

DRAGANFLY INVESTMENTS LIMITED

NOTICE

ANNUAL GENERAL MEETING

23 November 2016 at 11.00am GMT

Notice is hereby given that the annual general meeting of the Company will be held at 26 Esplanade, St Helier, Jersey JE4 8PS, Channel Islands on 23 November 2016 at 11.00am GMT for the purpose of considering and, if thought fit, adopting the following resolutions relating to the ordinary business and the special business of the Company at the annual general meeting or any adjournment thereof:

ORDINARY RESOLUTIONS

1. **THAT** the following directors, who retire in accordance with Article 96 of the Articles of Association of the Company and who, being eligible, offer themselves for re-election, be re-elected as directors of the Company:

T Edward G Bayman

Lee De Ste Croix

2. **THAT** the Company's audited accounts for the period from 1st May 2015 to 30th April 2016 be adopted.
3. **THAT** no dividend be paid, the directors not having made any recommendation to do so.
4. **THAT** the appointment of RSM UK Audit LLP as auditor of the Company to hold office until the conclusion of the next annual general meeting be approved.

By Order of the Board of Directors:



LIBURNA SECRETARIES LIMITED

as secretary of

DRAGANFLY INVESTMENTS LIMITED

Date: 27 Oct 2016

Notes:

1. A member of the Company entitled to attend and vote at the meeting convened by the notice set out above is entitled to appoint a proxy to attend and, on a poll, to vote in his/her place. A proxy may demand, or join in demanding, a poll. A proxy need not be a member of the Company.
2. An instrument for the purposes of appointing a proxy is enclosed. To be valid, the instrument and the power of attorney or other authority (if any) under which it is signed, or a notorially certified copy of such power or authority, must be received at Computershare Investor Services PLC, The Proxy Team, The Pavilions, Bridgewater Road, Bristol, BS99 6ZY or at such other place as is specified for that purpose in the notice of meeting issued by the Company not later than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote or, in the case of a poll, before the time appointed for taking the poll and, in default, the instrument shall not be treated as valid.

3. Completion of the instrument appointing a proxy does not preclude a member from subsequently attending and voting at the meeting in person if he/she so wishes.
4. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint holders and, for this purpose, seniority will be determined by the order in which the names stand in the register of members in respect of the joint holding.
5. Pursuant to Article 40 of the Companies (Uncertificated Securities) (Jersey) Order 1999, the Company specifies that only those members entered on the register of members of the Company as at close of business on the 21st November 2016 or, if the meeting is adjourned, as at close of business two days prior to the day fixed for the adjourned meeting shall be entitled to attend and vote at the meeting in respect of the number of shares registered in their name at that time. Changes to entries on the register of members after close of business on the 21st November 2016 or, if the meeting is adjourned, on the register of members as at close of business two days prior to the day fixed for the adjourned meeting shall be disregarded in determining the rights of any person to attend or vote at the meeting.

Form of Proxy - Annual General Meeting to be held on 23 November 2016

To be effective, all proxy appointments must be lodged with the Company's Registrars at:
c/o The Pavilions, Bridgwater Road, Bristol BS99 6ZY by 21 November 2016 at 11.00 am.

Explanatory Notes:

1. Every holder has the right to appoint some other person(s) of their choice, who need not be a shareholder, as his proxy to exercise all or any of his rights, to attend, speak and vote on their behalf at the meeting. If you wish to appoint a person other than the Chairman, please insert the name of your chosen proxy holder in the space provided (see reverse). If the proxy is being appointed in relation to less than your full voting entitlement, please enter in the box next to the proxy holder's name (see reverse) the number of shares in relation to which they are authorised to act as your proxy. If returned without an indication as to how the proxy shall vote on any particular matter, the proxy will exercise his discretion as to whether, and if so how, he votes (or if this proxy form has been issued in respect of a designated account for a shareholder, the proxy will exercise his discretion as to whether, and if so how, he votes).
2. To appoint more than one proxy, an additional proxy form(s) may be obtained by contacting the Registrar's helpline on 0370 707 4040 or you may photocopy this form. Please indicate in the box next to the proxy holder's name (see reverse) the number of shares in relation to which they are authorised to act as your proxy. Please also indicate by marking the box provided if the proxy instruction is one of multiple instructions being given. All forms must be signed and should be returned together in the same envelope.
3. The 'Vote Withheld' option overleaf is provided to enable you to abstain on any particular resolution. However, it should be noted that a 'Vote Withheld' is not a vote in law and will not be counted in the calculation of the proportion of the votes 'For' and 'Against' a resolution.
4. Pursuant to Article 40 of the Companies (Uncertificated Securities) (Jersey) Order 1999, entitlement to attend and vote at the meeting and the number of votes which may be cast thereat will be determined by reference to the Register of Members of the Company at close of business on the day which is two days before the day of the meeting. Changes to entries on the Register of Members after that time shall be disregarded in determining the rights of any person to attend and vote at the meeting.
5. The above is how your address appears on the Register of Members. If this information is incorrect please ring the Registrar's helpline on 0370 707 4040 to request a change of address form or go to www.investorcentre.co.uk/je to use the online Investor Centre service.
6. Any alterations made to this form should be initialled.
7. The completion and return of this form will not preclude a member from attending the meeting and voting in person.

Kindly Note: This form is issued only to the addressee(s) and is specific to the unique designated account printed hereon. This personalised form is not transferable between different: (i) account holders; or (ii) uniquely designated accounts. The Company and Computershare Investor Services (Jersey) Limited accept no liability for any instruction that does not comply with these conditions.

All Named Holders

Form of Proxy

Please complete this box only if you wish to appoint a third party proxy other than the Chairman.
Please leave this box blank if you want to select the Chairman. Do not insert your own name(s).



I/We hereby appoint the Chairman of the Meeting OR the person indicated in the box above as my/our proxy to attend, speak and vote in respect of my/our full voting entitlement* on my/our behalf at the Annual General Meeting of Draganfly Investments Limited to be held at **26 Esplanade, St Helier, Jersey JE4 8PS** on **23 November 2016 at 11.00 am**, and at any adjourned meeting.

* For the appointment of more than one proxy, please refer to Explanatory Note 2 (see front).

Please mark here to indicate that this proxy appointment is one of multiple appointments being made.

Please use a black pen. Mark with an X inside the box as shown in this example.



Ordinary Resolutions

- | | For | Against | Vote
Withheld |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|--------------------------|--------------------------|
| 1. THAT the following directors, who retire in accordance with Article 96 of the Articles of Association of the Company and who, being eligible, offer themselves for re-election, be re-elected as directors of the Company: T Edward G Bayman & Lee De Ste Croix. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. THAT the Company's audited accounts for the period from 1st May 2015 to 30th April 2016 be adopted. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. THAT no dividend be paid, the directors not having made any recommendation to do so. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. THAT the appointment of RSM UK Audit LLP as auditor of the Company to hold office until the conclusion of the next annual general meeting be approved. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

I/We instruct my/our proxy as indicated on this form. Unless otherwise instructed the proxy may vote as he or she sees fit or abstain in relation to any business of the meeting.

Signature

Date

DD / MM / YY

In the case of a corporation, this proxy must be given under its common seal or be signed on its behalf by an attorney or officer duly authorised, stating their capacity (e.g. director, secretary).



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	

Draganfly Investments Limited

Contents

	Page
Chairman's Statement	3
Directors' report	4-6
Independent Auditor's report	7-8
Statement of income and retained earnings	9
Statement of financial position	10
Statement of cash flows	11
Notes to the financial statements	12-19

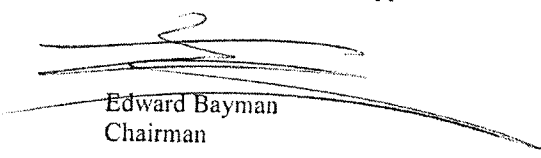
Draganfly Investments Limited

**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.

Draganfly Investments Limited

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:

- 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.

Draganfly Investments Limited

Directors' Report (Continued)

For the year ended 30 April 2016

Directors' responsibilities (continued)

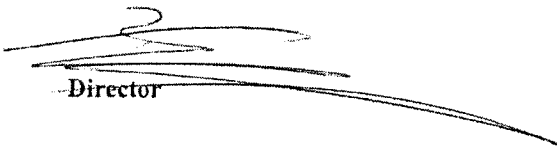
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and are such as to disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the requirements 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 24/10/16 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 19. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 financial and non-financial information contained in the annual report and consider the implications for our report if we become aware of any material inconsistency with the financial statements or with knowledge acquired by us in the course of performing the audit, or any material misstatement of fact within the other information. We also read the information in the directors' report and consider the implications for our report if we become aware of any material inconsistency with the financial statements.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements arising from the requirements of International Standards on Auditing (UK and Ireland) is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>.

Opinion on the 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 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Accounting Standards; and
- have been properly prepared in accordance with the requirements of the Companies (Jersey) Law 1991.

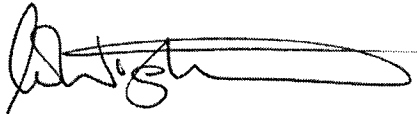
Draganfly Investments Limited

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DRAGANFLY INVESTMENTS LIMITED (CONTINUED)

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 by the company, or proper returns adequate for our audit have not been received from branches not visited by us; or
- the company's financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations which, to the best of our knowledge and belief, we consider are necessary for the purposes of our audit.



Geoff Wightwick, FCA
For and on behalf of RSM UK Audit LLP
Chartered Accountants
Portland
25 High Street
Crawley
West Sussex
RH10 1BG

25 October 2016

Draganfly Investments Limited

Statement of income and retained earnings for the year ended 30 April 2016

	Notes	Year End 30/4/16 £	Year End 30/4/15 £
Fair Value loss on investments	7	(2,924)	(3,326)
Income	2	136	53
		(2,788)	(3,273)
Administrative expenses		(76,879)	(247,641)
Operating loss	3	(79,667)	(250,914)
Taxation	1.6	-	-
Loss on ordinary activities after taxation and loss for the financial year		(79,667)	(250,914)
Retained loss at 1 May	12	(3,470,988)	(2,540,855)
Distribution in specie	13	-	(679,219)
Retained loss at 30 April	12	(3,550,655)	(3,470,988)
Loss per share (pence)			
Basic & diluted	6	0.23	1.14

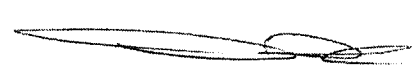
Draganfly Investments Limited

Statement of financial position as at 30 April 2016

	Notes	30/04/16		30/04/15	
		£	£	£	£
Fixed assets					
Investments	7		10,568		13,492
Current assets					
Debtors	8	1,663		7,388	
Cash at bank and in hand		<u>52,729</u>		<u>122,653</u>	
		54,392		130,041	
Creditors: amount falling due within one year	9	<u>(19,042)</u>		<u>(17,948)</u>	
Net current assets			35,350		112,093
Net assets			<u>45,918</u>		<u>125,585</u>
Capital and reserves					
Called up share capital	11		-		-
Stated capital	12		3,596,573		3,596,573
Retained loss	12		(3,550,655)		(3,470,988)
Equity shareholders' funds			<u>45,918</u>		<u>125,585</u>

The financial statements on pages 9 to 19 were approved and authorised for issue by the Board on 24-10-16 and signed on its behalf by T Edward G Bayman and Lee De Ste Croix.


Director


Director

Draganfly Investments Limited

Statement of Cash flows for the year ended 30 April 2016

	Year ended 30/04/16	Year ended 30/04/15
	£	£
Cash flow from Operating activities		
Loss for the financial year	(79,667)	(250,914)
Adjustments for:		
Loss on investments	2,924	3,326
Decrease in debtors	5,725	1,470
Increase in creditors	1,094	2,272
Net cash used in operating activities	<u>(69,924)</u>	<u>(243,846)</u>
Cash flows from financing activities		
Proceeds from issue of share capital	-	360,000
Net cash from financing activities	<u>-</u>	<u>360,000</u>
Net (decrease)/increase in cash and cash equivalents	(69,924)	116,154
Cash and cash equivalents at the beginning of the year	122,653	6,499
Cash and cash equivalents at the end of the year	<u>52,729</u>	<u>122,653</u>

Draganfly Investments Limited

Notes to the financial statements for the year ended 30 April 2016

1. Accounting policies

1.1. General information

Draganfly Investments Limited ("the Company") is a public company domiciled and incorporated in Jersey. The address of the Company's registered office and principal place of business is 26 Esplanade, St Helier, Jersey, JE4 8PS. The Company's principal activities and the nature of the Company's operations are disclosed in the Directors' Report.

The company is listed on the Alternative Investment Market of the London Stock Exchange.

1.2. Accounting convention

The financial statements are prepared under the historical cost convention modified to include the measurement of fixed asset investments at fair value, and in accordance with applicable United Kingdom Accounting Standards, including Financial Reporting Standard 102 - "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" ("FRS 102").

1.3. 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.

The company has sufficient liquid funds after taking account of the funds post year end 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.

1.4. First time adoption of FRS 102

These financial statements are the first financial statements the Company has prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (FRS 102). The financial statements of the Company for the year ended 30 April 2015 were prepared in accordance with previous UK GAAP.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the directors have amended certain accounting policies to comply with FRS 102.

The reported financial performance and financial position for the comparative period and the financial position at date of transition are not affected by the transition to FRS 102.

Draganfly Investments Limited

Notes to the financial statements for the year ended 30 April 2016

1.5. Foreign currencies

The company's accounts are presented in sterling which is its functional currency. Transactions in currencies other than the functional currency (foreign currencies) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to the statement of income and retained earnings.

1.6. 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.

1.7. Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial assets and liabilities are recognised in the Statement of financial position when the company has become party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

Trade investments

Trade investments are equity investments over which the Company has no significant influence, joint control or control and are initially measured at transaction price. Transaction price includes transaction costs, except where trade investments are measured at fair value through profit or loss when transaction costs are expensed to profit or loss as incurred.

Trade investments in non-convertible and non-puttable preference shares or non-puttable ordinary shares are measured at fair value through profit or loss. The fair value of trade investments quoted on a recognised stock exchange is the quoted bid price.

Draganfly Investments Limited

Notes to the financial statements for the year ended 30 April 2016

1.7. Financial instruments (continued)

Financial liabilities

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.

Basic financial liabilities are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

1.8. Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs.

Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.9. 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.

1.11. Segmental reporting

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

Draganfly Investments Limited

Notes to the financial statements for the year ended 30 April 2016

1.12. Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. In the opinion of the directors there were no critical accounting estimates and assumptions.

2. Income

The income of the company for the year comprises:

	Year ended 30/04/16 £	Year ended 30/04/15 £
Bank interest received	<u>136</u>	<u>53</u>

3. Operating loss

	Year ended 30/04/16 £	Year ended 30/04/15 £
Operating loss is stated after charging:		
Auditor remuneration	14,484	14,248
Cost of placing and reconstruction	-	146,754
	<u>14,484</u>	<u>161,002</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 2016

5. Directors' remuneration

	Year ended 30/04/16 £	Year ended 30/04/15 £
The company paid consultancy fees as follows:		
D Edmonds	-	48,292
	-	48,292

The services of the other three directors are made available by Pentera Trust Company Limited within the fees disclosed in note 13. The cost of the directors' services included within these fees is £800 (2015: £800). Deferred remuneration owed to D Edmonds has been disclosed in note 13.

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:

	30/04/16 £	30/04/15 £
Loss for the purposes of basic earnings per share and diluted earnings per share	(79,667)	(250,914)
<i>Number of shares</i>	30/04/16	30/04/15
Basic weighted average number of shares	35,062,687	22,061,632
Weighted average number of shares for the purposes of diluted earnings per share	35,062,687	22,061,632

Draganfly Investments Limited

Notes to the financial statements for the year ended 30 April 2016

7. Fixed asset investments

The carrying value of investments is stated as follows:

	Quoted £
Fair value of investments at 1 May 2015	13,492
Decrease in fair value	(2,924)
Fair value of investments at 30 April 2016	<u><u>10,568</u></u>

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 reporting date was £126,799 (2015: £126,799).

8. Debtors

	30/04/16 £	30/04/15 £
Prepayments	<u>1,663</u>	<u>7,388</u>

9. Creditors: amounts falling due within one year

	30/04/16 £	30/04/15 £
Accruals	<u>19,042</u>	<u>17,948</u>

Draganfly Investments Limited

Notes to the financial statements
for the year ended 30 April 2016

10. Financial instruments

Financial assets and liabilities comprise:

	30/04/16 £	30/04/15 £
Fixed asset investments at fair value through profit or loss	<u>10,568</u>	<u>13,492</u>
Accruals at amortised cost	<u>19,042</u>	<u>17,948</u>

11. Share capital

	30/04/16 number	30/04/15 number
Authorised equity		
Ordinary shares of no par value	<u>107,500,000</u>	<u>107,500,000</u>
Allotted, called up and fully paid equity		
Ordinary shares of no par value	<u>35,062,687</u>	<u>35,062,687</u>

12. Equity Reserves

Reserves of the company represent the following:

Retained Loss

Cumulative profit and loss net of distribution to owners

Stated capital

Consideration received for shares issued above their nominal value

Draganfly Investments Limited

Notes to the financial statements for the year ended 30 April 2016

13. Contingent liabilities

During the year, Pentera Trust Company Limited, a company of which T E G Bayman, J P Hamilton and L B A De Ste Croix are directors and which T E G Bayman and J P Hamilton are also majority shareholders, deferred the payment of fees of £33,684 for administration and bookkeeping services. The payment of these fees is contingent upon a corporate transaction being undertaken, or Pentera Trust Company Limited ceasing to act as administrators and providing directors for the Company.

During the year, Dennis Edmonds deferred the payment of fees of £25,000. The payment of these fees is contingent upon a corporate transaction being undertaken.

14. Related party disclosures

During the year the company paid fees of £9,627 (2015 - £45,875) 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, L B A De Ste Croix, and J P Hamilton are directors. T E G Baymand and J P Hamilton are also majority shareholders.

15. Remuneration of key management personnel

The total remuneration of the directors, who are considered to be key management personnel of the company, has been disclosed in note 5.

16. Ultimate controlling party

The directors consider there to be no single ultimate controlling party.

17. Post balance sheet events

On 14 July 2016, the Company raised gross proceeds of £129,350 through a share subscription of 16,168,750 new Ordinary shares of £0.01 each, issued at a discount.

On 30 September 2016, the Company raised gross proceeds of £145,000 through a share subscription of 18,125,000 new Ordinary shares of £0.01 each, issued at a discount.

On 6 October 2016 the Company made a loan to AltEnergis of £60,000 at an rate of interest of 8%, repayable on the anniversary of the loan with the possibility to convert the debt into shares of AltEnergis.