REGISTERED NUMBER 06163193

HOT ROCKS INVESTMENTS PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2013

Directors	Brian Rowbotham Gavin J Burnell Charles J Vaughan
Secretary	Lorraine Elizabeth Young
Registered Office	3 Vaughan Avenue Tonbridge Kent TN10 4EB
Corporate Advisor	Peterhouse Corporate Finance Limited 31 Lombard Street London EC3V 9BQ
Solicitors	Edwin Coe LLP 2 Stone Buildings Lincoln's Inn London WC2A 3TH
Auditors	PKF Littlejohn LLP Statutory Auditor 1 Westferry Circus Canary Wharf London E14 4HD
Registrars	Share Registrars Limited Suite E First Floor 9 Lion and Lamb Yard Farnham Surrey GU9 7LL
Registered Number	06163193

Dear Shareholders,

I am pleased to present the financial results for the Company for the year ended 31 March 2013. The Company is an active investor in natural resources companies and, whilst it has been a difficult year generally for the sector, tough times do provide our Company with new opportunities to invest and diversify our portfolio of shares and warrant positions.

The Company made a pre-tax profit of £23,904 for the year, compared to a pre-tax loss of £131,425 in the prior year. The Company will not be paying a dividend at this stage.

Cash and cash equivalents as at the year end of 31 March 2013 were £26,201 (2012: £34,534). As at 31 August 2013 cash at bank is £177,000.

We continue to make pre-IPO investments when appropriate and some of these investee companies have floated on public markets during the year and subsequent to year end, with an uplift on the value of those investments.

The Company invested approximately £68,000 in to Terra Energy Limited in May 2011. The Company exchanged its shareholding in Terra for 1,373,676 ordinary shares in Fastnet Oil & Gas plc (AIM:FAST), which was admitted to trading on AIM on 11 June 2012 in conjunction with a £10,000,000 fundraising, valuing our stake at £151,000 at 11p per share. Since their admission to AIM, FAST ordinary shares have traded as high as 33p. We have actively traded our position but retain a shareholding.

Sula Iron & Gold plc, in which the Company holds 13,500,750 ordinary shares, was admitted to trading on AIM on 9 October 2012 having raised £1.15m at 6p per share (AIM:SULA). The Company was a founder shareholder of Sula investing £130,000 at 1p per share as well as backing subsequent rounds and the IPO fundraise. The Hot Rocks Board assisted in nurturing Sula through its funding and flotation. Sula is an iron and gold focused mineral exploration and development company operating in Sierra Leone and further information on Sula and its project can be viewed at www.sulairongold.com. Since admission to AIM, Sula raised a further £450,000 to fast-track the development of its 153 sq km iron ore and gold licence area to a drill ready status during Q1 2013 and has undertaken a drilling programme to confirm its economic potential. Sula's licence is in a mineral rich region of Sierra Leone, and is contiguous to African Minerals' operational Tonkolili iron mine which hosts a 12.8 billion tonne iron ore resource. Further positive drilling results have been announced by Sula today as they seek to prove up a JORC compliant resource during 2014.

On 11 December 2012, the Company announced that Emerick Resources Corp. had acquired Medgold Resource Limited ("Medgold") in which the Company was a significant shareholder. The transaction constituted a Reverse Takeover with Medgold shareholders retaining 61.6% of the enlarged company. Medgold Resources Corp. trades with the ticker TSX-V:MED. Medgold is a Mediterranean-focused gold explorer targeting countries primarily with historic production and legislative easing allowing for mine planning and development. The company currently has two gold projects in Tuscany, Italy, and a pipeline primarily consisting of projects in Portugal and Spain.

The Company invested £250,000 in the ordinary shares of Medgold since July 2011. At re-admission the Company's equity interest in Medgold was valued at approximately CAD$1,260,000 (approximately £800,000). Sadly, even in the face of positive progress by Medgold, the shares have languished recently.

In May 2011, the Company invested £25,000 in to Impact Oil and Gas Limited for a nominal equity holding. On 17 December 2012 we noted the very positive news that ExxonMobil, the world's largest publicly traded international oil and gas company, is farming in to Impact's acreage offshore South Africa to acquire a 75% interest.

In January 2013, the Company acquired a 10% equity stake in Elephant Oil Limited. an oil and gas exploration company with a focus on West Africa. The Company will endeavour to assist the company in its progression through funding to flotation, joint venture of assets, or sale.

In April 2013, the Company invested £25,000 into ISDX-quoted Rare Earths and Metals plc ("Rare Earths") (since renamed Goldcrest Resources plc), a Ghana focused gold explorer. The Company holds 65,000,000 ordinary shares, being 9.24% of the issued share capital of Goldcrest and 50,000,000 warrants to subscribe for new ordinary shares exercisable at 0.05p per share, subject to certain conditions, for a period of 10 years. Gavin Burnell, Managing Director of the Company, has joined the Board of Rare Earths as a non-executive Director and per the announcement by Goldcrest, will be assisting that company in its proposed admission to AIM.

During the year we were pleased to receive a further positive update from Minergy Limited, an investee company, has delineated a quality 2.8Bt (JORC - Inferred - Coffey Mining, March 2013) coal resource at their 100% owned Masama Export Quality Coal Project located in the Mmamabula coalfield of Botswana, next to Anglo, and near Jindal, Exxaro, and Sasol.

The Masama Export Quality Coal project ranks in the top 5 coal deposits in Botswana alongside Anglo and Jindal's coal deposits in the Mmamabula coalfield. 1.2Bt (with good yields) of this shallow, flat laying, low ash and low sulphur coal resource is above export quality, setting the project apart from deposits in the north-eastern coalfields of Botswana. Minergy is now placed amongst just a handful of companies controlling huge coal resources in the Mmamabula (Botswana) and Waterberg (Republic of South Africa) coalfields, and positioned to become a significant player in these coalfields going forward.

Two phases of exploration & drilling at Masama, targeting a significant expansion and upgrade of Minergy's resource base (from 2.8Bt to ~4Bt) and the completion of a scoping study, are planned to commence soon. The next phase of Minergy's exploration program is funded.

In July 2013, the Company invested $50,000 in to Brazil Tungsten Holdings Ltd, a private company currently focused on the development of the Bodó underground tungsten mine in Rio Grande do Norte, Brazil and seeking new opportunities to expand its portfolio of tungsten projects.

During the year the Company invested £40,000 at 0.25p per share in to Union Jack Oil plc – at the time an ISDX-traded investment company. Union Jack was admitted to trading on AIM on 30 July 2013.

We have a healthy cash balance and hold stakes in the following entities:

Brazil Tungsten Holdings Ltd
Copper Bay plc
Elephant Oil Limited
Fastnet Oil & Gas plc
Goldcrest Resources plc
Impact Oil & Gas Limited
Mafula Energy Limited
MedGold Resources Corp
Minergy Limited
Rift Resources plc
Sula Iron & Gold plc
Tigris Resources Limited
Union Jack Oil plc

The Board of Directors will continue to introduce further equity positions to the company to enable additional diversification of the portfolio. Whilst not every investment will be successful, and there will be some disappointments along the way, we have much confidence that even with the current market conditions; over the longer term we can continue to achieve a good return on our investments as a whole.

Brian Rowbotham
Non-Executive Chairman

The Directors present their report and the audited Financial Statements for the year ended 31 March 2013.

Principal Activities and Review of the Business

The principal activity of the Company is to invest in companies, or assets, in the natural resources sector. The Company has continued in this activity with the investments made during the year, as detailed in the Chairman's Statement.

The principal risks and uncertainties lie in the investments the Company holds. The nature of the natural resource sector means that returns are uncertain and resources may be unviable to extract.

The Company will not use Key Performance Indicators until such time as initial investments are disposed of and performance can be measured.

The future developments are discussed in the Chairman's Statement.

Results and Dividends

The profit for this year after taxation was £23,904 (2012 – loss of £131,425). The Directors do not recommend the payment of a dividend.

Financial Risk Management

The Company's principal financial instruments comprise available for sale financial instruments, other receivables, other payables and cash and cash equivalents. No bank loans or other financing arrangements have been required. No borrowings have been required to finance working capital. Therefore the Company's exposure to credit risk, liquidity risk and market risk is not deemed significant.

Directors and Directors' Interests

The Directors who held office during the period to the date of approval of these Financial Statements had the following beneficial interests in the ordinary shares of the Company.

	Ordinary shares interest at end of period No.	Warrants interest at end of period No.	Ordinary shares interest at start of period No.	Warrants interest at start of period No.
Gavin J Burnell	4,250,000	9,027,500	4,250,000	9,027,500
Brian Rowbotham	3,700,000	500,000	3,000,000	500,000
Charles J Vaughan	1,250,000	500,000	1,000,000	500,000

Substantial Interests

As at 31 August 2013, the Directors were aware of the following shareholdings in excess of 3% of the Company's issued share capital.

	%	Number of ordinary shares
Sunvest Corporation Limited	25.57	44,384,600
Forest Nominees Limited	9.65	16,750,000
Pershing Nominees Limited(1)	8.58	14,900,000
HSBC Marking Name Nominee (UK) Limited	4.22	7,333,333
Winterflood Securities Limited	3.40	5,907,076

(1) Includes 12,500,000 ordinary shares held on behalf of Gavin J Burnell.

Events after the Reporting Period

The events after the reporting date are set out in note 14 to the Financial Statements.

Supplier Payment Policy

Whilst there is no formal code or standard, it is Company policy to settle terms of payment with creditors when agreeing the terms of each transaction and to abide by the creditors' terms of payment. There are no creditors subject to special arrangements outside of suppliers' terms and conditions.

Provision of information to auditors

The Directors at the time when this Directors' Report is approved have confirmed that:

- so far as each Director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- each Director has taken all the steps that ought to have been taken as directors in order to be aware of any information needed by the Company's auditor in connection with preparing its report and to establish that the Company's auditor is aware of that information.

Auditor

PKF Littlejohn LLP (formerly Littlejohn LLP) has signified their willingness to continue in office as auditor.

Approved by the Board on …………………. 2013 and signed on its behalf by:

Gavin J Burnell
Director

Introduction

The Company's system of corporate governance, which is summarised below, has been formulated with the UK Corporate Governance Code in mind. However, not every provision and principle of this Code has been dealt with as it is considered by the Directors to be inappropriate due to the current size of the Company. Although not required, the Directors have decided to provide the following corporate governance information.

Board of Directors

As at 31 March 2013 the Board consisted of a Non-Executive Chairman and a Non-Executive Director and a Manager Director. The Board communicates and/or meets on a regular basis and the agenda of matters discussed and approved consists of matters concerned with the future direction of the business.

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 have elected to prepare the Financial Statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the Directors must not approve the Financial Statements 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 for that period. In preparing these financial statements the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- whether applicable IFRSs as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the Financial Statements; and
- prepare the Financial Statements on the going concern basis, unless it is inappropriate to presume that the Company will continue in business.

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 company's website and legislation in the United Kingdom governing the preparation and dissemination of financial statements which may differ from legislation in other jurisdictions.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HOT ROCKS INVESTMENTS PLC

We have audited the Financial Statements of Hot Rocks Investments Plc for the year ended 31 March 2013 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone, other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and Auditor

As explained more fully in the Statement of Directors' Responsibilities, the Directors are responsible for the preparation of the Financial Statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the Financial Statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the Financial Statements

An audit involves obtaining evidence about the amounts and disclosures in the Financial Statements sufficient to give reasonable assurance that the Financial Statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the Directors, and the overall presentation of the Financial Statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited Financial Statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on Financial Statements

In our opinion the Financial Statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2013 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the Financial Statements are prepared is consistent with the Financial Statements.

Matters on which we are required to report by exception

The Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the Financial Statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of the above matters.

Mark Ling (Senior statutory auditor)
For and on behalf of
PKF Littlejohn LLP
Statutory auditor

1 Westferry Circus
Canary Wharf
London E14 4HD

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STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2013

	Note	Year ended 31 March 2013 £	Year ended 31 March 2012 £
Operating expenses		(127,880)	(149,194)
Other gains		154,075	17,769
Operating Profit/(Loss)	1	26,195	(131,425)
Finance costs		(2,291)	-
Profit/(Loss) before income tax		23,904	(131,425)
Income tax expense	2	-	-
Profit/(Loss) for the year		23,904	(131,425)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Reclassification of cumulative gains on available-for-sale financial asset due to disposal		(80,454)	-
Fair value change in value on available-for-sale financial assets		655,738	-
Total comprehensive income for the year		599,188	(131,425)
Earnings/(Loss) per share – basic and diluted (pence)	3	0.02	(0.10)

All activities are classed as continuing.

The Accounting Policies and Notes on pages 14 to 27 form part of these Financial Statements.

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	Note	As at 31 March 2013 £	As at 31 March 2012 £
Assets			
Non-Current Assets			
Available-for-sale financial assets	5	1,634,080	1,032,885
		1,634,080	1,032,885
Current Assets			
Other receivables	6	19,052	6,421
Cash and cash equivalents		26,201	34,534
		45,253	40,955
Total Assets		1,679,333	1,073,840
Equity and Liabilities			
Equity attributable to shareholders			
Ordinary shares	8	156,519	151,960
Share premium account	8	990,542	949,508
Share to be issued under warrants	9	29,738	29,738
Other reserves	10	629,284	54,000
Retained loss		(162,677)	(186,581)
		1,643,406	998,625
Current liabilities			
Trade and other payables	7	35,927	75,215
Total Equity and Liabilities		1,679,333	1,073,840

These financial statements were approved and authorised for issue by the Board of Directors and were signed on its behalf on ……………. 2013.

Gavin J Burnell
Director

The Accounting Policies and Notes on pages 14 to 27 form part of these Financial Statements.

Attributable to Equity Shareholders

	Ordinary shares £	Share premium £	Shares to be issued under warrants £	Other reserves £	Retained loss £	Total £
Balance at 1 April 2011	80,000	301,872	25,440	54,000	(55,156)	406,156
Loss for the year	-	-	-	-	(131,425)	(131,425)
Total Comprehensive Income	-	-	-	-	(131,245)	(131,245)
Transactions with Owners						
Share capital issued	71,785	646,061	-	-	-	717,846
Share based payments	175	1,575	-	-	-	1,750
Shares to be issued under warrants	-	-	4,298	-	-	4,298
Total Transactions with Owners	71,960	647,636	4,298	-	-	723,894
Balance as at 31 March 2012	151,960	949,508	29,738	54,000	(186,581)	998,625
Profit for the year	-	-	-	-	23,904	23,904
Other Comprehensive Income						
Reclassifications of cumulative gains on available-for-sale financial assets	-	-	-	(80,454)	-	(80,454)
Fair value change in value on available-for-sale financial assets	-	-	-	655,738	-	655,738
Total Comprehensive Income	-	-	-	575,284	23,904	599,188
Transactions with Owners						
Share capital issued	4,559	41,034	-	-	-	45,593
Total Transactions with Owners	4,559	41,034	-	-	-	45,593
Balance as at 31 March 2013	156,519	990,542	29,738	629,284	(162,677)	1,643,406

The Accounting Policies and Notes on pages 14 to 27 form part of these Financial Statements.

	Note	Year ended 31 March 2013 £	Year ended 31 March 2012 £
Cash flows from operating activities			
Profit/(loss) before income tax		23,904	(131,425)
Finance costs		2,291	-
Gain on disposal of available-for-sale financial assets		(154,075)	(17,769)
Impairment of available-for-sale financial asset		65,000	77,018
Share based payments		-	4,298
Increase in other receivables	6	(12,631)	(1,114)
Increase/(decrease) in trade and other payables	7	20,712	(16,982)
Net cash generated from operations		(54,799)	(85,974)
Cash flows from investing activities			
Purchases of available-for-sale financial assets		(99,417)	(904,734)
Proceeds from disposal of available-for-sale financial assets		162,581	42,769
Net cash generated from/(used in) investing activities		63,164	(861,965)
Cash flows from financing activities			
Proceeds from the issue of share capital		45,593	717,846
Proceeds from borrowings		-	60,000
Repayment of borrowings		(60,000)	-
Interest paid		(2,291)	-
Net cash used in financing activities		(16,698)	777,846
Decrease in cash and cash equivalents		(8,333)	(170,093)
Cash and cash equivalents at the beginning of the year		34,534	204,627
Cash and cash equivalents at the end of the year		26,201	34,534

The Accounting Policies and Notes on pages 14 to 27 form part of these Financial Statements.

General Information

Hot Rocks Investments Plc is a limited company incorporated and domiciled in the United Kingdom. Its registered office is disclosed on page 2.

Summary of Significant Accounting Policies

The principal Accounting Policies applied in the preparation of these Financial Statements are set out below. These Policies have been consistently applied to all the periods presented, unless otherwise stated.

Basis of Preparation of Financial Statements

The Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) and IFRIC interpretations as adopted by the European Union and the parts of the Companies Act 2006 applicable to companies reporting under IFRSs. The Financial Statements have also been prepared under the historical cost convention, as modified by the revaluation of the available-for-sale financial assets.

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's Accounting Policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Financial Statements, are disclosed later in these accounting policies.

The Financial Statements are presented in sterling (£), rounded to the nearest pound.

Standards, amendments and interpretations effective in 2013

a) New and amended standards and interpretations mandatory for the first time for the financial year beginning 1 April 2012 and relevant to the Company.

Amendment to IAS 1, 'Financial statement presentation' regarding other comprehensive income. The main change resulting from these amendments is a requirement for entities to group items presented in 'other comprehensive income' (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). The amendments do not address which items are presented in OCI. The amendment becomes effective for annual periods beginning on or after 1 July 2012. The Company has adopted this early.

(b) New and amended standards and interpretations mandatory for the first time for the financial year beginning 1 April 2012 but not currently relevant to the Company.

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning on or after 1 April 2012, and have not been applied in preparing these financial statements. None of these is expected to have a significant effect on the financial statements of the Company.

Amendments to IFRS 1, 'First time adoption' on fixed dates and hyperinflation. The first amendment replaces references to a fixed date of 1 January 2004 with ''the date of transition to IFRSs", thus eliminating the need for companies adopting IFRSs for the first time to restate derecognition transactions that occurred before the date of transition to IFRSs. The second amendment provides guidance on how an entity should resume presenting financial statements in accordance with IFRSs after a period when the entity was unable to comply with IFRSs because its functional currency was subject to severe hyperinflation.

Standards, amendments and interpretations effective in 2013 (continued)

IFRS 7, 'Financial instruments: Disclosures' was amended in October 2012 for the transfer of financial assets. These amendments are as part of the IASB's comprehensive review of off Statement of Financial Position activities. The amendments promote transparency in the reporting of transfer transactions and improve users' understanding of the risk exposures relating to transfers of financial assets and the effect of those risks on an entity's financial position, particularly those involving securitisation of financial asset

Amendments to IAS 12, 'Income Taxes' on deferred tax. Currently IAS 12 requires an entity to measure the deferred tax relating to an asset depending on whether the entity expects to recover the carrying amount of the asset through use or sale. It can be difficult and subjective to assess whether recovery will be through use or through sale when the asset is measured using the fair value model in IAS 40 Investment Property. Hence this amendment introduces an exception to the existing principle for the measurement of deferred tax assets or liabilities arising on investment property measured at fair value. As a result of the amendments, SIC 21, 'income taxes – recovery of revalued non-depreciable assets', would no longer apply to investment properties carried at fair value. The amendments also incorporate into IAS 12 the remaining guidance previously contained in SIC 21, which is accordingly withdrawn.

(c) New standards, amendments and interpretations issued but not effective for the financial year beginning 1 April 2012 and not early adopted.

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the financial statements are disclosed below. The Company intend to adopt these standards, if applicable, when they become effective. Unless otherwise stated, the Directors are assessing the possible impact of the following on the Financial Statements:

IFRS 7, 'Financial Instruments: Disclosures' was amended for asset and liability offsetting. This amendment requires disclosure of information that will enable users of financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position. The amendment is effective for the accounting period beginning on or after 1 January 2013, subject to endorsement by the EU.

IFRS 13, 'Fair value measurement', aims to provide consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements, which are largely aligned between IFRS and US GAAP, do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards with IFRSs or US GAAP. The standard becomes effective for annual periods beginning on or after 1 January 2013.

IAS 27, 'Separate Financial Statements', replaces the current version of IAS 27, 'Consolidated and Separate Financial Statements' as a result of the issue of IFRS 10. The revised standard includes the requirements relating to separate financial statements. The revised standard becomes effective for annual periods beginning on or after 1 January 2013.

IFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. IFRS 9 was issued in November 2009 and October 2010. It replaces parts of IAS 39 that relate to the classification and measurement of financial instruments. IFRS 9 requires financial assets to be classified into two measurement categories: those measured as at fair value and those measured at amortised cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics for the instrument. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. The Company is yet to assess IFRS 9's full impact and intends to adopt IFRS 9 no later than the accounting period beginning on or after 1 January 2015, subject to endorsement by the EU. The Company will also consider the impact of the remaining phases of IFRS 9 when completed by the Board.

Standards, amendments and interpretations effective in 2013 (continued)

Amendments to IAS 32, 'Financial Instruments: Presentation', add application guidance to address inconsistencies identified in applying some of the criteria when offsetting financial assets and financial liabilities. This includes clarifying the meaning of "currently has a legally enforceable right of set-off" and that some gross settlement systems may be considered equivalent to net settlement. The Company is yet to assess the full impact of the amendments to IAS 32 and intends to adopt the amended standard no later than the accounting period beginning on or after 1 January 2014.

'Annual Improvements 2009 – 2011 Cycle' sets out amendments to various IFRSs as follows:

- An amendment to IFRS 1, 'First-time Adoption' clarifies whether an entity may apply IFRS 1:
    - (a) if the entity meets the criteria for applying IFRS 1 and has applied IFRS 1 in a previous reporting period; or
    - (b) if the entity meets the criteria for applying IFRS 1 and has applied IFRSs in a previous reporting period when IFRS 1 did not exist.
- The amendment to IFRS 1 also addresses the transitional provisions for borrowing costs relating to qualifying assets for which the commencement date for capitalization was before the date of transition to IFRSs.
- An amendment to IAS 1, 'Presentation of Financial Statements' clarifies the requirements for providing comparative information:
    - (a) for the opening Statement of Financial Position when an entity changes accounting policies, or makes retrospective restatements or reclassifications; and
    - (b) when an entity provides Financial Statements beyond the minimum comparative information requirements.
- An amendment to IAS 16, 'Property, Plant and Equipment' addresses a perceived inconsistency in the classification requirements for servicing equipment.
- An amendment to IAS 32, 'Financial Instruments: Presentation' addresses perceived inconsistencies between IAS 12, 'Income Taxes' and IAS 32 with regard to recognizing the consequences of income tax relating to distributions to holders of an equity instrument and to transaction costs of an equity transaction.
- An amendment to IAS 34, 'Interim Financial Reporting' clarifies the requirements on segment information for total assets and liabilities for each reportable segment.

The Company intends to adopt the amended standards no later than the accounting period beginning on or after 1 January 2013, subject to endorsement by the EU. These improvements are not expected to have an impact on the Company.

Cash and Cash Equivalents

Cash and cash equivalents comprise current and deposit balances with banks and similar institutions, which are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value. This definition is also used for the Statement of Cash Flows.

All cash balances are held at bankers with at least an AA credit rating.

Segmental Reporting

The Company has only one operating segment. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

Foreign Currency Translation

(a) Functional and Presentation Currency

Items included in the Financial Statements of the Company are measured using the currency of the primary economic environment in which the entity operates (“functional currency”).

The Financial Statements are presented in Pounds Sterling (£), which is the Company’s functional and presentation currency.

(b) Transactions and Balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions, or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies, are recognised in profit or loss.

Financial Assets

The Company classifies its financial assets in the following categories: loans and receivables and available-for-sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are non-quoted in an active market. They are included in current assets. The Company’s loans and receivables comprise Other Receivables and Cash and Cash Equivalents in the Statement of Financial Position.

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets.

a) Recognition and Measurement

Regular purchases and sales of financial assets are recognised on the trade date – the date on which the Company commits to purchasing or selling the asset. Investments are initially recognised at fair value plus transaction costs. Financial assets are derecognised when the rights to receive cash flows from investments have expired or have been transferred, and the Company has transferred substantially all of the risks and rewards of ownership.

Available-for-sale financial assets are subsequently carried at fair value unless the Company is precluded from doing so as, in the case of unlisted equity securities, the range of reasonable fair value estimates is significant and the probabilities of the various estimates cannot be reasonably assessed. In such circumstances available-for-sale financial assets are held at cost and reviewed annually for impairment. Changes in the fair value of monetary and non-monetary securities classified as available-for-sale are recognised in other comprehensive income.

When securities classified as available-for-sale are sold or impaired the accumulated fair value adjustments recognised in equity are included in the income statement as “other gains”.

b) Impairment of Financial Assets

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset, or a group of financial assets, is impaired. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is evidence that the assets are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in profit or loss. Impairment losses recognised in profit or loss on equity instruments are not reversed through profit or loss.

If, in a subsequent period, the fair value of a debt instrument classified as available-for-sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through the income statement.

The criteria that the Company uses to determine that there is objective evidence of an impairment loss include:

- significant financial difficulty of the issuer or obligor;
- a breach of contract, such as a default or delinquency in interest or principal repayments;
- the disappearance of an active market for that financial asset because of financial difficulties;
- observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the portfolio; or
- for assets classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost.

Share Based Payments

The Company operates a number of equity-settled, share-based schemes, under which it receives services from employees or third party suppliers as consideration for equity instruments (options and warrants) of the Company. The Company may also issue warrants to share subscribers as part of a share placing. The fair value of the equity-settled share based payments is recognised, if material, as an expense in the income statement or charged to equity depending on the nature of the service provided or instrument issued. The total amount to be expensed or charged is determined by reference to the fair value of the options granted:

- including any market performance conditions;
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability or sales growth targets, or remaining an employee of the entity over a specified time period); and
- including the impact of any non-vesting conditions (for example, the requirement for employees to save).

In the case of warrants the amount charged to the share premium account is determined by reference to the fair value of the services received if available. If the fair value of the services received is not determinable, the warrants are valued by reference to the fair value of the warrants granted as described previously.

Non-market vesting conditions are included in assumptions about the number of options or warrants that are expected to vest. The total expense or charge is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each reporting period, the Company revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in the income statement or equity as appropriate, with a corresponding adjustment to a separate reserve in equity.

When the options are exercised, the Company issues new shares. The proceeds received, net of any directly attributable transaction costs, are credited to share capital (nominal value) and share premium.

Critical Accounting Estimates and Assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The only estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are:

Impairment of Financial Assets

The Company's investment in available-for-sale financial assets has a carrying value at 31 December 2012 of £1,634,080 after incurring an impairment charge of £65,000.

Management tests annually whether the investments have future economic value in accordance with the accounting policies. The investment is subject to an annual impairment review. Further details can be found in Note 5 of the Financial Statements.

Going Concern

The Directors have prepared the Financial Statements on a going concern basis. Although the Company's assets are not generating revenues an operating profit has been reported and Directors believe that the Company has sufficient funds to undertake its operating activities over the next 12 months including any additional payment required in relation to its working capital requirements.

The Company has financial resources which, the Directors believe, will be sufficient to fund the Company's operational expenditure. In addition, on 20 May 2013, the Company raised £205,000 from the issue of 17,083,331 new ordinary shares with a nominal value of 0.1 pence per share, at 1.2 pence per share (Note 14).

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the Financial Statements.

Fair Value Estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels are defined as follows:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2);
- inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The following table presents the Company's assets that are measured at fair value as at 31 March 2013. The Company does not have any liabilities measured at fair value.

	Level 1	**Level 2**	**Level 3**	**Total**
Assets				
Available-for-sale financial assets - Equity holdings	1,066,508	-	567,572	1,634,080
Total Assets	£1,066,508	£-	£567,572	£1,634,080

Fair Value Estimation (continued)

The following table presents the Company's assets that are measured at fair value at 31 March 2012:

Assets	Level 1	Level 2	Level 3	Total
Available-for-sale financial assets				
- Equity holdings	-	-	1,032,885	1,032,885
Total Assets	-	-	£1,032,885	£1,032,885

The fair value of financial instruments traded in active markets is based on quoted market prices at the date of the statement of financial position. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in Level 1. Instruments included in Level 1 comprise primarily of equity investments quoted on the AIM, London Stock Exchange and TSX, Toronto Stock Exchange, and classified as trading securities or available-for-sale.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available, and rely as little possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

The following table presents the changes in Level 3 instruments for the year ended 31 March 2013 and 31 March 2012:

	Available-for-sale financial assets 2013 £	Available for-sale financial assets 2012 £
Opening balance	1,032,885	230,169
Transfers into level 3	56,749	904,734
Transfers into level 1	(457,062)	-
Gains (and losses) recognised in profit or loss	(65,000)	(102,018)
Closing balance	567,572	1,032,885

In 2013 the Company transferred equity securities from level 3 to level 1. This was as a result of the equity securities (the investments in Fastnet Oil & Gas Plc, Medgold Resources Corp. and Sula Iron & Gold Plc) becoming listed on quoted, active markets, for example the AIM, London Stock Exchange and TSX, Toronto Stock Exchange.

1. **(Profit)/Loss from Operations**

	Year ended 31 March 2013 £	Year ended 31 March 2012 £
(Profit)/Loss from operations is stated after charging:		
Directors fees	35,000	35,000
Auditors' remuneration	6,800	3,120
Fees to auditors for other services	3,160	4,380
Corporate finance fee	3,000	6,600
ISDX Fee (formerly PLUS)	6,628	6,126
Travel	1,129	-
Legal and Professional	-	2,018
Other expenses	7,163	10,634
Share based payments	-	4,298
Gain on disposal of available-for-sale financial asset	(154,075)	(17,769)
Impairment of available-for-sale financial asset	65,000	77,018
	(26,195)	131,425

2. **Income Tax Expense**

Tax charge for the year

No taxation arises on the result for the year because of the trading losses brought forward.

Factors affecting the tax charge for the year

The following information is given to explain why no tax charge or credit arises for the year.

Profit/(loss) for the year before taxation	23,904	(131,425)
Tax on profit/(loss) for the year before tax multiplied by the UK small companies corporation tax rate of 20% (2012: 20%):	4,781	(26,285)
Utilisation of tax losses brought forward	(4,781)	-
Tax losses for the year not relieved	-	26,285
	-	-

Tax losses available to be carried forward by the Company at 31 March 2013 against future profits are £80,862 (2012 - £104,766). A deferred tax asset has not been recognised in respect of these losses in view of the uncertainty as to the level of future taxable profits.

3. **Earnings Per Share**

Basic earnings per share is calculated by dividing the profit attributable to ordinary shareholders of the company by the weighted average number of ordinary shares in issue during the year: 154,307,947 (2012 – 127,502,400). As the year end closing share price is the same as the exercise price of any potentially dilutive warrants, the basic and diluted profit per share are the same.

4. **Directors**

	Year ended 31 March 2013	Year ended 31 March 2012
	No.	No.
The average number of persons (including Directors) employed by the Company was:		
Directors	3	3

Directors' emoluments during the year amounted to £35,000 (2012: £35,000).

5. **Available for Sale Financial Assets**

	As at 31 March 2013 £	As at 31 March 2012 £
At 1 April	1,032,885	230,169
Additions	250,417	904,734
Disposal	(159,506)	(25,000)
Impairment	(65,000)	(77,018)
Net gains transferred to equity	575,284	-
	1,634,080	1,032,885

Available-for-sale financial assets are denominated in the following currencies:

	As at 31 March 2013 £	As at 31 March 2012 £
Pound	1,275,563	796,599
Zambian Kwacha	74,354	139,353
Euros	-	77,063
Canadian Dollar	284,163	19,870
	1,634,080	1,032,885

The Company intends to hold these assets until such time as their disposal represents a return for shareholders.

5. **Available for Sale Financial Assets (continued)**

Impairment review

An impairment review of the investments is carried out on an annual basis in order to ensure that it is valued at the lower of cost and recoverable amount.

The recoverable amount of the investments held by the Company has been determined based on value in use calculations. Management compares the recoverable amount resulting from the calculations to the carrying value of investments to determine whether an impairment charge is necessary. In 2013, this resulted in an impairment charge of £65,000 (2012 - £77,018).

6. **Other Receivables**

	As at 31 March 2013 £	**As at 31 March 2012 £**
Prepayments	9,052	6,421
Other receivables	10,000	-
	19,052	6,421

The fair value of other receivables is stated in the carrying value above.

7. **Trade and Other Payables**

Trade payables	10,580	12,215
Directors' Loans	-	60,000
Accruals and deferred income	25,347	3,000
	35,927	75,215

On 23 January 2012, Brian Rowbotham and Gavin J Burnell, both Directors of the Company advanced loans to the Company of £27,500 and £32,500, respectively. The loans were both unsecured and attracted interest at 10% and nil%, respectively. The loans were fully repaid and settled in the current year under review.

8. **Ordinary shares**

Issued	**Number of shares**	**Ordinary shares £**	**Share premium £**	**Total £**
At 1 April 2011	80,000,000	80,000	301,872	381,872
Issue of new shares – 30 June 2011	59,600,000	59,600	536,400	596,000
Issue of new shares – 30 June 2011	500,000	500	4,500	5,000
Share based payment – 30 June 2011	175,000	175	1,575	1,750
Issue of new shares – 7 January 2012	8,684,600	8,685	78,161	86,846
Issue of new shares – 19 March 2012	3,000,000	3,000	27,000	30,000
At 31 March 2012	151,959,600	151,960	949,508	1,101,468
Issue of new shares – 26 June 2012	4,559,291	4,559	41,034	45,593
At 31 March 2013	156,518,891	156,519	990,542	1,147,061

9. **Share Based Payments**

On 26 April 2007 the Company granted 4,000,000 warrants to each of Gavin Burnell, Hichens, Harrison (Ventures) Limited and Sunvest Corporation Limited. Each warrant entitles the holder to subscribe for one new ordinary share at an exercise price of 1 pence per share at any time until the fifth anniversary of Admission to ISDX.

On 13 April 2011, Hichens Harrison (Ventures) Limited assigned their 4,000,000 warrants to Gavin J Burnell, a Director of the Company for a consideration of £1.

On 5 October 2011 the Company granted 500,000, 500,000 and 1,027,500 warrants to each of Brian Rowbotham, Charles J Vaughan and Gavin J Burnell, respectively. Each warrant entitles the holder to subscribe for one new ordinary share at an exercise price of 1 pence per share at any time until 4 October 2016. On the same day, it was resolved that the previous warrants of 8,000,000 and 4,000,000 held by Gavin J Burnell and Sunvest Corporation Limited, respectively, that their expiry dates be extended to 4 October 2016.

The fair value of the warrants is as follows:

Name	**Date granted**	**Number**	**Exercise price £**	**Expiry date**	**Fair value at grant date**
Brian Rowbotham	5 October 2011	500,000	0.01	4 October 2016	1,060
Charles J Vaughan	5 October 2011	500,000	0.01	4 October 2016	1,060
Gavin J Burnell	26 April 2007	8,000,000	0.01	4 October 2016	16,960
Gavin J Burnell	5 October 2011	1,027,500	0.01	4 October 2016	2,178
Sunvest Corporation Limited	26 April 2007	4,000,000	0.01	4 October 2016	8,480
		14,027,500			£29,738

9. **Share Based Payments (continued)**

The warrants are exercisable at £0.01 at any time from the date of grant and expiring five years from such date.

	Average exercise Price £	Warrants
At 31 March 2012	0.01	14,027,500
Granted	0.01	-
Exercised	0.01	-
At 31 March 2013		14,027,500

The weighted average fair value of warrants granted on 26 April 2007 and 4 October 2011, determined by using the Black-Scholes valuation model, was £0.00212 per warrant for the 12,000,000 and 2,027,500 warrants granted. The significant inputs into the model were:

	Warrants
Dividend rate (%)	-
Risk free interest rate (%)	4.75%
Expected volatility (%)	5.00%
Share price at grant date (£)	1p
Exercise price (£)	1p

The warrants were granted on 26 April 2007, only 43 days after incorporation. The Directors were therefore unable to base their expected volatility rate on the historical performance of the Company's share price. The Directors therefore assumed a low volatility rate reflecting the cash shell status of the Company and low volume of trading expected. The warrants are not materially sensitive to volatility.

The change in fair value due to the modification of the existing 12,000,000 warrants was deemed insignificant by the Directors, as such has not been reflected in the Financial Statements.

10. **Other Reserves**

Other reserves are non-distributable. They represent;
- the equity entry in respect of the fair value of warrants exercised in previous years, which had been debited to the share premium account as a directly attributable cost of an equity transaction; and
- The changes in fair value of monetary and non-monetary securities classified as available-for-sale financial assets

11. **Capital Commitments**

There were no capital commitments authorised by the Directors or contracted for at 31 March 2013 and 31 March 2012

12. **Related Party Transactions**

Gavin J Burnell, a Director of the Company, was until October 2011 a Director of Corporate Finance at St Helens Capital Partners LLP. St Helens Capital Partners LLP provided corporate finance advisory services to 31 March 2013. The total fees for these services amounted to £3,000 (2012: £6,600).

Mountbeach Associates Limited charged the Company for the services of Brian Rowbotham as non executive Chairman in the amount of £6,250 (2012: £5,000). Mountbeach Associates Limited is controlled by Brian Rowbotham.

Lizzy Bet Limited invoiced the Company for the Director services of Gavin Burnell in the amount of £25,000 (2012: £25,000). Lizzy Bet Limited is controlled by Gavin Burnell.

On 23 January 2012, Brian Rowbotham and Gavin J Burnell, both Directors of the Company advanced loans to the Company of £27,500 and £32,500, respectively. The loans were both unsecured and incured interest at 10% and nil%, respectively. Both loans where fully settled in the year.

On 13 March 2013, the Company acquired a 10% shareholding of the ordinary shares in Elephant Oil Limited, a company in which Gavin Burnell is a Director and Shareholder. The total consideration paid was £2,456.

13. **Ultimate Controlling Party**

The Directors consider that there is no ultimate controlling party.

14. **Events after the Reporting Period**

On 20 May 2013, the Company raised £205,000 from the issue of 17,083,331 new ordinary shares with a nominal value of 0.1 pence per share, at 1.2 pence per share. The total number of ordinary shares in issue was 173,602,222.

15. **Treasury Policy**

The Company operates informal treasury policies which include ongoing assessments of interest rate management and borrowing policy. The Board approves all decisions on treasury policy.

The Company has financed its activities by the raising of funds through the placing of shares.

16. **Financial Risk Management objectives and policies**

The Company’s principal financial instruments comprise unlisted investments, other receivables, other creditors and cash on deposit. No bank loans or other financing arrangements have been made. No borrowings have been made to finance working capital. Therefore the Company is not yet affected by market price risk, foreign currency risk, interest rate risk or credit risk.

17. **Capital Risk Management**

The Company is subject to capital requirements set by the ISDX capital market on which the Company’s securities are traded. At 31 March 2013 the minimum share capital required by the regulated market was £50,000 (2012 - £50,000). The Company has remained within the required limits throughout the year.