

CONTENTS

Directors and advisers	2
Chairman's statement	3
Directors' report	4
Statement of directors' responsibilities	8
Independent auditors' report to the members of ESV Group Plc	9
Consolidated income statement	11
Consolidated statement of recognised income and expenses	12
Consolidated balance sheet	13
Consolidated cash flow statement	14
Company income statement	15
Company balance sheet	16
Company cash flow statement	17
Notes to the financial statements	18
Notice of Annual General Meeting	40

DIRECTORS AND ADVISERS

Directors	M Alikhani I Mikhaylova D Zhminko	Executive Director Executive Director Executive Director
Secretary and Registered Office	K R Sodha FCA 3rd Floor 19/20 Grosvenor Street London W1K 4QH	
Bankers	HSBC Bank plc 129 Bond Street London W1A 2JA	
Auditors	W H Associates LLP 117 Lonsdale Avenue Wembley Middlesex HA9 7EW	
PLUS Market Corporate advisor	Keith Bayley Rogers & Co. Ltd Finsbury Tower 103 –105 Bunhill Row London EC1Y 8LZ	
Solicitors	Fladgate LLP 16 Great Queen Street London WC2B 5DG	
Registrars	Neville Registrars Limited Neville House 18 Laurel Lane Halesowen West Midlands B63 3DA	
Company number	5738279	

CHAIRMAN'S STATEMENT

Sale of Mozambique Jatropha plantations

Following the sale of its Jatropha plantations business and associated assets for a total consideration of US\$4 million, the Group has received the first and second tranches totalling US\$2.1 million, less payments for remaining payroll creditors. The balance of US\$1.9 million is contingent upon the issuance of the Jatropha farming rights for the second plantation area, which is currently being finalised with the Mozambique authorities. From this final receivable, payment of US\$0.25 million is to be made to the former holders of the land.

Grain trading

The Group is not considering resuming grain trading in the current uncertain market conditions.

Ukraine agri-logistics

Ukraine's grain exports in the period under review decreased by 30%, largely as a result of temporary delays of VAT repayments due to grain exporters in the first half of 2010. This reduction in grain exports has resulted in a decrease in income from the Kherson terminal.

Russian grain production has been severely curtailed due to drought conditions in the summer of 2010 and, as a result, Russia has banned wheat exports until at least the end of 2010. Ukraine's agricultural production has also been affected by weather conditions and, although the country has not implemented export quotas on barley and wheat, exporters are currently facing substantial barriers to shipping these crops outside the country. The corn crop, also weather-affected, is due for export from October this year and prospective quota restrictions for this crop cannot be ruled out.

World food shortages are forecast as a result of increasing populations, demands for better dietary standards in emerging economies and global warming. ESV's operations are well-positioned to service the traditional grain and seed markets when normalised conditions return.

Terneuzen Tank Terminal, Netherlands

In the current economic environment, the directors do not consider it appropriate to pursue the Terneuzen Tank Terminal project; hence the value of the Company's investment has been impaired. Negotiations are ongoing with strategic partners to acquire ESV's interests in the lease and recover the Company's costs.

At the next Annual General Meeting the Directors will seek authority to issue shares to raise finance and/or bring in strategic partners to expand the grain handling and storage facilities at Kherson.

The Group continues to monitor carefully and where possible reduce costs and commitments to operate its businesses within the financial resources available.

Results for the year

The sale of Mozambique operations in November 2009 gave rise to a loss on disposal of £856,597 (2009: £nil). This figure is lower than previously reported as a result of favourable exchange rates. Including this charge the Group's loss for the year amounts to £1,225,753 compared with £319,285 for the prior year.

The turnover includes the fee of £317,695 (2009: £548,732) for the management of the grain terminal in Kherson Sea Port.

The Directors of ESV accept responsibility for the information presented in this Report.

M A Alikhani

Chairman

31 August 2010

DIRECTORS' REPORT

The Directors present their report and the audited financial statements of the Company for the year to 31 March 2010.

Principal activities

The Company is engaged in port operations and development in Ukraine and grain trading.

Review of the business and future developments

The Group's performance during the year and expected future developments are described in the Chairman's Statement on page 3.

Results and dividends

The results to 31 March 2010 reflect the operating income and administrative expenses of the Group. The results for the period are set out in the consolidated income statement on page 11.

The Directors do not recommend the payment of a dividend for the period ended 31 March 2010 (2009: £nil).

Key performance indicators for the Group are as follows

	Year ended 31 March 2010	Year ended 31 March 2009
	£	£
Inventory – Jatropha plantation	–	2,016,960
Cash and cash equivalents	(25,997)	(18,838)
Net assets	586,743	2,033,557
Loss for the year	(1,225,753)	(319,285)
Loss per share	0.17p	0.04p

Going concern basis

The Directors continue to adopt the going concern basis in preparing the financial statements (see note 1).

Directors and their interests

The Directors in office during the period and their interests (as defined in the Companies Act 2006) were as follows:

	No. of ordinary shares at 31 March 2010 or date of resignation	% of issued share capital
I Mikhaylova	38,389,000	5.38
D Zhminko	–	–
M Alikhani	34,744,836	4.87
R Maas * (ceased 13 May 2010)	33,502,608	4.69
S Alikhani (resigned 30 November 2009)	18,212,265	2.55

* 8,652,741 of the shares disclosed under R.Maas were held by Agro-Maas (UK) Ltd. R Maas was beneficial owner of 25% of Agro-Maas (UK) Ltd.

ESV Group Plc

Transaction with directors and related parties

Details of transactions with Directors and related parties are set out in Note 23 to the accounts.

Issues of shares and warrants

No ordinary shares were issued during the year. A new warrant scheme will be proposed following the recent changes in the Group.

Substantial shareholdings

The Company is aware that as at 30 August 2010 the following persons were interested (within the meaning of the Act) directly in 3% or more of the issued share capital of the Company:

	Number of ordinary shares of £0.00023 at 30 August 2010	% of issued share capital
Pershing Nominees Ltd	88,000,000	12.32
KBC Securities NV	55,987,188	7.84
Roxaliena Trading Ltd	49,215,029	6.89
Irina Mikhaylova	38,389,000	5.38
Masoud Alikhani Esq	34,744,836	4.87
Agro-Maas (UK) Ltd	34,610,964	4.85
Securities Services Nominees Limited	30,000,000	4.20
HSBC Global Custody Nominee (UK) Limited	28,156,802	3.94
Ukraine Holdings Limited	27,205,000	3.81
Ronny Maas Esq	24,849,867	3.48

Annual General Meeting

Resolutions will be proposed at the Annual General Meeting as set out in the formal notice on pages 40 to 43. The following explanatory notes relate to Resolutions numbered 3, 4 and 5 which will constitute Special Business.

- (1) Resolution 3 - Resolution 3 is proposed as an Ordinary resolution to provide the Directors with authority to issue ordinary shares.
- (2) Resolution 4 - is to authorise the Directors to allot relevant securities up to a nominal value of £160,000. This will provide the Directors with the authority to issue ordinary shares for cash when the Board considers it to be in the best interest of shareholders.
- (3) Resolution 5 - the issued Ordinary Shares of 0.023 pence each in the the capital of the Company are consolidated so that each 100 such shares shall become 1 Ordinary Share of 2.3 pence.

Supplier payment policy

The Company's policy is to settle terms of payment with suppliers when agreeing the terms of each transaction, ensure that suppliers are made aware of the terms of payment and abide by the terms of payment. Trade creditors of the Company at 31 March 2010 were equivalent to 196 days' purchases, based on the average daily amount invoiced by suppliers during the year.

Financial instruments

Details of the risk management and the use of financial instruments by the company are contained in Note 16 of the financial statements.

Fixed assets

In the opinion of the directors the current open market value of the Group's interests in land and buildings and other assets is not less than their book value.

Charitable and political contributions

During the period, the Company did not make any charitable or political donations.

Principal Risks and Uncertainties

The Directors consider that there are the following material risks associated with the Group's Operations:

- Geological and political risks associated with the development of the Group's resources;
- Environmental hazards, industrial and mechanical accidents and occupational health hazards; and
- Labour disputes, unscheduled shut-downs or other processing problems and technical failures.

The Group is vulnerable to additional risks which are detailed in Note 16.

Disabled employees

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the Group continues and that appropriate training is arranged. It is the policy of the Group that the training/career development and promotion of disabled persons should, as far possible, be identical to that of other employees.

Employee consultation

The Group places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the Group. This is achieved through formal and informal meetings.

Environmental matters

Regular review is carried out to ensure that our farming and trading activities operate within safe environmental conditions.

Events after the Balance sheet date

The relevant information can be found in Note 22.

Disclosure of information to the auditors

Each of the Directors at the date of approval of this annual report confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware; and

ESV Group Plc

- the Director has taken all steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This information is given and should be interpreted in accordance with the provisions of S418 of the Companies Act 2006.

Auditors

W H Associates LLP have expressed their willingness to continue in office as auditors. A resolution proposing the appointment of W H Associates LLP will be put to the shareholders at the Annual General Meeting.

Approved by the Board of Directors and signed on behalf of the Board by

M. Alikhani

31 August 2010

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors are required to prepare the group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and Article 4 of the IAS Regulation and have also chosen to prepare the parent company financial statements under IFRSs as adopted by the EU. Under company law the directors must not approve the accounts unless they are satisfied that they 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 these financial statements, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Group and Company's ability to continue as a going concern. The Board's statement on going concern is included in the Director's Report.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and 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 Companies Act 2006. 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 and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Responsibility Statement

We confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with International Financial Reporting Standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the company and the undertakings included in the consolidation taken as a whole; and
- the management report, which is incorporated into the Directors' Report, includes a fair review of the development and performance of the business and the position of the company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

By order of the Board

M. Alikhani

Director

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ESV GROUP PLC

We have audited the Group and Parent Company financial statements (the "financial statements") of ESV Group Plc for the year to 31 March 2010 which comprise the Consolidated Group and Company income statements, the Group and Company statement of recognised income and expense, the Consolidated Group and Company Balance Sheets, the Group and Company Cash Flow Statements, and the related Notes 1 to 33. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with sections 495 and 496 of the Companies Act 2006. 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 auditors' 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 opinion we have formed.

Respective responsibilities of Directors and auditors

The Directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted for use in the European Union are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, and are properly prepared in accordance with the Companies Act 2006, IFRSs and Article 4 of the IAS Regulation.

We also report to you whether, in our opinion, the information given in the Directors' Report is consistent with the financial statements. In addition we report to you if, in our opinion, the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Directors' remuneration and other transactions is not disclosed.

We read the other information contained in the Annual Report as described in the contents section and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any further information outside the Annual Report.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the circumstances of the Company and the Group, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- > the financial statements give a true and fair view, in accordance with IFRSs, as adopted by the European Union, of the state of the Group's and the Parent Company's affairs as at 31 March 2010 and of the Group's and Company's loss for the year then ended;
- > the financial statements have been properly prepared in accordance with the Companies Act 2006 and Article 4 of the EU IAS Regulation; and
- > the information given in the Director's Report is consistent with the Financial Statements.

Emphasis of Matter – going concern

Without qualifying our opinion, we draw attention to the disclosure made in note 1 of the financial statements concerning the recovery of amounts receivable, resumption of exports from Ukraine and hence the Group's ability to continue as a going concern which would depend upon continued finance being available to finance the Group's operations. The financial statements do not include the adjustments that would result if the Company or the Group was unable to continue as a going concern as it is not practicable to determine or quantify them.

Mr J K K Chowdhury, Statutory Auditor
For and on behalf of
W H Associates LLP
117 Lonsdale Avenue
Wembley
Middlesex
HA9 7EW

10 September 2010

CONSOLIDATED INCOME STATEMENT

YEAR ENDED 31 MARCH 2010

	Note	Year ended 31 March 2010 £	Year ended 31 March 2009 £
Revenue	4	317,695	632,967
Cost of sales		–	–
Gross profit		317,695	632,967
Cost of production - Jatropha plantation		–	1,029,747
Growing stock – Jatropha plantation		–	(1,029,747)
Administrative expenses		(686,851)	(952,846)
Loss on sale of Business	5	(856,597)	–
Operating loss	5	(1,225,753)	(319,879)
Finance income – interest	4b	–	772
Finance costs	7	–	(178)
Loss before taxation		(1,225,753)	(319,285)
Taxation	8	–	–
Loss for the year		(1,225,753)	(319,285)
Loss per share			
Basic and diluted	10	(0.17)p	(0.04)p

All amounts relate to continuing activities.

The notes on pages 18 to 39 form part of these financial statements.

The Board is not recommending the payment of a dividend in respect of the year ended 31 March 2010.

**CONSOLIDATED STATEMENT OF RECOGNISED INCOME AND EXPENSES
FOR THE YEAR ENDED 31 MARCH 2010**

	Notes	Year ended 31 March 2010 £	Year ended 31 March 2009 £
Exchange differences on translation of foreign operations		(221,061)	9,465
Loss for the year	18	(1,225,753)	(319,285)
Total income and expense recognised		<u>(1,446,814)</u>	<u>(309,820)</u>

The notes on pages 18 to 39 form part of these financial statements.

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2010

	Note	31 March 2010 £	31 March 2009 £
Non-current assets			
Property, plant and equipment	11	5,160	278,126
Investments	29	–	269,362
		<u>5,160</u>	<u>547,488</u>
Current assets			
Inventory	12	–	2,016,960
Trade and other receivables	13	1,852,932	427,092
Cash and cash equivalents	14	2,763	8,851
		<u>1,855,695</u>	<u>2,452,903</u>
Total assets		<u>1,860,855</u>	<u>3,000,391</u>
Current liabilities			
Trade and other payables	15	(1,245,352)	(939,145)
Bank overdraft		(28,760)	(27,689)
		<u>(1,274,112)</u>	<u>(966,834)</u>
Net current assets		<u>581,583</u>	<u>1,486,069</u>
Net assets		<u>586,743</u>	<u>2,033,557</u>
Equity			
Share capital	17	164,249	164,249
Share premium	18	3,330,805	3,330,805
Translation reserve	18	(240,170)	(19,109)
Accumulated loss	18	(2,668,141)	(1,442,388)
Total equity		<u>586,743</u>	<u>2,033,557</u>

The notes on pages 18 to 39 form part of these financial statements.
 These financial statements were approved by the Board of Directors
 on 31 August 2010

Signed on behalf of Board of Directors by

M Alikhani
 Director

CONSOLIDATED CASH FLOW
FOR THE YEAR ENDED 31 MARCH 2010

	Note	Year ended 31 March 2010 £	Year ended 31 March 2009 £
Net cash outflow from operating activities	19	(1,097,236)	(956,658)
Investing activities			
Interest received	4(b)	-	772
Interest paid	7	-	(178)
Acquisition of property, plant and equipment	11	-	(8,680)
Investments transferred to subsidiaries		-	247,770
Payment to former holders of Mozambique land		(165,870)	-
Net cash used in investing activities		(165,870)	239,684
Financing activities			
Proceeds on issue of shares (net of share issue costs)	17	-	208,000
Sale of Mozambique business		2,516,561	-
Amount not received		(1,260,614)	-
Net cash from financing activities		1,255,947	208,000
Net decrease in cash and cash equivalents		(7,159)	(508,974)
Cash and cash equivalents at beginning of the year		(18,838)	551,287
Effect of foreign exchange rate changes		-	(61,151)
Cash and cash equivalents at end of the year		(25,997)	(18,838)

The notes on pages 18 to 39 form part of these financial statements.

COMPANY INCOME STATEMENT
FOR THE YEAR ENDED 31 MARCH 2010

	Notes	Year ended 31 March 2010 £	Year ended 31 March 2009 £
Revenue	27	317,695	548,732
Administrative expenses		(633,696)	(644,993)
Loss on sale of business	5	(856,597)	–
Impairment of asset	26	(225,075)	–
Operating loss	26	(1,397,673)	(96,261)
Finance income	27	–	707
Loss before taxation		(1,397,673)	(95,554)
Taxation	8	–	–
Loss for the year	32	(1,397,673)	(95,554)
Loss per share			
Basic and diluted		(0.20)p	(0.01)p

The above results relate to continuing operations.

The notes on pages 18 to 39 form part of these financial statements.

No statement of recognised income and expenses is prepared as the loss for the period is the same.

COMPANY BALANCE SHEET

AS AT 31 MARCH 2010

		31 March 2010	31 March 2009
		£	£
Non-current assets			
Property, plant and equipment	11	5,160	9,196
Investment - subsidiaries	29	-	1,872,282
- others	29	-	269,362
		<hr/> 5,160 <hr/>	<hr/> 2,150,840 <hr/>
Current assets			
Trade and other receivables	30	1,852,932	427,092
Cash and cash equivalents		2,763	699
		<hr/> 1,855,695 <hr/>	<hr/> 427,791 <hr/>
Total assets		<hr/> 1,860,855 <hr/>	<hr/> 2,578,631 <hr/>
Current liabilities			
Trade and other payables	31	(936,951)	(257,054)
		<hr/> (936,951) <hr/>	<hr/> (257,054) <hr/>
Net current assets		<hr/> 918,744 <hr/>	<hr/> 170,737 <hr/>
Net assets		<hr/> 923,904 <hr/>	<hr/> 2,321,577 <hr/>
Equity			
Share capital	32	164,249	164,249
Share premium	32	3,330,805	3,330,805
Accumulated loss	32	(2,571,150)	(1,173,477)
Total equity		<hr/> 923,904 <hr/>	<hr/> 2,321,577 <hr/>

The notes on pages 18 to 39 form part of these financial statements.
 These financial statements were approved by the Board of Directors
 on 31 August 2010.

Signed on behalf of Board of Directors by

M Alikhani
 Director

COMPANY CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2010

	Notes	Year ended 31 March 2010 £	year ended 31 March 2009 £
Net cash outflow from operating activities	33	(323,957)	(158,580)
Investing activities			
Interest received	27	–	707
Investment in subsidiaries	29	(929,926)	(476,682)
Net cash used in investing activities		(929,926)	(475,975)
Financing activities			
Proceeds on issue of shares (net of share issue costs)	17	–	208,000
Sale of Mozambique business		2,516,561	–
Amount not received		(1,260,614)	–
Net cash from financing activities		1,255,947	208,000
Net increase/(decrease) in cash and cash equivalents		2,064	(426,555)
Cash and cash equivalents at beginning of the year		699	427,254
Cash and cash equivalents at end of the year		2,763	699

The notes on pages 18 to 39 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. GOING CONCERN

The Company has a receivable of £1.26million from the sale of Mozambique operations and further trade receivables of £0.6million. Based on current information these receivables are fully recoverable and combined with a reduction in overheads, going forward the Group has adequate financial resources to fund its operations for the next 12 months. The Chairman's statement on page 3 refers to exports from Ukraine generally affected by delays in VAT repayments and drought conditions. The management regard these setbacks to be temporary and that the exports from Ukraine are expected to resume as the new crops from the current season come online combined with Ukraine's need for foreign exchange becoming pressing.

2. GENERAL INFORMATION

ESV Group Plc is a company incorporated in Great Britain under the Companies Act 1985. It was incorporated on 10 March 2006.

This financial information is presented in pounds sterling. Each individual subsidiary company also prepares the financial accounts in their functional currency or the currency of the primary economic environment in which these companies operate, in the case of ESV Bio Africa Limitada in Mozambique is the Mozambique Meticals (MZN).

Foreign operations are included in accordance with the policies set out in note 3.

Adoption of new and revised standards

Two Interpretations issued by the International Financial Reporting Interpretations Committee are effective for the current period. These are:

IFRIC 15 Agreements for the construction of Real Estate.

IFRIC 18 Transfer of assets from customers

The Directors have assessed that the adoption of the above interpretations does not have a material impact on the financial statements of the Group.

At the date of authorisation of these financial statements, the following Interpretations were issued by The International Financial Reporting Interpretations but were not yet effective.

IFRIC 17 Distribution of Non-cash Assets to Owners.

IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments.

At the date of these financial statements, amendments and revisions were made to the following standards and interpretations but were not yet effective:

IFRS 1 – First time Adoption of International Financial Reporting Standards.Revised, restructured or amended in November 2008, July 2009 and January 2010.

IFRS 2 – Share based Payment- Amendment resulting from April 2009 and June 2009.

IFRS 3 – Business Combinations – Revised 2008.

IFRS 5 – Non- Current Assets Held for Sale and Discontinued Operations- Amendments resulting from May 2008 Annual Improvements and April 2009 Annual Improvements to IFRSs.

IFRS 8- Operating Segments- Amendments resulting from April 2009 Annual improvements to IFRSs

IFRS 9- Financial instruments – Classification and measurement

IAS 1 – Presentation of Financial Statements- Amendments resulting from April 2009 Annual Improvements to IFRSs

IAS 7	Statement of Cashflows – Amendments resulting from April 2009 Annual improvements to IFRSs
IAS 17	Leases- Amendment resulting from April 2009 Annual Improvements.
IAS 24	Related Party Disclosures – revised definitions of related parties. – revised November 2009.
IAS 27	Consolidated and Separate Financial Statements- Revised 2008.
IAS 28	Investments in Associates- Revised 2008.
IAS 31	Interests in Joint Ventures- Revised 2008.
IAS 32	Financial Instruments: Presentation- Amendment relating to classification of rights issue- Revised 2009.
IAS 36	Impairment of Assets – amendments resulting from April 2009 Annual Improvements.
IAS 38	Intangible Assets- Amendment resulting from April 2009 Annual Improvements
IAS 39	Financial Instruments: Recognition and Measurement – Amendments for eligible hedged items- Revised July 2008.

The Directors anticipate that the adoption of these Standards and Interpretations in later periods will not have a material impact upon the financial information of the Group.

The comparative figures cover the year ended 31 March 2009

The exchange rates for the year are as follows:

	US\$/£	MZN/£	US\$/£	MZN/£
	2010	2010	2009	2009
Year end rate	1.51	42.01	1.42	37.75
Average rate for the year	1.60	43.87	1.72	41.49

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”). The financial statements have also been prepared in accordance with IFRS adopted for use in the European Union and therefore comply with Article 4 of the EU IAS Regulation.

The financial statements have been prepared on the historical cost basis, except for certain financial instruments which are carried at fair value or amortised cost and in accordance with International Financial Reporting Standards. The principal accounting policies adopted, which have been consistently applied, are set out below.

Basis of consolidation

The financial statements incorporate the results of the Company and entities controlled by the Company (its subsidiaries) up to 31 March each year. Control is achieved where the Company has the power to govern the investee entity's financial and operating policies so as to obtain benefits from its activities or where the Group owns either directly or indirectly, the majority of a company's equity voting rights unless, in exceptional circumstances it can be demonstrated that ownership does not constitute control.

The financial statements of the subsidiaries are prepared for the same reporting year as the parent company, using consistent accounting policies.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Basis of consolidation (cont'd)

Where necessary, adjustments are made to the financial information of subsidiaries to bring the accounting policies used into line with those used by the Group.

Minority interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity therein. Minority interests consist of the amount of those interests at the date of the original business combination (see below) and the minority's share of changes in equity since the date of the combination. Losses applicable to the minority in excess of the minority's interest in the subsidiary's equity are allocated against the interests of the Group except to the extent that the minority has a binding obligation and is able to make an additional investment to cover the losses.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

All intra-Group transactions, balances, income and expenses are eliminated on consolidation.

Business combinations

The acquisition of subsidiaries and minority interests is accounted for using the purchase method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquisition, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 are recognised at their fair value at the acquisition date, except for non-current assets (or disposal groups) that are classified as held for resale in accordance with IFRS 5 Non Current Assets Held for Sale and Discontinued Operations, which are recognised and measured at fair value less costs to sell.

The interest of minority shareholders in the acquiree is initially measured at the minority's proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

Where the Group makes further acquisitions in investments it already holds, the assets and liabilities of the investment are reassessed and their revised fair values are recognised. Goodwill is accordingly adjusted.

Goodwill

Goodwill arising on consolidation represents the excess of the fair value of consideration given over the Group's interest in the fair value of identifiable assets and liabilities of a subsidiary, associate or jointly controlled entity at the date of acquisition and is capitalised as an asset on the balance sheet. To the extent that such excess purchase consideration relates to the acquisition of mining properties and leases, that amount is capitalised within property, plant and equipment as mining properties and leases.

IFRS 3 requires that negative goodwill is recognised immediately in the income statement. The negative goodwill that arises on the acquisition of a subsidiary under IFRS 3 is credited in full to the income statement.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales-related taxes.

Sales of goods are recognised when goods are delivered and title has passed.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

Foreign currencies

The financial information of each individual Group company is presented in, the currency of primary economic environment in which these companies operate (their functional currency). For the purpose of the consolidated financial information, the results and financial position of each Group company are expressed in pound sterling which is the presentation currency for the consolidated financial information.

In preparing the financial information of the individual companies, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in profit or loss account for the period.

Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in the income statement for the period except for differences arising on the re-translation of non-monetary items where gains and losses are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity.

For the purpose of presenting consolidated financial information, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising if any, are classified as equity and transferred to the Group's translation reserve. Such translation differences are recognised as income or as expenses in the period in which the operation is disposed of.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in the income statement in the period in which they are incurred.

Operating loss

Operating loss is stated before investment income and finance costs.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Tax

The tax expense represents the sum of the tax payable and deferred tax. The tax payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial information and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis .

Property, plant, motor vehicles and equipment

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost, being the fair value at the date of acquisition, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Fixtures and equipment are stated at cost less accumulated depreciation and any recognised impairment loss.

Depreciation is charged so as to write off the cost or valuation of assets, other than land and properties under construction, over their estimated useful lives, using the straight-line method, on the following bases:

> Water conservation works	5%
> Building improvements	5%
> Tools and utensils	10%
> Motor vehicles and tractors	20%
> Office equipment	20%

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, over the term of the relevant lease.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in income.

Agriculture

Biological assets (living plants and animals) which are transformed into agricultural produce (harvested product of the entity's biological assets) or into additional biological assets are measured on initial recognition and at subsequent reporting dates at fair value less estimated point-of-sale costs, unless fair value cannot be reliably measured.

If quoted market price in an active market is not available and if other methods of reasonably estimating fair value are inappropriate or unworkable, the asset is measured at cost less accumulated depreciation and impairment losses. All other biological assets are measured at fair value. If circumstances change and fair value becomes reliably measurable, a switch to fair value less point-of-sale costs is adopted.

Disclosure is also made on non-financial measures or estimates of the physical quantities of each group of the entity's biological assets at the end of the period and output of agricultural produce during the period. Disclosure is made of the methods and significant assumptions applied in determining the fair value of each group of agricultural produce at the point of harvest and each group of biological assets, less estimated point-of-sale costs of agricultural produce harvested during the period determined at the point of harvest.

Impairment of tangible assets excluding goodwill

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a re-valued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a re-valued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, and it is probable that the Group will be required to settle that obligation. Provisions are measured at the Directors' best estimate of the expenditure required to settle the obligation at the balance sheet date, and are discounted to present value where the effect is material. balance sheet date, and are discounted to present value where the effect is material.

Share-based payments

The Group issues equity-settled and cash-settled share-based payments to certain employees and consultants. Equity-settled share-based payments are measured at fair value (excluding the effect of non market-based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest and adjusted for the effect of non market-based vesting conditions. Share warrants granted are stated at par value.

Fair value is measured by use of a binomial option pricing model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

A liability equal to the portion of the goods or services received is recognised at the current fair value determined at each balance sheet date for cash-settled share-based payments.

Rehabilitation assets

Rehabilitation assets are recorded at the estimated value of the long-term environmental obligation based on the Group's environmental management plan in compliance with regulatory and other requirements. Amortisation of rehabilitation assets are calculated on a unit of production basis using estimated economically recoverable proved and probable ore reserves.

Financial instruments

Initial recognition and measurement

All financial instruments are recognised on the balance sheet. Financial instruments are initially recognised when the Company becomes party to the contractual terms of the instruments and are measured at cost, which is the fair value of the consideration given for financial asset or received for financial liability or equity instrument. Financial liabilities and equity instruments are classified according to the substance of the contractual arrangement on initial recognition. Transaction costs are included in the initial measurement of the financial instrument. Subsequent to initial recognition these instruments are measured as set out below.

Financial assets

The Company's principal financial assets are subsidiary loans, other receivables, deposits and cash and cash equivalents at fair value.

De-recognition

Financial assets (or a portion thereof) are de-recognised when the Company realises the rights to the benefits specified in the contract, the rights expire or the Company surrenders or otherwise loses control of the contractual rights that comprise the financial asset. On de-

recognition, the difference between the carrying amount of the financial asset and proceeds receivable is included in the income statement.

Investments

The Group monitors internal and external indicators of impairment relating to investments.

The impairment of investments is considered at least annually. Consideration is given if any conditions indicating impairment exist. These conditions mainly depend on the benefit that the Company and Group will obtain from the investment.

Trade receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in the income statement when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into.

Bank borrowing

Interest-bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accrual basis in the income statement using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Trade payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Critical judgements in applying the Group's accounting policies.

In the process of applying the Group's accounting policies, which are described above, management has made no critical judgement that have a significant effect on the amounts recognised in the financial statements, apart from those involving estimations, which are dealt with below.

Key sources of estimation uncertainty.

Fair value of warrants issued

Warrants granted are fair valued. The fair value of equity-based share warrants is estimated at the date of grant using an option-pricing model, taking into account the terms and conditions upon which the warrants are granted. The expected life of the warrants is based on academic research and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the comparator's volatility of future trends, which may also not necessarily be the actual outcome. No other features of options granted are incorporated into the measurement of fair value.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
4(a). REVENUE – GROUP

	Year ended 31 March 2010	Year ended 31 March 2009
	£	£
Agri-logistics and trading income	317,695	632,967

4(b). INVESTMENT INCOME:

	Year ended 31 March 2010	Year ended 31 March 2009
	£	£
Interest on bank deposits	–	772

4(c). SEGMENT REVENUES AND RESULTS

The following is an analysis of the Group's revenue and results from continuing operations by reportable segment:

	Segment Revenue		Segment gross profit	
	Year ended 31 March 2010	Year ended 31 March 2009	Year ended 31 March 2010	Year ended 31 March 2009
	£	£	£	£
Farming	–	–	–	–
Grain Trading	–	84,235	–	84,235
Tank terminal development	–	–	–	–
Agri-logistics	317,695	548,732	317,695	548,732

Segment gross profit represents the profit earned by each segment without allocation of central administration costs and directors' salaries or finance costs. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

Segment Assets and Liabilities:

	Segment Assets		Segment liabilities	
	Year ended 31 March 2010	Year ended 31 March 2009	Year ended 31 March 2010	Year ended 31 March 2009
	£	£	£	£
Farming	1,260,614	2,555,252	863,101	415,817
Grain Trading	–	1,092	137,470	137,470
Tank terminal development	–	7,060	102,183	106,370

Geographical information

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets are based on the geographical location of the assets.

	Revenue	Revenue	Non-current	Non-current
	Year ended	Year ended	Asset	Asset
	31 March 2010	31 March 2009	31 March 2010	31 March 2009
	£	£	£	£
Mozambique	-	-	-	538,292
UK	-	-	5,160	9,196
Ukraine	317,695	548,732	-	-
Belgium	-	84,235	-	-

5. OPERATING LOSS – GROUP

Loss from operations has been arrived at after charging:

	Year ended	Year ended
	31 March 2010	31 March 2009
	£	£
Sale of Mozambique business		
Sale proceeds	2,516,561	-
Costs	(3,373,158)	-
Loss on disposal	(856,597)	-
Depreciation of property, plant and equipment	11,179	34,244
Audit services		
	£	£
Audit fees for		
– Company accounts	2,000	5,000
– Group accounts	10,000	10,000
– Subsidiaries	5,960	5,064
Total statutory audit fees	17,960	20,064

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
6. STAFF COSTS – GROUP

	Year ended 31 March 2010	Year Ended 31 March 2009
	No.	No.
The average monthly number of employees (excluding executive Directors) was	333	678
Number of Directors	4	3
	<hr/> 337 <hr/>	<hr/> 681 <hr/>
	Year ended 31 March 2010	Year Ended 31 March 2009
	£	£
The Emoluments for qualifying services: Highest paid Director	55,000	55,000
Staff costs including Directors: Wages and salaries – UK	322,938	380,779
Wages and salaries – Mozambique	368,130	619,055
	<hr/> 337 <hr/>	<hr/> 681 <hr/>

The Mozambique costs are included as part of the inventory (see note 12).

The Directors are not in receipt of any non-cash benefits. No retirement benefits are accruing to directors under pension schemes. As a result there is no amount payable in respect of retirement benefits to either directors or employees under any pension schemes. The directors receive reimbursement for reasonable expenses. In Mozambique there is a defined contribution state pension scheme. The contributions are charged against income. The company does not have further liability in the pension scheme.

Total staff costs include amounts payable to Directors of £126,666 (2009: £150,000).

7. FINANCE COSTS – GROUP

	Year ended 31 March 2010	Year Ended 31 March 2009
	£	£
Bank interest and charges	–	178
	<hr/> – <hr/>	<hr/> 178 <hr/>

8. CURRENT TAX – GROUP
8.1 Tax charged in the income statement

	Year ended 31 March 2010	Year ended 31 March 2009
	£	£
Current tax		
UK corporation	–	–
Foreign tax	–	–
	<hr/> – <hr/>	<hr/> – <hr/>
Deferred taxation		
Deferred tax	–	–
	<hr/> – <hr/>	<hr/> – <hr/>
Total tax	–	–
	<hr/> – <hr/>	<hr/> – <hr/>

8.2 Reconciliation of the total tax charge

UK Corporation tax rate is 28% (2009: 28%). The tax assessed on the loss on ordinary activities for the period is different from the standard rate of corporation tax in the UK. The charge for the period can be reconciled to the loss per the income statement as follows:

	Year ended 31 March 2010	Year ended 31 March 2009
	£	£
Loss on ordinary activities before tax	(1,225,753)	(319,285)
Tax at the UK Corporation tax rate of 28% (2009: 28%)	(343,211)	(89,400)
Tax effect of amounts that are not deductible/taxable in determining taxable profit	35,516	3,349
Tax effect of tax losses not recognised	307,695	86,051
Total tax charge for the period	-	-

The Company is carrying forward estimated tax losses of £1,356,952 (2009: £1,117,286) in the United Kingdom.

No deferred tax provision has been made in respect of these carried forward losses due to the uncertainty over the availability of taxable profit against which these losses may be offset in the foreseeable future.

9. DEFERRED TAX

The deferred tax liability included in the balance sheet was as follows:

	Year ended 31 March 2010	Year ended 31 March 2009
	£	£
At 1 April	-	314,769
Deferred tax provision no longer required (Notes 11 & 18)	-	(377,682)
Exchange adjustment	-	62,913
At 31 March	-	-

The deferred taxation represented Mozambique rate of tax at 32.2% on the value of the farming land.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
10. LOSS PER SHARE

Basic loss per share amounts are calculated by dividing net loss for the period, attributable to ordinary equity holders of the parent, by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

No diluted loss per share has been calculated as the Group has incurred a loss for the current and prior year.

The following reflects the income and share data used in the basic and diluted earnings per share computations:

	Year ended 31 March 2010	Year ended 31 March 2009
	£	£
Net loss attributable to equity holders of the parent	<u>(1,225,753)</u>	<u>(319,285)</u>

No diluted loss per share has been calculated as the Group has incurred a loss for the period

Issued number of shares

Weighted average number of ordinary shares for the purpose of basic loss per share	<u>714,123,189</u>	<u>713,667,299</u>
Basic loss per share	<u>(0.17)p</u>	<u>(0.04)p</u>

11. PROPERTY, PLANT AND EQUIPMENT (GROUP)

	Water conservation works & building improvements	Farming land	Vehicles & tractors	Tools & utensils	UK - Office Equipment	Total
	£	£	£	£	£	£
Cost or valuation						
At 1 April 2008	237,758	1,013,519	77,237	4,963	20,176	1,353,653
Additions	–	–	3,253	5,427	–	8,680
Revaluation reversal	–	(1,172,928)	–	–	–	(1,172,928)
Disposals	–	–	(15,966)	–	–	(15,966)
Exchange adjustment	23,922	159,409	8,394	233	–	191,958
At 31 March 2009	261,680	–	72,918	10,623	20,176	365,397
Additions	–	–	–	–	–	–
Disposals	(260,254)	–	(72,520)	(10,566)	–	(343,340)
Exchange adjustment	(1,426)	–	(398)	(57)	–	(1,881)
At 31 March 2010	–	–	–	–	20,176	20,176
Accumulated depreciation						
At 1 April 2008	21,622	–	23,693	658	6,945	52,918
Disposals	–	–	(3,193)	–	–	(3,193)
Exchange adjustment	1,500	–	1,791	11	–	3,302
Charge for the period	13,758	–	15,334	1,117	4,035	34,244
At 31 March 2009	36,880	–	37,625	1,786	10,980	87,271
Disposals	(39,933)	–	(41,046)	(2,040)	–	(83,019)
Charge for the period	3,253	–	3,626	264	4,036	11,179
Exchange adjustment	(200)	–	(205)	(10)	–	(415)
At 31 March 2010	–	–	–	–	15,016	15,016
Net book value						
At 31 March 2010	–	–	–	–	5,160	5,160
At March 2009	224,800	–	35,293	8,837	9,196	278,126

12. INVENTORY (GROUP)

	Year ended 31 March 2010 £	Year ended 31 March 2009 £
Jatropha trees plantation	–	2,016,960

Inventories were carried at the lower of cost and net realisable value, which was calculated at fair value less costs to sell. ESV Bio Africa, the 100% subsidiary of the Group, had planted Jatropha trees over 5,000 hectares in Mozambique and had nursery stock. All the direct expenditure on the farm, including farm labour and farm management, had been capitalised as inventory. The Jatropha plantation was sold during the year.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

13. TRADE AND OTHER RECEIVABLES (GROUP)

	Year ended 31 March 2010	Year ended 31 March 2009
	£	£
Trade receivables	6,463	1,205
Other receivables	1,846,469	425,887
	<u>1,852,932</u>	<u>427,092</u>

The directors consider that the carrying amount of trade and other receivables approximates their fair value. All amounts are receivable within one year.

14. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash in hand and balance in bank, demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

15. TRADE AND OTHER PAYABLES (GROUP)

	Year ended 31 March 2010	Year ended 31 March 2009
	£	£
Trade payables	156,158	188,272
Other payables	1,089,194	750,873
	<u>1,245,352</u>	<u>939,145</u>

Trade payables principally relate to outstanding amounts for ongoing costs. The Directors consider that the carrying amount of other payables approximates to their fair value. All amounts are payable within one year.

16. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (GROUP)

Credit risk

The Group's principal financial assets are bank balances and cash, trade and other debtors.

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies. The Group has no significant concentration of credit risk.

Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximising the return to stakeholders. The capital structure of the Group consists of cash and cash equivalents; financial assets carried at fair value and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings as disclosed in note 18.

Gearing ratio

The Board periodically reviews the capital structure of the Group. As part of this review, the Board considers the cost of capital and the risks associated with each class of capital.

16. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONT'D)

Categories of Financial Instruments

	Carrying value	
	Year ended 31 March 2010 £	Year ended 31 March 2009 £
Financial assets		
Fair value through profit and loss (FVTPL) held for trading	-	269,362
Loans and receivables (including cash and cash equivalents)	1,855,695	435,943
Financial liabilities		
Short-term borrowings and payables	<u>1,274,112</u>	<u>966,834</u>

Financial risk management

The Board of Directors monitors the financial risks relating to the operations of the Group. These risks include market risk (primarily currency and interest rate risk), and liquidity risk.

Foreign currency risk management

The Group is exposed to foreign exchange risk associated with fluctuations in the relative value of the Mozambique Metical and US Dollars. These risks are mitigated to the extent considered necessary by the Board of Directors. The most significant risk occurs on the translation of foreign operations resulting into sterling on consolidation. Almost 100% of each foreign operation's revenues and the bulk of each foreign operation's operating costs are incurred in local currency. Group companies therefore do not engage in foreign currency risk hedges.

Interest rate risk management

The Group is exposed to interest rate risk through the cash and cash equivalents and short term financial assets. The Group does not have any material interest bearing liabilities.

Liquidity risk management

Ultimate responsibility for the liquidity risk management rests with the Board of Directors. The Board of Directors monitors the level of liquid assets available to the Company and the level of funding required to meet its short-medium and long-term requirements.

Liquidity risk

Liquidity risk is considered to be minimal.

Market price risks

The Group is exposed to market price risk through the changes in market price for commodities. The Group manages this risk centrally with reference to annual budgets and periodic forecasts including sensitivity analysis of projected production rates and commodity prices.

Fair values

The loans from the holding company to the subsidiary are denominated in pounds sterling. The carrying amounts of the following financial instruments approximate their fair values:

- Cash at bank – deposits without specified maturity dates and bear interest at market-related rates.
- Accounts receivable – subject to normal credit terms and reflected net of doubtful debt provision
- Accounts payable – subject to normal credit terms and relatively short payment cycle.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
17. SHARE CAPITAL

	Year ended 31 March 2010	Year ended 31 March 2009
	£	£
Issued and fully paid at 1 April		
714,123,189 ordinary shares of £0.00023 each (2008: 693,323,189 ordinary shares of £0.00023 each)	164,249	159,465
Issued during the year		
No shares were issued during the year (2009: 20.8 million ordinary shares of £0.00023 each)	-	4,784
Issued and fully paid at 31 March	164,249	164,249

Movements in the Year

No shares were issued during the year, (2009: 20,800,000 ordinary shares of 0.023 pence were issued at 1 pence per share).

	Number of shares	Nominal value	Consideration
	No	£	£
At 1 April 2008	693,323,189	159,465	3,287,054
Share issues: 9 April 2008	<u>20,800,000</u>	<u>4,784</u>	<u>208,000</u>
At 31 March 2010 and 31 March 2009	<u>714,123,189</u>	<u>164,249</u>	<u>3,495,054</u>

18. STATEMENT OF CHANGES IN EQUITY (GROUP)

	Share capital	Share premium	Revaluation reserve	Translation reserve	Accumulated loss	Total
	£	£	£	£	£	£
At 1 April 2008	159,465	3,127,589	739,404	(28,574)	(1,123,103)	2,874,781
Net loss for the year	–	–	–	–	(319,285)	(319,285)
Shares issued	4,784	203,216	–	–	–	208,000
Reversal of revaluation reserve	–	–	(739,404)	–	–	(739,404)
Exchange differences on translation of overseas operations	–	–	–	9,465	–	9,465
At 1 April 2009	164,249	3,330,805	–	(19,109)	(1,442,388)	2,033,557
Net loss for the year	–	–	–	–	(1,225,753)	(1,225,753)
Exchange differences on translation of overseas operations	–	–	–	(221,061)	–	(221,061)
At 31 March 2010	164,249	3,330,805	–	(240,170)	(2,668,141)	586,743

Following a management review of the Mozambique property in 2009, the amounts attributed to revaluation reserve, deferred tax and farming land revaluation have been reversed (see Notes 9 and 11).

19. NOTES TO THE CASH FLOW STATEMENT (GROUP)

	Year ended 31 March 2010 £	Year ended 31 March 2009 £
Cash flow from operating activities	(1,225,753)	(319,879)
Adjustments for:		
Depreciation of property, plant and equipment	11,178	34,244
Net foreign exchange losses/(gain)	(219,597)	714
Loss on disposal of business	856,597	12,773
Operating cash flows before movements in working capital	(577,575)	(272,148)
(Decrease)/increase in payables	(354,437)	498,234
(Increase)/decrease in receivables	(165,224)	22,144
Increase in inventories	–	(1,204,888)
Net cash outflow from operating activities	(1,097,236)	(956,658)

Cash and cash equivalents (which are presented as a single class of assets on the face of the balance sheet) comprise cash at bank and other short-term highly liquid investments with a maturity of three months or less.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

20. COMMITMENTS AND CONTINGENT LIABILITIES

Commitments

The Company has the commitment to pay US\$250,000 to complete the purchase of the land owning company, Inveragro in Mozambique.

Contingencies

In respect of Mozambique, the Company has made a claim to recover US\$200,000 from a previous joint venture partner.

21. SHARE BASED PAYMENTS

Equity-settled share warrant scheme

There were no share-based payments for the year ended 31 March 2010 (2009:nil).

Share warrants

A new warrant scheme will be proposed following the recent changes in the Group.

22. EVENTS AFTER THE BALANCE SHEET DATE

There were no events after the balance sheet date.

23. RELATED PARTIES

There were no transactions with related parties during the year (2009: none).

24. PENSIONS

The only pension scheme in the Group was in Mozambique defined contribution pension plan. The contributions are charged against income. The Group does not have further liability in the pension scheme.

25. STAFF COSTS – COMPANY

	Year ended 31 March 2010	Year Ended 31 March 2009
	No.	No.
The average monthly number of employees (excluding executive Directors) was	4	4
Number of Directors	5	5
	9	9
	Year ended 31 March 2010	Year Ended 31 March 2009
	£	£
The Emoluments for qualifying services: Highest paid Director	55,000	55,000
Staff costs including Directors: Wages and salaries –	322,938	312,130

No retirement benefits are accruing to Directors under pension schemes, as a result there is no amount payable in respect of retirement benefits to either Directors or employees.

26. OPERATING LOSS – COMPANY

Loss from operations has been arrived at after charging:

	Year ended 31 March 2010	Year ended 31 March 2009
	£	£
Impairment of investment in Terneuzen Tank Terminal	225,075	–
Loss on disposal of Mozambique business	856,597	–
Depreciation of property, plant and equipment	4,036	4,035
	<hr/>	<hr/>

Audit services

Auditors' remuneration for the Company and the Group is disclosed in Note 5.

27. REVENUE (COMPANY)

	Year ended 31 March 2010	Year ended 31 March 2009
	£	£
Trading Income	317,695	548,732
Interest on Bank deposits	–	707
	<hr/>	<hr/>

28. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (COMPANY)

Capital risk management

The Company manages its capital to ensure that the entities in the Company will be able to continue as going concerns while maximising returns to stakeholders. The capital structure of the Company consists of cash and cash equivalents; financial assets carried at fair value and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings as disclosed in note 32.

The Company is equity financed.

Categories of Financial Instruments

	Year ended 31 March 2010	Year ended 31 March 2009
	£	£
Financial assets		
Fair value through profit and loss (FVTPL) held for trading	–	2,141,644
Loans and receivables (including cash and cash equivalents)	1,855,695	427,791
Financial liabilities		
Short-term borrowings and payables at amortised cost	936,951	257,054
	<hr/>	<hr/>

Financial Risk Management Objectives

The Board of Directors monitor the financial risks relating to the operations of the Company. These risks include market risk (primarily currency and interest rate risk), credit risk and liquidity risk.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

28. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (COMPANY) (CONT'D)

Foreign Currency Sensitivity Analysis

The foreign currency exposure and sensitivity is materially the same for the Group and Company. Refer to Note 16 for details in respect of foreign currency sensitivity.

Interest Rate Sensitivity

The Company does not have any interest bearing liabilities.

Liquidity Risk Management

Ultimate responsibility for the liquidity risk management rests with the Board of Directors. The Board monitors the level of liquid assets available to the Company and the level of funding required to meet its short –medium and long- term requirements.

Credit Risk

Financial assets which potentially subject the Company to concentrations of credit risk, consist solely of the loan to its subsidiary.

29. INVESTMENT – COMPANY

	Subsidiaries £	Other £	Total £
At 1 April 2009	1,872,282	269,362	2,141,644
Investment in subsidiaries			
Additional investment	598,185	331,741	929,926
Disposal investment	(2,470,467)	(601,103)	(3,071,570)
31 March 2010	<u>–</u>	<u>–</u>	<u>–</u>

Other investment comprised the amounts paid for the land holding company in Mozambique.

The Group has not designated any financial assets that are not classified as held for trading as financial assets at fair value through profit or loss.

The investments included above represent investments in non-listed securities.

Details of the Company's principal subsidiaries, all of which have been included in these consolidated financial statements at 31 March 2010 are as follows:

Name	Principal activity	Country of Incorporation and operation	Proportion of ownership interest	Proportion of voting power held
			Company %	Group %
ESV-Ukraine	Dormant	UK	100%	100%
ESV Bio-Fuels	Dormant	UK	100%	100%
ESV Bio-Africa Limitada	Bio-fuels	Mozambique	100%	100%
Terneuzen Tank Terminal BV	Logistics	The Netherlands	100%	100%
ESV The Netherlands BV	Logistics	The Netherlands	100%	100%
ESV Trading Belgium NV	Ceased	Belgium	100%	100%

Terneuzen Tank Terminal BV is a subsidiary of ESV The Netherlands BV which is 100% owned by ESV Group plc.

30. TRADE AND OTHER RECEIVABLES – COMPANY

	Year ended 31 March 2010 £	Year ended 31 March 2009 £
Trade debtors	6,463	1,205
Other debtors	1,846,469	425,887
	<u>1,852,932</u>	<u>427,092</u>

31. TRADE AND OTHER PAYABLES - COMPANY

	Year ended 31 March 2010 £	Year ended 31 March 2009 £
Trade creditors	156,158	184,824
Other creditors	765,593	–
Accruals	15,200	72,230
	<u>936,951</u>	<u>257,054</u>

32 STATEMENT OF CHANGES IN EQUITY – COMPANY

	Share capital £	Share premium £	Accumulated loss £	Total £
1 April 2008	159,465	3,127,589	(1,077,923)	2,209,131
Shares issued	4,784	203,216	–	208,000
Net loss for the year	–	–	(95,554)	(95,554)
At 31 March 2009	<u>164,249</u>	<u>3,330,805</u>	<u>(1,173,477)</u>	<u>2,321,577</u>
Shares issued	–	–	–	–
Net loss for the year	–	–	(1,397,673)	(1,397,673)
At 31 March 2010	<u>164,249</u>	<u>3,330,805</u>	<u>(2,571,150)</u>	<u>923,904</u>

33. NOTES TO THE CASH FLOW STATEMENT - COMPANY

	Year ended 31 March 2010 £	Year ended 31 March 2009 £
Operating loss from continuing operations	(1,397,673)	(96,261)
Depreciation of property, plant and equipment	4,036	4,035
Impairment of subsidiary	203,727	–
Loss on sale of business	856,597	–
	<u>(333,313)</u>	<u>(92,226)</u>
Operating cash flows before movements in working capital	(333,313)	(92,226)
(Increase)/decrease in receivables	(165,226)	51,057
Increase/(decrease) in payables	174,582	(117,411)
	<u>(323,957)</u>	<u>(158,580)</u>

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of the Company will be held at 12 noon on 5 October 2010 at the offices of Keith Bayley Rogers & Co Ltd, Finsbury Tower, 103-105 Bunhill Road, London EC1Y 8LZ for the following purpose:

Ordinary Business

To consider and if thought fit, to pass the following resolutions each of which will be proposed as an Ordinary Resolution:

1. To receive the Company's annual accounts for the financial year ended 31 March 2010 together with the directors' report and auditors' report on those accounts.
2. To re-appoint W H Associates LLP as Auditors to hold office from the conclusion of the meeting to the conclusion of the next meeting at which the accounts are laid before the Company and to authorise the Directors to agree their remuneration.

Special Business

To consider and, if thought fit, pass Resolutions 3 and 5, which will be proposed as Ordinary Resolutions, and Resolution 4 which will be proposed as a Special Resolution:

3. That, in accordance with section 551 of the Companies Act 2006 (the "2006 Act") the Directors of the Company be and are generally and unconditionally authorised to allot Relevant Securities (as defined in the notes to this resolution):
 - 3.1 comprising equity securities (as defined by section 560 of the 2006 Act) up to an aggregate nominal value of £160,000 (such amount to be reduced by the nominal amount of any Relevant Securities allotted under paragraph 3.2 below) in connection with an offer by way of a rights issue:
 - (a) to holders of ordinary shares in proportion (as nearly as may be practicable) to their respective holdings; and
 - (b) to holders of other equity securities as required by the rights of those securities or as the Directors otherwise consider necessary, but subject to such exclusion or other arrangements as the Board may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates, legal or practical problems in or under the laws of any territory or the requirements of any regulatory body or stock exchange; and
 - 3.2 in any other case, up to an aggregate nominal value of £160,000 (such amount to be reduced by the nominal amount of any equity securities allotted under paragraph 3.1 above in excess of £160,000), provided that these authorities, unless duly renewed, varied or revoked by the Company, expire on the date being fifteen months from the date of the passing of this resolution or, if earlier, the conclusion of the next annual general meeting of the Company to be held after the passing of this resolution, save that the Company may, before such expiry, make offers or agreements which would or might require Relevant Securities to be allotted after such expiry

and, the Directors may allot Relevant Securities in pursuance of such an offer or agreement notwithstanding that the authority conferred by this resolution has expired.

4. That, subject to the passing of Resolution 3, the Directors be given the general power to allot equity securities (as defined by section 560 of the 2006 Act) for cash, either pursuant to the authority conferred by Resolution 3 or by way of a sale of treasury shares, as if section 561(1) of the 2006 Act did not apply to any such allotment, provided that this power shall be limited to:

4.1 the allotment of equity securities in connection with an offer by way of a rights issue:

- (a) to holders of ordinary shares in proportion (as nearly as may be practicable) to their respective holdings; and
- (b) to holders of other equity securities as required by the rights of those securities or as the Directors otherwise consider necessary,

but subject to such exclusion or other arrangements as the Board may deem necessary or expedient in relation to treasury shares, fractional entitlements, records dates, legal or practical problems in or under the laws of any territory or the requirements of any regulatory body or stock exchange; and

4.2 the allotment (otherwise than pursuant to paragraph 4.1 above) of equity securities up to an aggregate nominal amount of £160,000 representing approximately 97.5 per cent. of the Company's current issued share capital.

The power granted by this resolution will expire on the date being fifteen months from the date of the passing of this resolution or, if earlier, the conclusion of the next annual general meeting of the Company to be held after the passing of this resolution (unless renewed, varied or revoked by the Company prior to or on such date), save that the Company may, before such expiry, make offers or agreements which would or might require equity securities to be allotted after such expiry and, the Directors may allot equity securities in pursuance of such an offer or agreement notwithstanding that the authority conferred by this resolution has expired.

5. That the issued ordinary shares of nominal value 0.023 pence each in the capital of the Company be and are consolidated so that each 100 such shares shall become one ordinary share of 2.3 pence each, having the rights and obligations respectively attached to them.

Registered office
19/20 Grosvenor Street
London W1K 4QH

By order of the Board
M A Alikhani
31 August 2010

Notes to the Notice of Annual General Meeting**Entitlement to attend and vote**

1. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that only those members registered on the Company's register of members at:
 - 6 p.m. on 3 October 2010; or,
 - if this Meeting is adjourned, at 6 p.m. on the day two days prior to the adjourned meeting shall be entitled to attend and vote at the Meeting.

Appointment of proxies

2. If you are a member of the Company at the time set out in note 1 above, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the Meeting and you should have received a proxy form with this notice of meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form.
3. A proxy does not need to be a member of the Company but must attend the Meeting to represent you. Details of how to appoint the Chairman of the Meeting or another person as your proxy using the proxy form are set out in the notes to the proxy form. If you wish your proxy to speak on your behalf at the Meeting you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them.
4. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy please refer to the notes on the Form of Proxy.

Appointment of proxy using hard copy proxy form

5. The notes to the proxy form explain how to direct your proxy how to vote on each resolution or withhold their vote.

To appoint a proxy using the proxy form, the form must be:

- completed and signed;
- sent or delivered to Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA; and
- received by Neville Registrars no later than 12 noon on 3 October 2010.
- or sent by facsimile transmission to 0121 585 1132 no later than 48 hours before the General Meeting i.e. by 12 noon on 3 October 2010. If the appointment of proxy is notified by facsimile transmission, the original appointment in the same form as received by facsimile transmission should be deposited at the place at which the facsimile transmission was received, or the Registered office of the Company, not less than 24 hours before the time appointed for the Meeting or adjourned meeting or the holding of a poll subsequently at which the vote is to be used

In the case of a member which is a company, the proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.

Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.

Appointment of proxy by joint members

6. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).

Changing proxy instructions

7. To change your proxy instructions simply submit a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments (see above) also apply in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded.

Where you have appointed a proxy using the hard-copy proxy form and would like to change

ESV Group Plc

the instructions using another hard-copy proxy form, please contact Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA.

If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

Termination of proxy appointments

8. In order to revoke a proxy instruction you will need to inform the Company using the following method:

By sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA

In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice.

In either case, the revocation notice must be received by Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA no later than 12 noon on 3 October 2010.

If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to the paragraph directly below, your proxy appointment will remain valid.

Appointment of a proxy does not preclude you from attending the Meeting and voting in person. If you have appointed a proxy and attend the Meeting in person, your proxy appointment will automatically be terminated.

Issued shares and total voting rights

9. As at 12 noon on 10 September 2010, the Company's issued share capital comprised 714,123,189 ordinary shares of £0.00023 each. Each ordinary share carries the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company as at 12 noon on 10 September is 714,123,189.

Notes to Resolution 3

In Resolution 3 "Relevant Securities" means:

- Shares in the Company other than shares allotted pursuant to:
 - an employee share scheme (as defined by section 1166 of the 2006 Act);
 - a right to subscribe for shares in the Company where the grant of the right itself constituted a Relevant Security; or
 - a right to convert securities into shares in the Company where the grant of the right itself constituted a Relevant Security.
- Any right to subscribe for or to convert any security into shares in the Company other than rights to subscribe for or convert any security into shares allotted pursuant to an employee share scheme (as defined by section 1166 of the 2006 Act). References to the allotment of Relevant Securities in the resolution include the grant of such rights.

