

Registration number 89889

Draganfly Investments Limited
Directors' report and financial statements
for the year ended 30 April 2016

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	Northland Capital Partners Limited 60 Gresham Street London EC2V 7BB	
Broker	Beaufort Securities Limited 131 Finsbury Pavement London EC2A 1NT	
Registered office	26 Esplanade St Helier Jersey JE4 8PS, Channel Islands	
Auditor	RSM 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	

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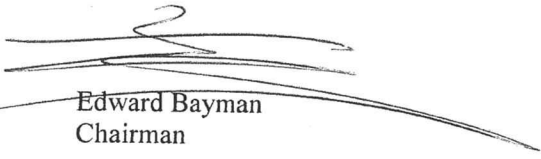
Draganfly Investments Limited

Chairman's Statement For the year ended 30 April 2016

In July 2016 the Company raised gross proceeds of £129,350 by way of a subscription. The Company's broker has also raised additional funds of £145,000 in September 2016 by way of a placing of new ordinary shares. The additional funding has provided the Company with liquidity and scope to explore and develop investment opportunities.

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

We thank you for your support.



Edward Bayman
Chairman

Draganfly Investments Limited

Directors' Report For the year ended 30 April 2016

The directors present their report and the financial statements for the year ended 30 April 2016.

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 Statement of financial position total has decreased from £125,585 (net assets of 0.36p per share) on 30 April 2015, to £45,918 (net assets of 0.13 p per share) on 30 April 2016. For the year ended 30 April 2016 the company made a loss of £79,667 (2015 - loss of £250,914), which includes an unrealised loss on the company's investments of £2,924 (2015 – loss of £3,326).

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

At 30 April 2016, the company held two investments, the same as at 30 April 2015.

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

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.

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Directors' Report (Continued) For the year ended 30 April 2016

Risk 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	30/04/16	30/04/15
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:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with United Kingdom Accounting Standards;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.