

**Registration number 89889**

**Draganfly Investments Limited**  
**Directors' report and financial statements**  
**for the year ended 30 April 2015**

## **Draganfly Investments Limited**

### **Company information**

Directors	T E G Bayman J P Hamilton D Edmonds L B A De Ste Croix	Chairman
Secretary	Liburna Secretaries Limited	
Company number	89889	
Nominated Adviser	Finncap 60 New Broad Street London EC2M 1JJ	
Registered office	26 Esplanade St Helier Jersey JE4 8PS, Channel Islands	
Auditor	RSM UK Audit LLP (formerly Baker Tilly UK Audit LLP) Chartered Accountants Portland 25 High Street Crawley West Sussex RH10 1BG	
Bankers	Deutsche Bank International Limited PO Box 727, St. Paul's Gate New Street, St Helier Jersey JE4 8ZB	
Custodian	Ravenscroft PO Box 419, Broad Street, St Helier, Jersey, JE4 5HQ	

# Draganfly Investments Limited

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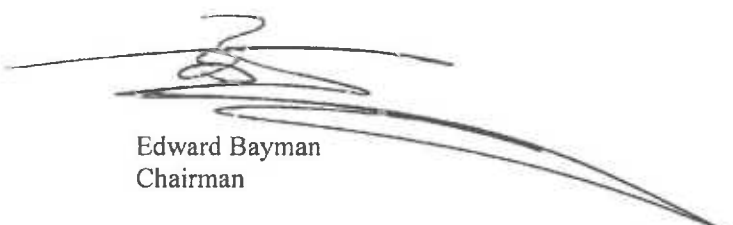
## **Draganfly Investments Limited**

### **Chairman's Statement For the year ended 30 April 2015**

In November 2014 the Company underwent a capital reorganisation raising gross proceeds of £360,000 by way of a subscription. The additional funding has provided the Company with liquidity and scope to develop any investment opportunities that may arise. In order to maximise returns for shareholders we have now completed the distribution in specie of our entire shareholding in Atlantic Healthcare plc ('Atlantic') to our existing investors prior to the subscription process. The listed shareholdings remain unchanged during the year.

The Board are looking into possible investment opportunities and hope to be in a position to update our shareholders in the coming months.

Thank you for your continued support.



Edward Bayman  
Chairman

# Draganfly Investments Limited

## Directors' Report For the year ended 30 April 2015

The directors present their report and the financial statements for the year ended 30 April 2015.

### Principal activity

The principal activity of the company was as an investment trading and holding company. The company is registered and managed in Jersey.

### Review of the business and future developments

The original investment brief is to run a small and focused portfolio of investments. The balance sheet total has decreased from £695,718 (net assets of 0.55p per share) on 30 April 2014, to £125,585 (net assets of 0.36p per share) on 30 April 2015. For the year ended 30 April 2015 the company made a loss of £250,914 (2014 - loss of £126,371), which includes a realised net gain on investments of £nil (2014 - gain of £22,920) and an unrealised loss on the company's investments of £3,326 (2014 - loss of £61,634) of which £3,326 has arisen from the quoted investments.

The key performance indicator used to monitor the progress of the business is net assets per share.

At 30 April 2015, the company held two investments, one fewer than at 30 April 2014.

On 26 November 2014 the company raised £360,000 by way of a subscription, and undertook a capital restructuring, further details are set out in note 11.

The board is always alert to fresh investment opportunities but does not anticipate materially increasing the number of holdings at this stage. The board believes the current environment for small companies and pre-IPO investments remains very encouraging.

### Dividends

During the year the company made a distribution in specie to shareholders of its holdings in Atlantic Healthcare Plc, the fair value of the holding being £679,219.

The directors are unable to recommend payment of a final dividend.

### Risk management

Risks are considered across the following broad categories:

Strategic	Risks arising from the analysis, design and implementation of the company's business model, and key decisions on investment levels and capital allocation.
Investment	Risks in respect of specific asset investment decisions, the subsequent performance of an investment or exposure concentrations across business sectors.
Treasury and funding	Risks arising from: (i) uncertainty in market prices and rates, (ii) an inability to raise adequate funds to meet investment needs or meet obligations as they fall due, or (iii) inappropriate capital structure.
Operational	Risks arising from inadequate or failed processes, people and systems or from external factors affecting these.

## Draganfly Investments Limited

Risk management is managed and monitored by the board and kept under regular review. Given their fundamental significance to the company, investment and treasury and funding risks are managed by specific processes which are described below.

The company is also exposed to market price risk, credit risk, foreign currency risk and liquidity risk. An explanation of these risks and how they are managed is set out in note 10 to the financial statements.

### Investment risk

The company can invest across a range of economic sectors. The portfolio is subject to periodic reviews to ensure there is no undue exposure to any one sector.

### Treasury and funding risk

The company's funding objective is that the funding of investment assets is primarily met from shareholders' funds.

### Directors and their interests

The directors who served during the year and their interests in the company are as stated below:

	Class of share	30/04/15	30/04/14
T E G Bayman	Ordinary shares	-	-
J P Hamilton	Ordinary shares	-	-
D Edmonds	Ordinary shares	-	-
L B A De Ste Croix	Ordinary shares	-	-

### Directors' responsibilities

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Jersey company law requires the directors to prepare financial statements for a period of not more than eighteen months in accordance with generally accepted accounting principles. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Accounting Standards.

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 and of the profit or loss of the company for that period.

In preparing the company's financial statements, the directors should:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and accounting estimates that are reasonable and prudent;
- c. state whether they have been prepared in accordance with United Kingdom Accounting Standards;
- d. 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 are such as to disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the requirements

## Draganfly Investments Limited

of the Companies (Jersey) Law 1991. 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 financial information included on the company's website. Legislation in Jersey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

### Statement as to disclosure of information to Auditor

The directors who were in office on the date of approval of these financial statements have each confirmed, as far as they are aware, that 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.

This report was approved by the Board on 24/10/15 and signed on its behalf by T Edward G Bayman



Director

## **Draganfly Investments Limited**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DRAGANFLY INVESTMENTS LIMITED**

We have audited the financial statements on pages 9 to 22. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (FRSs).

This report is made solely to the company's members, as a body, in accordance with Article 113A of the Companies (Jersey) Law 1991. 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 auditor**

As more fully explained in the Directors' Responsibilities Statement set out on pages 5 to 6, 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 the 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 of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>.

#### **Opinion on 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 April 2015 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Accounting Standards; and
- have been prepared in accordance with the requirements of the Companies (Jersey) Law 1991.

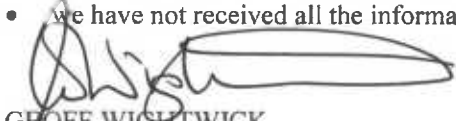


## Draganfly Investments Limited

### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies (Jersey) Law 1991 requires us to report to you if, in our opinion:

- proper accounting records have not been kept, or proper returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit



GEOFF WIGHTWICK

For and on behalf of RSM UK AUDIT LLP (formerly Baker Tilly UK Audit LLP), Auditor  
Chartered Accountants and Registered Auditors

Portland

25 High Street

Crawley

West Sussex

RH10 1BG

Date 29.10.15

## Draganfly Investments Limited

### Profit and loss account for the year ended 30 April 2015

	Notes	Continuing Operations	
		Year End 30/4/15 £	Year End 30/4/14 £
Realised and unrealised change in Fair Value of investments	7	(3,326)	(38,714)
Income	2	53	8
Administrative expenses		(3,273)	(38,706)
<b>Operating loss</b>	<b>3</b>	<b>(250,914)</b>	<b>(126,371)</b>
Taxation	1.3	-	-
<b>Loss on ordinary activities</b>		<b>(250,914)</b>	<b>(126,371)</b>

There are no recognised gains or losses other than those included in the profit and loss account.  
There is no requirement to present a note of historical cost profits and losses.

#### Loss per share (pence)

Basic	6	1.14	1.01
Diluted	6	1.14	1.01

## Draganfly Investments Limited

### Balance sheet as at 30 April 2015

	Notes	30/04/15		30/04/14	
		£	£	£	£
<b>Fixed assets</b>					
Investments	7		13,492		696,037
<b>Current assets</b>					
Debtors	8	7,388		8,858	
Cash at bank and in hand		122,653		6,499	
		<u>130,041</u>		<u>15,357</u>	
<b>Creditors: amount falling due within one year</b>	<b>9</b>		<u>(17,948)</u>		<u>(15,676)</u>
<b>Net current assets/(liabilities)</b>			<u>112,093</u>		<u>(319)</u>
<b>Total assets less current liabilities</b>			<u>125,585</u>		<u>695,718</u>
<b>Net assets</b>			<u><u>125,585</u></u>		<u><u>695,718</u></u>
<b>Capital and reserves</b>					
Stated capital	12		3,596,573		-
Called up share capital	11		-		1,256,270
Share premium account	12		-		1,980,303
Profit and loss account	12		(3,470,988)		(2,540,855)
<b>Equity shareholders' funds</b>	<b>13</b>		<u>125,585</u>		<u>695,718</u>

The financial statements on pages 9 to 22 were approved and authorised for issue by the Board on 29.10.15 and signed on its behalf by T Edward G Bayman and Jamie P Hamilton.

  
Director

  
Director

## Draganfly Investments Limited

### Cash flow statement for the year ended 30 April 2015

	Notes	Year ended 30/04/15 £	Year ended 30/04/14 £
<b>Cash flow statement</b>			
Net cash outflow from operating activities		(243,846)	(108,356)
Capital expenditure and financial investment	15	-	104,685
Proceeds from issue of share capital	11	360,000	-
<b>Increase / (decrease) in cash in the year</b>		<b>116,154</b>	<b>(3,671)</b>
<b>Reconciliation of net cash flow to movement in net funds</b>			
Increase / (decrease) in cash in the year	16	116,154	(3,671)
Net funds at 1 May 2014	16	6,499	10,170
Net funds at 30 April 2015	16	122,653	6,499
<b>Reconciliation of operating loss to net cash outflow from operating activities</b>			
Operating loss		(250,914)	(126,371)
Realised profit on sale of investments		-	(22,920)
Unrealised loss on revaluation of investments		3,326	61,634
Decrease/(increase) in debtors		1,470	(3,451)
Increase/(decrease) in creditors		2,272	(17,248)
<b>Net cash outflow from operating activities</b>		<b>(243,846)</b>	<b>(108,356)</b>

## **Draganfly Investments Limited**

### **Notes to the financial statements for the year ended 30 April 2015**

#### **1. Accounting policies**

##### **1.1. Accounting convention**

The financial statements are prepared under the historical cost convention modified to include the revaluation of fixed asset investments, and in accordance with applicable United Kingdom accounting standards.

##### **1.2. Going concern basis of accounting**

The company's business activities, together with the factors likely to affect its future development and financial position are set out in the Chairman's Statement, the review of the business on page 4 and in the risk management disclosures on pages 4 and 5 and in note 10.

The company has sufficient liquid funds to manage its financial risks and to ensure 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.

##### **1.3. Foreign currencies**

The company's accounts are presented in sterling which is its functional currency. Transactions in foreign currencies are recorded at the rate of exchange prevailing at the date of the transaction. Assets and liabilities denominated in foreign currencies are translated at the rate of exchange prevailing at the balance sheet date. All exchange differences are charged or credited to the profit and loss account.

##### **1.4. Taxation**

The company is eligible to pay Jersey tax at the standard rate of 0% and consequently, no provision for taxation, either current or deferred, has been made in these financial statements.

##### **1.5. Financial instruments**

Financial assets and liabilities are recognised in the balance sheet when the company has become party to the contractual provisions of the instrument.

## Draganfly Investments Limited

### Notes to the financial statements for the year ended 30 April 2015

#### 1.5. Financial instruments (continued)

##### *Investments*

The company manages its investments with a view to profiting from the receipt of dividends and changes in fair value of investments. Therefore all quoted investments and unquoted equity investments are designated at fair value through profit or loss and carried in the balance sheet at fair value. All investments are initially recognised at the fair value of the consideration given plus acquisition costs associated with the investment and held at this value until it is appropriate to measure fair value on a different basis.

Investments are fair valued using quoted market prices, independent appraisals, discounted cash flow analysis or other appropriate valuation models at the balance sheet date.

Quoted investments are stated at bid 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' in accordance with the International Private Equity and Venture Capital Valuation Guidelines, published in December 2012.

- (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.
- (iii) 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.

##### *Cash and cash equivalents*

Cash and cash equivalents comprise cash at bank and in hand and short term deposits with an original maturity of three months or less.

##### *Short term creditors*

Short term creditors comprise accrued costs at the year end, which do satisfy the definition of a financial liability as they create an obligation for the company to pay cash in the future, and are initially measured at fair value and subsequently at amortised cost using the effective interest method.

#### 1.6. Income

Interest income is recognised on a time apportionment basis. Dividend income from investments is recognised when the shareholders' right to receive payment has been established.

## Draganfly Investments Limited

### Notes to the financial statements for the year ended 30 April 2015

#### 1.7. Segmental reporting

The company's activities consist solely of investment trading and holding, which in the view of the directors is one activity.

#### 2. Income

The income of the company for the year comprises:

	Year ended 30/04/15	Year ended 30/04/14
	£	£
Bank interest received	<u>53</u>	<u>8</u>

#### 3. Operating loss

	Year ended 30/04/15	Year ended 30/04/14
	£	£
Operating loss is stated after charging:		
Auditor remuneration	14,248	15,413
Cost of placing and reconstruction	146,754	-
	<u>161,002</u>	<u>15,413</u>

Remuneration paid to the auditor is solely in respect of audit services.

#### 4. Employees

There were no employees during the year apart from the directors.

## Draganfly Investments Limited

### Notes to the financial statements for the year ended 30 April 2015

#### 5. Directors' remuneration

	Year ended 30/04/15	Year ended 30/04/14
	£	£
The company paid consultancy fees as follows:		
D Edmonds	48,292	12,500
	48,292	12,500

The services of the other three directors are made available by Pentera Trust Company Limited within the fees disclosed in note 14. The cost of the directors' services included within these fees is £800 (2014: £800).

#### 6. Loss per share

The basic loss per ordinary share is calculated by dividing the loss for the year by the weighted average number of equity shares outstanding during the year.

The diluted loss per ordinary share is calculated by dividing the loss for the year by the weighted average number of equity shares outstanding during the year (after adjusting both figures for the effect of dilutive potential ordinary shares).

The calculation of the basic loss per ordinary share is based upon the following data:

	30/04/15 £	30/04/14 £
Loss for the purposes of basic earnings per share and diluted earnings per share	(250,914)	(126,371)
<i>Number of shares</i>	<b>30/04/15</b>	<b>30/04/14</b>
Basic weighted average number of shares	22,061,632	12,562,700
Weighted average number of shares for the purposes of diluted earnings per share	22,061,632	12,562,700

On 26 November 2014 225,000,000 new ordinary £0.01 shares were issued and immediately the total issued shares were consolidated into no par value shares on a ten for one share conversion basis. To ensure that the loss per share is relevant to the no par value share capital held at the year end the basic weighted average number of shares has been calculated as if the share capital had been converted into no par value shares as at the start of the prior year.



## Draganfly Investments Limited

### Notes to the financial statements for the year ended 30 April 2015

#### 7. Fixed asset investments

The carrying value of investments is stated as follows:	Quoted £	Unquoted £	Total £
Fair value of investments at 1 May 2014	16,818	679,219	696,037
Disposal - distribution in specie at fair value	-	(679,219)	(679,219)
	<u>16,818</u>	<u>-</u>	<u>16,818</u>
Unrealised change in fair value of investments held at 30 April 2015 included in the profit and loss account	(3,326)	-	(3,326)
<b>Fair value of total investments at 30 April 2015</b>	<b><u>13,492</u></b>	<b><u>-</u></b>	<b><u>13,492</u></b>

None of the investments were 20% or more of the nominal value of any class of shares held.

The historical cost of the investments at the balance sheet date was £126,799 (2014: £376,799).

The company's holding in Atlantic Healthcare Plc was distributed in specie to the existing shareholders, prior to the issue of new shares, on a pro rata basis on 12 November 2014, as permitted by and in accordance with the procedures in section 115 of the Companies Jersey Law 1991.

#### 8. Debtors

	30/04/15 £	30/04/14 £
Prepayments	<u>7,388</u>	<u>8,858</u>

#### 9. Creditors: amounts falling due within one year

	30/04/15 £	30/04/14 £
Accruals	<u>17,948</u>	<u>15,676</u>

## Draganfly Investments Limited

### Notes to the financial statements for the year ended 30 April 2015

#### 10. Financial risk management objectives and policies

##### *Capital Management*

The company's risk management objective is that the funding of investment assets is primarily met from shareholders' funds.

The company considers its capital to comprise its stated capital and profit and loss account. During the year the company has raised capital of £360,000, from an issue of ordinary shares, to enable the company to continue trading. The company has no externally imposed capital requirements.

##### *Interest Rate Risk*

The company invests in shares and other securities. The assets are funded by shareholders' funds. The board seeks to minimise interest rate exposure by managing cash to avoid borrowings. There are no borrowings at the balance sheet date (2014: nil) and therefore no exposure to interest rate risk.

##### *Credit Risk*

The company's maximum credit risk exposure relates to cash balances and the directors do not consider there to be any other concentration of credit risk.

Cash is held with at least AA rated institutions.

##### *Liquidity Risk*

The principal risk to which the company is exposed is liquidity risk. The nature of the company's activities means it finances its operations from equity raised from investors. The principal cash requirements are for funding new investments and meeting administrative costs. The company seeks to manage liquidity by careful cost control. Adverse market conditions may delay realisations and in these circumstances the company may also find it difficult to raise additional capital.

The company's investments in quoted securities, which are readily realisable (see note 7), provide a certain level of additional liquidity.

##### *Market price risk*

Equity investments are held to achieve capital growth in their value with the intention of subsequent disposal at a profit. The main risk arising from the equity investments is the market price risk. The company seeks to manage investment risk by using investment appraisal techniques and monitoring the status of investments closely.

The investment manager actively monitors market prices, and the progress of investee companies, and reports to the Board, which meets regularly.

## Draganfly Investments Limited

### Notes to the financial statements for the year ended 30 April 2015

#### 10. Financial risk management objectives and policies (continued)

The company's strategy on the management of investment risk overall is outlined in the Directors' Report on pages 4 to 6.

Investments in unquoted companies pose a higher risk than quoted companies, and AIM quoted companies by their nature pose higher risks than main market investments. The directors mitigate the higher risk by close contact with the management of investee companies. During the year the company's sole unquoted holding in Atlantic Healthcare plc was distributed in specie to the existing shareholders, prior to the issue of new shares, on a pro rata basis.

The impact of a 5% change in the valuation of the investments would be as follows:

	30/04/15	30/04/14
	£	£
Impact on equity and loss for the year:		
Quoted stocks	+/- 675	841
Unquoted stocks	+/- -	33,961
	<u>675</u>	<u>34,802</u>

#### *Foreign currency risk*

The company holds investments in different countries and currencies. There is therefore an inherent risk that exchange rate fluctuations will adversely affect the portfolio value. The board does not hedge this risk specifically as it believes that there is no material exposure to the Australian dollar risk.

The impact of a 10% change in currency exchange rates on the company's investments denominated in foreign currency would be as follows:

	30/04/15	30/04/14
	£	£
Impact on equity and loss for the year:		
Australian dollar exchange rate against £	+/- <u>337</u>	<u>722</u>

## Draganfly Investments Limited

### Notes to the financial statements for the year ended 30 April 2015

#### 10. Financial risk management objectives and policies (continued)

##### Financial assets and liabilities comprise:

	30/04/15	30/04/14
	£	£
Fixed asset investments at fair value through profit or loss	13,492	696,037
Cash	<u>122,653</u>	<u>6,499</u>
Financial assets	<u>136,145</u>	<u>702,536</u>
Accruals at amortised cost	<u>17,948</u>	<u>15,676</u>
Financial liabilities	<u>17,948</u>	<u>15,676</u>

In the opinion of the directors there are no significant concentrations of credit risk. The fair value of financial liabilities held at amortised cost is not considered to be materially different from their carrying value.

The fair value hierarchy of the company's financial assets is as follows:

	Level 1 'Quoted Prices' £	Level 2 'Observable Inputs' £	Level 3 'Unobservable Inputs' £	Total £
Financial assets				
Fair value through profit and loss 30 April 2015	<u>13,492</u>	<u>-</u>	<u>-</u>	<u>13,492</u>
Fair value through profit and loss 30 April 2014	<u>16,818</u>	<u>679,219</u>	<u>-</u>	<u>696,037</u>

There are no liabilities held at fair value through profit and loss.

Financial assets and liabilities measured at fair value are disclosed using a fair value hierarchy that reflects the significance of the inputs used in making the fair value measurements as follows:

- Level 1 – Unadjusted quoted bid prices in active markets for identical assets or liabilities
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability
- Level 3 – Inputs that are not based on observable market data

All gains and losses recognised in the profit and loss account for the year are included in 'Realised and unrealised changes in fair value of investments'.

## Draganfly Investments Limited

### Notes to the financial statements for the year ended 30 April 2015

#### 11. Share capital

	Ordinary shares of £0.10 each		Ordinary shares of no par value	
	Number	£	Number	£
<b>Authorised</b>				
At 1 May 2014	1,000,000,000	10,000,000	-	-
Conversion to no par shares 1 for 10	(1,000,000,000)	(10,000,000)	100,000,000	-
Increase in authorised number of shares	-	-	7,500,000	-
<b>At 30 April 2015</b>	<u>-</u>	<u>-</u>	<u>107,500,000</u>	<u>-</u>
<b>Allotted, called up and fully paid</b>				
At 1 May 2014	125,627,000	1,256,270	-	-
Issue of shares	255,000,000	360,000	-	-
Conversion to no par shares 1 for 10	(350,627,000)	(1,616,270)	35,062,700	-
<b>At 30 April 2015</b>	<u>-</u>	<u>-</u>	<u>35,062,700</u>	<u>-</u>

On 26 November 2014 the company raised additional gross proceeds of £360,000 through a share subscription of 225,000,000 new Ordinary shares of £0.01 each, issued at a discount.

At the same time the total issued Ordinary shares of £0.01 each were converted into no par value shares on a one for ten share consolidation basis.

A further maximum of 7,500,000 new Ordinary no par value shares were also authorised for issue.

## Draganfly Investments Limited

### Notes to the financial statements for the year ended 30 April 2015

#### 12. Capital and Equity reserves

	Share Capital £	Stated capital £	Share premium account £	Profit and account £	Total £
<b>At 1 May 2014</b>	1,256,270	-	1,980,303	(2,540,855)	695,718
Loss for the year	-	-	-	(250,914)	(250,914)
Distribution in specie (see note 7)	-	-	-	(679,219)	(679,219)
Issue of shares	360,000	-	-	-	360,000
Conversion of share capital into no par shares	(1,616,270)	1,616,270	-	-	-
Transfer of share premium on conversion	-	1,980,303	(1,980,303)	-	-
<b>At 30 April 2015</b>	<u>-</u>	<u>3,596,573</u>	<u>-</u>	<u>(3,470,988)</u>	<u>125,585</u>

#### 13. Reconciliation of movements in equity shareholders' funds

	30/04/15 £	30/04/14 £
Loss for the year	(250,914)	(126,371)
Distribution in specie	(679,219)	-
Proceeds from issue of shares	360,000	-
Net reduction in shareholders' funds	(570,133)	(126,371)
Opening shareholders' funds	695,718	822,089
Closing shareholders' funds	<u>125,585</u>	<u>695,718</u>

#### 14. Related party disclosures

During the year the company paid fees of £45,875 (2014 - £22,475) to Pentera Trust Company Limited for administration and bookkeeping services under an administration agreement dated 30 June 2008. Pentera Trust Company Limited is a company of which T E G Bayman and J P Hamilton are directors and majority shareholders.

On 14 June 2013 the company appointed Intrinsic Capital LLP as investment advisors, which is under the control of Dusko Lukic and Mark Horrocks who is a former director. During the year the company paid fees of £18,000 (2014: £nil) to Intrinsic Capital LLP.

## Draganfly Investments Limited

### Notes to the financial statements for the year ended 30 April 2015

#### 15. Gross cash flows

	30/04/15	30/04/14
<b>Capital expenditure and financial investment</b>	<b>£</b>	<b>£</b>
Payment for purchase of investments	-	(35,000)
Receipts from sales of investments	-	139,685
	<u>-</u>	<u>104,685</u>

#### 16. Analysis of changes in net funds

	Opening balance	Cash flows	Closing balance
	<b>£</b>	<b>£</b>	<b>£</b>
Cash at bank and in hand	<u>6,499</u>	<u>116,154</u>	<u>122,653</u>