AGRITERRA LIMITED

UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE 6 MONTHS ENDED 30 NOVEMBER 2015

CHAIRMAN'S STATEMENT

The period under review has seen a challenging macro-economic environment develop across the world, including our regions of operations, with resource based Sub-Saharan African economies experiencing sizeable devaluations in their local currencies against the strengthening US dollar. The devaluation in the Mozambique Metical in particular has presented both opportunities and challenges – on the one hand it has both made imports of maize substitutes (such as rice and wheat) and beef products relatively more expensive, favouring national producers like us in the domestic market, while also making our potential exports more price competitive in international markets; on the other hand, it has made various inputs into our production processes more expensive, placing increasing pressure on margins.

This operating environment has shaped our short term strategy in Mozambique. We are now focussed on aggressively building our market share in both our maize and beef businesses, with our domestic products replacing imports wherever possible. Contemporaneously we are minimising expenditure (in particular non-Metical based) and restructuring the unprofitable parts of our agricultural portfolio. Export markets are also becoming more attractive and we are therefore actively pursuing opportunities for bilateral trade. In this context, we are working with the government of Mozambique to obtain all of the necessary documentation and permits required to export beef into Russia, whilst also exploring the wider possibilities for the export of food products generally from Mozambique to Russia. Discussions are underway in Mozambique to source local products including nuts, fruit, vegetables and fish at competitive prices. At this stage, there are no formal agreements in place but all parties have asserted their readiness to engage in agricultural trade and stressed the importance of continuous positive cooperation between the Russian Federation and the Republic of Mozambique.

Notably and as predicted in our full year results announced in November 2015, our maize business has been the chief revenue generator and most profitable business line, contributing US$6.03 million in revenue to the Group (H1-2015: US$2.04 million). This strong performance can be attributed to the favourable sales and pricing environment. In particular, a smaller harvest and shortage of maize in southern Africa has put upward pressure on prices and increased demand for the Group's maize products with 21,000 (H1-2015 6,500) tonnes of maize processed and 14,900 (H1-2015 4,600) tonnes of maize flour sold. As noted above, in addition to harvest related factors, the exchange rate between the US dollar and Mozambique Metical has favoured our maize flour sales; with a weaker Metical, the price of rice and wheat (for pasta) which are often seen as substitutes to maize flour, have increased significantly, driving the demand for maize flour. Furthermore, we have gained a competitive price advantage over some larger competitors in Southern Mozambique who are reliant on imported grain, which is less price competitive in the current economic circumstances, particularly in the Central and Northern parts of the country. The weak Metical has however also impacted on our reported US$ sales, which increased by 196% compared to an increase in Metical terms of over 268%.

Looking towards the next financial year, the "El Niño" weather phenomenon is expected to have a severe impact on the 2016 harvests in South Africa, Zimbabwe, Botswana and Zambia, which are all now suffering from maize shortages. Thankfully the situation in Mozambique appears more positive, albeit the crop is expected to be relatively small again. We therefore expect the current favourable sales and pricing environment to continue until April / May 2017 at the earliest. The key to maintaining the momentum in our maize business in the short term will therefore be a successful buying campaign during 2016. With this in mind we intend to begin our buying programme as soon as possible once the season opens in April / early May to capitalise on the early season lower maize prices and our maize storage facilities and drying capacity (of around 50,000 tonnes). This will help ensure we have a large maize inventory at the lowest cost possible, thus placing us in a strong position to achieve attractive margins for subsequent sales of our maize flour. Our buying is supported by a bank facility of approximately US$4.4 million, which we are currently renegotiating to approximately US$6.0 million. Subject to any further adverse impact on the maize crop arising from "El Niño", and our ability to successfully increase our bank facility, we believe that we will be able to leverage our buying network across the country to secure up to 45,000 tonnes of maize.

In addition to a defined marketing and buying strategy, our secondary aim during the period has been to cut costs and improve efficiencies across the maize business. An important outcome of this has been an improvement in milling yields, and optimisation of milling schedules. This has enabled us to reduce our labour requirements and related ancillary expenditures. Further actions in this vein are currently underway and we expect these to contribute positively in H2-FY2016 and FY2017.

Our beef division also continues to grow as a revenue generator – delivering a 26% increase in revenue to US$3.35 million (2014: US$2.66 million). In Metical terms the increase was more significant at 65%. Our retail operations continue to perform encouragingly, with the key revenue generating aspects of this business – being the feedlot, abattoir and butcheries – all contributing strong revenues and generating net positive cash flows. A primary factor underpinning this continued development has been the expansion of our retail units/butcheries, with six units now operational in Chimoio, Tete, Nampula, Beira and Manica. As previously reported, Northern Mozambique, particularly the cities of Pemba and Nacala, have been prioritised for expansion; we are however cognisant of the significant role the oil price has on the development of the region, which relies heavily on the advancement of the LNG industry. Whilst we continue to assess the growth potential in the North, we now believe the capital city of Maputo represents a more exciting development opportunity in the short term – we have started to service some orders from Maputo and hope to continue to develop this market where our product is ever more price competitive against imported beef (mainly coming from South Africa). In reaction to current demand we have also identified an opportunity to expand our retail presence in Nampula via a second retail unit which will open in March 2016.

At the other end of the business in Mozambique, we are assessing opportunities to generate positive cash flows from our farms, which comprise 20,350 hectares of ranches in total. The farms, which require continual ongoing investment and maintenance, in addition to the larger capital investments associated with irrigation and expanding the herd size, remain a loss-making component of the business. In the current economic environment, the Board is assessing opportunities to restructure the ranches or redeploy the acreage. We will announce further updates regarding this in due course.

As mentioned above, we are also exploring international agricultural trading opportunities, with a particular focus on Russia. There is huge opportunity in bilateral trade between the Republic of Mozambique and the Russian Federation as a result of Mozambique's preferential trading status with Russia. We are committed to being at the forefront of this market as Mozambican imports into Russia benefit from a 0% import duty compared to higher tariffs imposed on many other exporting countries. In addition, as a result of sanctions imposed by the Russian Federation against beef and other agriculture imports from, amongst others, the US, Canada and the European Union, there is a substantial opportunity for the Group to develop a large market for its beef and other agricultural products.

Our cocoa business, which comprises a 3,200 hectare landholding in the south-east of Sierra Leone, together with much of the critical infrastructure required to develop a large plantation (including roads, offices and a state-of-the-art irrigated nursery), remains on care and maintenance following the serious outbreak of Ebola in Sierra Leone. Sierra Leone was declared Ebola-free in November 2015, which was a great achievement for the country and all those involved in the fight against the virus. At that time, we entered into of a trading agreement with a leading global company focused on natural, organic and specialty foods which although successful to a degree has not achieved the volumes or revenues hoped for, in part due to the new cases of Ebola which were reported in January 2016. With this in mind our priority remains on the welfare of our employees and so we continue to monitor developments in-country and assess opportunities to crystallise our investment in the plantation and associated infrastructure. Whilst this process continues, we are taking care to minimise all expenditure in the region and have dramatically reduced spending on this business.

I believe we are now becoming a more efficient and streamlined business, consolidating our operations and cementing a stable base to generate positive cash flows from our businesses. I hope to report favourably on our ongoing cost reduction programmes in our full year results.

Financial results

The Group's loss for the period from continuing operations was $2.80 million, a 38% decrease compared to the loss from continuing operations of $4.57 million in the 6 month period ended 30 November 2014 ('H1-FY2015'). The decrease principally reflects the strong performance of the Grain division which, for the factors discussed above, returned a net profit of $0.30 million on sales of $6.03 million, compared to a net loss of $1.32 million on sales of $2.04 million in H1-FY2015.

The Beef division also performed well in terms of sales growth, with a 26% increase in revenue from $2.66 million in H1-FY2015 to $3.35 million in H1-FY2016. The Beef division's net result was comparable to H1-FY2015, at a loss of $1.51 million compared to a loss of $1.35 million. The loss includes depreciation of $0.49 million (H1-FY2015: $0.57 million). Adjusted for depreciation, the loss principally reflects the cost of maintaining the Group's 20,350 hectares of ranches which are not yet producing an economic return. The Beef division's retail, abattoir and feedlot operations continue to contribute a positive cash flow to the division which mitigates in part the costs of operating the ranches.

For the reasons outlined above, the Cocoa division's assets were substantially in care and maintenance during the period, with expenditure curtailed to a minimum wherever possible. The Cocoa division returned a net loss of $0.56 million (H1-FY2015: $0.60 million), principally reflecting the cessation of capitalisation of expenditure at the plantation pending a decision to recommence development activities.

In terms of the Group's balance sheet, net assets are reported at $21.03 million compared to $29.84 million at 31 May 2015. The decrease reflects in part the loss in the period of $2.80 million, and also a significant non-cash loss of $5.97 million from the retranslation of the net assets of our Mozambique and Sierra Leone subsidiary companies. This translation loss arises due to the sizeable devaluations that both the Mozambique Metical and the Sierra Leone Leone have suffered in the period against the US Dollar.

PH Edmonds

Chairman

26 February 2016

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

Andrew Groves	Agriterra Ltd	Tel: +44 (0) 20 7408 9200
David Foreman	Cantor Fitzgerald Europe	Tel: +44 (0) 20 7894 7000
Michael Reynolds	Cantor Fitzgerald Europe	Tel: +44 (0) 20 7894 7000
John Beaumont	Peat & Co.	Tel: +44 (0) 20 3540 1723
Susie Geliher	St Brides Partners Ltd	Tel: +44 (0) 20 7236 1177
Charlotte Heap	St Brides Partners Ltd	Tel: +44 (0) 20 7236 1177

CONSOLIDATED INCOME STATEMENT

	Note	**6 months ended 30 November 2015 Unaudited**	6 months ended 30 November 2014 Unaudited (Re-presented – note 3.2)	12 months ended 31 May 2015 Audited
		$000	$000	$000
CONTINUING OPERATIONS				
Revenue		**9,548**	4,941	11,787
Cost of sales		**(7,991)**	(4,421)	(10,662)
Gross profit		**1,557**	520	1,125
Increase in value of biological assets		**624**	288	1,910
Operating expenses		**(4,411)**	(4,847)	(10,643)
Impairment of current and non-current assets		**-**	-	(6,791)
Other income		**83**	10	33
Profit on disposal of property, plant and equipment		**39**	-	76
Operating loss		**(2,108)**	(4,029)	(14,290)
Investment revenues		**6**	8	19
Other gains and losses	**5**	**(311)**	(158)	(849)
Finance costs	**6**	**(366)**	(364)	(683)
Loss before taxation		**(2,779)**	(4,543)	(15,803)
Taxation		**(23)**	(3)	(81)
Loss for the period from continuing operations	**4**	**(2,802)**	(4,546)	(15,884)
DISCONTINUED OPERATIONS				
Profit for the period from discontinued operations	**7**	**-**	5,485	2,497
(Loss) / profit the period attributable to owners of the Company		**(2,802)**	939	(13,387)
(LOSS) / EARNINGS PER SHARE				
Basic and diluted loss per share from continuing operations		**(0.26)**	(0.43)	(1.50)
Basic and diluted (loss) / earnings per share from continuing and discontinued operations		**(0.26)**	0.09	(1.26)
		No.	No.	No.
Weighted average number of shares outstanding for the purposes of calculating basic and diluted loss per share from continuing operations, and basic and diluted (loss) / earnings from continuing and discontinued operations		**1,061,818,478**	1,061,818,478	1,061,818,478

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	6 months ended 30 November 2015 Unaudited	6 months ended 30 November 2014 Unaudited	12 months ended 31 May 2015 Audited
	$000	$000	$000
(Loss) / profit for the period	**(2,802)**	939	(13,387)
Items that may be reclassified subsequently to profit or loss:			
Foreign exchange translation differences	**(5,967)**	(1,319)	(4,435)
Other comprehensive income for the period	**(5,967)**	(1,319)	(4,435)
Total comprehensive income for the year attributable to owners of the Company	**(8,769)**	(380)	(17,822)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	**30 November 2015 Unaudited $000**	30 November 2014 Unaudited $000	31 May 2015 Audited $000
Non-current assets				
Goodwill		**-**	572	-
Property, plant and equipment		**13,854**	35,068	19,746
Interests in associates		**4**	4	4
Investments in quoted companies	**8**	**65**	1,067	376
Biological assets		**1,724**	2,689	2,246
		15,647	39,400	22,372
Current assets				
Biological assets		**1,106**	1,010	1,019
Inventories		**3,836**	6,298	2,892
Trade and other receivables		**1,392**	1,133	1,594
Cash and cash equivalents		**5,387**	8,852	6,421
		11,721	17,293	11,926
Total assets		**27,368**	56,693	34,298
Current liabilities				
Borrowings	**9**	**4,228**	5,202	3,079
Trade and other payables		**1,018**	1,294	1,377
		5,246	6,496	4,456
Net current assets		**6,475**	10,797	7,470
Non-current liabilities				
Borrowings	**9**	**1,091**	-	-
Total liabilities		**6,337**	6,496	4,456
Net assets		**21,031**	50,197	29,842
Share capital	**10**	**1,960**	1,960	1,960
Share premium		**148,622**	148,622	148,622
Shares to be issued		**-**	2,940	-
Share based payments reserve		**1,872**	1,887	1,914
Translation reserve		**(14,210)**	(5,127)	(8,243)
Accumulated losses		**(117,213)**	(100,085)	(114,411)
Equity attributable to equity holders of the parent		**21,031**	50,197	29,842

The unaudited condensed consolidated financial statements of Agriterra Limited for the 6 months ended 30 November 2015 were approved by the Board of Directors and authorised for issue on 26 February 2016. Signed on behalf of the Board of Directors:

P H Edmonds
Chairman

CONSOLIDATED CASH FLOW STATEMENT

	6 months ended 30 November 2015 Unaudited	6 months ended 30 November 2014 Unaudited (Re-presented – note 3	12 months ended 31 May 2015 Audited
	$000	$000	$000
Loss before tax for the period from continuing operations	**(2,779)**	(4,543)	(15,803)
Adjustments for:			
Depreciation	**871**	1,013	2,211
Profit on disposal of property, plant and equipment	**(39)**	-	(76)
Share based payment (credit) / expense	**(42)**	28	55
Foreign exchange (gain) / loss	**(8)**	159	177
Increase in value of biological assets	**(624)**	(288)	(1,910)
Finance costs	**366**	364	683
Investment revenues	**(6)**	(8)	(19)
Decrease in fair value of quoted investments	**311**	158	849
Impairment of current and non-current assets	**-**	-	6,791
Operating cash flows before movements in working capital	**(1,950)**	(3,117)	(7,042)
(Increase) / decrease in inventories	**(2,192)**	(16)	1,158
Increase in trade and other receivables	**(41)**	(1,670)	(848)
Decrease in trade and other payables	**(180)**	(861)	(719)
Net decrease in biological assets held for slaughter purposes	**55**	677	2,281
Net cash used in operating activities by continuing operations	**(4,308)**	(4,987)	(5,170)
Corporation tax paid	**(23)**	(9)	(9)
Finance costs	**(366)**	(364)	(683)
Interest received	**6**	8	19
Net cash used in operating activities by continuing operations	**(4,691)**	(5,352)	(5,843)
Net cash from operating activities by discontinued operations	**-**	5,546	5,627
Net (cash used by) / from operating activities	**(4,691)**	194	(216)
Cash flows from investing activities			
Proceeds from disposal of property, plant and equipment	**248**	7	291
Acquisition of property, plant and equipment	**(312)**	(912)	(1,555)
Net cash used in investing activities by continuing operations	**(64)**	(905)	(1,264)
Net cash from investing activities in discontinued operations	**-**	-	-
Net cash used in investing activities	**(64)**	(905)	(1,264)
Cash flow from financing activities			
Net draw down of overdraft	**2,463**	2,973	1,376
Drawdown of loans	**1,480**	-	-
Repayment of loans	**-**	-	(200)
Net cash from financing activities from continuing operations	**3,943**	2,973	1,176
Net cash used in financing activities from discontinued operations	**-**	(200)	-
Net cash from financing activities	**3,943**	2,773	1,176
Net (decrease) / increase in cash and cash equivalents	**(812)**	2,062	(304)
Effect of exchange rates on cash and cash equivalents including discontinued operations	**(222)**	(204)	(269)
Cash and cash equivalents at beginning of period	**6,421**	6,994	6,994
Cash and cash equivalents at end of period	**5,387**	8,852	6,421

1. General information

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

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

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

2. BASIS OF PREPARATION

The condensed consolidated financial statements of the Group for the 6 months ended 30 November 2015 (the 'H1-FY2016 financial statements'), which are unaudited and have not been reviewed by the Company's auditor, have been prepared in accordance with the International Financial Reporting Standards ('IFRS'), as adopted by the European Union, accounting policies adopted by the Group and set out in the annual report for the year ended 31 May 2015 (available at www.agriterra-ltd.com). The Group does not anticipate any significant change in these accounting policies for the year ended 31 May 2016. References to 'IFRS' hereafter should be construed as references to IFRSs as adopted by the EU.

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

The financial information contained in this report also does not constitute statutory accounts under the Companies (Guernsey) Law 2008, as amended. The financial information for the year ended 31 May 2015 is based on the statutory accounts for the period then ended. The auditors reported on those accounts. Their report was unqualified and did not include any statements of emphasis of matter.

The H1-FY2016 financial statements have been prepared in accordance with the IFRS principles applicable to a going concern, which contemplate the realisation of assets and liquidation of liabilities during the normal course of operations. Having carried out a going concern review in preparing the H1-FY2016 financial statements, the Directors have concluded that there is a reasonable basis to adopt the going concern principle.

3. REPRESENTATIONS

3.1. Representations to the Consolidated cash flow statement

In the 6 month period ended 30 November 2014, and consistent with preceding financial periods, the Group presented all cash flows for the purchase, sale, slaughter or disposal by other means of its cattle within a single line in the Consolidated cash flow statement entitled 'Increase in biological assets', a component of 'Cash flows from investing activities'. This reflected the fact that, historically, a significant portion of the Group's cash flows for the purchase of animals related to the purchase of the breeding herd.

During H1-FY2016 and in the financial year ended 31 May 2015, the Group did not purchase cattle to increase its breeding herd – all cattle purchases were for slaughter herd animals, generally being animals taken directly into the feedlot. Cash flows of this nature are more appropriately reflected within cash flows from operating activities. Accordingly and with effect from the financial year ended 31 May 2015, the Group altered its presentation for the purchase of slaughter herd animals, which are now included within the line item of the Consolidated cash flow statement entitled 'Net decrease / (increase) in biological assets held for slaughter purchases', within 'Net cash used in operating activities'. The comparative for the 6 month period ended 30 November 2014 of $677,000 inflow has been reclassified from cash flows from investing activities resulting in a decrease in 'Net cash used in operating activities by continuing operations' and 'Net cash used in operating activities' by $677,000 and a corresponding increase in 'Net cash used in investing activities by continuing operations' and 'Net cash used in investing activities'. The representation has no effect on net cash flows for the 6 month period ended 30 November 2014, nor any effect on the Consolidated income statement or on the Consolidated statement of financial position.

3.2. Representations to the Consolidated income statement

In the 6 month period ended 30 November 2014, the Group reported $241,000 within 'Other income' earned on the rental of certain of the Cocoa division's assets in aid of the relief effort against the Ebola crisis in Sierra Leone. The classification reflected the ancillary nature, at that time, of this income to the overall Cocoa division. During the second half of the financial year ended 31 May 2015, further income of $663,000 was recorded on such rentals and, with the restriction in other activities within the Cocoa division due to the Ebola outbreak in Sierra Leone, these rental activities became the principal revenue generating activity of the division in the period. Accordingly, the total income of $904,000 earned on the rental of these assets during FY2015 was reported within revenue for the Group during the 12 month period ended 31 May 2015. The corresponding amount of $241,000 for the 6 month period ended 30 November 2014 has therefore been reclassified from 'Other income' to 'Revenue'. The reclassification has no net effect on the result reported for the period then ended.

4. SEGMENT INFORMATION

The Directors consider that the Group's operating activities comprise the segments of Grain, Beef and Cocoa, all undertaken in Africa. In addition, the Group has certain other unallocated expenditure, assets and liabilities, either located in Africa or held as support for the Africa operations.

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

6 months ended 30 November 2015 - Unaudited	**Grain**	**Beef**	**Cocoa**	**Unallo-cated**	**Elimina-tions**	**Total**
	$000	**$000**	**$000**	**$000**	**$000**	**$000**
Revenue						
External sales(2)	**6,032**	**3,345**	**171**	**-**	**-**	**9,548**
Inter-segment sales(1)	**333**	**-**	**-**	**-**	**(333)**	**-**
	6,365	**3,345**	**171**	**-**	**(333)**	**9,548**
Segment results						
- Operating profit / (loss)	**605**	**(1,427)**	**(558)**	**(728)**	**-**	**(2,108)**
- Interest (expense) / income	**(303)**	**(63)**	**-**	**6**	**-**	**(360)**
- Other gains and losses	**-**	**-**	**-**	**(311)**	**-**	**(311)**
Profit / (loss) before tax	**302**	**(1,490)**	**(558)**	**(1,033)**	**-**	**(2,779)**
Income tax	**(4)**	**(19)**	**-**	**-**	**-**	**(23)**
Profit / (loss) for the period from continuing operations	**298**	**(1,509)**	**(558)**	**(1,033)**	**-**	**(2,802)**

6 months ended 30 November 2014 – Unaudited (Re-presented – note 3.2)	Grain	Beef	Cocoa	Unallo-cated	Discon-tinued(3)	Elimina-tions	Total
	$000	$000	$000	$000	$000	$000	$000
Revenue							
External sales(2)	2,043	2,657	241	-	-	-	4,941
Inter-segment sales(1)	263	-	-	-	-	(263)	-
	2,306	2,657	241	-	-	(263)	4,941
Segment results							
- Operating loss	(962)	(1,344)	(606)	(1,288)	171	-	(4,029)
- Interest (expense) / income	(362)	1	-	5	-	-	(356)
- Other gains and losses	-	-	-	(158)	-	-	(158)
Loss before tax	(1,324)	(1,343)	(606)	(1,441)	171	-	(4,543)
Income tax	-	(3)	-	-	-	-	(3)
Loss for the period from continuing operations	(1,324)	(1,346)	(606)	(1,441)	171	-	(4,546)

12 months ended 30 May 2015 - Audited	Grain $000	Beef $000	Cocoa $000	Unallocated $000	Discontinued[3] $000	Eliminations $000	Total $000
Revenue							
External sales[2]	5,517	5,366	904	-	-	-	11,787
Inter-segment sales[1]	524	-	-	-	-	(524)	-
	6,041	5,366	904	-	-	(524)	11,787
Segment results							
- Operating loss	(2,128)	(2,317)	(7,853)	(2,166)	174	-	(14,290)
- Interest (expense) / income	(680)	2	-	14	-	-	(664)
- Other gains and losses	-	-	-	(849)	-	-	(849)
Loss before tax	(2,808)	(2,315)	(7,853)	(3,001)	174	-	(15,803)
Income tax	(78)	(3)	-	-	-	-	(81)
Loss for the period from continuing operations	(2,886)	(2,318)	(7,853)	(3,001)	174	-	(15,884)

(1) Inter-segment sales are charged at prevailing market prices.
(2) Revenue represents sales to external customers and is recorded in the country of domicile of the group company making the sale. Sales from the Grain and Beef divisions are principally for supply to the Mozambican market. Sales from the Cocoa division were supplied to the Sierra Leone market.
(3) Amounts reclassified to discontinued operations in the periods ended 30 November 2014 and 31 May 2015 relate to the Cocoa segment – refer to note 7.2.

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

6 months ended 30 November 2015 - Unaudited	**Grain $000**	**Beef $000**	**Cocoa $000**	**Unallocated $000**	**Discontinued $000**	**Eliminations $000**	**Total $000**
Depreciation	**128**	**491**	**229**	**23**	**-**	**-**	**871**

6 months ended 30 November 2014 - Unaudited	Grain $000	Beef $000	Cocoa $000	Unallocated $000	Discontinued $000	Eliminations $000	Total $000
Depreciation	186	571	235	82	(61)	-	1,013

12 months ended 30 May 2015 - Audited	Grain $000	Beef $000	Cocoa $000	Unallocated $000	Discontinued $000	Eliminations $000	Total $000
Depreciation	386	1,122	628	136	(61)	-	2,211
Impairment of assets	-	-	6,791	-	-	-	6,791

5. OTHER GAINS AND LOSSES

	6 months ended 30 November 2015 Unaudited $000	6 months ended 30 November 2014 Unaudited $000	12 months ended 31 May 2015 Audited $000
Decrease in fair value of quoted investments	**311**	158	849

6. FINANCE COSTS

	6 months ended 30 November 2015 Unaudited $000	6 months ended 30 November 2014 Unaudited $000	12 months ended 31 May 2015 Audited $000
Interest expense:			
Bank borrowings	**366**	364	683

7. DISCONTINUED OPERATIONS

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

	6 months ended 30 November 2015 Unaudited $000	6 months ended 30 November 2014 Unaudited $000	12 months ended 31 May 2015 Audited $000
Oil and gas activities	**-**	5,659	5,740
Cocoa trading activities	**-**	(174)	(174)
Palm activities	**-**	-	(3,069)
Net profit after tax attributable to discontinued operations	**-**	5,485	2,497

7.1. Oil and gas

On 6 January 2009, the Shareholders approved the adoption of the investing strategy to acquire or invest in businesses or projects operating in the agricultural and associated civil engineering industries in Southern Africa. At the same time the Group suspended all exploration activities and reduced expenditure to the minimum required in order to retain exploration licenses and extract potential value for Shareholders. Consequently the oil and gas activities were reclassified as a discontinued operation.

During the year ended 31 May 2014 the Group initiated formal arbitration proceedings to recover the compensation assessed by the National Petroleum Commission as being due to the Company for works undertaken by the Company in the Republic of South Sudan and acknowledged as being due by the Ministry of Petroleum and Mining of the Republic of South Sudan in April 2012. This matter was resolved in the 6 month period ended 30 November 2014 through the payment to the Company of £3,412,000 (being $5,659,000) in cash which was recognised within discontinued operations. A further net credit of $81,000 was recorded in the second half of the financial year ended 31 May 2015 with respect to the re-imbursement of expenditure incurred in pursuing this claim.

No amounts were recorded in the current period with respect to the discontinued oil and gas activities.

7.2. Cocoa trading

Due to the serious and well-publicised Ebola outbreak and the associated precautionary restrictions on travelling in Sierra Leone, accompanied by the ongoing losses suffered by the Cocoa trading operations, the Group ceased its Cocoa trading operations in Sierra Leone in the 6 month period ended 30 November 2014. The Cocoa trading operation was focussed primarily on building a presence in-country and providing a market entry point for buyers as a precursor to the establishment of the Group's own plantation, and the implementation of programmes involving the upgrading of local growers plant quality through plant distribution.

The Cocoa trading operations represented a significant component of a business segment of the Group and accordingly, as required by IFRS 5, '*Non-current Assets Held for Sale and Discontinued Operations*', the results of the Cocoa trading operations are presented as discontinued operations within the consolidated income statement. Cash flows pertaining to the Cocoa trading operations are presented in the Consolidated cash flow statement along with all cash flows relating to discontinued operations.

No amounts were recorded in the current period with respect to the discontinued Cocoa trading activities.

7.3. Palm activities

The amount reported within discontinued operations for palm activities in the 12 month period ended 31 May 2015 represents the impairment against the carrying value of the Group's 45,000 hectare lease in the Pujehun District of Sierra Leone, being $6,009,000, net of the release of $2,940,000 of deferred consideration which was no longer expected to be due. Full details on the impairment are provided in the Group financial statements for the year ended 31 May 2015.

No amounts were recorded in the current period with respect to the discontinued palm activities.

8. INVESTMENTS IN QUOTED COMPANIES

'Investments in quoted companies' comprise financial assets classified as at 'fair value through profit and loss' ('FVTPL'). Changes in market value are recorded in profit and loss within 'Other gains and losses'. In all periods presented, these investments comprise 8,337,682 ordinary shares in Atlas Development & Support Services Limited, an AIM quoted company focussed on the logistics support industry in respect of oil and gas exploration and other development projects in sub-Saharan Africa.

Movements in the value of investments in quoted companies were as follows:

	$000
Market value as at 31 May 2014 – Audited	1,225
Decrease in fair value	(158)
Market value as at 30 November 2014 – Unaudited	1,067
Decrease in fair value	(691)
Market value as at 31 May 2015 – Audited	376
Decrease in fair value	**(311)**
Market value as at 30 November 2015 – Unaudited	**65**

9. BORROWINGS

	30 November 2015 Unaudited $000	30 November 2014 Unaudited $000	31 May 2015 Audited $000
Non-current			
Bank loans	**1,091**	-	-
Current			
Bank overdraft	**4,086**	5,202	3,079
Other	**142**	-	-
	4,228	5,202	3,079
	5,319	5,202	3,079

The Group has an overdraft facility of 220,000,000 (30 November 2014 and 31 May 2015: 179,000,000) Mozambique Metical (being approximately $4,400,000 at the 30 November 2015 Metical to US$ exchange rate) to provide funding for its grain operations in Mozambique. It is secured against certain of the Group's property, plant and equipment and all maize inventory and finished maize products. Interest is charged at the counterparty bank's Mozambique prime rate less 3%, being a rate of 13% in all periods presented. Unless it is cancelled by either party, the facility renews annually on 31 May. At 30 November 2015, the Group had drawn $3,750,000 (30 November 2014: $5,202,000; 31 May 2015: $3,079,000) under this facility.

On 24 June 2015, the Group agreed new lending facilities totalling 105,000,000 Metical ($2,100,000 at the 30 November 2015 Metical to US$ exchange rate) to finance its Beef division in Mozambique. The facilities comprise 75,000,000 Metical of term loans for the purchase of cattle, irrigation equipment, butchery equipment, refrigerated vehicles and general capital purposes, and a 30,000,000 Metical overdraft. The term loans can be drawn until 24 December 2015 (which has been extended with no fixed term), carry interest at the bank's prime lending rate plus 0.25% (currently 16.75%), and have a five year term from draw down with a moratorium on capital repayments of 15 months. The overdraft renews annually and carries interest at the bank's prime lending rate (currently 16.50%). The lending facilities are secured against the Group's abattoir in Chimoio and all cattle and meat inventories. At 30 November 2015, the Group had drawn $336,000 (30 November 2014: $nil; 31 May 2015: $nil) under this overdraft and $1,091,000 (30 November 2014: $nil; 31 May 2015: $nil) under the term loans.

Other borrowings at 30 November 2015 represent pre-financing by a leading global company focussed on natural, organic and speciality foods for the Group's Cocoa trading operations to source up to 500 tonnes of cocoa on their behalf. It was unsecured, bore no interest and was repaid through the delivery of cocoa beans subsequent to the period end.

The term loans are presented above as Non-current borrowings. All other borrowings are presented as Current.

10. SHARE CAPITAL

	Authorised	Allotted and fully paid	
	Number	**Number**	**US$000**
Ordinary shares of 0.1p each			
At 30 November 2014, 31 May 2015 and 30 November 2015	2,345,000,000	1,061,818,478	1,722
Deferred shares of 0.1p each			
At 30 November 2014, 31 May 2015 and 30 November 2015	155,000,000	155,000,000	238
Total share capital			
At 30 November 2014, 31 May 2015 and 30 November 2015	**2,500,000,000**	**1,216,818,478**	**1,960**