

AGRI-TRADE HOLDINGS LIMITED

ABN 47 081 797 033

**HALF-YEAR FINANCIAL REPORT
31 DECEMBER 2014**

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CORPORATE INFORMATION

DIRECTORS

Mr Malcolm Campbell (Chairman)
Mr Deepak Kumar
Mr Ian Smith
Mr David Ainsworth
Mr Michael Ivkovic
Mr David Sutton

COMPANY SECRETARY

Mr Raymond Taylor

REGISTERED OFFICE

C/- Eakin McCaffery Cox
Level 28, 1 Market Street
Sydney NSW 2000

PRINCIPAL PLACE OF BUSINESS

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Sydney NSW 2000

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AUDITORS

Pitcher Partners
Level 30, Central Plaza One
345 Queen Street
Brisbane QLD 4000

SHARE REGISTRY

Link Market Services Ltd
Level 15
324 Queen Street
Brisbane QLD 4000

ASX CODES

Shares AGH

COUNTRY OF INCORPORATION AND DOMICILE

Australia

Your directors submit their report for the half-year ended 31 December 2014. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

DIRECTORS

The names of the Company's directors in office during the half-year and until the date of this report are as below.

Mr Malcolm Campbell
Mr Deepak Kumar
Mr Ian Smith
Mr David Ainsworth
Mr Craig Hitchings (resigned 23 October 2014)
Mr James Mitchell (resigned 23 October 2014)
Mr Michael Ivkovic (appointed 18 December 2014)
Mr David Sutton (appointed 18 December 2014)

REVIEW OF OPERATIONS

In September 2014 a placement of 15% of the Company share capital was negotiated and in October 2014 an agreement to underwrite a non-renounceable rights issue was signed with Dayton Way Financial Pty Ltd.

In September 2014, the Company entered into a Deed of Settlement and Release in relation to borrowings from Pecuniary Partners and Agri-Trade Investment Group. Refer note 3 for further details.

On 28 October 2014, the Company placed 1,472,603 ordinary shares at 1 cent per share with a private investor, raising \$14,726 cash.

On 4 November 2014 the Company issued a prospectus for a fully-underwritten non-renounceable 1 for 1 rights issue to all existing shareholders at 1 cent per share. 11,374,218 shares were issued on 1 December 2014 under this prospectus, raising \$113,742 cash.

On 17 December 2014, the Company announced that terms had been agreed to purchase 100% of the shares of DWF Group Limited, by way of issue of 200 million ordinary shares in the Company, plus a potential additional 150 million performance shares upon reaching certain milestones. Together with this transaction, the Company intends to issue a prospectus to raise a minimum of \$5 million at an issue price of 25 cents. The notice of the shareholders meeting to consider these matters is yet to be issued.

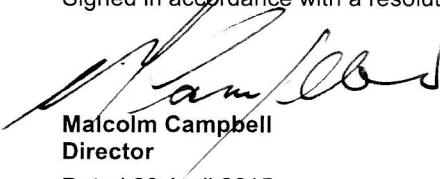
SIGNIFICANT EVENTS AFTER THE REPORTING DATE

Refer note 7 of the financial statements for details of significant events after the reporting date.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration under section 307C of the *Corporations Act 2001* for the half-year ended 31 December 2014 is attached to this report.

Signed in accordance with a resolution of the Board of Directors.



Malcolm Campbell
Director

Dated 28 April 2015

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2014

	31 Dec 2014 \$	31 Dec 2013 \$
Revenue and other income	-	-
Expenses		
Employee benefits (directors' fees)	96,800	-
Professional and other fees – takeovers	2,469	27,052
Registry, regulatory and listing fees	28,658	23,132
Consulting and professional fees	8,000	11,751
Company secretary and accounting fees	24,000	43,765
Finance costs	9,831	-
Other expenses	12,001	4,692
	181,759	110,392
Loss before income tax expense	(181,759)	(110,392)
Income tax expense	-	-
Loss for the half-year	(181,759)	(110,392)
Other comprehensive income / (loss)	-	-
Total comprehensive income / (loss) for the year	(181,759)	(110,392)
Basic and diluted earnings per share (cents per share)	(1.3)	(1.4)

The statement of comprehensive income should be read in conjunction with the accompanying notes.

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2014

	Note	31 December 2014 \$	30 June 2014 \$
ASSETS			
Current Assets			
Cash and cash equivalents		-	-
Trade and other receivables - GST		5,658	1,368
Other assets - prepayments		-	10,219
Total Current Assets		5,658	11,587
TOTAL ASSETS		5,658	11,587
LIABILITIES			
Current Liabilities			
Trade and other payables	2	180,188	144,281
Borrowings	3	326,035	283,711
Total Current Liabilities		506,223	427,992
TOTAL LIABILITIES		506,223	427,992
NET DEFICENCY		(500,565)	(416,405)
EQUITY			
Contributed equity	4	10,499,486	10,401,887
Reserves		-	808,443
Accumulated losses		(11,000,051)	(11,626,735)
DEFICENCY IN EQUITY		(500,565)	(416,405)

The statement of financial position should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY

FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

	Contributed equity \$	Share based payments reserve \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2013	10,231,561	808,443	(11,337,176)	(297,172)
Loss for the period	-	-	(110,392)	(110,392)
Issue of share capital (net of costs)	170,326	-	-	170,326
Balance at 31 December 2013	<u>10,401,887</u>	<u>808,443</u>	<u>(11,447,568)</u>	<u>(237,238)</u>
Balance at 1 July 2014	10,401,887	808,443	(11,626,735)	(416,405)
Loss for the period	-	-	(181,759)	(181,759)
Transfer	-	(808,443)	808,443	-
Issue of share capital (net of costs)	97,599	-	-	97,599
Balance at 31 December 2014	<u>10,499,486</u>	<u>-</u>	<u>(11,000,051)</u>	<u>(500,565)</u>

The statement of changes in equity should be read in conjunction with the accompanying notes.

STATEMENT OF CASH FLOWS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

	Note	31 December 2014 \$	31 December 2013 \$
Cash flows from operating activities			
Receipts in course of operations		-	-
Payments in course of operations		(138,492)	(138,009)
Finance costs		(2,272)	-
Net cash outflow from operating activities		(140,764)	(138,009)
Cash flows from investing activities			
		-	-
Cash flows from financing activities			
Proceeds from borrowings		89,423	135,936
Repayment of borrowings		(54,658)	-
Proceeds from share issue		128,468	-
Share issue costs		(22,469)	-
Net cash inflows from financing activities		140,764	135,936
Net increase/(decrease) in cash and cash equivalents		-	(2,073)
Cash and cash equivalents at beginning of period		-	5,028
Cash and cash equivalents at end of period		-	2,955

The statement of cash flows should be read in conjunction with the accompanying notes.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (continued)

FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

This general purpose financial report for the half-year reporting period ended 31 December 2014 has been prepared in accordance with the Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the Annual Report for the year ended 30 June 2014 and any public announcements made by Agri-trade Holdings Limited during the interim reporting period, in accordance with the continuous disclosure requirements of the *Corporations Act 2001*. The accounting policies adopted in this interim financial report are the same as those policies applied in the 2014 Annual Report.

The company has adopted all of the new and revised standards and interpretations issued by the Australian accounting standards board that are relevant to its operations and effective for the current period. This adoption has not resulted in significant changes to the company's accounting policies and has no material effect on the amounts reported in the current and prior periods.

	Note	31 December 2014 \$	30 June 2014 \$
2. PAYABLES			
Trade payables & accruals		33,934	66,281
Directors' fees		146,254	66,281
		180,188	144,281

3. BORROWINGS

Other loans

- Pecuniary Partners/Agri-Trade Investment Group - secured	(i)	228,119	275,218
- Ridgeway Capital Ltd - unsecured	(ii)	8,493	8,493
- Access Group – unsecured	(iii)	35,274	-
- Dayton way – unsecured	(iv)	54,149	-
		326,035	283,711

(i) Pecuniary Partners/Agri-Trade Investment Group

In August 2013, Pecuniary Partners Pty Ltd (a company related to Malcolm Campbell) provided the Company a loan which was drawn to \$146,218 as at 30 June 2014 (including unpaid interest of \$10,282). The loan is secured by way of a charge over the assets of the company, incurs interest of 10% per annum and was to be repaid by 31 March 2014. In September 2014, the repayment of this loan became subject to a Deed of Settlement and Release, refer below. Interest of \$7,559 has been recognised for the half year-ended 31 December 2014 and included in the loan balance.

In April 2014, Agri-Trade Investment Group (ATIG) advanced funds to the Company amounting to \$129,000. This advance was unsecured, interest free and repayable upon the successful take-over. In September 2014, the repayment of this loan became subject to a Deed of Settlement and Release, refer below.

In September 2014, the Company, Pecuniary Partners and ATIG entered into a Deed of Settlement and Release in respect of the combined loan of \$275,218, which is subject to interest and is repayable as follows –

- \$54,658 payable within 14 days of execution of the deed (paid in October 2014); and
- On completion of a capital raise under a prospectus by 25 March 2015 (which was not completed by this date):
 - \$81,898, plus interest, cash; and
 - \$27,329 plus interest by way of issue of shares at the issue price under the prospectus; and
- The balance (\$111,333 plus interest) is to be forgiven, providing the Company meets its obligations under the deed.

In April 2015 a variation to the Deed of Settlement with ATIG and Pecuniary Partners was entered into following the failure of the Company to complete the proposed capital raising by 25 March 2015 – see details in note 7.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (continued)

FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

3. BORROWINGS (continued)

(ii) Ridgeway Capital

In May 2014, Ridgeway Capital Limited advanced funds to the Company amounting to \$8,493. This advance is unsecured, interest free and repayable upon successful re-listing of the Company.

(iii) Access Group

In August 2014 the Company received \$50,000 from the Access Group which was part repaid from the placement funds of \$14,726 received in October. The loan is interest free, unsecured and repayable out of any amounts raised when the Company re-lists.

(iv) Dayton Way

In October 2014 the company received \$85,300 from Dayton Way Financial Pty Ltd ("Dayton Way"). David Sutton is a director of Dayton Way and became a director of the Company in December 2014. Dayton Way was also the underwriter to the Company's non-renounceable rights issue (see note 4(d) below). The loan owing by the Company to Dayton Way was part repaid by \$31,151, being the shortfall in the rights issue. The remaining balance of \$54,149 is interest free, unsecured and repayable from the funds raised when the Company re-lists on the ASX. Refer also to note 7.

	31 December 2014 \$	30 June 2014 \$
4. CONTRIBUTED EQUITY		
22,688,177 (June 2014: 9,841,356) fully paid ordinary shares	10,499,486	10,401,887

Movement in ordinary shares on issue	Notes	Issue Price	Number	\$
At 1 July 2013			7,777,701	10,231,561
Creditor conversion	(a)	20¢	780,000	156,000
Issue of shares to creditor	(b)	1.116¢	1,283,655	14,326
At 31 December 2013			9,841,356	10,401,887
At 1 July 2014			9,841,356	10,401,887
Placement	(c)	1¢	1,472,603	14,726
Non-Renounceable rights issue	(d)	1¢	11,374,218	113,742
Share issue cost			-	(30,869)
At 31 December 2014			22,688,177	10,499,486

- (a) On 20 December 2013 shareholders approved the payment of outstanding directors fees of \$150,000 and part payment of amounts owed to the company secretary of \$6,000 by way of issue of 780,000 ordinary shares.
- (b) On 23 December 2013 1,283,655 ordinary shares were issued to the Azure Group (a related party of the company secretary) and its approved nominees as part payment of amounts outstanding for company secretarial fees.
- (c) On 28 October 2014, the Company placed 1,472,603 ordinary shares at 1 cent per share, raising \$14,726 cash.
- (d) On 4 November 2014 the Company issued a prospectus for a fully-underwritten non-renounceable 1 for 1 rights issue to all existing shareholders at 1 cent per share. 11,317,559 shares were issued on 1 December 2014 under this prospectus, raising \$113,742 cash.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (continued)

FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

5. SEGMENT INFORMATION

The directors have considered the requirements of AASB 8-Operating Segments and the internal reports that are reviewed by the chief operating decision maker (the Board) in allocating resources and have concluded that at this time there are no separately identifiable segments.

Following adoption of AASB 8, the identification of the company's reportable segments has not changed. During the period, the company considers that it has only operated in one industry and one geographical area being Australia.

6. CONTINGENT LIABILITIES

There have been no changes in contingent liabilities since the last annual reporting date.

7. EVENTS AFTER THE REPORTING DATE

(i) *Proposed acquisition of DWF Global Group*

On 2 March 2015 the Company agreed to acquire 100% of the share capital of DWF Group Limited (DWF), a company incorporated in the British Virgin Islands. DWF is an investment banking, advisory and wealth management group focused on emerging markets and natural resources. DWF also acquired (in January 2015) all the issued shares in Dayton Way (see note (3(iv))), a company associated with David Sutton. Since the reporting date, DWF has advanced the Company \$248,895 which is to be repaid from the proposed capital raising in connection with the prospectus to be issued as part of the acquisition of DWF.

In consideration for the acquisition of DWF, the Company will issue 200 million shares of the Company to the shareholders of DWF at closing plus additional shares under an earn out provision as follows:

- 25 million shares if audited net assets as at 31 December 2015 are \$275 million or higher;
- 25 million shares if audited net assets as at 31 December 2016 are \$325 million or higher;
- 50 million shares if audited net assets per share are \$2.50 or higher on a fully diluted basis as at 31 December 2017; and
- 50 million shares if audited net assets per share are \$3.50 or higher on a fully diluted basis as at 31 December 2018.

As part of the acquisition of DWF, the Company has agreed to issue 5 million shares in the Company (as a transaction fee) at completion to Hightower Enterprises Pty Ltd, a company associated with Michael Ivkovic, a director of the Company.

The acquisition of DWF is subject to approval by the Company's shareholders. At completion, the Company will change its name to DWF Partners Limited. The transaction involves a change of business and requires re-compliance with Chapter 1 and Chapter 2 of the ASX listing rules. To meet these requirements the Company will issue a prospectus and undertake a minimum capital raising of \$5 million at an issue price of 25 cents per share.

(ii) *Loan agreement variation – ATIG and Pecuniary Partners*

On 17 April 2015 The Company signed a variation to the Deed of Settlement with Agri-Trade Investment Group (ATIG) and Pecuniary Partners Pty Ltd signed in September 2014. The terms of the original Deed of Settlement are set out in Note 3. The balance owed at 31 December 2014 was \$228,119. The terms of the variation are as follows:

- The repayment made in October 2014 of \$54,658, which reduced the amount owing to \$228,119, has been restated and is to be treated as a penalty for not meeting the terms of the original Deed of Settlement. The loan amount owing at 17 April 2015 was restated to \$288,225 (including capitalised interest).
- The Company repaid \$88,225 on 20 April 2015 leaving \$200,000 owing to ATIG and Pecuniary Partners which accrues interest of 7% per annum. This amount is repayable as follows:
 - \$100,000 plus unpaid interest in cash at the date of relisting; and
 - \$100,000 by way of issue of shares in the company at the issue price of 25 cents per share.

If the relisting does not occur by 15 July 2015, the debt is repayable in cash at that date.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (continued)

FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

8. ONGOING OPERATIONS

At 31 December 2014 current liabilities (\$506,223) exceeded current assets (\$5,658) by \$500,565. Since this time the Board of Directors and Company Secretary have continued to negotiate with creditors and have secured finance as outlined in note 7. Currently the Company requires the continued support of its creditors in particular DWF Group Ltd, its financier, to continue operating.

Given the above, the Company's ongoing operations are dependent on future capital raisings and until then the continued support of DWF Group Ltd. The financial statements have been prepared on a going concern basis, although the Company currently is not trading and its only activity is to complete the DWF acquisition and undertake a capital raising by a prospectus and relist the Company's shares on ASX.

DIRECTORS' DECLARATION

FOR THE YEAR ENDED 30 DECEMBER 2014

In accordance with a resolution of the directors of Agri-Trade Holdings Limited, I state that:

In the opinion of the directors:

- (a) The financial statements and notes of the economic entity, as set out on pages 4 to 11.
 - (i) comply with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001; and
 - (ii) give a true and fair view of the economic entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date.
- (b) Based in the information set out in Note 8, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

On behalf of the Board



Malcolm Campbell
Director
Dated __ April 2015



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KYLIE LAMPRECHT
NORMAN THURECHT
BRETT HEADRICK
WARWICK FACE
NIGEL BATTERS
COLE WILKINSON

The Directors
Agri-Trade Holdings Limited
c/- Eakin McCaffery Cox
Level 28, 1 Market Street
Sydney NSW 2000

Auditor's Independence Declaration

As lead auditor for the review of Agri-trade Holdings Limited for the half-year ended 31 December 2014, I declare that, to the best of my knowledge and belief, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.

PITCHER PARTNERS

ROSS WALKER
Partner

Brisbane, Queensland
28 April 2015



PITCHER PARTNERS

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the Members of Agri-trade Holdings Limited,

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Agri-trade Holdings Limited, which comprises the statement of financial position as at 31 December 2014, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the company's financial position as at 31 December 2014 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Agri-trade Holdings Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Agri-trade Holdings Limited is not in accordance with the *Corporations Act 2001* including:

- a) giving a true and fair view of the company's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Emphasis of Matter

Without modifying our opinion, we draw attention to Notes 7 and 8 in the financial report, which indicate that as at 31 December 2014, the company's current liabilities exceed its current assets by \$500,565. These conditions, along with other matters as set forth in Notes 7 and 8, indicate the existence of a material uncertainty that may cause significant doubt about the company's ability to continue as a going concern and therefore, the company may be unable to realise its assets and discharge its liabilities in the normal course of business.

PITCHER PARTNERS



ROSS WALKER
Partner

Brisbane, Queensland
28 April 2015