat competition from the informal market and the Gross Margin decreased to 14.94% (FY23: 24.06%).

The average daily weight gain of animals increased from 0.22% to 0.26% of body mass and the average dress out rate was 47.2% (FY-2023: 49.2%) due to lower quality of animals which were purchased to service the retail business.

Beef division strategy shifted during the year from the more high-end market to a mix of quality product together with a lower quality product that could be priced more aggressively and aimed at the mass retail market.

Beef division is targeting areas much closer to the operational base for cattle buying and is incentivising farmers to deliver animals directly to the abattoir. 70% of all animals slaughtered in the last 6 months of the year were delivered directly to the abattoir. This has improved operational efficiencies by cutting out unnecessary transport costs.

The Maputo butchery was closed, as the proximity to South Africa and the fluctuating cheap imports were affecting sales.

The Beef division still carries the cost of the 3 farms that remain in care and maintenance whilst looking for potential buyers.

Loss after tax amounted to US\$1,140,000 (FY23: Loss after tax US\$651,000).

#### Snax division

At the beginning of the year, in order to be more responsive to changes in the market, the Group acquired operating control of DECA Snax Limitada through control over the board by an approved resolution. Consequently the Group is consolidating the performance of Snax division and recognising the non-controlling interest in the Group's financial statements.

Sales revenue decreased by 9% to US\$2.1 million (FY23: US\$2.3 million). The Snax division was affected by the increasing cost of maize during the year, up by 27%. However there was resistance from the market to attempts to increase the selling price of the Snax to recover the cost of inputs.

During the year, Snax installed a large 100-gram packing machine to offer family pack size to customers. The division has not been able to utilise more than 60% of its production capacity due to maize cost and availability which affected the cost of production.

Snax sold 1,066,996 bales during the year (FY23: 1,111,538 bales). Profit after tax amounted to US\$22,676 (FY23: US\$74,976) after payment of management fees to the Grain division, amounting to US\$103,601 (FY23: US\$117,289). Low profitability resulted from high cost of raw materials.

#### 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.

	2024	2023	2022
<b>Grain division</b>			
- Average milling yield	75.1%	75.3%	78.0%
- Meal sold (tonnes)	10,882	17,819	17,094
- Revenue	\$6,186,000	\$8,590,000	\$7,118,000
- EBITDA (note 5)	(\$21,000)	\$611,000	\$535,000
<b>Beef division</b>			
- Slaughter herd – number of head sold in year	5,320	4,099	4,575
- Average daily weight gain in feedlot (% of body mass)	0.26	0.22	0.35
- Meat sold (tonnes)	728	666	734
- Revenue	\$2,967,000	\$3,129,000	\$3,159,000
- EBITDA (note 5)	(\$633,000)	(\$244,000)	(\$66,000)

Snax division (note 23)			
- Bales sold (units)	1,066,996	1,111,538	707,385
- Revenue	\$2,072,000	\$2,345,779	\$1,447,000
- EBITDA (note 5)	\$98,000	\$170,000	\$247,000
Group			
- EPS	(4.49)	(9.29)	(10.7)
- Liquidity - cash plus available headroom under facilities	\$439,000	\$174,000	\$107,000

### Financial Review

In FY24 the Group revenue includes the revenue from the Snax division (US\$2.1m) following the change of operating control. After taking the Snax revenue into account, revenue in the Grain and Beef divisions decreased by 28% to US\$8.3m (FY23: US\$11.49m) mainly due to:

- The Grain division secured a pre-buying season facility from a commercial bank in Mozambique which the bank could not deliver due to an increase in the prudential deposit ratio with the Central Bank from 10.5% to 39%. The Company therefore obtained a shareholder loan in August 2023 as an alternative. This delay led to DECA purchasing 6,609 tons of maize initially and then rolling the generated working capital to purchase a total of 14,494 tons of maize. At an extraction of 75.1%, only 10,882 tons were produced and sold (FY23: 17,819).
- The Beef division sales volumes increased to 728 tons (FY23: 666 tons), however revenue saw a slight decrease to US\$3.0 million (FY23: US\$3.1 million) due to a reduction in the average selling price. The increased sales volumes reflect the strategy to be more aggressive in the retail market, but the revenue reflects the reduction in the sales to wholesale customers as a result of competition from South African beef due to Rand: MZN exchange rate.

The Group's gross margin decreased to 17.6% (FY23: 21.2%) due to fair value reduction of biological assets amounting to US\$437,000 (FY23: US\$288,000) and cost of replacement maize. Gross profit was US\$1.8 million (FY23: US\$2.4 million).

The Group's operating expenses increased by 18% to US\$4 million with an increase in operating losses to US\$1.85 million (FY23: US\$0.81 million).

Net Debt as of 31 March 2024 was US\$13.83 million (FY23: US\$9.69 million). The shareholder loan injections of US\$4.6 million funded maize purchases, various equipment to enhance production, the biscuit plant and raw materials. US\$1.1 million was used to repay part of a long outstanding commercial bank loan. Finance costs were at US\$1.49 million (FY23: US\$1.46 million), of which US\$1.003 million was accrued to shareholder loans which are at 6% above Secured Overnight Financing Rate (5.31%) as compared to Mozambique commercial bank loan rates of more than 22% per annum.

Subsequent to the year end, the Grain division secured US\$4.2 million to fund working capital in the form of advance payments from a major customer amounting to US\$1.2 million and US\$3 million under a commodity trading agreement with a local Mozambican company (see note 27).

### Risk management

The Group 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. 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 adjusts its output volumes and prices in response to competition from imports.	<b>Increased.</b> Although the Metical has been stable in the past 12 months, the Group's borrowings are now denominated in USD and there is high risk of devaluation of the Metical due to shortage of foreign currency.
Political instability	Presidential elections in October 2024 and 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.	<b>No Change.</b>
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.	<b>No Change.</b>
Maize growing season	Adverse weather conditions, and anticipated drought for the next growing season nationally or regional	Diversify sources of supply and sign supply agreements. The business has taken the initiative to go directly to the farmer,	<b>Increased.</b>

	may impact on the availability and pricing of grain.	rather than depending entirely on traders.	
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 most of its feed from the Grain division.	<b>No Change.</b>
Access to working capital	The Group is less reliant on local banking facilities in Mozambique and has the continued support from the majority shareholder.	The Group has secured additional working capital facilities.	<b>No change.</b>
Compliance	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 organization.	<b>No Change.</b>

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**

Details of the consideration of going concern are set out in note 3. The Group has prepared forecasts for its ongoing operating 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.

The Group reduced commercial debt during the year by a further US\$1.1 million (FY23: US\$7.98 million). Post year end, the Grain division has sourced the equivalent of US\$3 million under a commodity trading agreement with a local Mozambican company and has received an advance payment of the equivalent of US\$1.2 million from one of its major customers. All the funding was used to purchase maize and will be repaid within the year ending 31 March 2025.

The Group prepared a 5-year strategy which defined the key performance indicators, identified the challenges it is likely to encounter and set direction and targets for the management teams in their respective divisions. These operating targets will need to be achieved for the Group to meet its cashflow requirements.

These conditions indicate the existence of a material uncertainty that may cast significant doubt upon the Group's ability to continue as a going concern and the operating companies may therefore be unable to realise their assets and discharge their liabilities in the ordinary course of business. The auditors make reference to going concern in their audit report by way of a material uncertainty. These financial statements do not include the adjustments that would result if the Group was unable to continue as a going concern.

**Outlook**

The Group plans, having implemented a retrenchment programme in the prior year, to align the costs to the business volumes in FY 2025. Operating costs remain under constant review. The majority shareholder continues to offer support to the Group in the form of extending existing loan facilities.

The macro-economic environment is expected to improve in 2024/25 financial year. The US\$: MZN exchange rate is expected to remain at US\$1: MZN 63.90, whilst inflation is expected to decrease to around 4-5%. The Central Bank of Mozambique is using interest rates to control inflation, and a decrease in the inflation rate will enable the Central Bank of Mozambique to reduce the prime lending rate which is currently at 22.4%.

Grain: The Grain division needs to secure maize at the right time and at the right price to ensure its success. Operational efficiency is also key to unlocking profit, extractions are expected at 75% and therefore regular maintenance and plant and machinery is required. The region expects grain shortages due to an El Nino induced drought, and this will drive maize meal prices up. The pressure on available maize has provided an opportunity for the Grain division to gain market share and improve sales revenue. The Grain division has bought 15,549 tons by 31 August 2024 and is actively procuring an additional 6,000 tons of maize to achieve production of 15,000 tons meal, plus having 1,000 tons to carry into the next season.

The biscuit brand which is included in the Grain division is anticipated to continue to grow and achieve a positive EBITDA in 2025.

Beef: The Beef division financial performance is dependent on successfully penetrating the retail market to achieve sales of 100 tons per month in addition to the existing wholesale market for prime product, whilst containing operational expenses. The Beef division is now securing more than 70% of its animals for slaughter at the abattoir directly from the farmers and this has reduced transport costs. The Beef division will look to diversify other protein products to the market, including chicken and fish.

Snax: The Snax division profitability was affected by high cost of maize, however the Grain division has sufficient maize to supply the requirements for the Snax division and options of importing grits from South Africa are being explored. The Snax division will be introducing new flavours during the year to increase customer choices and improve sales.

**Board and senior management changes**

There were no changes in the Board and Senior Management during the year.

CSO Havers,  
Non-Executive Chair  
30 September 2024

CORPORATE GOVERNANCE

The Company is quoted on AIM and is 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**

The board structure continues to be organised to ensure it has the appropriate balance of skills and independence. At the year end the Board comprised the Non-Executive Chair, the Interim CEO, one non-independent Non-Executive Director and two independent Non-Executive Directors. Within Senior Management, there is a Finance Director and General Manager who report to the Board. The Board is looking to further enhance its composition, skills and balance as the Company develops. The Board currently comprises:

**Caroline Havers**, Non-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.

**Hamish Rudland**, Interim CEO (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 to start a passenger transport business that soon diversified into fuel tank haulage. Thereafter Mr. Rudland structured acquisitions of foreign-owned asset rich companies to list on the Zimbabwe Stock Exchange where he has substantial investments which focus on his core competencies but also synergize where advantages can be made.

Mr. Hamish Rudland is the settlor of the Casa Trust which owns Chepstow Investments Limited (formerly Magister Investments Limited) and is also a Director of Chepstow investments Limited. As a result of Mr. Rudland’s relationship to Chepstow 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 qualified Chartered Accountant. He 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.

As a result of Mr. Smith’s relationship with Chepstow 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 Chair; RC Chair)

Mr. Clayton is a Chartered Accountant and has over 30 years of experience in a variety of listed and unlisted 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 2020.

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

**Sergio Zandamela**, Non-Executive Director (IC)

Mr. Zandamela is a Mozambican national with over 20 years’ experience in agriculture and business with a degree in Agronomy - Rural Engineering from the Eduardo Mondlane University and subsequently an MBA from the Montford University Southern Africa - Sandton Business School. From 2016 to 2021 Mr. Zandamela was responsible for all Mozambique commercial activities of Tongaat Hulett (agriculture and agri-processing business, focusing on the complementary feedstocks of sugarcane and maize).

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

The Non-Executive Chair is expected to commit a minimum of a day a week 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. The attendance record of directors who held office for the year is as follows:

	Meetings held	Meetings attended
Caroline Havers	4	4
Neil Clayton	4	4
Hamish Rudland	4	4
Gary Smith	4	4
Sergio Zandamela	4	4



The Board has entrusted the day-to-day responsibility for the direction, supervision and management of the business to the Chief Executive Officer (CEO), who leads the Executive Committee (EXCO). For the financial year ended 31 March 2024 the EXCO was comprised of the Interim CEO, the General Manager, the Financial Director and the Commercial Director in Mozambique.

The Interim CEO and General Manager have a call each week with the Chair to review strategy and discuss any matters arising.

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 Company'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.

The Audit Committee and the Investment Committees have met in the last financial year.

The Audit Committee was chaired by Neil Clayton. The Audit Committee has been actively engaged in the planning and conduct of the Audit of these financial statements. The Committee has met formally 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 Non-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 (3) 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**

Given the Company's size, 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. 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 recognizes 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 Company 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 Company'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 percent of independent shareholders.

**DIRECTORS' REPORT**

The Directors of the Company hereby present their annual report together with the audited financial statements for the year ended 31 March 2024 for the Group. The current year performance is not comparable to previous year due to inclusion of performance of Deca Snax in the current year on acquisition of control over the joint venture.

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 Company 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 2024 show a loss after taxation of US\$3,214,000 (2023: loss of \$2,109,000). The Directors do not recommend the payment of a final dividend (2023: US\$ nil). No interim dividends were paid in the year (2023: US\$ 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	Non-Executive Chair
NWH Clayton	Non-Executive Director
HBW Rudland	Interim CEO
GR Smith	Non-Executive Director
SML Zandamela	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*	36,332,221

\*Mr Rudland's interest is held through Chepstow Investments Limited ('Chepstow'), formerly Magister Investments Limited. Chepstow is a private limited company incorporated in the Republic of Mauritius, controlled 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, and their three children.

**4.3. Directors' emoluments**

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

**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 20 September 2024, 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
Chepstow Investments Limited (formerly Magister Investments Limited)	36,332,221	50.58%
Peterhouse Capital Limited	8,855,000	12.33%
Richard and Charlotte Edwards	5,000,000	6.96%
Gersec Trust Reg.	2,779,656	3.87%
P3 Capital	2,500,000	3.48%
P4 Capital	2,500,000	3.48%

## 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 as of 31 March 2024 was 29 days (2023: 27 days).

## 8. POLITICAL AND CHARITABLE DONATIONS

During the year no political and charitable donations were made in cash.

The Group had the opportunity to assist in the following areas:

- celebrate World Children's Day with the Chimoio city and donated mealie and puff snax to all children present on the day to enjoy.
- A MOU was signed between the Operating companies and CHORC, an association of motorcyclists who through their own efforts support many initiatives in the communities in need within the province. CHORC visited the district hospital in Dombe where they assisted in providing food and perishables for the children. They also visited 2 orphanages in the province donating food and clothing. In all cases DECA contributed dry goods in the form of maize meal and snax. In addition, they visited various villages in the region donating puff and maize meal to children.

## 9. SOCIAL AND COMMUNITY ISSUES

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) medical assistance for employees during the pandemic.

One specific partnership to mention is that with Save the Children. DECA has added the details of the national helpline to its 1kg packages, for children needing assistance and in one year the organization has registered a 7% increase in calls for Manica Province alone. This is attributed to the campaign and partnership undertaken with DECA in registering call centre details on its packaging.

### Grain Division

DECA hosted small groups of students coordinated through Vale de Zambeze. These students were from various Universities and were spread out through the various operations:

- 2 students were allocated to DECA on a 3-month attachment in Food Production and Engineering
- 2 students were also allocated to DECA Snax as Food Technologists.

Beef Division

During the FY Mozbife hosted students in the following sectors of the business:

- 2 students were attached to the Abattoir studying Food Technology and Processing
- 1 student attached was studying Environmental Science
- 1 student was allocated to the feedlot studying Agricultural Engineering
- 3 students were attached to the feedlot studying Animal Science.

A 2-day workshop was also held with the nine associations in Mozbife where all the CSCs are registered and in operation. This workshop focused on husbandry practices, communication and processes associated to cattle breeding and condition.

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

PKF Littlejohn 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](http://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.

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CSO Havers  
Non-Executive Chair  
30 September 2024

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 for Companies of the London Stock Exchange to prepare Group financial statements in accordance with International Accounting Standards as adopted by the United Kingdom ('UK').

The financial statements of the Group are required by law to give a true and fair view and are required by International Accounting Standards as adopted by the United Kingdom 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 International Accounting Standards as adopted by the United Kingdom; 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 transactions and disclose with reasonable accuracy at any time the financial position of the Group 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 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 Company'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.

## Opinion

We have audited the group financial statements of Agriterra Limited (the 'group') for the year ended 31 March 2024 which comprise the Consolidated Statement of Profit or Loss and Other Comprehensive Income, the Consolidated Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Consolidated Cash Flow Statement and notes to the group financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards.

In our opinion, the group financial statements:

- give a true and fair view of the state of the group's affairs as at 31 March 2024 and of its loss for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards; and
- have been 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 group 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 group 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 in the group financial statements, which indicates that the group needs to achieve its operating targets and is reliant on the continued support from the largest shareholder to meet its commitments as they fall due. There is currently uncertainty regarding the group achieving such operating targets as they are dependent on factors beyond the control of the group which may also impact the continued support from the largest shareholder. As stated in note 3, these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the group financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the group financial statements is appropriate. Our evaluation of the directors' assessment of the group's ability to continue to adopt the going concern basis of accounting included:

- consideration of the group's objectives, policies and processes in managing its working capital as well as exposure to financial, credit and liquidity risks;
- reviewing the management's going concern memorandum assessment, discussing and challenging management regarding the future and availability of funding;
- reviewing the cash flow forecasts for the ensuing twelve months from the date of approval of these group financial statements and assessment thereof;
- performing sensitivity analysis on the cash flow forecast prepared by management, and challenging the assumptions included thereto; and
- reviewing the adequacy and completeness of disclosures in the group financial statements.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

## Our application of materiality

For the purposes of determining whether the group financial statements are free from material misstatement, we define materiality as a magnitude of misstatement, including omission, that makes it probable that the economic decisions of a reasonably knowledgeable person, relying on the group financial statements, would be changed, or influenced. We have also considered those misstatements including omissions that would be material by nature and would impact the economic decisions of a reasonably knowledgeable person based on our understanding of the business, industry and complexity involved.

We apply the concept of materiality both in planning and throughout the course of audit, and in evaluating the effect of misstatements. Materiality is used to determine the group financial statements areas that are included within the scope of our audit and the extent of sample sizes during the audit.

We also determine a level of performance materiality which we use to assess the extent of testing needed to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the group financial statements as a whole.

In determining materiality and performance materiality, we considered the following factors:

- our cumulative knowledge of the group and its environment, including industry specific trends;
- the change in the level of judgement required in respect of the key accounting estimates;
- significant transactions during the year;
- the stability in key management personnel; and
- the level of misstatements identified in prior periods.

Materiality for the group financial statements was set at \$180,000 (2023: \$200,000). This was calculated based on 1.75% of revenue for the year. Using our professional judgement, we have determined this to be the principal benchmark within the group financial statements as it is most relevant to stakeholders in assessing the financial performance of the group as the key focus of the group is to grow its business to meet its working capital needs by increasing revenue from operations.

Materiality for the significant components of the group ranged from \$36,000 (2023: \$53,000) to \$160,000 (2023: \$111,000) based on 1.75% of revenue for each component and where the significant component did not generate revenue the materiality for that component entity was computed using 20% of group materiality.

Performance materiality for the group financial statements was set at \$126,000 (2023: \$140,000) being 70% of materiality for the group financial statements. 70% is considered appropriate based on our assessment that there is low to medium risk that the group financial statements could be materially misstated. The performance materiality for the significant components is calculated on the same basis as group materiality.

We agreed to report to those charged with governance all corrected and uncorrected misstatements we identified through our audit with a value in excess of \$9,000 (2023: \$10,000). We also agreed to report any other audit misstatements below that threshold that we believe warranted reporting on qualitative grounds.

No significant changes have come to light during the audit which required a revision to our materiality for the group financial statements as a whole.

#### **Our approach to the audit**

Our audit was risk based and was designed to focus our efforts on the areas at greatest risk of material misstatement, as well as aspects subject to significant management judgement or greatest complexity, risk and size.

In designing our audit, we determined materiality, as above and assessed the risk of material misstatement in the group financial statements. We tailored the scope of our audit to ensure that we performed sufficient work to be able to give an opinion on the group financial statements, having regard to the structure of the group and significance of component's operations and materiality. Each component was assessed as to whether they were significant or not to the group by either their size or risk.

The group includes the listed parent company and one subsidiary based in Guernsey and five subsidiaries based in Mozambique, including two dormant subsidiaries. The listed parent company and three trading subsidiaries were significant components due to identified risk and size.

The group's accounting function is based in Mozambique. We have performed the full scope audit on the listed parent company that is registered in Guernsey. The three significant components in Mozambique have been subject to full scope audits by a component auditor. As group auditor, we maintained oversight and regular contact with the component auditor throughout all stages of the audit and we were responsible for the scope and direction of their work.

We considered those areas which were deemed to involve significant judgement and estimation by the directors, such as the key audit matter surrounding the recoverability of the carrying value of tangible assets in the group financial statements pertaining to grain and beef divisions. We also addressed the risk of management override of controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud. Procedures were then performed to address the risks identified.

#### **Key audit matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the group 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 group financial statements, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material uncertainty related to going concern section we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter (KAM)	How the scope of our audit responded to the key audit matter
<p><b>Carrying value of the underlying assets of the beef and grain division (see Note 4)</b></p>	
<p><b>The group's assets include assets pertaining to beef and grain divisions and the continuing losses incurred by these divisions may indicate that there is a risk these assets are impaired.</b></p> <p><b>Management is required to assess whether there are potential indicators of impairment at each reporting date and, if potential indicators of impairment are identified, management are required to perform a full assessment of the recoverable value of the assets.</b></p> <p><b>Given the uncertainty about the future production and sales profiles and the volatility in cost, there is a risk that management may not adequately identify all impairment indicators.</b></p> <p><b>Due to the material nature of the balance and level of judgement and estimation made by management, there is also a risk of management biasness and risk of material misstatement therefore it is considered a KAM.</b></p>	<p>Our work in this area included reviewing the work performed by the component auditor in relation to:</p> <ul style="list-style-type: none"> <li>➤ ownership and good title to the group’s assets;</li> <li>➤ physical review of material assets for any indicators of impairment;</li> <li>➤ accounting for fair valuation of land and building based on the management ‘s expert report; and</li> <li>➤ the competency of management’s expert</li> </ul> <p>We further performed the below procedures:</p> <ul style="list-style-type: none"> <li>➤ Obtained the discounted cashflow valuation workings from management and verified the mathematical accuracy;</li> <li>➤ Reviewed and challenged management's budgets, cash flow forecasts and projections of the beef and grain division to ensure that the assets were recoverable;</li> <li>➤ Assessed the reasonableness of the underlying inputs of the recoverable value calculation;</li> <li>➤ Performed a sensitivity analysis to ensure any major fluctuations in the subjective elements would not result in material misstatement and if they do, that they were appropriately disclosed; and</li> <li>➤ Ensured the presentation and disclosures in the group financial statements was sufficient and in accordance with requirements of IAS 36- <i>Impairment of assets</i>.</li> </ul>

**Other information**

The other information comprises the information included in the annual report, other than the group financial statements and our auditor’s report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the group financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the group financial statements, or our knowledge obtained in the course of 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 this gives rise to a material misstatement in the group financial statements themselves. 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

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the group financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

### Responsibilities of directors

As explained more fully in the statement of director's responsibilities, the directors are responsible for the preparation of the group 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 group financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the group 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 group financial statements

Our objectives are to obtain reasonable assurance about whether the group financial statements 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 based on these group financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the group and the industry in which it operates to identify laws and regulations that could reasonably be expected to have a direct effect on the group financial statements. We obtained our understanding in this regard through discussions with management and the application of our cumulative audit knowledge and experience of the industry.
- We determined the principal laws and regulations relevant to the group in this regard to be those arising from AIM Listing Rules, QCA Corporate Governance Code, Companies (Guernsey) Law 2008, UK-adopted international accounting standards, local Employment Laws, local Health and Safety Regulations, local Tax Laws and other local laws and regulations in Mozambique. The team remained alert to instances of non-compliance with laws and regulations throughout the audit.
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the group with those laws and regulations. These procedures included but were not limited to: making enquiries of management and legal counsel; discussion with component auditor about compliance with laws and regulations in Mozambique; review of minutes of meetings; review of legal and professional ledger accounts and review of the Regulatory News Service announcements.
- We also identified the risks of material misstatement of the group financial statements due to fraud. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls and revenue recognition, inappropriate application of the going concern assumption in the preparation of group financial statements and management bias in determining key accounting estimates/judgments in relation to key audit matters. We addressed this by challenging the estimates/judgements made by management when auditing these significant accounting estimates/judgements (refer to the key audit matter and going concern section).
- As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: the testing of journals; reviewing key accounting estimates for evidence of bias (Refer to the Key Audit Matter and Material uncertainty related to going concern sections); and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

- Our review of non-compliance with laws and regulations incorporated listed parent entity. The component auditors were used for significant components. The risk of actual or suspected non-compliance was not sufficiently significant to our audit to result in our response being identified as a key audit matter.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the group financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the group financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the group financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://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 company's members, as a body, in accordance with our engagement letter dated 09 June 2023. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone, other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Timothy Harris (Engagement Partner)**  
**For and on behalf of PKF Littlejohn LLP**  
**Registered Auditor**

15 Westferry Circus  
Canary Wharf  
London E14 4HD

*30 September 2024*

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2024**

	Note	Year ended 31 March 2024 US\$000	Year ended 31 March 2023 US\$000
Revenue	5	10,393	11,494
Cost of sales		(8,124)	(8,758)
Decrease in fair value of biological assets		(437)	(288)
Gross profit		1,832	2,448
Operating expenses		(3,988)	(3,381)
Other income		273	122
Profit on disposal of property, plant and equipment		30	-
Operating loss	6	(1,853)	(811)
Finance costs	10	(1,488)	(1,462)
Share of profit in equity-accounted investees, net of tax	23	-	37
Loss before taxation		(3,341)	(2,236)
Taxation	11	127	127
Loss for the year attributable to owners of the Company		(3,214)	(2,109)
<b>OTHER COMPREHENSIVE INCOME</b>			
Loss for the year		(3,214)	(2,109)
Items that will not be reclassified to profit or loss			
Revaluation of property, plant and equipment		(141)	-
Related tax		45	-
		(96)	-
Items that may be reclassified subsequently to profit or loss:			
Foreign exchange translation differences		5	(161)
Other comprehensive loss for the year		(91)	(161)
Total comprehensive loss for the year attributable to owners of the Company		(3,305)	(2,270)
<b>Profit Attributable to:</b>			
Owners of the company		(3,225)	(2,109)
Non-controlling interest		11	-
		(3,214)	(2,109)
<b>Total comprehensive income attributable to:</b>			
Owners of the company		(3,316)	(2,270)
Non-controlling interest		11	-
		(3,305)	(2,270)
		<b>US cents</b>	<b>US cents</b>
Earnings per Share			
Basic and diluted earnings per share	12	(4.49)	(9.29)

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2024

	Note	31 March 2024 US\$000	31 March 2023 US\$000
<b>Non-current assets</b>			
Property, plant and equipment	13	24,968	24,267
Intangible assets	14	-	3
Equity-accounted investees	23	-	93
		<b>24,968</b>	<b>24,363</b>
<b>Current assets</b>			
Biological assets	15	245	496
Inventories	16	616	550
Trade and other receivables	17	1,949	1,055
Cash and cash equivalents		439	174
		<b>3,249</b>	<b>2,275</b>
<b>Total assets</b>		<b>28,217</b>	<b>26,638</b>
<b>Current liabilities</b>			
Borrowings	18	130	1,166
Trade and other payables	19	1,217	658
		<b>1,347</b>	<b>1,824</b>
<b>Net current assets</b>		<b>1,902</b>	<b>451</b>
<b>Non-current liabilities</b>			
Borrowings	18	14,138	8,696
Deferred tax liability	11	5,937	6,111
		<b>20,075</b>	<b>14,807</b>
<b>Total liabilities</b>		<b>21,422</b>	<b>16,631</b>
<b>Net assets</b>		<b>6,795</b>	<b>10,007</b>
<b>Equity attributable to equity holders of the parent</b>			
Share capital	22	56,694	3,993
Share premium		-	151,419
Share based payment reserve		67	67
Revaluation reserve		11,714	12,061
Translation reserve		(16,164)	(16,169)
Accumulated loss		(45,620)	(141,364)
Non-controlling interest		104	-
		<b>6,795</b>	<b>10,007</b>

The financial statements on pages 18 to 48 were approved and authorised for issue by the Board of Directors on 30 September 2024.

Signed on behalf of the Board of Directors by:

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CSO Havers  
Chair  
30 September 2024

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**
**FOR THE YEAR ENDED 31 MARCH 2024**

	Share capital	Share premium	Share based payment reserve	Translation reserve	Revaluation reserve	Accumulated losses	Non-Controlling Interest	Total Equity
Note	US\$000	US\$000	US\$000	US\$000	US\$000	US\$000	US\$000	US\$000
Balance at 1 April 2022	3,373	151,442	67	(16,008)	12,312	(139,506)	-	11,680
Loss for the year	-	-	-	-	-	(2,109)	-	(2,109)
Other comprehensive loss	-	-	-	(161)	-	-	-	(161)
Total comprehensive loss for the year	-	-	-	(161)	-	(2,109)	-	(2,270)
Transactions with owners								
Share based payments	620	(23)	-	-	-	-	-	597
Revaluation surplus realised	-	-	-	-	(251)	251	-	-
Total transactions with owners for the year	620	(23)	-	-	(251)	251	-	597
Balance at 31 March 2023	3,993	151,419	67	(16,169)	12,061	(141,364)	-	10,007
Loss for the year	-	-	-	-	-	(3,225)	11	(3,214)
Other comprehensive income/(loss) for the year	-	-	-	5	(96)	-	-	(91)
Total comprehensive loss for the year	-	-	-	5	(96)	(3,225)	11	(3,305)
Transactions with owners								
Acquisition of subsidiary with NCI	-	-	-	-	-	-	93	93
Reclassification	20	(151,419)	-	-	-	98,718	-	-
Revaluation surplus realised	-	-	-	-	(251)	251	-	-
<b>Total transactions with owners for the year</b>	<b>52,701</b>	<b>(151,419)</b>	<b>-</b>	<b>-</b>	<b>(251)</b>	<b>98,969</b>	<b>93</b>	<b>93</b>
<b>Balance at 31 March 2024</b>	<b>56,694</b>	<b>-</b>	<b>67</b>	<b>(16,164)</b>	<b>11,714</b>	<b>(45,620)</b>	<b>104</b>	<b>6,795</b>

## CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2024

	Year ended 31 March 2024 US\$000	Year ended 31 March 2023 US\$000
<b>Note</b>		
<b>Cash flows from operating activities</b>		
Loss before tax	(3,341)	(2,236)
Adjustments for:		
Amortisation and depreciation	13/14 871	870
Profit on disposal of property, plant and equipment	(30)	-
Impairment of goodwill on acquisition	24 12	-
Foreign exchange gain	(48)	(439)
Changes in value of biological assets	15 437	288
Share of profit in associate	23 -	(37)
Net finance costs	10 1,488	1,462
<b>Operating cash flows before movements in working capital</b>	(611)	(92)
Net increase in biological assets	15 (186)	(33)
Decrease in inventories	389	1,626
Increase in trade and other receivables	(956)	(231)
Decrease in trade and other payables	(155)	(302)
<b>Net cash (used in) / generated from operating activities</b>	(1,519)	968
<b>Cash flows from investing activities</b>		
Proceeds from disposal of property, plant and equipment net of expenses incurred	30	-
Acquisition of property, plant and equipment	13 (1,271)	(90)
Acquisition of subsidiary net of cash acquired	48	-
<b>Net cash used in investing activities</b>	(1,193)	(90)
<b>Cash flows from financing activities</b>		
Net repayment of overdrafts	18 -	(6,254)
Net repayment of loans	18 (940)	(1,589)
Net drawdown of shareholder loans	18 4,600	7,900
Net repayment of leases	(198)	(137)
Issue of shares	-	283
Finance costs	(485)	(1,014)
<b>Net cash generated from / (used in) financing activities</b>	2,977	(811)
<b>Net increase in cash and cash equivalents</b>	265	67
Effect of exchange rates on cash and cash equivalents	-	-
Cash and cash equivalents at beginning of the year	174	107
<b>Cash and cash equivalents at end of the year</b>	439	174

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 47. 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 International Accounting Standards as adopted by the United Kingdom. The financial statements have been prepared on the historical cost basis, except for the following items, which are measured at an alternative basis on each reporting date:

Items	Measurement basis
Biological assets	Fair value
Property, plant and equipment – Land and building	Subsequent measured at revalued amount - i.e., fair value at the date of revaluation less subsequent depreciation and impairment losses.

**2. ADOPTION OF NEW AND REVISED STANDARDS AND INTERPRETATIONS**

**Adoption of new and revised Standards**

During the current year, the Group has adopted all of the new and revised standards and interpretations issued by the IASB and the IFRS-IC that are relevant to its operations and effective for annual reporting periods beginning on 1 April 2023. The revised standards and interpretations have not resulted in material changes to the Group’s accounting policies.

The following new and amended standards are not expected to have a significant impact on the Group’s financial statements in the future, being FY 2025.

Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current

Amendments to IAS 1 Presentation of Financial Statements: Non-current Liabilities with Covenants

Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback

Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements

**3. SIGNIFICANT ACCOUNTING POLICIES**

The financial statements have been prepared on a historical cost basis, except for certain financial instruments, biological assets, property, plant and equipment 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 Company 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 include the impact of the restructuring exercise and working capital constraints show that the Group needs to achieve its operating targets to have sufficient headroom under its existing banking and shareholder loan facilities. Certain facilities fall due for renewal in June 2025, and it has been assumed that these will be renewed.

The divisional forecasts for FY-25 show a significant improvement in operating performance as compared to that reported for the year ended 31 March 2024. However, there can be no certainty that these restructuring plans will be successful, and the forecasts are sensitive to small adverse changes in the operations of the divisions. As set out in notes 18 and 21 the Group is funded by a combination of short and long-term borrowing facilities. As set out in note 27, since the year end additional finance has been secured and shareholder loans maturing in July and August 2024 have been extended by a further year.

Based on the above, whilst there are no contractual guarantees, the directors are confident that the existing financing facilities will continue to be available to the Group. 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 needs to achieve its operating targets in order to remain within its existing bank and shareholder loan facilities and to meet its commitments as they fall due. These conditions and events indicate the existence of a material uncertainty that may cast significant doubt upon the Group's ability to continue as a going concern and the Group companies may therefore be unable to realise their assets and discharge their liabilities in the ordinary course of business. The auditors make reference to going concern in their audit report by way of a material uncertainty. 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 Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

### Subsidiaries

Subsidiaries are entities controlled by the Group. The Group 'controls' an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which controls ceases.

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.

### Interest in equity accounted investees

The Group's interest in equity accounted investees comprise interest in a joint venture.

A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement rather than rights to its assets and obligations for its liabilities.

Interest in Joint Ventures are accounted for using the equity method. There are initially recognised at cost, which include transaction cost. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and OCI of the equity accounted investees, until the date on which joint control ceases.

As at 31 March 2024, 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	Dormant
Aviação Agriterra Limitada	100%	Mozambique	Dormant
Deca Snax Limitada	50%	Mozambique	Maize based food products

### Foreign currency



The individual financial statements of each company in the Group are prepared in Mozambican Metical, 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 the year, unless exchange rates fluctuate significantly during the year, 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	
	2024	2023	2024	2023
Mozambican Metical: US\$	<b>63.89</b>	63.86	<b>63.90</b>	63.88

### Operating segments

The Chief Operating Decision Maker is the Board. The Board reviews the Group's internal reporting in order to assess the 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. These include the Grain, Beef and Snax divisions.

### 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 by 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 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 and in settlement of certain expenditure. 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 period, based on the Company'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

The Group as a lessee.

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the lessee uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified, and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37.

To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, Plant and Equipment' policy.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in operating expenses in profit or loss.

## 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

### Recognition

Items of property, plant and equipment are stated at historical purchase cost. Cost includes expenditure that is directly attributable to the acquisition. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located and borrowing costs on qualifying assets.

### Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

### Subsequent measurement

Following initial recognition at cost, items of land and buildings are subsequently measured using the revaluation model being the fair value at the date of revaluation less any subsequent depreciation and subsequent impairment losses. The revaluation model is only used when fair value can be reliably measured. Revaluations are made regularly enough to ensure that at any reporting date the carrying amount does not differ materially from the fair value. Revaluations are performed by independent sworn valuers triennially. When an item of property, plant and equipment is revalued, the entire class of property, plant, and equipment to which the asset belongs is revalued. Only land and buildings are subsequently valued using the revaluation model and all others are valued at cost model.

Any revaluation surplus is credited to revaluation reserve as part of other comprehensive income, except to the extent that it reverses a revaluation decrease of the same asset previously recognized in the profit or loss, in which case the increase is recognized in the profit or loss. A revaluation deficit is recognized in profit or loss, except to the extent that it offsets an existing surplus on the same recognized in the asset revaluation reserve. The revaluation reserve is realized over the period of the useful life of the property by transferring the realized portion from the revaluation reserve to retained earnings.

## Depreciation

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.

## Intangible assets and goodwill

Intangible assets comprise investment in management information and financial software. This is amortised at 10% straight line. Goodwill arising on the acquisition of subsidiaries is measured at cost less accumulated impairment losses.

## Impairment of property, plant and equipment and intangible assets

At each balance sheet date, the Company 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 Company 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 initially against amounts included in the revaluation reserve in respect of the asset and subsequently in profit and loss.

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 instruments

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.

## Cash and cash equivalents

Cash and cash equivalents, comprise cash on hand, on demand deposits and cash equivalents, which are short term highly liquid investments that are readily convertible into a known amount of cash and which are subject to an insignificant risk of changes in value.

## 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 Company.

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 Company 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 on property, plant and equipment (note 13), and biological assets (note 15).

##### Going concern

Details of the directors' assessment of Going Concern are set out in note 3. These financial statements do not include the adjustments that would result if the Group were unable to continue as a going concern.

##### Impairment and revaluation of land and buildings

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 to review whether the carrying amounts of non-current assets are greater than the recoverable amount.

The impairment reviews are sensitive to various assumptions, including the expected sales forecasts, cost assumptions, rent per square metre, capital requirements, and discount rates among others depending on how the recoverable amount is determined. The forecasts of future cash flows were derived from the operational plans put in place following the restructuring exercise undertaken since year end 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.

As at 31 March 2024, the Group engaged an Independent real estate valuer to compute the fair value of land and buildings which also assisted in determining the recoverable amount whilst revaluing non-current assets. The Independent valuer used Royal Institute of Chartered Surveyors (RICS) and International Financial Reporting Standards to determine the fair value of land and buildings. Based on the assessment performed by the independent real estate valuers at 31 March 2024, and the improved operational outlook reflected in the operational plan in place, management have concluded that, at 31 March 2024, non-current assets are not impaired.

No impairments were recorded in the year ended 31 March 2024 or the year ended 31 March 2023. The carrying amount of non-current assets is US\$25.0 million (2022: \$24.3million).

##### 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. The value of the herd held for slaughter disclosed as a current asset was \$0.2m (2023: \$0.5m).

#### 5. SEGMENT REPORTING

The Board considers that the Group's operating activities comprise the segments of Grain, Beef and Snax 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 2024	Grain	Beef	Snax*	Unallo-	Elimina-	Total
	US\$000	US\$000	US\$000	cated US\$000	tions US\$000	US\$000
Revenue						
External sales <sup>(2)</sup>	5,354	2,967	2,072	-	-	10,393
Inter-segment sales <sup>(1)</sup>	816	-	-	-	(816)	-
	<u>6,170</u>	<u>2,967</u>	<u>2,072</u>	<u>-</u>	<u>(816)</u>	<u>10,393</u>
Segment results						
- Operating (loss)/profit	(728)	(963)	5	(440)	-	(2,126)
- Interest expense	(292)	(193)	-	(1,003)	-	(1,488)
- Other gains and losses	237	4	18	14	-	273
- Share of profit in equity-accounted investees	-	-	-	-	-	-
(Loss)/Profit before tax	<u>(783)</u>	<u>(1,152)</u>	<u>23</u>	<u>(1,429)</u>	<u>-</u>	<u>(3,341)</u>
Income tax	115	12	-	-	-	127
(Loss)/Profit after tax	<u><b>(668)</b></u>	<u><b>(1,140)</b></u>	<u><b>23</b></u>	<u><b>(1,429)</b></u>	<u><b>-</b></u>	<u><b>(3,214)</b></u>
Year ending 31 March 2023	Grain	Beef	Snax*	Unallo-	Elimina-	Total
	US\$000	US\$000	US\$000	cated US\$000	tions US\$000	US\$000
Revenue						
External sales <sup>(2)</sup>	8,365	3,129	-	-	-	11,494
Inter-segment sales <sup>(1)</sup>	225	-	-	-	(225)	-
	<u>8,590</u>	<u>3,129</u>	<u>-</u>	<u>-</u>	<u>(225)</u>	<u>11,494</u>
Segment results						
- Operating (loss)/profit	2	(659)	-	(308)	-	(965)
- Interest expense	(958)	(63)	-	(441)	-	(1,462)
- Other gains and losses	95	59	-	-	-	154
- Share of profit in equity-accounted investees	-	-	37	-	-	37
(Loss)/Profit before tax	<u>(861)</u>	<u>(663)</u>	<u>37</u>	<u>(749)</u>	<u>-</u>	<u>(2,236)</u>
Income tax	115	12	-	-	-	127
(Loss)/Profit after tax	<u><b>(746)</b></u>	<u><b>(651)</b></u>	<u><b>37</b></u>	<u><b>(749)</b></u>	<u><b>-</b></u>	<u><b>(2,109)</b></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 Company making the sale. Sales from the Grain and Beef divisions are principally for supply to the Mozambique market.

\* Deca Snax was accounted as a subsidiary in 2024 due to acquisition of control and was accounted under equity method as a joint venture.

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

Year ending 31 March 2024	Grain	Beef	Snax	Unallo-	Elimina-	Total
	US\$000	US\$000	US\$000	cated US\$000	tions US\$000	US\$000
Depreciation and amortisation	<u>470</u>	<u>326</u>	<u>75</u>	<u>-</u>	<u>-</u>	<u>871</u>
Year ending 31 March 2023	Grain	Beef	Snax	Unallo-	Elimina-	Total
	US\$000	US\$000	US\$000	cated US\$000	tions US\$000	US\$000
Depreciation and amortisation	<u>514</u>	<u>356</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>870</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 2024 and capital expenditure for the year then ended are as follows:

	Grain US\$000	Beef US\$000	Snax US\$000	Unallocated US\$000	Total US\$000
Assets	21,970	4,515	1,205	527	28,217
Liabilities	(5,417)	(731)	(772)	(14,502)	(21,422)
Capital expenditure	993	154	124	-	1,271

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

	Assets US\$000	Liabilities US\$000
Segment assets and liabilities	27,690	(6,920)
Unallocated:		
Other receivables	527	-
Accrued liabilities	-	(865)
Borrowings	-	(13,637)
	<u>28,217</u>	<u>(21,422)</u>

The segment assets and liabilities at 31 March 2023 and capital expenditure for the year then ended are as follows:

	Grain US\$000	Beef US\$000	Snax US\$000	Unallocated US\$000	Total US\$000
Assets	21,361	4,880	93	304	26,638
Liabilities	(7,596)	(770)	-	(8,265)	(16,631)
Capital expenditure	31	59	-	-	90

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

	Assets US\$000	Liabilities US\$000
Segment assets and liabilities	26,334	(8,366)
Unallocated:		
Intangible asset	304	-
Accrued liabilities	-	(232)
Borrowings	-	(8,033)
	<u>26,638</u>	<u>(16,631)</u>

### Key performance Indicators

The Board considers that earnings before interest, tax, depreciation and amortisation (“EBITDA”) is a key performance indicator in measuring operational performance. EBITDA is a non IFRS measure and alternative performance measure for the Group which is calculated as follows:

Year ending 31 March 2024	Grain US\$000	Beef US\$000	Snax US\$000	Unallocated US\$000	Total US\$000
(Loss)/Profit before tax	(783)	(1,152)	23	(1,429)	(3,341)
- Interest expense	292	193	-	1,003	1,488
- Depreciation and amortisation charge	470	326	75	-	871
- Share of profit in equity-accounted investees	-	-	-	-	-
EBITDA	<u>(21)</u>	<u>(633)</u>	<u>98</u>	<u>(426)</u>	<u>(982)</u>



Year ending 31 March 2023	Grain	Beef	Snax	Unallocated	Total
	US\$000	US\$000	US\$000	US\$000	US\$000
(Loss)/Profit before tax	(861)	(663)	37	(749)	(2,236)
- Interest expense	958	63	-	441	1,462
- Depreciation and amortisation charge	514	356	-	-	870
- Share of profit in equity-accounted investees	-	-	(37)	-	(37)
EBITDA	611	(244)	-	(308)	59

#### Significant customers

In the year ended 31 March 2024, the two largest customers of the Grain segment generated revenue of \$1.8 million (31 March 2023: \$2.6m) constituting 29% (31 March 2023: 31%) of the Grain division's revenue. The two largest customers of the Beef segment generated revenue of \$0.7m (31 March 2023: \$0.2m) amounting to 25% (31 March 2023: 6%) of the Beef division's revenue.

## 6. OPERATING LOSS

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

	Year ended 31 March 2024 US\$000	Year ended 31 March 2023 US\$000
Depreciation of property, plant and equipment (see note 13)	868	854
Amortisation of intangible asset (see note 14)	3	16
Profit on disposal of property, plant and equipment	30	-
Net foreign exchange loss/(gain)	54	(33)
Staff costs (see note 8)	1,390	1,660

## 7. AUDITORS REMUNERATION

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

	Year Ended 31 March 2024 US\$000	Year Ended 31 March 2023 US\$000
Fees payable to the Company's auditor and their associates		
Overruns in respect of prior years	18	-
	18	-
Fees payable to the Company's auditor and their associates		
For the audit of the Company's accounts	97	56
For the audit of the Company's subsidiaries	37	37
Total audit fees	152	93

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

## 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 2024 Number	Year ended 31 March 2023 Number
Office and Management	25	27
Operational	334	375
	359	402

Their aggregate remuneration comprised (including production staff and excluding directors remuneration):

	Year Ended 31 March 2024 US\$000	Year ended 31 March 2023 US\$000
Wages and salaries	1,344	1,608
Social security costs	46	52
	<u>1,390</u>	<u>1,660</u>

## 9. REMUNERATION OF DIRECTORS

	Year ended 31 March 2024 US\$000	Year ended 31 March 2023 US\$000
CSO Havers	23	27
NWH Clayton	8	8
HWB Rudland	8	8
GR Smith	8	8
SML Zandamela	8	8
	<u>55</u>	<u>59</u>

All remuneration relates to short term benefits. Directors are considered to be key management personnel.

## 10. FINANCE COSTS

	Year Ended 31 March 2024 US\$000	Year Ended 31 March 2023 US\$000
Interest expense on bank borrowings and overdrafts	(444)	(913)
Interest expense on shareholder loans	(1,003)	(448)
Interest expense on leases	(41)	(101)
Net finance costs	<u>(1,488)</u>	<u>(1,462)</u>

## 11. TAXATION

	Year Ended 31 March 2024 US\$000	Year Ended 31 March 2023 US\$000
<b>Current tax (expense)/credit</b>		
Current tax	-	-
Deferred tax	127	127
	<u>127</u>	<u>127</u>

### Effective tax reconciliation

Loss before tax from continuing activities	(3,341)	(2,236)
Tax credit at the Mozambican corporation tax rate of 32%	(1,069)	(715)
Tax effect of expenses that are not deductible in determining taxable profit	614	396
Tax effect of (income not taxable) or losses not allowable	-	(86)
Tax effect of net losses not recognised in overseas subsidiaries (net of effect of different rates)	328	278
Tax credit	<u>(127)</u>	<u>(127)</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. Losses amounting to US\$1.4 million have been carried forward (2023: US\$ 2.9 million).

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 (2023: 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).

## Deferred tax

### Movement in deferred tax balances

	Net balance as at 1 April 2023 US\$000	Recognised in OCI US\$000	Recognised in P/L US\$000	Foreign exchange gain or loss US\$000	Net balance as at 31 March 2024 US\$000
Property, plant and equipment	(6,111)	45	127	2	(5,937)
Tax losses carried forward	-	-	-	-	-
<b>Total</b>	<b>(6,111)</b>	<b>45</b>	<b>127</b>	<b>2</b>	<b>(5,937)</b>
	Net balance as at 1 April 2022 US\$000	Recognised in OCI US\$000	Recognised in P/L US\$000	Foreign exchange gain or loss US\$000	Net balance as at 31 March 2023 US\$000
Property, plant and equipment	(6,243)	-	127	5	(6,111)
Tax losses carried forward	-	-	-	-	-
<b>Total</b>	<b>(6,243)</b>	<b>-</b>	<b>127</b>	<b>5</b>	<b>(6,111)</b>

Deferred tax liability is resulting from cumulative revaluation gain on land and buildings amounting to \$18,334,040 (2023: \$18,475,127) recognised using an income tax rate of 32% which is prevailing in Mozambique. \$127,000 (2023: \$127,000) of the deferred tax has been realised during the year.

The Group has not recognised any tax credits for the year ended 31 March 2024 (2023: \$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 \$9,607,560 (2023: \$9,122,403). 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.

## 12. EARNINGS PER SHARE

	Year ended 31 March 2024 US\$000	Year ended 31 March 2023 US\$000
The calculation of the basic and diluted earnings per share is based on the following data:		
Loss for the year for the purposes of basic and diluted earnings per share attributable to equity holders of the Company	(3,225)	(2,109)
Weighted average number of Ordinary Shares for the purposes of basic and diluted earnings per share	71,829,007	22,705,569
Basic and diluted earnings per share - US cents	(4.49)	(9.29)
Basic and diluted earnings per share from continuing activities - US cents	(4.49)	(9.29)

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. Details of options are set out in note 25.

## 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
<b>Cost</b>					
At 1 April 2022	25,246	5,409	1,191	142	31,988
Additions	12	56	-	22	90
Disposals	-	-	-	-	-
Exchange rate adjustment	(20)	(5)	-	-	(25)
At 31 March 2023	25,238	5,460	1,191	164	32,053
Acquisition through business combination	-	552	-	66	618
Additions	-	266	224	781	1,271
Revaluation	(2,013)	-	-	-	(2,013)
Disposals	-	(15)	(25)	(1)	(41)
Exchange rate adjustment	(8)	(2)	(1)	-	(11)
<b>At 31 March 2024</b>	<b>23,217</b>	<b>6,261</b>	<b>1,389</b>	<b>1,010</b>	<b>31,877</b>
<b>Accumulated depreciation and impairment</b>					
At 1 April 2022	625	5,049	1,138	125	6,937
Charge for the year	624	154	51	25	854
Disposals	-	-	-	-	-
Exchange rate adjustment	(1)	(2)	(1)	(1)	(5)
At 31 March 2023	1,248	5,201	1,188	149	7,786
Acquisition through business combination	-	124	-	47	171
Charge for the year	624	205	8	31	868
Revaluation	(1,872)	-	-	-	(1,872)
Disposals	-	(15)	(25)	(1)	(41)
Exchange rate adjustment	-	(2)	(1)	-	(3)
<b>At 31 March 2024</b>	<b>-</b>	<b>5,513</b>	<b>1,170</b>	<b>226</b>	<b>6,909</b>
<b>Net book value</b>					
31 March 2024	23,217	748	219	784	24,968
31 March 2023	23,990	259	3	15	24,267

The Group accounting policy for recognition and subsequent measurement of land and buildings is the revaluation model. In accordance with the International Financial Reporting Standards, such revaluation exercises should be performed regularly. The Group adopted a policy to revalue land and buildings after every 3 years.

At the triennial valuation of land and building at 31 March 2024 the Group revalued land and buildings down by \$141,087 (31 March 2021: revalued up by \$18,475,127) in total (DECA revalued down by \$274,923, Compagri revalued down by \$124,935 and Mozbife revalued up by \$258,771). This valuation attributed a value of \$nil to the farms, which are currently held for sale. The next revaluation exercise will be performed on 31 March 2027. The carrying value of land and buildings at 31 March 2024 under the cost model would have been \$ 4,735,908 (2023: \$4,893,000). The valuation of the land and building was carried out by a certified valuer. The valuation was based on replacement cost method wherein the valuer estimated the cost of building a similar infrastructure taking into account inflation, cost of constructions, land value and return on investments. These inputs are Level 3 inputs as per the fair value hierarchy as they are unobservable inputs. The fair value is sensitive to these inputs and changes to one or more inputs can significantly impact the fair value.

Property, plant and equipment with a carrying amount of \$6,085,415 (2023: \$20,401,000) have been pledged to secure the Group's bank overdrafts and loans (note 18). The Group is not allowed to pledge these assets as security for other borrowings or sell them to another entity.

For the year ended 31 March 2024, a depreciation charge of \$868,000 (2023: \$854,000) has been included in the consolidated income statement within operating expenses. Certain motor vehicles and equipment have been purchased with finance leases. Included in property, plant and equipment are right-of-use-assets with a carrying value of \$Nil (2023: \$71,825) and \$ nil (2023: nil) for machinery and motor vehicles respectively (note 20).

During the year ended 31 March 2024, the Group acquired plant and machinery, with the intention of constructing a new biscuit factory in Chimoio totalling to \$0.8 million. Such plant and machinery were not ready for its intended use as at 31 March 2024. No depreciation was charged on such asset. It is included under other assets.

**13. INTANGIBLE ASSETS**

	US\$000
<b>Cost</b>	
At 1 April 2022	140
Additions	-
Exchange rate adjustment	-
At 31 March 2023	140
Additions	-
Acquisition of subsidiary	12
Exchange rate adjustment	-
<b>At 31 March 2024</b>	<b>162</b>
<b>Accumulated amortisation</b>	
At 1 April 2022	122
Charge for the year	16
Exchange rate adjustment	(1)
At 31 March 2023	137
Charge for the year	3
Impairment of goodwill	12
Exchange rate adjustment	-
<b>At 31 March 2024</b>	<b>162</b>
<b>Net book value</b>	
<b>31 March 2024</b>	<b>-</b>
31 March 2023	3

Intangible assets comprise investment in management information and financial software.

At 31 March 2024 and 31 March 2023, the Group had no contractual commitments for the acquisition of intangible assets.

**14. BIOLOGICAL ASSETS**

	US\$000
<b>Fair value</b>	
At 31 March 2022	463
Purchase of biological assets	1,812
Sale, slaughter or other disposal of biological assets	(1,533)
Change in fair value of the herd	(288)
Foreign exchange adjustment	42
At 31 March 2023	496
Purchase of biological assets	1,751
Sale, slaughter or other disposal of biological assets	(1,565)
Change in fair value of the herd	(437)
Foreign exchange adjustment	-
<b>At 31 March 2024</b>	<b>245</b>

At 31 March 2024 and 2023, all cattle are held for slaughter. The slaughter herd has been classified as a current asset. Forage crops included in current assets are US\$22,543 (2023: US\$42,547).

At 31 March 2024 the number of the slaughter herd sold during the year was 5,320 head (2023: 4,099), with an average weight of 283kgs (2023: 341kgs) and average value of US\$343.91 (2023: US\$369).

For valuation purposes, 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 of less than 3 months before slaughter.

**15. INVENTORIES**

	31 March 2024 US\$000	31 March 2023 US\$000
Consumables and spares	21	59
Raw materials	442	265
Finished goods	153	226
	<b>616</b>	<b>550</b>

During the year inventories amounting to US\$5,472,719 (2023: US\$7,540,933) were included in cost of sales.

16. TRADE AND OTHER RECEIVABLES

	<b>31 March 2024 US\$000</b>	31 March 2023 US\$000
Trade receivables	<b>883</b>	218
Other receivables	<b>1,066</b>	837
	<b>1,949</b>	1,055

Trade receivables

	<b>31 March 2024 US\$000</b>	31 March 2023 US\$000
Trade receivables - gross	<b>956</b>	240
Loss allowance	<b>(73)</b>	(22)
	<b>883</b>	218

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.

Other receivable includes receivable from shareholder for expenses incurred on behalf of the shareholders US\$176,118(2023: Nil)

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.

<b>At 31 March 2024</b>	Current	More than 30 days	More than 60 Days	More than 90 days	Total
	<b>US\$000</b>	<b>US\$000</b>	<b>US\$000</b>	<b>US\$000</b>	<b>US\$000</b>
Expected loss rate	0%	0%	0%	70%	8%
Gross trade receivables	617	150	85	104	956
Loss allowance	-	-	-	73	73

At 31 March 2023	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%	71%	9%
Gross trade receivables	138	29	42	31	240
Loss allowance	-	-	-	22	22

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

	<b>31 March 2024 US\$000</b>	31 March 2023 US\$000
Loss allowances at 1 April	<b>22</b>	19
Increase in loss allowance recognised in profit or loss during the year	<b>51</b>	3
Exchange rate adjustment	-	-
Loss allowances at 31 March	<b>73</b>	22

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.

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

**17. BORROWINGS**

	<b>31 March 2024 US\$000</b>	31 March 2023 US\$000
<b>Non-current liabilities</b>		
Shareholder loans	<b>13,637</b>	8,034
Bank loans	<b>501</b>	574
Leases	-	88
	<b>14,138</b>	8,696
<b>Current liabilities</b>		
Bank loans	<b>130</b>	1,056
Leases	-	110
Overdrafts	-	-
	<b>130</b>	1,166
	<b>14,268</b>	9,862

**Bank and Shareholder Borrowings**
**Group**

During the period, Agriterra Limited secured shareholder loans amounting to US\$4.6 million (2023; US\$7.9 million) from Chepstow Investments Limited at an interest rate of SOFR+6% to reduce the finance cost which has been increasing over the years and has been used to repay commercial borrowing in Mozambique which were charged interest above 18% per annum. The shareholder loans are made up of:

- US\$6.1m convertible loan facility with a 3-year tenure maturing in July 2025.
- US\$1.8m convertible loan facility with a 12-month tenure maturing in July 2023, which was renewed for the same period in July 2024 and renewed again for the same period after year end to July 2025.
- US\$ 2.0m convertible loan facility with a 12-month tenure maturing in August 2024 and was renewed for the same period after year end to August 2025.
- US\$ 1.7m loan facility with a 12-month tenure maturing in November 2024, with the option to renew for a further 12-month period at that date.
- US\$ 0.9m loan facility maturing on 31 March 2026, with the option to extend for a further 12-month period at that date.

In the event of default or at the option of the lender, the outstanding principal and interest may be converted into new ordinary shares at the prevailing market price of the Company's shares at such time. The market price is determined by the 10-day VWAP. The difference between the 10-day VWAP and the closing market price is a derivative liability the value of which is not considered to be material. Accordingly, the principal of the convertible loans has been recorded in full as a financial liability.

**Beef division**

Beef division does not have any finance facilities as at 31 March 2024.

**Grain division**

At 31 March 2024, the Grain division has one outstanding commercial bank loan amounting to US\$0.6 million secured by land and buildings valued at US\$6.1 million. The loan has an interest rate of 22.5% and matures on 24 November 2026.

In addition, Grain division fully repaid finance lease for 6 vehicles which matured on 05 December 2023. Grain division was incurring interest of 24.1% on this facility and during the period US\$50,078 of the outstanding balance was repaid.

The bank facilities are secured as follows:

	<b>31 March 2024 US\$000</b>	31 March 2023 US\$000
<b>Fixed Charge</b>		
Property, plant and equipment	<b>6,085</b>	20,401
<b>Floating Charge</b>		
Maize and maize product inventories	-	-
	<b>6,085</b>	20,401

## Reconciliation to cash flow statement

	At 31 March 2023	Cash flow	Interest accrued	Loan to equity conversion	Foreign Exchange	At 31 March 2024
	US\$000	US\$000	US\$000	US\$000	US\$000	US\$000
Shareholder loans	8,034	4,600	1,003	-	-	13,637
Non-current bank loans	574	(72)	-	-	(1)	501
Non-current leases	88	(88)	-	-	-	-
Current bank loans	1,056	(868)	-	-	(58)	130
Current leases	110	(110)	-	-	-	-
Overdrafts	-	-	-	-	-	-
	<u>9,862</u>	<u>3,462</u>	<u>1,003</u>	<u>-</u>	<u>(59)</u>	<u>14,268</u>
	At 31 March 2022	Cash flow	Interest accrued	Loan to equity conversion	Foreign Exchange	At 31 March 2023
	US\$000	US\$000	US\$000	US\$000	US\$000	US\$000
Shareholder loans	-	7,900	448	(314)	-	8,034
Non-current bank loans	783	(209)	-	-	-	574
Non-current leases	220	(132)	-	-	-	88
Current bank loans	2,438	(1,380)	-	-	(2)	1,056
Current leases	115	(5)	-	-	-	110
Overdrafts	6,256	(6,254)	-	-	(2)	-
	<u>9,812</u>	<u>(80)</u>	<u>448</u>	<u>(314)</u>	<u>(4)</u>	<u>9,862</u>

## Leases

At 31 March 2024, the Group is committed \$nil (2023: \$198 000) for leases. The total cash outflow for leases (principal and interest) amounts is \$nil (2023: \$223,000).

## Maturity Analysis

	31 March 2024 \$'000	31 March 2023 \$'000
Year 1	-	110
Year 2	-	88
Year 3	-	-
	<u>-</u>	<u>198</u>
Analysed as:		
Current	-	110
Non-current	-	88
	<u>-</u>	<u>198</u>

The Group does not face a significant liquidity risk with regard to its lease liabilities.

## 18. TRADE AND OTHER PAYABLES

	31 March 2024 US\$000	31 March 2023 US\$000
Trade payables	268	71
Other payables	396	292
Accrued liabilities	553	295
	<u>1,217</u>	<u>658</u>

'Trade payables' and 'Accrued liabilities' principally comprise amounts outstanding for trade purchases and ongoing costs. 'Other payables' includes US\$349,000 (2023: US\$ nil) in respect of working capital funding received from Non-Controlling Interests. No interest is charged on any balances.

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



## 19. LEASES

### Right-of-use assets

Right-of-use assets relate to equipment and motor vehicle acquired under finance leases. These are presented as property, plant and equipment.

	Machinery US\$000	Motor vehicles US\$000	Total US\$000
<b>Cost</b>			
At 1 April 2022	762	200	962
Exchange rate adjustment	(1)	(1)	(2)
At 31 March 2023	761	199	960
Exchange rate adjustment	-	-	-
<b>At 31 March 2024</b>	<b>761</b>	<b>199</b>	<b>960</b>
<b>Accumulated depreciation and impairment</b>			
At 1 April 2022	517	150	667
Charge for the year	172	48	220
Exchange rate adjustment	-	1	1
At 31 March 2023	689	199	888
Charge for the year	72	-	72
Exchange rate adjustment	-	-	-
<b>At 31 March 2024</b>	<b>761</b>	<b>199</b>	<b>960</b>
<b>Net book value</b>			
<b>31 March 2024</b>	<b>-</b>	<b>-</b>	<b>-</b>
31 March 2023	72	-	72

Average lease term for motor vehicles and equipment is 5 years. The maturity analysis of lease liability is presented in note 18.

### Amounts recognised in profit or loss

	31 March 2024 US\$000	31 March 2023 US\$000
Depreciation expense on right-of-use assets	72	220
Interest expense on lease liabilities	41	101
Expenses relating to short term leases and low value assets	5	45
	<b>118</b>	<b>366</b>

## 20. FINANCIAL INSTRUMENTS

### 20.1. Capital risk management

The Company 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 18 after deducting cash and bank balances) and equity of the Company as shown in the statement of financial position. The Company 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 Company funds the subsidiary company by way of loans from the Company. The Company 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 23.50% at 31 March 2024 (2023: 22.60%). 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 repaid loan facilities in Mozambique using shareholder loans injected during the year (note 18).

## 20.2. Categories of financial instruments

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

	<b>31 March 2024 US\$000</b>	31 March 2023 US\$000
<b>Financial assets</b>		
Cash and bank balances	<b>439</b>	174
Other loans and receivables	<b>956</b>	240
	<b>1,395</b>	414
<b>Financial liabilities</b>		
Trade and other payables	<b>1,217</b>	658
Borrowings – current	<b>130</b>	1,166
Borrowings – non-current	<b>14,138</b>	8,696
	<b>15,485</b>	10,520
	<b>(14, 090)</b>	(10,106)

## 20.3. 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 2024 with an impact on financial instruments are summarised below.

## 20.4. Market Risk

The Group is exposed to currency risk and interest risk. These are discussed further below on note 21.5 and note 21.6.

## 20.5. 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 Company does not hedge against this translation risk. The Group’s financial assets and liabilities by functional currency of the relevant company are as follows:

	<b>Assets</b>		<b>Liabilities</b>	
	<b>31 March 2024 US\$000</b>	31 March 2023 US\$000	<b>31 March 2024 US\$000</b>	31 March 2023 US\$000
Great British Pound (‘GBP’)	<b>11</b>	1	<b>143</b>	123
Mozambique Metical (‘MZN’)	<b>1,277</b>	1,227	<b>1,356</b>	2,256
	<b>1,288</b>	1,228	<b>1,499</b>	2,379

The Group transacts with suppliers and/or customers in currencies other than the functional currency of the relevant Company (foreign currencies). The Group does not hedge against this transactional risk. As at 31 March 2024 and 31 March 2023, 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 depreciation in the US\$ against GBP and separately to a 10, 20 and 30 per cent depreciation of the US\$ against the Metical. For a strengthening 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-Company 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 2024 US\$000	31 March 2023 US\$000
<b>Impact of GBP</b>		
<b>Profit or loss</b>		
5% Increase in US\$	(7)	(6)
10% Increase in US\$	(14)	(11)
15% Increase in US\$	(21)	(16)
<b>Other equity</b>		
5% Increase in US\$	(7)	(6)
10% Increase in US\$	(14)	(11)
15% Increase in US\$	(21)	(16)
<b>MZN Impact</b>		
<b>Profit or loss</b>		
10% Increase in US\$	-	-
20% Increase in US\$	-	-
30% Increase in US\$	-	-
<b>Other equity <sup>(1)</sup></b>		
10% Increase in US\$	(1,142)	(1,795)
20% Increase in US\$	(2,094)	(3,291)
30% Increase in US\$	(2,899)	(4,556)

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

## 20.6. 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 2024 and 31 March 2023, 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 and shareholder loans. 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% (2023: nil). The weighted average interest on drawings under the bank and shareholder loans was 11.93% (2023: 20.81%). The significant decrease in the weighted average interest is due to issuance of shareholder loans amounting to US\$12.5 million at SOFR +6% to replace expensive commercial bank loans. 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 2024 and 31 March 2023 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 at 31 March 2024 are Metical based. Although the macroeconomic scenario in Mozambique is now improving the prime lending rate remains high with prime lending rates of 23.5% at 31 March 2024 (2023: 22.6%).

	31 March 2024 <sup>(1)</sup> US\$000	31 March 2023 <sup>(1)</sup> US\$000
+ 20 bp increase in interest rates	(28)	(15)
+ 50 bp increase in interest rates	(71)	(37)
+100 bp increase in interest rates	(142)	(74)
+200 bp increase in interest rates	(285)	(148)
+500 bp increase in interest rates	(713)	(371)
+800 bp increase in interest rates	(1,141)	(594)
+1000 bp increase in interest rates	(1,426)	(742)

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

## 20.7. 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 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 17.

## 20.8. Liquidity risk

The Company 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.

At 31 March 2024 the Group held cash deposits of \$439,000 (2023: \$174,000). As at 31 March 2024 the Group had bank and shareholder loans facilities of \$14,267,618 (2023: \$9,862,398) of which \$14,267,618 (2023: \$9,862,398) were drawn.

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 Company could be required to settle its obligations and assuming business conditions at 31 March 2024. The table includes both interest and principal cash flows.

	<b>31 March 2024</b>	31 March 2023
	<b>US\$000</b>	US\$000
1 month	<b>11</b>	896
2 to 3 months	<b>22</b>	56
4 to 12 months	<b>98</b>	1,997
1 to 2 years	<b>16,448</b>	7,200
3 to 5 years	<b>410</b>	193
	<b>16,989</b>	10,342

## 21. SHARE CAPITAL

	<b>Authorised Number</b>	<b>Allotted and fully paid Number</b>	<b>US\$000</b>
<b>At 31 March 2022</b>	<b>23,450,000</b>	<b>21,240,618</b>	<b>3,135</b>
Issue of shares	<b>50,588,383</b>	<b>50,588,389</b>	<b>620</b>
<b>At 31 March 2023</b>	<b>74,038,389</b>	<b>71,829,007</b>	<b>3,755</b>
Transferred from share premium			<b>52,701</b>
<b>At 31 March 2024</b>			<b>56,456</b>
<b>At 31 March 2023 and 31 March 2024</b>			
Deferred shares of 0.1p each	<b>155,000,000</b>	<b>155,000,000</b>	<b>238</b>
Total share capital	<b>229,038,389</b>	<b>226,829,007</b>	<b>56,694</b>

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

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.

At 31 March 2024 the Company offset accumulated losses of US\$98,718,000 attributable to its previous oil and gas businesses against share premium account and the balance of US\$52,701,000 remaining on the share premium account has been combined with the share capital account to comply with Guernsey company law.

## PLACING AND BROKER OPTION

On 20 March 2023, the Company issued 20,000,000 new ordinary shares for cash at a price of 1p per share and 20,000,000 new ordinary shares on conversion of a loan from Chepstow Investments Limited at a conversion price of 1p per share.

On 22 March 2023, the Company issued 5,000,000 new ordinary shares for cash at a price of 1p per share and 5,000,000 new ordinary shares on conversion of a loan from Chepstow Investments Limited at a conversion price of 1p per share.

On 23 March 2023, the Company issued 588,389 new ordinary shares on conversion of a loan from Chepstow Investments Limited at a conversion price of 1p per share in order to maintain the Chepstow Investments Limited shareholding at 50.58%.

WARRANTS

	<b>31 March 2024</b>	31 March 2023
PILOW warrants	<b>50,588,389</b>	50,588,389
Broker warrants	<b>1,250,000</b>	1,250,000
	<b><u>51,838,389</u></b>	<u>51,838,389</u>

Participants in the Placing and Debt Conversion received one Protected In-the-money Loyalty Warrant ("PILOW") for every Placing Share or Conversion Share issued. The PILOW offers rights to the Company to call the PILOW holder to exercise their options at a price to be determined by the company or in the event of a future fundraising or in certain other circumstances, the Company is mandated to call the PILOW holder to exercise their options on similar terms to the future placing. The PILOW expires 24 months from the date of issue. The PILOW has no fixed price, no guaranteed discount and are held over a variable number of securities. Given these variables, in the opinion of the Company it is not possible to calculate the expected value of a PILOW and that their fair value is nil.

On 22 March 2023, the Company issued 1,250,000 Broker warrants with a term of 24 months and an exercise price of 1p. Their value is not material and has not been accounted for as a cost of the placing.

22. EQUITY-ACCOUNTED INVESTEEES

	<b>31 March 2024</b>	31 March 2023
	<b>US\$000</b>	US\$000
Interest in joint venture	-	93
	<u>-</u>	<u>93</u>

The Group acquired control in DECA Snax Limitada which was equity accounted investee on 1 April 2023. Interest in DECA Snax remains unchanged at 50% and is a strategic customer of grits produced by the Grain division. DECA Snax is principally engaged in the production of corn snack in Chimoio, Mozambique and is not listed.

DECA Snax Limitada is structured as a separate vehicle and the Group has controlling interest in the net assets of DECA Snax Limitada. Accordingly, the Group has classified DECA Snax Limitada as a subsidiary. In accordance with the agreement under which DECA Snax Limitada is established, the Group and the other investor have agreed to make additional contributions in proportion of their interest if additional investment is required in DECA Snax Limitada.

The following table summarises the financial information of DECA Snax Limitada as included in its own financial statements. The table also reconciles the summary information to the carrying amount of the Group's interest in DECA Snax Limitada.

	<b>31 March 2024</b>	31 March 2023
	<b>US\$000</b>	US\$000
<b>Percentage ownership interest</b>	<b>50%</b>	50%
Non-current assets	-	447
Current assets (including cash and cash equivalents - 2024: US\$ Nil, 2023: US\$48,000)	-	550
Current liabilities (Trade and other payables)	-	(75)
Non-current liabilities	-	(748)
Net assets (100%)	<u>-</u>	<u>174</u>
Net assets (Carrying amount of joint venture)	<u>-</u>	<u>93</u>
Revenue	-	2,346
Cost of Sales	-	(1,804)
Depreciation and amortisation	-	(77)
Operating expenses	-	(372)
Interest expense	-	-
Income tax expense	-	(18)
Profit and other comprehensive income (100%)	<u>-</u>	<u>75</u>
Profit and other comprehensive income (50%)	<u>-</u>	<u>37</u>

## 23. CONTROL OVER JOINT VENTURE

The Group acquired 50% of the shares in DECA Snax Limitada at incorporation and step acquired majority voting rights on 01 April 2023. The Group acquired control by gaining the right to make decisions over relevant activities including financing, disposal and capital expenditure by board resolution. The step acquisition granted the Group control of DECA Snax Limited.

Included in the identifiable assets and liabilities acquired at the date of acquisition of DECA Snax are inputs (patent technology, inventories and customer relationships), production processes and an organised workforce. The Group has determined that together the acquired inputs and processes significantly contribute to the ability to create revenue. The Group has concluded that the acquired set is a business.

Taking control of DECA Snax will enable the Group to improve its meal sales and diversify revenue streams by adding value to the meal produced by the Grain division. The Group also expects to reduce costs through economies of scale. For the 12 months to 31 March 2024, DECA Snax contributed revenue of US\$2.1 million and a profit of US\$23 000.

### 23.1. Consideration transferred

The Group acquired control in DECA Snax Limitada through a step acquisition increasing voting rights thereby granting control. Consideration paid was the fair value of the previously held interest in Joint Venture value at US\$ 93 000.

### 23.2. Identifiable assets acquired and liabilities assumed.

The following table summarises the recognised amounts of assets acquired, and liabilities assumed at the date of acquisition.

	US\$000
Plant and equipment	447
Inventories	455
Trade receivables	47
Cash and cash equivalent	48
Loans and borrowings	(748)
Trade and other payables	(75)
Net identifiable assets	<u>174</u>

Management performed a desktop valuation to determine the fair value of the net identifiable assets and assumed that the carrying amounts do not materially differ from the fair value of above identifiable assets.

### 23.3. Goodwill

Goodwill arising from the acquisition has been recognised as follows.

	US\$000
Consideration transferred	-
NCI based on their proportionate interest in the recognised amount of assets and liabilities	93
Fair value of pre-existing interest in DECA Snax	93
Fair value of identifiable net assets	(174)
Goodwill	<u>12</u>

The goodwill is attributable mainly to the skills and technical talent of DECA Snax Limitada workforce. None of the goodwill is expected to be deductible for tax purposes.

At the end of the financial period, the Group tested goodwill for impairment at the end of the year and due to decrease in performance of Snax division, goodwill was impaired.

## 24. SHARE BASED PAYMENTS

### 24.1. Charge in the year

The Company recorded a charge within Operating expenses for share based payments of \$ Nil (2023: \$ Nil) in respect of options issued in previous years vesting during the year. No options were issued during the year (2023: \$ Nil).

### 24.2. Outstanding options and warrants

The Group, through the Company, have two unapproved share option schemes which were established to provide equity incentives to the Directors of, employees of and consultants to the Company. 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 vesting period from the date of grant, 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 Company 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') may be issued pursuant to the Instrument. The exercise price of each Warrant is £0.65 (the share price of the Company being approximately 60p 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 period from 1 June 2016 to 1 June 2023. 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:

	Year ended 31 March 2024 Number	Weighted average exercise price (p)	Year ended 31 March 2023 Number	Weighted average exercise price (p)
At beginning of year	43,080	232	43,080	232
Granted in the year	-	-	-	-
Terminated in the year	-	-	-	-
Lapsed in the year	-	-	-	-
<b>At end of year</b>	<b>43,080</b>	<b>232</b>	<b>43,080</b>	<b>232</b>
<b>Exercisable at year end</b>	<b>43,080</b>	<b>232</b>	<b>43,080</b>	<b>232</b>

At 31 March 2024, 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 2024
15 March 2014	25,000	25,000	150p	15 March 2025
	<b>43,080</b>	<b>43,080</b>		

## 25. RELATED PARTY DISCLOSURES

Chepstow Investments Limited ("Chepstow"), (formerly Magister Investments Limited), holds 50.58% of the ordinary share capital of the Company and is the ultimate controlling party. During the year Chepstow advanced shareholder loans to repay bank debt, purchase the biscuit plant and other productive assets and provide working capital (note 18). The balance outstanding at 31 March 2024 was \$13,636,619 (2023: \$8,033,782). During the year, the Group incurred expenses on behalf of Chepstow. Other receivables include receivable from shareholder for expenses incurred on behalf of the shareholders US\$17,096 (2023: Nil).

The following Director of Agriterra is also a Director of Chepstow:

- HBW Rudland

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

## 26. EVENTS SUBSEQUENT TO THE BALANCE SHEET DATE

In April 2024 the Grain division entered into a commodity trading agreement with a local Mozambican company to source MZN 195.5 million for the purchase of maize. In June 2024 the Grain division also agreed on advance funding by a major customer amounting to MZN76 million, which was used to purchase maize to be milled for that customer. In addition, shareholder loans maturing in July and August 2024 have been extended by a further year to July and August 2025.

## COMPANY INFORMATION AND ADVISERS

<b>Country of incorporation</b>	Guernsey, Channel Islands
<b>Registered address</b>	St. Peter's House Rue des Brehauts St. Pierre du Bois Guernsey GY7 9RT
<b>Directors</b>	Caroline Havers (Non-Executive Chair)  Neil Clayton (Non-Executive) Hamish Rudland (Interim CEO) Gary Smith (Non-Executive) Sergio Zandamela (Non-Executive)
<b>Auditor</b>	PKF Littlejohn LLP 15 Westferry Circus Canary Wharf London E14 4HD
<b>Solicitors</b>	Walkers (Guernsey) LLP Block B, Helvetia Court, Les Echelons, St. Peter Port Guernsey, GY1 1AR
<b>Nominated Advisers</b>	Strand Hanson Limited 26 Mount Row London W1K 3SQ
<b>Broker</b>	Peterhouse Capital Limited 80 Cheapside London EC2V 6EE
<b>Registrars</b>	Neville Registrars Limited Neville House Steelpark Road Halesowen B62 8HD