Africa Oilfield Logistics Limited

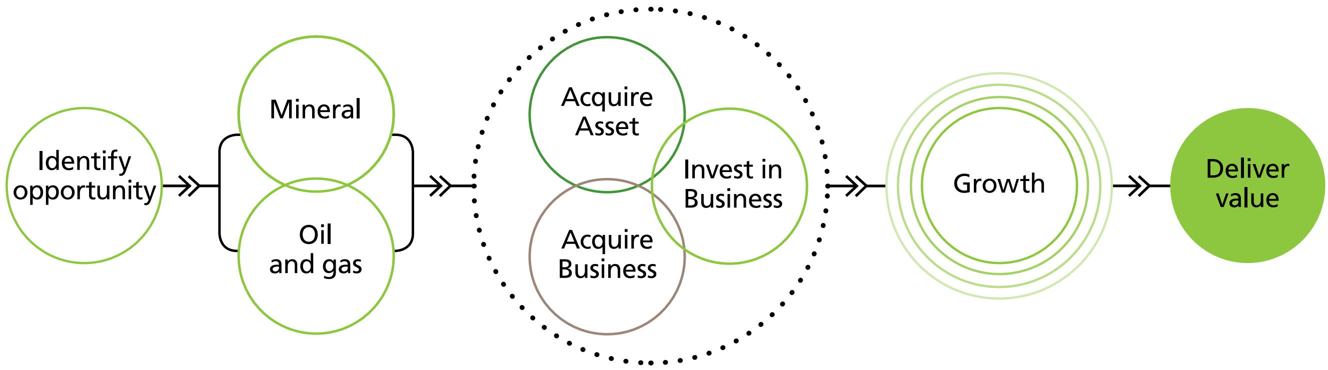
Report and Accounts 2012/2013

AFRICA OILFIELD LOGISTICS

Africa Oilfield is an investment company focussed on the logistics and support services industry in sub-Saharan Africa

Our strategy

The Company's investment objective is to provide shareholders with an attractive return on their investment, predominantly through capital appreciation generated by the growth of any acquired assets and/or businesses.



Highlights

- **Africa Oilfield raised £6.5 million (US$10 million) and listed on AIM in June 2013**
- **As at 30 June 2013 cash balances were US$9.2 million**

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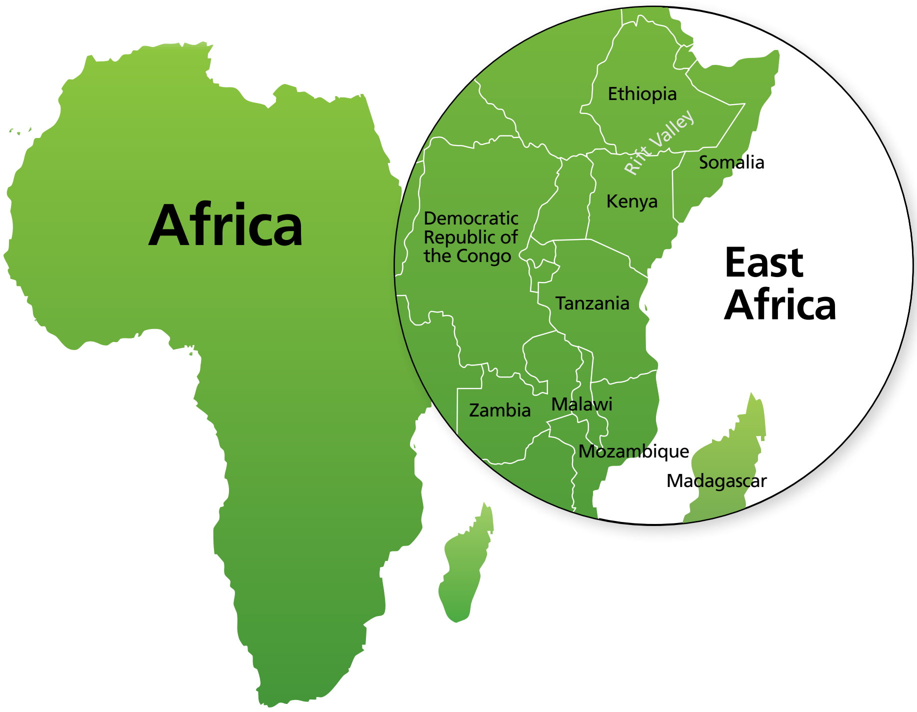
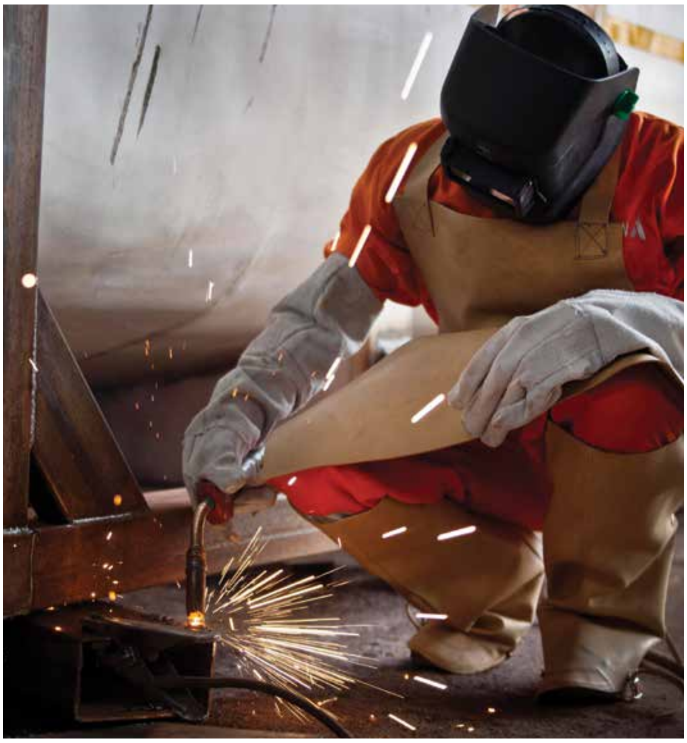
Area of focus



Africa Oilfield was established in December 2012 as an investment company focussed on the logistics and support service industry in sub-Saharan Africa.

This geographic focus was chosen to capitalise on the resource boom currently underway in Africa, which includes two of the world's leading emerging resource development areas, namely the East African Rift Valley and the East African (including Mozambique) offshore gas exploration sector, in addition to prospective opportunities available in Madagascar, West and North Africa.

To support the Company's strategy, Africa Oilfield raised £6.5 million (US$10 million) and listed on AIM in June 2013. In August the Company acquired a 49% interest in Ardan Risk & Support Services ('Ardan'), a provider of quality turn-key support services and logistics solutions to international corporate companies operating on the African continent. Head quartered in Nairobi and operating currently in Kenya, Ethiopia and Mauritius, Ardan provides Africa Oilfield with a foothold and an on-ground operating team in Africa, which the Company believes it can leverage to build a leading support services and logistics business. Discussions are continuing with Ardan as to expediting and maximising the benefits of full integration.



Africa Oilfield believes that the key to building a successful business is the experience of operating in Africa, the ability to attract the right people and a defined operational structure that enables a quality service provision. Ardan's divisional structure for a full spectrum of products and services is based on six key, distinct and focussed divisions, which are listed below:

- **Engineering and Infrastructure Development**, whose services range from well site, road and airstrip construction, to water treatment installation;
- **Workforce Accommodation**, which rents and sells remote workforce housing and modular workspace solutions and associated services;
- **Facilities Management**, which provides full turnkey lodging solutions including premium catering services, communication installation and environmental waste management;
- **Medical Services**, which provides a full range of internationally accredited advanced life support and general medical services including medi-vac, onsite medical facilities, and medical training;
- **Procurement & Logistics**, whose services range from procurement and warehousing, to transportation of industrial equipment and machinery to general logistical supply solutions; and
- **Risk Management**, which offers, full risk assessment programmes, and tailored security solutions and protocols.

Africa Oilfield raised **£6.5** million (US$10 million) and listed on AIM in June 2013.

It is this multi-divisional structure that enables the servicing of multiple sectors and provides an internationally accredited and tailored service to meet the requirements of clients operating in all environments. An aggressive growth strategy is being implemented to expand the client base and build a highly scalable business offering.

As part of Ardan's strategy to widen and strengthen the competitive offering, in October 2013 an investment allowing for a 20% acquisition was made by Ardan into Energy Resources Group Africa Limited, a specialist provider of professional onshore and offshore safety, survival and emergency response training, targeting companies operating in the oil and gas industries. This builds a foundation relationship to the only such business in East Africa and will provide significant cross selling opportunities.

Financials

Africa Oilfield is reporting for the period ended 30 June 2013 a pre-tax loss on continuing activities of US$155,000. The Company has an adequate treasury and as at 30 June 2013 cash balances were US$9.2 million.

Outlook

Africa Oilfield is rapidly developing its business and fulfilling its strategy of becoming the support services and logistics company of choice servicing the sub-Saharan Africa resource sector. Resource development is critical to Africa's success and is being actively encouraged politically, creating a huge opportunity to expand the business both in terms of client numbers and geographically. Africa Oilfield with its first mover advantage, high calibre management team, quality projects with international blue chip clients both underway and in the pipeline, and a defined development strategy, is well placed to effect significant growth in the oilfield and resource services sector, in one of the world's leading resource development regions.

PH Edmonds
Chairman

Principal activities, business review and future developments

The Company was incorporated on 5 December 2012 and its entire issued share capital was admitted to trading on AIM on 25 June 2013. The Company was formed to acquire and/or invest in one or more businesses which focus on the logistics support industry in respect of oil and gas exploration and other development projects in sub-Saharan Africa.

A review of the Company's activity and prospects is given in the Chairman's Statement on pages 02 and 03. A review of the risks and uncertainties impacting on the Company's long term performance is included in the Corporate Governance Report on pages 06 and 07. Details of the Company's exposure to foreign exchange and other financial risks are included in note 3.

Results and dividend

The Company results show a loss after taxation for the period attributable to the equity holders of the Company of $155,000. The Directors are unable to recommend a dividend.

Directors

The Directors who have served since incorporation:

P H Edmonds	Non-executive Chairman
A S Groves	Executive Director
A R Burns	Executive (Appointed 25 February 2013)
J W Wright	Non-executive (Appointed 16 May 2013)
I H Mann	Non-executive (Appointed 25 February 2013)

Directors' interests

The Directors serving during the period had the following beneficial interests in the shares of the Company:

	Ordinary shares 30 June 2013
P H Edmonds	5,000,000
A S Groves	5,000,000
A R Burns	622,686
J W Wright	–
I H Mann	9,855,173*

No share options were granted to or exercised by Directors during the period.

There have been no other changes in Directors' interests in shares or options between 1 July 2013 and 30 November 2013.

* 4,855,173 shares in which Mr Mann is interested are held by Meridian Global Energy and Services Fund Limited, a company of which Mr Mann is a director.

Directors' indemnities

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

Employee involvement policies

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

Creditors payment policy and practice
The Company's policy is to ensure that, in the absence of dispute, all suppliers are dealt with in accordance with its standard payment policy to abide by the terms of payment agreed with suppliers when agreeing the terms of each transaction. Suppliers are made aware of the terms of payment. The number of days of average daily purchases included in trade payables at 30 June 2013 was 38 days.

Political and charitable donations
During the period no political donations were made.

Social and community issues
The Company recognises the value of employment and training to the continued economic growth in the countries in which it operates. The Company is developing policies to ensure its expertise and specialist skills and facilities are made available to the broader community.

Events after the reporting period
Events after the reporting period are detailed in note 14 to the financial statements.

Statement as to disclosure of information to auditor
The Directors who were in office on the date of approval of these financial statements have confirmed that, as far as they are aware, there is no relevant audit information of which the auditor is unaware. Each of the Directors have confirmed that they have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

Auditor
The Company's auditor, Baker Tilly UK Audit LLP, has indicated its willingness to continue in office.

Electronic communications
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

P Edmonds
Chairman
13 December 2013

Corporate Governance

The Board of Directors is accountable to the Company's shareholders for good corporate governance and the company has regard to the Quoted Companies Alliance's Corporate Governance Code for Small and Mid-Size Quoted Companies 2013 which the Directors consider provides appropriate guidance for the size of the company and stage of development. Set out below is a summary of how, at 30 June 2013, the Company was dealing with corporate governance issues.

The Board of Directors

The Company is led and controlled by a Board comprising the chairman, two executive, and two non-executive Directors. The Board is responsible for formulating, reviewing and approving the Company's strategy, budgets and corporate actions.

There are no matters specifically reserved to the Board for its decision, but no decision of any consequence is made other than by the Directors. There are no separate Nomination, Audit and Remuneration Committees due to the current size of the Board and any new Directors are appointed by the whole Board.

There is no agreed formal procedure for the Directors to take independent professional advice at the Company's expense.

The Company has adopted a share dealing code for Directors' dealings which is appropriate for an AIM quoted company. The Directors comply with Rule 21 of the AIM Rules relating to Directors' dealings and take all reasonable steps to ensure compliance by the Company's employees.

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.

Relations with shareholders

The chairman is the Company's principal spokesperson with investors, fund managers, the press and other interested parties. At the Annual General Meeting, investors are given the opportunity to question the Board.

Compliance with relevant legislation

All Directors are kept informed of changes in relevant legislation and changing commercial risks with the assistance of the Company's legal advisers and auditors where appropriate. The Directors have taken appropriate legal advice and implemented internal training and reporting procedures to ensure compliance with the UK Bribery Act 2010 (the "Bribery Act") and the Prevention of Corruption (Bailiwick of Guernsey) Law, 2003 which contains broadly similar restrictions. The Bribery Act prescribes criminal offences for businesses engaged or allowing others to engage in bribery or corrupt practices. Notwithstanding the fact that the Company is not a UK-resident, the Directors have formed the view that it is appropriate for the Company to implement relevant procedures to maintain compliance with the Bribery Act.

Internal control

The Board acknowledges its responsibility for establishing and monitoring the Company's systems of internal control. Although no system of internal control can provide absolute assurance against material misstatement or loss, the Company'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. No significant control deficiencies have come to light during the period and no weakness in internal financial control has resulted in material losses, contingencies or uncertainties which would require disclosure as recommended by the guidance for Directors on reporting on internal financial control.

In light of this control environment the Board considers that there is no current requirement for a separate internal audit function.

Going Concern
The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Chairman's Statement on pages 02 and 03 and the risks facing the business are outlined below. Note 3 to the financial statements include the Company's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and hedging activities; and its exposures to credit risk and liquidity risk.

The Board has detailed its considerations relating to Going Concern in note 4 of the financial statements.

Risks and uncertainties
There are a number of risks and uncertainties facing the Company, principally the following:

Risks associated with operating in sub-Saharan Africa
Changes in government, monetary policies, taxation, exchange control and other laws can have a significant impact on the Company's assets and operations. Several countries in sub-Saharan Africa have experienced periods of political instability, and there can be no guarantees as to the level of future political stability. Changes to government policies and applicable laws could adversely affect the operations and/ or financial condition of the Company. The jurisdictions in which the Company might operate in the future may have less developed legal systems than more established economies, which could result in risks such as (i) effective legal redress in the courts being more difficult to obtain; (ii) a higher degree of discretion on the part of governmental authorities; (iii) the lack of judicial or administrative guidance on interpreting applicable rules and regulations. In certain jurisdictions, the commitment of local business people, government officials and agencies and the judicial system to abide by legal requirements and negotiated agreements may be more uncertain, creating particular concerns with respect to the Company's licenses and agreements for business. These may be susceptible to revision or cancellation and legal redress may be uncertain or delayed.

Risks associated with logistics operations
Environmental risks
While the Company believes that it will be able to effect any future projects in substantial compliance with all relevant material environmental, health and safety laws and regulations, there can be no assurance that new laws and regulations, or amendments to or stringent enforcement of existing laws and regulations will not be introduced, which could have a material adverse impact on the Company.

Operational and technical risks
A range of factors may affect the current and future operations of the Company, including appraisal and possible production activities, start-up risks, limitations on activities due to exceptional weather patterns, alterations to joint venture programmes and budgets, unanticipated operational and technical difficulties encountered in production activities, mechanical failure of plant and equipment, adverse weather conditions, environmental accidents, industrial disputes, unavailability of processing equipment, unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment, prevention of access by reason of political unrest, outbreak of hostilities, inability to obtain consents or approvals, contracting risk from third parties providing essential services, potential problems in locating and securing the services in a timely and cost effective fashion of appropriately skilled employees, consultants, contractors or processors.

Infrastructure
It is likely that the Company will be required to use public infrastructure for its operations. There is a risk that some of the infrastructure required may not be available at the times required as much of the public infrastructure in sub-Saharan Africa is in a dilapidated or poor condition.

Foreign exchange
The Company raised its share capital in Sterling, however it intends to be operating in sub-Saharan Africa and therefore the Directors consider its functional currency is US Dollars. Some of its working capital requirements may be denominated in currencies other than US Dollars. As a result, fluctuations in currency exchange rates could have a material adverse effect on the financial condition, results, operations or cash flows of the Company.

Early stage of operations
The Company intends to invest in assets whose operations are at an early stage and success in each stage of development will depend on the Directors' ability to manage the current projects and to take advantage of further opportunities which may arise. The success of the Company will depend on its ability to identify prospective projects and its ability to access equity markets for its development requirements.

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 company financial statements for each financial year in accordance with generally accepted accounting principles.

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

The financial statements of the company are required by law to give a true and fair view of the state of affairs of the Company at the end of the financial period and of the profit or loss of the Company for that period and are required by IFRS adopted by the EU to present fairly the financial position and the financial performance of the Company.

In preparing the Company financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRSs as adopted by the EU; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

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

Independent Auditor's Report to the Members of Africa Oilfield Logistics Limited

We have audited the financial statements of Africa Oilfield Logistics Limited for the period ended 30 June 2013 on pages 10 to 19. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

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

Respective responsibilities of Directors and auditors

As more fully explained in the Statement of Directors' Responsibilities set out on page 08, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

We read other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements within them.

Scope of the audit

A description of the scope of an audit of financial statements arising from the requirements of International Standards on Auditing (UK and Ireland) is provided on the Financial Reporting Council's website at http://www.frc.org.uk/Our-Work/Codes-Standards/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Scope-of-audit/UK-Private-Sector-Entity-(issued-1-December-2010).aspx

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 June 2013 and of the Company's loss for the period then ended;
- have been properly prepared in accordance with IFRS as adopted by the European Union; and
- have been prepared in accordance with the requirements of The Companies (Guernsey) Law 2008.

Matters on which we are required to report by exception

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

- proper accounting records have not been kept by the Company; or
- the Company financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

For and on behalf of **Baker Tilly UK Audit LLP**, Auditor
Chartered Accountants and Registered Auditors
25 Farringdon Street
London
EC4A 4AB

13 December 2013

Statement of Comprehensive Income

For the period ended 30 June 2013

	Note	Period ended 30 June 2013 $'000
Operating expenses		(155)
Loss before taxation	6	(155)
Income tax expense	8	–
Loss for the period and total comprehensive income for the period attributable to the equity shareholders of the company		(155)
Loss per share attributable to the equity shareholders of the company – Basic and diluted (cents)	9	(0.9) cents

The notes on pages 14 to 19 form part of the financial statements.

Statement of Financial Position

As at 30 June 2013

	Note	2013 $'000
ASSETS		
Current assets		
Trade and other receivables	10	871
Cash and cash equivalents	10	9,162
Total assets		**10,033**
LIABILITIES		
Current liabilities		
Short-term borrowings		–
Trade and other payables	11	(536)
Total current liabilities		**(536)**
Net assets		**9,497**
EQUITY		
Issued capital	12	9,652
Retained earnings		(155)
Total equity – attributable to the equity shareholders of the company		**9,497**

The notes on pages 14 to19 form part of the financial statements.

The financial statements on pages 10 to 19 were approved and authorised for issue by the Board of Directors on 13 December 2013 and were signed on its behalf.

P Edmonds
Chairman

Statement of Changes in Equity

For the period ended 30 June 2013

	Attributable to the equity shareholders of the company		
	Share capital $'000	**Retained earnings** $'000	**Total** $'000
Balances at 5 December 2012	–	–	–
Loss for the period	–	(155)	(155)
Other comprehensive income for the period	–	–	–
Total comprehensive income for the period	**–**	**(155)**	**(155)**
Transactions with owners			
Share issues	10,108	–	10,108
Share issue costs	(456)	–	(456)
Total transactions with owners	**9,652**	**–**	**9,652**
Balances at 30 June 2013	**9,652**	**(155)**	**9,497**

The notes on pages 14 to 19 form part of the financial statements.

Cash Flow Statement

For the period ended 30 June 2013

	Period ended 30 June 2013 $'000
Cash flows from operating activities	
Loss before tax	(155)
Operating cash flow before movements in working capital	**(155)**
Working capital adjustments:	
– Increase in receivables	(871)
– Increase in payables	536
Net cash used in operating activities	**(490)**
Cash flows from financing activities	
Proceeds from issue of share capital	10,108
Share issue costs	(456)
Net cash from financing activities	**9,652**
Net increase in cash and cash equivalents	9,162
Cash and cash equivalents at start of the period	–
Cash and cash equivalents at end of the period	**9,162**

The notes on pages 14 to 19 form part of the financial statements.

Notes to the Financial Statements

For the period ended 30 June 2013

1. General Information

Africa Oilfield Logistics Limited is incorporated and domiciled in Guernsey. The address of the registered office is given on page 20. The nature of the Company's operations and its principal activities are set out in the Chairman's Statement on pages 02 and 03.

The presentational currency of the Company is US Dollars as this reflects the Company's planned business activities in the logistics sector in sub-Saharan Africa and therefore the Company's financial position and financial performance.

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union.

At the date of authorisation of these financial statements, the following Standards and Interpretations relevant to the Company's operations that have not been applied in these financial statements were in issue but not yet effective:

IFRS 9	Financial Instruments (effective for annual periods beginning on or after 1 January 2015)*
IFRS 10	Consolidated Financial Statements (effective for annual periods beginning on or after 1 January 2014)
IFRS 11	Joint Arrangements (effective for annual periods beginning on or after 1 January 2014)
IFRS 12	Disclosure of Interests in Other Entities (effective for annual periods beginning on or after 1 January 2014)
IAS 27	Separate Financial Statements (as amended 2011) (effective for annual periods beginning on or after 1 January 2014)*
IAS 28	Investments in Associates and Joint Ventures (as amended 2011) (effective for annual periods beginning on or after 1 January 2014)
IAS 32	Financial Instruments – Presentation – Amendment; Offsetting Financial Assets and Financial Liabilities (effective for annual periods beginning on or after 1 January 2014).

* These amendments have not yet been endorsed by the EU.

The Directors anticipate that the adoption of these Standards and Interpretations in future periods will have no material impact on the financial statements of the Company.

2. Significant accounting policies

Basis of accounting
The financial statements have been prepared on the historical cost basis. The principal accounting policies adopted are set out below.

Going concern
The Board has detailed its considerations relating to going concern in note 4 of the financial statements.

The Directors have, at the time of approving the financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Foreign currency translation
Foreign currency transactions are translated into the functional currency of the entity using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at period end exchange rates are recognised in the income statement.

Operating loss
Operating loss consists of operating expenses and excludes interest income net of finance costs.

Interest income
Interest income is accrued on an amortised cost basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Taxation
The Company is resident for taxation purposes in Guernsey and its income is subject to income tax, presently at a rate of zero.

Financial assets
Financial assets are classified into the following specific categories: financial assets 'at fair value through profit or loss' (FVTPL), 'held-to-maturity' investments, available-for-sale (AFS) financial assets and 'loans and receivables'. The classification depends upon the nature and purpose of the financial asset and is determined at the time of initial recognition.

Loans and receivables
Loans and other receivables are not interest bearing and are initially recognised at their fair value and are subsequently stated at amortised cost using the effective interest method as reduced by appropriate allowances for estimated irrecoverable amounts.

Cash and cash equivalents
Cash and cash equivalents includes cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less which are subject to an insignificant risk of changes in value.

Trade and other payables
Trade and other payables are initially measured at fair value and are subsequently measured at amortised cost, using the effective interest rate method.

Provisions
Provisions are recognised when the Company has a legal or constructive obligation as a result of past events, it is probable that an outflow of the resources will be required to settle the obligation and the amount can be reliably estimated.

Equity instruments
Equity instruments issued by the Company are recorded at fair value on initial recognition, net of transaction costs.

3. Financial risk factors

The Company's principal financial instruments comprise cash, loans and receivables and short-term deposits. Together with the issue of equity share capital, the main purpose of these is to finance the Company's operations and expansion. The Company has other financial instruments such as trade and other receivables and trade payables.

The Company have not entered into any derivative or other hedging instruments.

The main risks arising from the Company's financial instruments are credit risk, liquidity risk and market risk (including interest rate risk and currency risk). The Board reviews and agrees policies for managing each of these risks and these are summarised below. The interest receivable relates to interest earned on bank deposits.

Credit risk
Credit risk arises from financial assets, cash and cash equivalents, and deposits with banks and financial institutions, as well as outstanding receivables. At the period end the Company's principal deposits were held with the Company's solicitors and post period end have been transferred to banks with a high credit rating. Receivables are regularly monitored and assessed for recoverability.

The fair value of financial assets and liabilities is not materially different to the carrying values presented.

Maximum exposure to credit risk is as follows:

	2013 $'000
Trade and other receivables	871
Cash and cash equivalents	9,162
	10,033

Liquidity risk
The Company's policy throughout the period has been to ensure that it has adequate liquidity by careful management of its working capital. At 30 June 2013 the Company held cash deposits of $9.2m.

3. Financial risk factors continued

Market risk
The significant market risk exposures to which the Company is exposed are currency risk, and interest rate risk. These are discussed further below:

Interest rate risk
The Company finances operations through the use of cash deposits at variable rates of interest for a variety of short term periods, depending on cash. The rates are reviewed regularly and the best rate obtained in the context of the Company's needs. The weighted average interest rate on deposits was 0.1%.

The exposure of the financial assets to interest rate risk is as follows:

	2013 $'000
Financial assets at floating rates – Cash and cash equivalents	9,162
	9,162

Currency risk
The Company holds cash balances and has transactions denominated in currencies other than the reporting currency and which therefore are subject to fluctuations in exchange rates. These risks are monitored by the Board on a regular basis. The Company does not hedge against the effects of exchange rates.

The exposure of the Company's financial assets and liabilities to currency risk is as follows:

	Sterling $'000	USD $'000	Total $'000
Cash and cash equivalents	4,226	4,936	9,162
Trade and other receivables	871	–	871
Total financial assets at 30 June 2013	5,097	4,936	10,033
Trade payables	–	–	–
Other payables	508	28	536
Total financial liabilities at 30 June 2013	508	28	536

Fair values
The Directors have reviewed the financial statements and have concluded that there is no significant difference between the carrying values and the fair values of the financial assets and liabilities of the Company as at 30 June 2013.

Capital risk management
The Company plans capital requirements regularly. The requirement for capital is satisfied by the issue of shares.

The Company's objectives when managing capital is to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders. 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.

The Company is under no obligation to meet any externally imposed capital requirements.

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

Exchange rates:

2013	Income Statement $'000	Equity $'000
+ 5% US$ Sterling	229	229
- 5% US$ Sterling	(229)	(229)

The following assumptions were made in calculating the sensitivity analysis:

- all income statement sensitivities also impact equity
- translation of foreign subsidiaries and operations into the Company's presentation currency have been excluded from this sensitivity.

Interest rates:
The Company does not hold any financial derivatives other than cash whose value is affected by changes in interest rates.

2013	Income Statement $'000	Equity $'000
+ 20 bp increase in interest rates	18	18
+ 50 bp increase in interest rates	46	46
- 20 bp increase in interest rates	(18)	(18)
- 50 bp increase in interest rates	(46)	(46)

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

- fluctuating trade receivable and trade payable balances
- fluctuating cash balances
- changes in currency mix

4. Critical accounting estimates and judgments

The preparation of financial statements in conformity with IFRS as adopted in the EU requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period are discussed below.

Going concern
The Board has prepared forecasts for the Company covering the period of 12 months from the date of approval of these financial statements.

The Directors believe that, the Company is well placed to manage its business risks successfully despite the current uncertain economic outlook. The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

5. Segment reporting

As set out in the operating review, the Directors consider that the Company is an investment company and operates in one geographical segment, Africa.

6. Loss for the period

Operating expenses include:

	2013 $'000
Foreign exchange losses	84
Staff costs (see note 7)	4

Amounts payable to Baker Tilly UK Audit LLP and its associated entities in respect of services as follows:

	2013 $'000
Audit services – statutory audit of the company's financial statements	31
Corporate transactions services	38

7. Staff costs

The average monthly number of employees (including executive Directors) employed by the Company during the period was two.

The aggregate remuneration comprised:

	2013 $'000
Directors' fees	4

Directors' remuneration:

	2013 $'000
P H Edmonds	1.0
A S Groves	1.0
A R Burns	1.0
J W Wright	0.6
I H Mann	0.6
	4.2

8. Income tax expense

The Company is resident for taxation purposes in Guernsey and its income is subject to Guernsey income tax, presently at a rate of zero.

9. Loss per share

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

	2013 $'000
Loss for the purposes of basic loss per share	(155)

Number of shares:

Weighted average number of ordinary shares for the purposes of basic and diluted loss per share	16,913,902
Loss per share	(0.9 cents)

No options or instruments which might give rise to dilution were in issue during the year.

10. Financial assets

30 June 2013	**Loans and Receivables** $'000	**2013** $'000
Current assets		
Other receivables	871	871
Cash and cash equivalents	9,162	9,162
	10,033	**10,033**

The Directors consider that the carrying amount of financial assets approximates their fair value. There are no significant amounts past due.

11. Financial liabilities

	2013 $'000
Trade and other payables	
Trade payables	–
Other payables	536
	536

Other payables principally comprise amounts outstanding for trade purchases and ongoing costs.

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

12. Share capital

	Allotted and fully paid	
Ordinary shares of no par value	Number	$'000
At 5 December 2012	–	–
Issue of shares	222,794,011	9,652
At 30 June 2013	222,794,011	9,652

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

Between incorporation and 25 February 2013, 22 million Ordinary Shares were issued for cash at a price of 0.1p per Ordinary Share.

Between 9 May 2013 and 6 June 2013, 115,621,596 Ordinary Shares were issued for cash at a price between 1.8p and 2p per Ordinary Share.

On 25 June 2013, 85,172,415 Ordinary Shares were issued for cash at a price of 5p per Ordinary Share.

Share capital issued during the period is stated net of share issue costs of $456,000. No share options or warrants were issued during the period.

On 9 August 2013, after the current financial year end, 32,979,355 Ordinary Shares were issued at a price of 8p per Ordinary Share. The issue of these shares was pursuant to the share purchase agreement between the Company and the current shareholders of Ardan Risk and Support Services (K) Limited ("Ardan Kenya") and Ardan Risk and Support Services Limited ("Ardan Mauritius") for the purchase of 49% of the shares of Ardan Kenya and Ardan Mauritius. Refer to Note 14 for further details relating to this agreement.

13. Related party disclosures

1. PH Edmonds and AS Groves, Directors of the Company, are also Directors of African Management Services Limited ("AMS"), Sable Mining Africa Limited ("Sable") and Agriterra Limited ("Agriterra"). Related party transactions are entered into on an arm's length basis. No provisions have been made in respect of amounts owed by or to related parties.

   During the period AMS provided accounting, treasury and administrative services to the Company for a management fee of $1,667. As at 30 June 2013 the Company owed $18,333 to AMS and has accounted for a prepayment of $16,666.

   During the period, Sable incurred certain expenses on behalf the Company. As at 30 June 2013 the amount due to Sable was $9,522. This has been settled after the period end.

   During the period, commission of $211,000 was payable to Ocelot Investment Group Limited, a company controlled by AS Groves, which was settled after the period end. The fee is in relation to fundraising and has been included in Share Issue costs.

2. Remuneration of key management personnel

   The remuneration of the Directors, who are the key management personnel of the Company, is set out below in aggregate for each of the categories specified in IAS 24 'Related Party Disclosures'. Further information about the remuneration of individual Directors is provided in note 7.

	2013 $'000
Short-term employee benefits	4

14. Post balance sheet events

1. On 5 August 2013 the Company entered into a share purchase agreement with the current shareholders of Ardan Kenya and Ardan Mauritius for the purchase of 49% of the shares in each of the companies. The purchase consideration included the issue of 32,979,355 ordinary shares of the Company to the existing shareholders of Ardan Kenya and Ardan Mauritius.

2. On 5 August 2013 the Company provided a revolving $5 million credit facility with Ardan Mauritius. Certain terms of the agreement are highlighted as follows:
   - Provided to enable Ardan Mauritius to satisfy its ongoing short term working capital requirements in connection with the development and expansion of the business.
   - Interest shall accrue daily from the date of each advance and shall be paid quarterly at a rate of 2% above LIBOR.
   - The loan outstanding in full shall be repaid on the earlier of:
     - No less than 30 Business Days' written notice from the Company, and
     - The fifth anniversary of the agreement.

3. On 18 September 2013 the Company provided a $1.5 million facility agreement with Ardan Risk Holdings Limited. Certain terms of the agreement are highlighted as follows:
   - Provided to enable borrower to provide funding to the Ardan Group in respect of its working capital requirements.
   - Interest shall accrue daily from the date of the advance and shall be compounded on a quarterly basis, be charged at the rate of 2% above LIBOR and be repayable in full on repayment of the initial loan amount.
   - The loan shall be repaid on no less than 30 Business Days' written notice from the Company.

Directors and Advisers

Directors
Phil Edmonds MA (Cantab)
Non-executive Chairman

Andrew Groves
Executive

Andrew Burns
Executive

Jonathan Wright
Non-executive

Ian Mann
Non-executive

Secretary
Philip Enoch MA (Oxon)

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