

Registration number 89889

Draganfly Investments Limited
Chairman's statement and interim results
for the period ended 31 October 2013

Interim Results for period from May 1st 2013 to October 31st 2013

Chairman's Statement

During the period under review net assets have decreased from 0.65 pence per share to 0.60 pence per share.

This outcome reflects a weaker performance from our remaining quoted shareholdings, ASX listed Royal Resources Limited, and AIM listed Strategic Minerals PLC, having sold our entire shareholding in Immedia Group Plc during the period under review. In addition, the costs of maintaining Draganfly's AIM market quote have contributed to the decline in net assets.

Our remaining unquoted shareholding, Atlantic Healthcare Plc, continues to progress well on a number of fronts, and we look forward to updating shareholders on the company's progress in its forthcoming US/EU clinical study in due course.

Finally, we note the reduced proportion of listed shareholdings and hence liquidity within the portfolio and are seeking ways to increase the scale, liquidity, and performance of the company's asset base.

May I take this opportunity to thank investors for their support.



Edward Bayman

Chairman

Draganfly Investments Limited
Unaudited Profit and loss account
for the period ended 31 October 2013

		Continuing Operations	
		6 months to	6 months to
		31/10/13	31/10/12
Note		£	£
	Turnover	(18,726)	(173,044)
	Administrative expenses	(46,956)	(40,463)
	Operating (loss)	<u>(65,682)</u>	<u>(213,507)</u>
	Other interest receivable and similar income	2	5
	Interest payable and similar charges	-	-
	(Loss) on ordinary activities	<u>(65,680)</u>	<u>(213,502)</u>
There are no recognised gains or losses other than those included in the profit and loss account.			
	(Loss) per share - basic		
	Basic (in pence)	<u>(0.05)p</u>	<u>(0.17)p</u>

Draganfly Investments Limited
Unaudited Balance sheet
as at 31 October 2013

	Notes	31/10/13		31/10/12	
		£	£	£	£
Current assets					
Debtors		2,902		2,942	
Investments	3	716,025		633,685	
Cash accounts		55,432		6,771	
		<u>774,359</u>		<u>643,398</u>	
Creditors: amounts falling due within one year					
Creditors	4	<u>(17,950)</u>		<u>(17,347)</u>	
Net assets			<u>756,409</u>		<u>626,051</u>
Capital and reserves					
Called up share capital			1,256,270		1,256,270
Share premium account			1,980,303		1,980,303
Profit and loss account			<u>(2,480,164)</u>		<u>(2,610,522)</u>
Equity shareholders' funds	5		<u>756,409</u>		<u>626,051</u>

The financial statements on pages 2 to 7 were approved and authorised for issue by the Board on and signed on its behalf by T Edward G Bayman



Director

Draganfly Investments Limited
Unaudited Cash flow statement
for the period ended 31 October 2013

	Period ended 31/10/13 £	Period ended 31/10/12 £
Reconciliation of operating loss to net cash outflow from operating activities		
Operating (loss)	(65,680)	(213,502)
Realised (gain) / loss on sale of investments	(22,920)	56,531
Unrealised loss on revaluation of investments	41,646	334,850
Decrease in debtors	2,505	2,208
(Decrease) in general creditors	(14,974)	(11,271)
Net cash outflow from operating activities	<u>(59,423)</u>	<u>168,816</u>
 Cash flow statement		
Net cash outflow from operating activities	(59,423)	168,816
Capital expenditure and financial investment	104,685	(165,166)
Increase in cash in the period	<u>45,262</u>	<u>3,650</u>
 Increase in cash in the period	 45,262	 3,650
Opening cash balance	10,170	3,121
Closing cash balance	<u>55,432</u>	<u>6,771</u>

Draganfly Investments Limited
Notes to the interim statements
for the period ended 31 October 2013

1 Accounting policies

Basis of preparation

The financial statements are prepared in accordance with applicable UK accounting standards.

Going concern basis of accounting

The company's investments in quoted securities, which are readily realisable, enable the company to maintain its liquidity and it is therefore well placed to manage its financial risks and in ensuring it can meet its obligations as they fall due.

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for a minimum period of at least 12 months from the date of approval of the financial statements. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Investments

In accordance with FRS 26, investments are designated as at fair value through profit or loss.

Quoted investments are stated at mid-market prices at the balance sheet date.

Unlisted investments are stated at 'price of recent investment', reflecting the early stage nature of the investment. The following considerations are used when calculating the 'price of recent investment'

- (i) Where the investment being valued was itself made recently, its cost will generally provide a good indication of fair value.
- (ii) Where there has been a recent investment by third parties, the price of that investment will provide a basis of the valuation.

Where a fair value cannot be estimated reliably, the investment is reported at cost or the carrying value at the previous reporting date, unless there is evidence that the investment has since been impaired.

Taxation

The company has been granted exempt company status within the meaning of Article 123A of the Income Tax (Jersey) Law 1961 (as amended). The effect of such special status is that the company is treated as a non-resident company for the purposes of Jersey tax laws and is therefore exempt from Jersey income tax on its profits arising outside Jersey and, by concession, on bank deposit interest arising in Jersey (and from any obligation to withhold Jersey income tax from any interest or dividend payments made by it). This status is renewable on an annual basis upon payment of a fee to the Comptroller of Income Tax in Jersey, and it is the company's intention to maintain this status.

Consequently, no provision for taxation, either current or deferred has been made in these financial statements.

2 Turnover

Turnover is derived from its principal activity and includes dividends received from investments. It also includes realised and unrealised profits and losses on investments.

Draganfly Investments Limited
Notes to the interim statements
for the period ended 31 October 2013

3 Investments

The carrying value of investments is stated as follows:	Quoted £	Unquoted £	Total £
Fair value of investments at 1 May 2013	159,728	679,708	839,436
Costs of investment purchases in the period	35,000	-	35,000
Sale proceeds of investments sold in the period	(139,685)	-	(139,685)
	<u>55,043</u>	<u>679,708</u>	<u>734,751</u>
Realised gains on sale of investments included in the profit and loss account	22,940	(20)	22,920
Unrealised change in fair value of investments held at 31 October 2013 included in the profit and loss account	(41,646)	-	(41,646)
	<u>(18,706)</u>	<u>(20)</u>	<u>(18,726)</u>
Fair value of total investments at 31 October 2013	<u>36,337</u>	<u>679,688</u>	<u>716,025</u>

4 Creditors: amounts falling due within one year

	31/10/2013 £	31/10/2012 £
Other creditors	17,950	17,347
	<u>17,950</u>	<u>17,347</u>

5 Reconciliation of Shareholders' funds

	Profit and Loss Account £	Called up Share Capital £	Share Premium Account £	Total £
As at 1st May 2013	(2,414,484)	1,256,270	1,980,303	822,089
(Loss) for the period	(65,680)	-	-	(65,680)
As at 31st October 2013	<u>(2,480,164)</u>	<u>1,256,270</u>	<u>1,980,303</u>	<u>756,409</u>

Draganfly Investments Limited
Notes to the interim statements
for the period ended 31 October 2013

6 Earnings per share

Basic earnings per share is calculated on the basis of the (loss) for the period of £65,680 and 125,627,000 shares being the weighted average number of shares in issue during the trading period and is stated in pence.

7 Dividends

No dividends have been paid or proposed.