

**Registration number 89889**

**Draganfly Investments Limited**  
**Chairman's statement and interim results**  
**for the period ended 31 October 2015**

## **Interim Results for period from May 1st 2015 to October 31st 2015**

### **Chairman's Statement**

The quoted investments remain unchanged during the six months to the 31<sup>st</sup> October 2015. The operating loss results from an unrealised loss on investments due to a change in fair value, together with administrative expenses. Administrative expenses in the period were lower than the comparative prior period following a reduction of fees, further details of which are provided in note 7 of these results, together with details of certain contingent liabilities.

The Board continue to look for possible investment opportunities and hope to be in a position to update our shareholders in the coming months.

Thank you for your continued support.

T Edward G Bayman  
Chairman

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**Draganfly Investments Limited**  
**Unaudited Profit and loss account**  
**for the period ended 31 October 2015**

	Note	Continuing Operations	
		6 months to 31/10/15 £	6 months to 31/10/14 £
<b>Turnover</b>	<b>2</b>	(5,979)	88
Administrative expenses		(30,043)	(41,113)
<b>Operating (loss)</b>		<u>(36,022)</u>	<u>(41,025)</u>
Other interest receivable and similar income		95	1
Interest payable and similar charges		-	-
<b>(Loss) on ordinary activities</b>		<u>(35,927)</u>	<u>(41,024)</u>
There are no recognised gains or losses other than those included in the profit and loss account.			
<b>Loss per share - basic</b>			
Basic (in pence)		<u>0.16p</u>	<u>0.03p</u>

**Draganfly Investments Limited**  
**Unaudited Balance sheet**  
**as at 31 October 2015**

	Notes	31/10/15		31/10/14	
		£	£	£	£
<b>Current assets</b>					
Debtors		2,904		3,311	
Investments	3	7,513		696,125	
Cash accounts		92,887		36,653	
		<u>103,304</u>		<u>736,089</u>	
<b>Creditors: amounts falling due within one year</b>					
Creditors	4	<u>(13,646)</u>		<u>(81,395)</u>	
<b>Net assets</b>			<u>89,658</u>		<u>654,694</u>
<b>Capital and reserves</b>					
Stated capital			3,596,573		-
Called up share capital			-		1,256,270
Share premium account			-		1,980,303
Profit and loss account			<u>(3,506,915)</u>		<u>(2,581,879)</u>
<b>Equity shareholders' funds</b>	5		<u>89,658</u>		<u>654,694</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 2015**

	<b>Period ended 31/10/15 £</b>	<b>Period ended 31/10/14 £</b>
<b>Reconciliation of operating loss to net cash outflow from operating activities</b>		
Operating (loss)	(35,927)	(41,024)
Unrealised loss /(gain) on revaluation of investments	5,979	(88)
Decrease in debtors	4,484	5,547
(Decrease) / increase in general creditors	(4,302)	65,719
<b>Net cash flow from operating activities</b>	<u>(29,766)</u>	<u>30,154</u>
<b>Cash flow statement</b>		
Net cash flow from operating activities	(29,766)	30,154
Capital expenditure and financial investment	-	-
<b>(Decrease) / increase in cash in the period</b>	<u>(29,766)</u>	<u>30,154</u>
(Decrease) / increase in cash in the period	(29,766)	30,154
Opening cash balance	122,653	6,499
Closing cash balance	<u>92,887</u>	<u>36,653</u>

**Draganfly Investments Limited**  
**Notes to the interim statements**  
**for the period ended 31 October 2015**

**1 Accounting policies**

**Basis of preparation**

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

**Going concern basis of accounting**

As at the period end date 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.

**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.

Unquoted 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.

**Draganfly Investments Limited**  
**Notes to the interim statements**  
**for the period ended 31 October 2015**

**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.

**3 Investments**

The carrying value of investments is stated as follows:

	Quoted £	Total £
Fair value of investments at 1 May 2015	13,492	13,492
Costs of investment purchases in the period	-	-
Sale proceeds of investments sold in the period	-	-
	<u>13,492</u>	<u>13,492</u>
Realised gains on sale of investments included in the profit and loss account	-	-
Unrealised change in fair value of investments held at 31 October 2015 included in the profit and loss account	(5,979)	(5,979)
	<u>(5,979)</u>	<u>(5,979)</u>
<b>Fair value of total investments at 31 October 2015</b>	<u><b>7,513</b></u>	<u><b>7,513</b></u>

**4 Creditors: amounts falling due within one year**

	31/10/2015 £	31/10/2014 £
Other creditors	13,646	81,395
	<u>13,646</u>	<u>81,395</u>

**5 Reconciliation of Shareholders' funds**

	Stated capital £	Profit and Loss Account £	Total £
As at 1st May 2015	3,596,573	(3,470,988)	125,585
Loss for the period	-	(35,927)	(35,927)
As at 31st October 2015	<u>3,596,573</u>	<u>(3,506,915)</u>	<u>89,658</u>

**Draganfly Investments Limited**  
**Notes to the interim statements**  
**for the period ended 31 October 2015**

**6 Earnings per share**

Basic earnings per share is calculated on the basis of the (loss) for the period of £35,927 and 22,061,632 shares being the weighted average number of shares in issue during the trading period and is stated in pence.

**7 Contingent liabilities**

During the six month period, with effect from 1 April 2015, it was agreed with Pentera Trust Company Limited to reduce the annual administration fees to £10,000. It was agreed that the reduction in fees would be valid until there is a trigger event, such as a transaction having been undertaken, or Pentera Trust Company Limited ceasing to act as administrators and providing directors for Draganfly Investments Limited. Following such trigger event Pentera Trust Company Limited will reserve the right to charge fees for the period from 1 January 2015, on a time spent basis capped at £20,000, subject to additional independent director approval.

During the six month period, with effect from 1 April 2015, it was agreed with Dennis Edmonds to amend and defer his future remuneration. The deferral would be up until there is a trigger event, such as a transaction having been undertaken and until such triggering event the Company would not accrue costs in relation to his services. At the time of a triggering event a fee will be payable to Dennis Edmonds representing a reduced £25,000 per annum remuneration, calculated from 1 April 2015 onwards. Had this fee been triggered at 31 October 2015 a fee of £14,583 would have been payable.

The above fees have not been recognised as a liability in the financial statements, as it is uncertain whether a trigger event will occur which would result in the company having an obligation to settle these fees. Instead the fees have been disclosed in the notes to the financial statements as contingent liabilities.

**8 Dividends**

No dividends have been paid or proposed.