

Company Registration No. C 55616

**GAFH GLOBAL AGRO FARM HOLDING LIMITED**

**Report and Financial Statements**

**for the period 14 March 2012 to 31 December 2012**

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## **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 period from 14 March 2012, being the date of incorporation of the company, to 31 December 2012.

### **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 period under review the company registered a loss of USD 13,970. During the period ended 31 December 2012, the director has decided not to pay a dividend.

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

### **Directors**

During the period ended 31 December 2012, 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.

A handwritten signature in black ink, appearing to read 'Rene Müller', with a large, sweeping flourish extending to the right.

**Rene Müller**  
Director

31 October 2013

## **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.

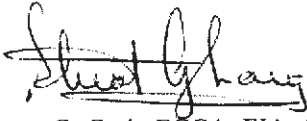
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or 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 2012 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 October 2013

**GAFH Global Agro Farm Holding Limited**  
**Financial Statements for the period ended 31 December 2012**

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**STATEMENT OF COMPREHENSIVE INCOME**  
**for the period ended 31 December 2012**

	Notes	Period from 14.03.12 to 31.12.12 USD
<b>Income</b>		
Investment income	3	5
Other income	4	20,000
		<hr/>
		20,005
Administrative expenses	5	(33,715)
Finance costs	6	(260)
		<hr/>
<b>Loss for the period</b>		<b>(13,970)</b>
		<hr/> <hr/>

*The accounting policies and explanatory notes on pages 11 to 16 form an integral part of the financial statements.*



**GAFH Global Agro Farm Holding Limited**  
**Financial Statements for the period ended 31 December 2012**

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**STATEMENT OF FINANCIAL POSITION**  
**as at 31 December 2012**

	Notes	31.12.12 USD
<b>ASSETS</b>		
<b>Current assets</b>		
Receivables	7	243
Cash and cash equivalents	8	414
<b>TOTAL ASSETS</b>		<b>657</b>
<b>EQUITY AND LIABILITIES</b>		
Issued capital	9	13,062
Accumulated losses	9	(13,970)
<b>TOTAL EQUITY</b>		<b>(908)</b>
<b>Current liabilities</b>		
Payables	10	1,565
Total liabilities		1,565
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>657</b>

Exchange rate at 31.12.2012 €1 = USD1.3194

*The accounting policies and explanatory notes on pages 11 to 16 form an integral part of the financial statements.*

*The financial statements on pages 7 to 19 have been approved by sole director:*



**Rene Müller**  
Director

31 October 2013

**GAFH Global Agro Farm Holding Limited**  
**Financial Statements for the period ended 31 December 2012**

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**STATEMENT OF CHANGES IN EQUITY**  
**for the period ended 31 December 2012**

	<b>Issued capital USD</b>	<b>Accumulated losses USD</b>	<b>Total USD</b>
Issue of share capital	13,062	-	13,062
Total comprehensive loss for the period	-	(13,970)	(13,970)
<b>At 31 December 2012</b>	<b>13,062</b>	<b>(13,970)</b>	<b>(908)</b>

*The accounting policies and explanatory notes on pages 11 to 16 form an integral part of the financial statements.*

**GAFH Global Agro Farm Holding Limited**  
**Financial Statements for the period ended 31 December 2012**

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**STATEMENT OF CASH FLOWS**  
**for the period ended 31 December 2012**

	Period from 14.03.12 to 31.12.12 USD
<b>Operating activities</b>	
Loss before tax	(13,970)
Non-cash adjustment to reconcile profit before tax to net cash flows:	
Investment income	(5)
Other income	(20,000)
<i>Working capital adjustments:</i>	
Increase in receivables	(243)
Increase in trade and other payables	1,565
<b>Net cash flows used in operating activities</b>	<b>(32,653)</b>
<b>Investing activities</b>	
Investment income received	5
<b>Net cash flows from investing activities</b>	<b>5</b>
<b>Financing activities</b>	
Issue of share capital	13,062
Proceeds from shareholder	20,000
<b>Net cash flows from financing activities</b>	<b>33,062</b>
<b>Cash and cash equivalents at 31 December 2012 (Note 8)</b>	<b>414</b>

*The accounting policies and explanatory notes on pages 11 to 16 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. The company was incorporated on 14 March 2012. These financial statements cover the period from the date of incorporation to 31 December 2012.

### **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 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES**

##### **Standards, interpretations and amendments to published standards as endorsed by the EU effective in the current period**

The company has adopted the following new and amended IFRS and IFRIC interpretations:

- IFRS 1 (Amendments) – Limited exemption from comparative IFRS 7 disclosures effective 1 July 2010
- IAS 24 (Amendment) Related party disclosures effective 1 January 2011
- IAS 32 (Amendment) Classification of rights issue effective 1 February 2010
- Improvements to IFRSs issued May 2010 (various effective dates)
- IFRIC 14 – Amendment – Prepayments of a Minimum Funding Requirement effective 1 January 2011
- IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments effective 1 July 2010

The adoption of the standards or interpretations above did not have an impact on the financial statements or performance of the company.

##### **Standards, interpretations and amendments to published standards as endorsed by the EU that are not yet effective**

Up to date of approval of these financial statements, certain new standards, amendments and interpretations to existing standards have been published but which are not yet effective for the current reporting period and which the company has not early adopted, but plans to adopt upon their effective date. The changes resulting from these standards are not expected to have a material effect on the financial statements of the company. The new and amended standards are as follows:

- IFRS 7 Amendment – Transfer of financial assets disclosures (effective for financial years beginning on or after 1 July 2011)

## **NOTES TO THE FINANCIAL STATEMENTS - continued**

### **2.1 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES - continued**

**Standards, interpretations and amendments to published standards that are not yet endorsed by the EU**

- IFRS 1 Amendment – Severe Hyperinflation and removal of fixed dates for first-time adopters (effective for financial years beginning on or after 1 January 2013)
- IFRS 7 Amendment – Offsetting of financial assets and financial liabilities (effective for financial years beginning on or after 1 January 2013)
- IFRS 7 Amendment – Disclosure for initial application of IFRS 9 (effective for financial years beginning on or after 1 January 2015)
- IFRS 9 – Financial Instruments (effective for financial years beginning on or after 1 January 2015)
- IFRS 10 – Consolidated financial statements (effective for financial years beginning on or after 1 January 2013)
- IFRS 11 – Joint Arrangements (effective for financial years beginning on or after 1 January 2013)
- IFRS 12 – Disclosures of interests in other entities (effective for financial years beginning on or after 1 January 2013)
- IFRS 13 - Fair Value Measurement (effective for financial years beginning on or after 1 January 2013)
- IAS 1 Amendments – Presentation of items of other comprehensive income (effective for financial years beginning on or after 1 July 2012)
- IAS 12 Amendments – Recovery of underlying assets (effective for financial years beginning on or after 1 January 2012)
- IAS 19 Amendments – Employee Benefits (effective for financial years beginning on or after 1 January 2013)
- IAS 27 Revised – Separate financial statements (effective for financial years beginning on or after 1 January 2013)
- IAS 28 Revised – Investments in associates and joint ventures (effective for financial years beginning on or after 1 January 2013)
- IAS 32 Amendments – Offsetting of financial assets and financial liabilities presentation (effective for financial years beginning on or after 1 January 2014)
- IFRIC 20 – Stripping costs in the production phase of a surface mine (effective for financial years beginning on or after 1 January 2013)

### **2.2 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**

### **2.3 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**

	Period from 14.03.12 to 31.12.12 USD
Interest received	5

**4. OTHER INCOME**

	Period from 14.03.12 to 31.12.12 USD
Waiver of loan	20,000

**5. EXPENSES BY NATURE**

	Period from 14.03.12 to 31.12.12 USD
Professional fees	6,536
Formation expenses	2,697
Auditor’s remuneration	1,401
Commissions	20,000
Other expenses	3,081
	<u>33,715</u>

**NOTES TO THE FINANCIAL STATEMENTS – continued**

**6. FINANCE COSTS**

	Period from 14.03.12 to 31.12.12 USD
Bank charges	147
Loss on foreign exchange	113
	<u>260</u>

**7. RECEIVABLES**

	31.12.12 USD
Prepayments	<u>243</u>

**8. CASH AND CASH EQUIVALENTS**

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

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

**9. CAPITAL AND RESERVES**

	31.12.12 USD
<b>Authorised</b> 313,488,000 ordinary shares of USD 1 each	<u>313,488,000</u>
	<u>313,488,000</u>
<b>Issued and fully paid</b> 13,602 ordinary shares of USD 1 each	<u>13,062</u>
	<u>13,062</u>

**Accumulated losses**

Accumulated losses represent the company losses for the period ended 31 December 2012 amounting to USD 13,970.



**NOTES TO THE FINANCIAL STATEMENTS – continued**

**10. PAYABLES**

	31.12.12 USD
Other payables	164
Accruals	1,401
	<hr/>
	<b>1,565</b>
	<hr/>

**11. IMMEDIATE AND ULTIMATE PARENT COMPANY**

The immediate and ultimate parent company of GAFH Global Agro Farm Holding Limited is The GIG Limited (formerly 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 Kuebler.

**12. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

**Company**

At the end of the period, the company's main financial assets on the statement of financial position comprise of 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 director believes 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.

*Fair values*

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