

Company Registration No. C 55616

GAFH GLOBAL AGRO FARM HOLDING LIMITED
Report and Financial Statements
for the year ended 31 December 2013

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GAFH Global Agro Farm Holding Limited
Financial Statements for the year ended 31 December 2013

GENERAL INFORMATION

Registration

Global Agro Farm Holding Limited (“the company”) is registered in Malta as a limited liability company under the Companies Act, 1995. The company’s registration number is C 55616.

Directors

Emanuel Kunz (resigned on 20 August 2013)
Forsterstrasse 67
8044 Zurich
Switzerland

Rene Müller
Seemattstrasse 32
Postfach 422
6330 Cham
Switzerland

Company Secretary

Thomas Jacobsen
7, Triq Il-Kaffis
Victoria Gardens, L-Ibragg
Swieqi SWQ 2630
MALTA

Registered Office

168, St. Christopher Street
Valletta VLT 1467
MALTA

Bankers

Bank of Valletta Bank
58, Zachary Street
Valletta
MALTA

Auditor

Stuart G. Craig
AGS House
Giuseppe Cali Street
Ta’ Xbiex
XBX 1424
Malta

DIRECTOR'S REPORT

The director presents the annual report and the financial statements for the ended 31 December 2013.

Principal activity

The principal activity of the company is that of a holding company.

Review of the business

The statement of comprehensive income is set out on page 7.

During the year under review the company registered a loss of USD 16,255 (2012: USD 13,970). During the year ended 31 December 2013, the director has decided not to pay a dividend.

The director expects that the present level of activity to increase and some growth should be achieved over the coming year.

Directors

During the year ended 31 December 2013, the directors were as listed on page 2.

Statement of director's responsibilities

The Companies Act, 1995 requires the director to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company as at the end of the financial period and of the profit or loss for that period.

The director is responsible for ensuring that:

- appropriate accounting policies have been consistently applied and supported by reasonable and prudent judgements and estimates;
- the financial statements have been drawn up in accordance with International Financial Reporting Standards as adopted by the European Union;
- the financial statements are prepared on the basis that the company must be presumed to be carrying on its business as a going concern; and
- account has been taken of income and charges relating to the accounting period, irrespective of the date of receipt or payment.

The director is also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act, 1995. He is 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.

DIRECTOR'S REPORT - continued

Auditor

Stuart G. Craig has expressed his willingness to continue in office and a resolution for his re-appointment will be proposed at the Annual General Meeting.



Rene Müller
Director

31 March 2014

Independent auditor's report

To the members of GAFH Global Agro Farm Holding Limited

I have audited the financial statements set out on pages 9 to 16.

Respective responsibilities of directors and auditor

As described on page 3, the company's director is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards as adopted by the EU and the requirements of the Companies Act, 1995. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with International Standards on Auditing. Those Standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independent auditor's report (continued)

Opinion

In my opinion the financial statements give a true and fair view of the state of the company's affairs at 31 December 2013 and of its results and cash flows for the period then ended in accordance with International Financial Reporting Standards as adopted by the EU and comply with the Companies Act, 1995.

Stuart G. Craig FCCA, FIA, CPA
Certified Public Accountant

AGS House,
Giuseppe Cali Street,
Ta' Xbiex.

31 March 2014

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Financial Statements for the year ended 31 December 2013

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 December 2013

	Notes	01.01.13 to 31.12.13 USD	14.03.12 to 31.12.12 USD
Income			
Investment income	3	1	5
Other income	4	125	20,000
		<hr/>	<hr/>
		126	20,005
Administrative expenses	5	(16,352)	(33,715)
Finance costs	6	(29)	(260)
		<hr/>	<hr/>
Loss for the year		(16,255)	(13,970)

The accounting policies and explanatory notes on pages 11 to 17 form an integral part of the financial statements.

GAFH Global Agro Farm Holding Limited
Financial Statements for the year ended 31 December 2013

STATEMENT OF FINANCIAL POSITION
as at 31 December 2013

	Notes	31.12.13 USD	31.12.12 USD
ASSETS			
Current assets			
Receivables	7	258	243
Cash and cash equivalents	8	229	414
TOTAL ASSETS		487	657
EQUITY AND LIABILITIES			
Issued capital	9	13,062	13,062
Accumulated losses	9	(30,225)	(13,970)
TOTAL EQUITY		(17,163)	(908)
Current liabilities			
Payables	10	13,145	1,565
Financial liabilities	11	4,505	-
Total liabilities		17,650	1,565
TOTAL EQUITY AND LIABILITIES		487	657

Exchange rate at 31.12.2013 €1 = USD 1.3791

The accounting policies and explanatory notes on pages 11 to 17 form an integral part of the financial statements.

The financial statements on pages 7 to 17 have been approved by the sole director:



Rene Müller
 Director

31 March 2014

GAFH Global Agro Farm Holding Limited
Financial Statements for the year ended 31 December 2013

STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2013

	Issued capital USD	Accumulated losses USD	Total USD
Issue of share capital	13,062	-	13,062
Total comprehensive loss for the period	-	(13,970)	(13,970)
At 31 December 2012	13,062	(13,970)	(908)
Total comprehensive loss for the year	-	(16,255)	(16,255)
At 31 December 2013	13,062	(30,225)	(17,163)

The accounting policies and explanatory notes on pages 11 to 17 form an integral part of the financial statements.

GAFH Global Agro Farm Holding Limited
Financial Statements for the year ended 31 December 2013

STATEMENT OF CASH FLOWS
for the year ended 31 December 2013

	01.01.13 to 31.12.13 USD	14.03.12 to 31.12.12 USD
Operating activities		
Loss before tax	(16,255)	(13,970)
Non-cash adjustment to reconcile profit before tax to net cash flows:		
Investment income	(1)	(5)
Other income	-	(20,000)
<i>Working capital adjustments:</i>		
Increase in receivables	(15)	(243)
Increase in payables	11,580	1,565
Net cash flows used in operating activities	(4,691)	(32,653)
Investing activities		
Investment income received	1	5
Net cash flows from investing activities	1	5
Financing activities		
Issue of share capital	-	13,062
Proceeds from shareholder	4,505	20,000
Net cash flows from financing activities	4,505	33,062
Net movement in cash and cash equivalents	(185)	414
Cash and cash equivalents at the beginning of the year/period	414	-
Cash and cash equivalents at the end of the year /period (Note 8)	229	414

The accounting policies and explanatory notes on pages 11 to 17 form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

The company is a limited company registered under the Companies Act, 1995 with registration number C 55616. These financial statements cover the year ended 31 December 2013.

2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

These financial statements have been prepared under the historical cost convention. The financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union and comply with the Companies Act, 1995.

These financial statements are prepared in US dollar being the currency in which the share capital of the company is denominated.

2.1 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

In preparing the financial statements, the director is required to make judgements, estimates and assumptions that effect reported income, expenses, assets, liabilities, disclosure of contingent assets and liabilities. Use of available information and application of judgement are inherent in the formation of estimates. Actual results in the future could differ from such estimates and the differences may be material to the financial statements. These estimates are reviewed on a regular basis and if a change is needed, it is accounted in the year the changes become known.

In the opinion of the director, the accounting estimates, assumptions and judgements made in the course of preparing these financial statements are not difficult, subjective or complex to a degree which would warrant their description as critical in terms of the requirements of IAS 1 (revised) - 'Presentation of financial statements'.

NOTES TO THE FINANCIAL STATEMENTS - continued

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies used in the preparation of these financial statements are set out below:

Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, and other sales taxes or duty. The following specific recognition criteria must also be met before revenue is recognised.

Dividend income

Dividend income is included in the statement of comprehensive income when the right to receive payment is established.

Taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Other receivables

Other receivables are recognised and carried at original invoice amount less an allowance for any uncollectible amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written-off as incurred.

Amounts due from related parties are recognised and carried at cost.

Cash and cash equivalents

Cash and cash equivalents consist of cash deposits held at call with banks.

Impairment of financial assets

The company assesses at each reporting date whether a financial asset or group of financial assets classified as loans and receivables is impaired. Evidence of impairment may include indications that the debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults. If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred) discounted using the asset's original effective interest rate. The carrying amount of the receivable is reduced through use of an allowance account. Impaired debts are derecognised when they are assessed as uncollectible.

NOTES TO THE FINANCIAL STATEMENTS - continued

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Payables

Liabilities for amounts payable are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the company.

Payables to related parties are carried at cost.

Trade and settlement date accounting

All “regular way” purchases and sales of financial assets are recognised on the “trade date”, that is, the date the company commits to purchase or sell the asset. Regular way purchases and sales are purchases and sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place.

3. INVESTMENT INCOME

	01.01.13 to 31.12.13 USD	14.03.12 to 31.12.12 USD
Interest received	<u>1</u>	<u>5</u>

4. OTHER INCOME

	01.01.13 to 31.12.13 USD	14.03.12 to 31.12.12 USD
Waiver of loan	-	20,000
Gain on foreign exchange	125	-
	<u>125</u>	<u>20,000</u>

5. EXPENSES BY NATURE

	01.01.13 to 31.12.13 USD	14.03.12 to 31.12.12 USD
Professional fees	7,885	6,536
Formation expenses	-	2,697
Auditor’s remuneration	1,465	1,401
Commissions	-	20,000
Consultancy fees	4,874	-
Other expenses	2,128	3,081
	<u>16,352</u>	<u>33,715</u>

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NOTES TO THE FINANCIAL STATEMENTS – continued

6. FINANCE COSTS

	01.01.13 to 31.12.13 USD	14.03.12 to 31.12.12 USD
Bank charges	29	147
Loss on foreign exchange	-	113
	<u>29</u>	<u>260</u>

7. RECEIVABLES

	31.12.13 USD	31.12.12 USD
Prepayments	<u>258</u>	<u>243</u>

8. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the statement of cash flows comprise the following statement of financial position amounts:

	31.12.13 USD	31.12.12 USD
Cash at bank	<u>229</u>	<u>414</u>

9. CAPITAL AND RESERVES

	31.12.13 USD	31.12.12 USD
Authorised		
10,000 ordinary shares of USD 1.3062 each	<u>13,062</u>	<u>13,062</u>
	<u>13,062</u>	<u>13,062</u>
Issued and fully paid		
10,000 ordinary shares of USD 1.3062 each	<u>13,062</u>	<u>13,062</u>
	<u>13,062</u>	<u>13,062</u>

Accumulated losses

Accumulated losses represent the company losses for the year ended 31 December 2013 amounting to USD 16,255. (2012: USD 13,970).

NOTES TO THE FINANCIAL STATEMENTS – continued

10. PAYABLES

	31.12.13 USD	31.12.12 USD
Other payables	10,279	164
Accruals	2,866	1,401
	<u>13,145</u>	<u>1,565</u>

11. FINANCIAL LIABILITIES

	31.12.13 USD	31.12.12 USD
Amount due to related parties	4,505	-
	<u>4,505</u>	<u>-</u>

The terms and conditions of the amounts owed to the related parties do not specify the nature of the consideration to be provided in settlement. Though this amount has no fixed date for repayment, the company has no unconditional right to defer settlement of these amounts for at least twelve months after the statement of financial position date. The amount is unsecured and interest free. No guarantees have been given.

12. IMMEDIATE AND ULTIMATE PARENT COMPANY

The immediate and ultimate parent company of GAFH Global Agro Farm Holding Limited is TheGIG Ltd (Formerly known as Buran Enertrade Limited), a company with its registered address at 168 St Christopher Street, Valletta, Malta.

The ultimate beneficial owners of GAFH Global Agro Farm Holding Limited are Rene Muller and Mark Kubler.

13. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Company

At the end of the year, the company's main financial assets on the statement of financial position comprise prepayments and cash at bank while the company's main financial liabilities on the statement of financial position are comprised of payables. At the end of the period, there were no off-balance sheet financial assets and financial liabilities.

The directors believe that there were no significant risk exposures in respect to the financial instruments held at the end of the period.

Credit risk

With respect to credit risk arising from the financial assets of the company, which comprises mainly of cash at bank, the company's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

NOTES TO THE FINANCIAL STATEMENTS – continued

13. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES - continued

Fair values

The carrying amounts of cash at bank, prepayments, payables and accrued expenses approximated their fair values.