

**NODDING DONKEY PLC
ANNUAL REPORT AND FINANCIAL STATEMENTS
PERIOD ENDED 30 APRIL 2012**

Company number 07603259

NODDING DONKEY PLC

Contents

Page

2	Directors and Advisers
3 - 6	Chairman's Statement
8 - 9	Report of the Directors'
10	Statement of Directors' Responsibilities
11 - 12	Report of the Independent Auditors
13	Consolidated Profit and Loss Account
14	Consolidated Statement of Total Recognised Gains and Losses
15	Consolidated Balance Sheet
16	Company Balance Sheet
17	Consolidated Cash Flow Statement
18 - 25	Notes to the Financial Statements

NODDING DONKEY PLC

DIRECTORS AND ADVISERS

DIRECTORS	Anthony Fabrizi Noel Lyons Conrad Windham
SECRETARY	Buckingham Corporate Services Limited
COMPANY NUMBER	07603259
REGISTERED OFFICE	42 Welbeck Street London W1G 8DU
AUDITORS	Adler Shine LLP Chartered Accountants Statutory Auditor Aston House Cornwall Avenue London N3 1LF
CORPORATE ADVISER	St Helens Capital Partners LLP 223a Kensington High Street London W8 6SG

NODDING DONKEY PLC

CHAIRMAN'S STATEMENT

It gives me pleasure to present my first final results statement to shareholders covering the progress made since Nodding Donkey's successful listing on the PLUS Market's primary exchange, PLUS-quoted, in September 2011.

We have fulfilled the stated objective of the Company upon listing on PLUS, which was to build a portfolio of interests in oil and gas assets through taking direct stakes in listed and unlisted companies with existing assets, and through identifying opportunities whereby Nodding Donkey can participate in farm-in deals, or acquire interests exclusively.

EQUATORIAL OIL & GAS PLC

Over the course of the past year we reached the conclusion that investors in Nodding Donkey would be best served through the Company having a major shareholding in a newly formed enterprise that could independently pursue and develop hydrocarbon opportunities. The formation of such a vehicle would reduce the financial expectations on Nodding Donkey, in turn reducing the risk for investors, whilst concurrently providing them with a meaningful exposure to the potential upside of such assets.

To this end, we were pleased to report in April that we had formed Equatorial Oil and Gas plc, which as at today is 70% owned by Nodding Donkey. At the time of announcing the formation of Equatorial we stated that its intention would be to develop into a pan-African oil and gas company.

Earlier this month we were delighted to announce the maiden transaction for Equatorial, whereby its 99% owned subsidiary, Equatorial Resources Ltd, has agreed to farm in for 85% of African Coal and Gas Corporation Ltd's licence interests, which cover 2,107.7 square kilometres, to explore for and produce coal bed methane in Botswana.

The licences, being PL/165/2010, PL166/2010, and PL167/2010, are all located close to the border of the Western Central Kalahari sub-basin, and the Northern Belt Central Kalahari sub-basin of the Kalahari Karoo Basin in Botswana, which has been estimated to contain nearly 200 trillion cubic feet of gas-in-place present in the coal and carbonaceous shale sequences.

Under the terms of the farm in agreement, Equatorial can acquire an 85% interest in the three licences through making payments of US \$2 million, of which US \$750,000 must be spent on the licences by 31 March 2013 to earn a 31.875% participating interest, and a further US \$1.25 million spent on the licences by 31 December 2014, to bring the cumulative participating interest in the licences to 85%. Two annual payments of \$10,000 are also payable by 31 March 2013 and 31 December 2014.

The agreement is a major milestone in the development of Equatorial Oil and Gas, and is testament to the contacts of the directors. The coal bed methane sector in Botswana has been gaining traction over the course of the past year, as exemplified in December 2011 by Sasol Ltd and Origin Energy Ltd, which entered into a joint venture participation to jointly acquire and explore three licences for coal bed methane in the Central province of Botswana.

The joint venture participation, known as the Kubu Joint Venture, is significant to Equatorial for a couple of reasons. Firstly, Sasol Ltd is a multi-billion pound international integrated energy and chemicals company, and Origin Energy Ltd is a multi-billion pound integrated energy company that is the leading coal bed methane company in Australia, and the parties looked at opportunities worldwide before concluding on Botswana. Secondly, the Kubu Joint Venture licences are all located within 150 kilometres north-east of the three licences that Equatorial can farm in to.

NODDING DONKEY PLC

CHAIRMAN'S STATEMENT

I should also note that Anglo American's coal bed methane licences, which are owned by its wholly-owned subsidiary, Anglo Coal Botswana (Pty) Ltd, are between 75 – 150 km's from the licences that Equatorial can farm in to. The close proximity of major companies such as Sasol, Origin Energy, and Anglo American to the licences that Equatorial can farm in to in Botswana gives us genuine confidence in their potential moving forward.

As I have mentioned, Equatorial's farm in deal for coal bed methane in Botswana is only the first transaction as we seek to develop the company into a diversified pan-African oil and gas company. We anticipate making further announcements over the coming months as we build and add value to Equatorial. We are cautiously optimistic that Equatorial has the potential to add substantial value for Nodding Donkey and its shareholders.

INVESTMENT PORTFOLIO

Since listing on PLUS the Company has held a total of 16 investments. It has realised profits on four companies, selling its entire holdings in two companies, leaving it with a portfolio of 14 investments today, which does not include its 70% shareholding in Equatorial Oil and Gas plc.

The asset allocation of the investment portfolio has been very deliberately focused on high-risk high-reward companies, and thus the portfolio is comprised entirely of companies at the junior end of the industry. The rationale behind this is that fledgling companies have the greatest likelihood of making meaningful returns that have the potential to transform a portfolio.

The fixed costs associated with a listed company mean that if Nodding Donkey had a portfolio weighted towards blue chip producers that generated returns of 10% per annum that its actual portfolio size would remain unchanged, and the Company would only ever tread water. At this stage in its development, and given the resources available to it, investors are best served by the portfolio being weighted towards high-risk high-reward investments, consistent with the strategy outlined in the Company's admission document. However, be assured, that as the Company develops and the portfolio grows in size that asset allocation will change, and we will seek to reduce the risk of the investment portfolio.

For the time being though we have deliberately spread the portfolio across a number of high-risk high-reward plays, which, to reiterate, offer greater returns, but equally a greater chance of loss. The performance of the portfolio mirrors this fact.

There have been four investments that we have taken profits on over the course of the past year. In October 2011 we acquired 100,000 shares at \$0.38 in Connacher Oil and Gas (TSX: CLL), an exploration, development and production company focused on oil sands and projects in Fort McMurray, Alberta. In December we sold the entire holding at \$0.95, locking in a gain of 150%.

Another TSX-listed stock that has performed exceptionally well is Africa Oil Corp (TSX-V: AOI), a Canadian oil and gas exploration company with interests in exploration licences in Kenya, Ethiopia, and the Republic of Mali. We bought 25,000 shares at \$1.28 in October 2011, and sold the position at \$3.34 in March, an increase of 160%.

The two other investments where we have taken profits, but in which we still retain a holding, are in Range Resources (AIM: RRL) and Red Emperor (AIM: RMP), both of which have interests in Puntland, Somalia. In Range we took a position of 1 million shares at an average purchase price of 9p, and subsequently sold 250,000 shares in February at 13.25p. We continue to hold 750,000 shares in Range, which at the time of writing is trading at 4.9p. In Red Emperor we took a position of 55,556 shares in a placing undertaken at 18p. We subsequently sold 27,778 shares at 27.15p, being half the position, and continue to hold 27,778 shares. At the time of writing shares in Red Emperor are trading at 4p.

NODDING DONKEY PLC

CHAIRMAN'S STATEMENT

Two other placings that we have participated in over recent months are New World Oil and Gas (AIM: NEW), and Cluff Natural Resources (AIM: CLNR). In New World Oil and Gas we acquired 625,000 shares at 8p. We are very pleased with the performance of New World to date, and are excited by its upcoming drilling program in Belize, which is targeting sizeable prospects. Shares in New World are currently trading 12.75p, which is an increase of 60% on our entry price.

Meanwhile, we took a position of 250,000 shares at 5p in the IPO of Cluff Natural Resources in May. Cluff is an investing company that is focused on investing in global oil and gas and mining assets, and is currently in the process of identifying its first opportunity. As part of the placing we received 125,000 warrants, which are exercisable at 10p to 22 May 2015. Shares in Cluff are currently trading at 5p.

A further new holding that we have acquired recently is in Wessex Petroleum (AIM: WSX). This holding was acquired by virtue of our position in Bluebird Energy (AIM: BBE), in which we hold 2,450,000 shares at an average price of 0.845p. Bluebird undertook an *in specie* dividend in May, whereby shareholders in Bluebird received one Wessex Petroleum share for every eighteen shares held in Bluebird. Therefore, our shareholding in Bluebird saw us receive 136,111 shares in Wessex Petroleum, which we continue to hold today. At the time of writing, shares in Wessex are trading at 6.875p.

One of the main attractions for us investing in Bluebird Energy was its shareholding in Wessex Petroleum, which underpinned its valuation at the time of our investment. Following the distribution of a sizeable chunk of its holding in Wessex, shares in Bluebird have slipped back to trade at 0.46p. However, Bluebird continues to hold 37,055,245 shares in Wessex, worth 0.51p/share to Bluebird. We believe that Bluebird continues to be a very attractive asset play.

Much of the excitement surrounding Wessex is its 50% equity interest in Northpet Investments Ltd, which has a 2.5% stake in the Zaedyus oil discovery, offshore French Guiana, with its partners Shell and Tullow. The holder of the other 50% in Northpet Investments Ltd is Northern Petroleum (AIM: NOP), in which we hold 25,000 shares. Zaedyus is predicted to be a major discovery, potentially hosting one billion barrels or more of recoverable oil. At the time of writing, shares in Northern Petroleum are trading at 67.75p, down slightly on our purchase price of 77.5p. However, we continue to be optimistic about the future prospects for the company.

Another company targeting a major discovery is Bahamas Petroleum Company (AIM: BPC), in which we hold 250,000 shares at an entry price of just under 8p. BPC is targeting several individual structures with an estimated ultimate recovery in excess of one billion barrels of oil in The Commonwealth of the Bahamas. The company is currently in discussions with potential farm-in partners, but any drilling will now have to wait until a national referendum has been held on oil exploration in Bahamian waters. As a result of this news, shares in Bahamas Petroleum Company have fallen back to around the 5p level.

Leni Gas and Oil (AIM: LGO) has been a great disappointment. We acquired 2,000,000 shares in Leni at 1.35p in October 2011, but today the stock trades at 0.42p. Leni has been seeking to sell its Spanish assets for several months, and recently entered into a sale and purchase agreement with RAVI Corporate Sociada Limitada for the sale of the assets for €8 million. Unfortunately, to date, RAVI has been unable to secure the required financing to complete the transaction, and Leni is now investigating its options, which include alternative buyers for the assets. Due to the delays in closing the sale, Leni's share price has suffered, and it was recently forced to raise funds at 0.4p to enable it to complete the acquisition of the Goudron Field in Trinidad. Unfortunately the issue of equity has resulted in existing shareholders being significantly diluted. We hope, however, that Leni's fortunes will improve, and it will demonstrate it can realise value for shareholders through closing a transaction on its Spanish assets, as well as developing the Goudron Field in Trinidad.

NODDING DONKEY PLC

CHAIRMAN'S STATEMENT

Our investment in Petro Matad (AIM: MATD), the Mongolian oil exploration company, has also performed disappointingly to date. In January we acquired 75,000 shares at an average price of 34p, and the shares are currently trading at 8.375p. We attribute the reason for the fall in the share price to the postponement of drilling activities until the 2013 field season commences. However, the licences have the potential to create significant value for Petro Matad over time, and we are happy to take a longer term view to such value being realised.

Another position we are happy to take a long term view with is Global Energy Development (AIM: GED), the South American focused petroleum production and development company with operations in Colombia. We currently hold 20,000 shares at an average price of 92.25p. The company itself is making positive progress, and we were encouraged by the Chairman recently increasing his shareholding in July. Global Energy Development remains thinly traded, but we continue to believe its shares to be good value at the current price of 77p.

We also believe that shares in Alberta Oilsands (TSX-V: AOS), the junior oil sand developer operating in the Athabasca region of north-east Alberta, represent good value at the current price of C\$0.09. Alberta Oilsands has recently undergone a complete management overhaul, with a new team taking over the reins. The new management appreciate the disappointing performance of the share price over recent months, and are active in seeking to redress the issue. We acquired 100,000 shares at C\$0.21, and will continue to hold whilst we wait to see how the new management performs.

Our final two positions are in Andes Energia (AIM: AEN), and Andina plc. We acquired 100,000 shares in Andes at 24.5p when it was an energy group active in electricity distribution, hydro-electric power generation, and oil and gas exploration and production. Since we took a position in Andes the group has demerged, such that Andes Energia continues to own the portfolio of oil production, development and exploration licences in Argentina and Paraguay, whilst Andina plc now owns the utility assets, being electricity and hydro-electric power generation. The demerger saw our position in Andes reduced to 67,400 shares, whilst we received 32,599 new shares in Andina plc. We understand that Andina hopes to list on the AIM Market in the near future. Shares in Andes Energia are currently trading at 36p. Once the AIM listing of Andina is complete, we should be in profit on this investment.

FINANCIALS

The financial results for the twelve months to 30 April 2012 show a loss after taxation of £65,377, which is attributable to ongoing administrative costs associated with the running of the Company. The directors have been conscious to ensure that ongoing administrative costs are kept to a minimum, and as such we continue to take our remuneration as equity. This serves to increase our own interest in the performance of the Company, which we believe to be in the best interests of our shareholders.

OUTLOOK

We are very pleased with how Nodding Donkey has developed since listing on PLUS. We have worked to achieve the objectives set out upon listing on PLUS, being to build a portfolio of interests in oil and gas assets through taking direct stakes in listed and unlisted companies with existing assets, and through identifying opportunities to participate in farm-in deals, or acquire interests exclusively, which will be undertaken through its 70% owned subsidiary, Equatorial Oil and Gas plc.

We believe the development of Equatorial Oil and Gas has the potential to add substantial value for shareholders, and we look forward to announcing further progress on the farm-in deal with African Coal and Gas Corporation Ltd, and other transactions in the region over the coming months.

NODDING DONKEY PLC

CHAIRMAN'S STATEMENT

I would like to take this opportunity to thank my co-directors, Noel Lyons and Anthony Fabrizi, for their continued hard work and support over the past year. We are excited about the future for the Company, and we look forward to the future with genuine confidence.

Conrad Windham
Chairman

September 2012

NODDING DONKEY PLC

REPORT OF THE DIRECTORS

The directors submit their report and the financial statements for the period ended 30 April 2012.

PRINCIPAL ACTIVITY, TRADING REVIEW AND FUTURE DEVELOPMENTS

The principal activity of the Group during the period was that of an investor in the Oil and Gas sector. A review of the Group's business over the period and expected future developments are set out in the Chairman's Statement on Page 3.

Principal Risks and Uncertainties

Market price risk

The principal risks and uncertainties are that we, as an investment company having investments in listed entities are exposed to the movement in share prices as a result of market conditions. These movements can be both up or down leaving Nodding Donkey exposed to possible losses on investments.

The directors have considerable experience identifying and investing in companies in this sector. Each investment is closely monitored and risk is mitigated by constant supervision of the markets and the individual investments.

Personnel risk

The Group has a small management team and the loss of one individual could adversely affect the Group.

KEY PERFORMANCE INDICATORS

The directors are of the opinion that the relevant KPI's for an assessment and measurement of the Group's performance and financial position are investment valuation, earnings per share, net asset value growth and cash generation, the information for which is available in the accompanying financial statements.

RESULTS AND DIVIDENDS

The Group made a loss for the period after taxation of £65,377. The directors do not recommend the payment of a dividend.

DIRECTORS

The directors who served during the year were:

A Fabrizi	(appointed 5 July 2011)
N Lyons	(appointed 13 April 2011)
C Windham	(appointed 13 April 2011)

SHARE CAPITAL

Details of the shares in issue during the year are set out in Note 11 to the financial statements.

CREDITORS' PAYMENT POLICY

The Group has no formal code or standard which deals specifically with the payment of suppliers. The Group's policy on the payment of all creditors is to ensure that the terms of payment, as specified and agreed with supplier, are not exceeded. Creditors at the period end all relate to overhead costs and the directors do not consider that the disclosure of the number of days purchases represented by trade creditors to be meaningful.

NODDING DONKEY PLC

REPORT OF THE DIRECTORS

SUBSEQUENT EVENTS

Subsequent to the year end, a conversion of debt to equity resulted in the Company's interest in Equatorial Oil and Gas Plc being diluted to 70%.

In July 2012 Equatorial Oil and Gas Plc acquired a 99% interest in Equatorial Resources Limited for no consideration. Equatorial Resources Limited is a company incorporated in Zambia.

As announced on 26 September 2012, Equatorial Oil and Gas plc has, through its 99% owned Zambian subsidiary, Equatorial Resources Ltd, agreed to farm in for 85 per cent of African Coal and Gas Corporation Ltd's ("ACGC") licence interests covering 2,107.7 square kilometres to explore for and produce coal bed methane in Botswana. Under the transaction, Equatorial Oil and Gas Plc will acquire an 85 per cent participating interest in three licences from ACGC through meeting certain annual payments and work expenditures.

MAJOR INTERESTS IN ORDINARY SHARES

At 26 September 2012, the following shareholders each had an interest in more than 3% of the issued share capital of the company.

<u>Name</u>	<u>Number of shares</u>	<u>Shareholding %</u>
JIM Nominees Ltd	94,480,000	79.30%
C Windham*	10,879,028	9.13%
N Lyons*	10,879,028	9.13%

* director

Mr A Fabrizi, director, holds 2,379,028 (2.00%) of the ordinary shares of the company.

STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware

- (a) There is no relevant audit information of which the Group's auditor are unaware, and
- (b) the director's have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

During the year Adler Shine LLP were appointed auditors to the company. In accordance with Section 485 of the Companies Act 2006, a resolution proposing that Adler Shine LLP be re-appointed as auditors of the company will be put to the Annual General Meeting.

By order of the board.

N Lyons

September 2012

NODDING DONKEY PLC

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 Group and Company financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 Group and the Company and of the profit or loss of the Group 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 estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards 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 Group's and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and 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 Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

NODDING DONKEY PLC

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF NODDING DONKEY PLC

We have audited the group and parent company financial statements of Nodding Donkey Plc for the period ended 30 April 2012, set out on pages 13 to 25. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 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 opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

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 group's and the parent 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 group's and the parent company's affairs as at 30 April 2012 and of the gross loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

NODDING DONKEY PLC

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF NODDING DONKEY PLC

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

We have nothing to report in respect of the following matters where 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 parent company 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.

Christopher Taylor (Senior statutory auditor)

for and on behalf of
ADLER SHINE LLP

Chartered Accountants
Statutory Auditor
Aston House
Cornwall Avenue
London
N3 1LF

September 2012

NODDING DONKEY PLC
CONSOLIDATED PROFIT AND LOSS ACCOUNT
For the period ended 30 April 2012

	Notes	2012 £
Turnover	2	80,286
Administrative expenses		(145,663)
<hr/>		
Operating loss		(65,377)
<hr/>		
Loss on ordinary activities before taxation	3	(65,377)
Taxation	5	-
<hr/>		
Loss on ordinary activities after taxation	12	-
<hr/>		
Loss per share-basic and diluted (pence)	6	(0.084)
<hr/>		

The operating loss for the period arises from the Group's continuing operations.

NODDING DONKEY PLC

CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

For the period ended 30 April 2012

2012

£

Loss for the financial year	(65,377)
Unrealised surplus on revaluation of listed investments	27,679
Total recognised gains and losses relating to the year	<u><u>(37,698)</u></u>

NODDING DONKEY PLC

CONSOLIDATED BALANCE SHEET

As at 30 April 2012

	Notes	2012 £
Current assets		
Investments	8	322,677
Debtors	9	13,508
Cash at bank and in hand		70,018
		<hr/> 406,203
Creditors: amounts falling due within one year	10	(12,065)
Net current assets		<hr/> 394,138
Total assets less current liabilities		<hr/> 394,138
NET ASSETS		<hr/> 394,138
Capital and reserves		
Share capital	11	297,843
Share premium	12	133,993
Revaluation reserve	12	27,679
Profit and loss account	12	(65,377)
Shareholders' funds – equity interests	13	<hr/> 394,138

Approved by the Board and authorised for issue on September 2012.

N Lyons

Director

Company Registration No. 07603259

NODDING DONKEY PLC

COMPANY BALANCE SHEET

As at 30 April 2012

	Notes	2012 £
Fixed assets		
Fixed asset investments	7	1
Current assets		
Investments	8	322,677
Debtors	9	33,508
Cash at bank and in hand		64,250
		420,435
Creditors: amounts falling due within one year	10	(12,065)
Net current assets		408,370
Total assets less current liabilities		408,371
Capital and reserves		
Share capital	11	297,843
Share premium	12	133,993
Revaluation reserve	12	27,679
Profit and loss account	12	(51,144)
Shareholders' funds – equity interests	14	408,371

Approved by the Board and authorised for issue on September 2012.

N Lyons

Director

Company Registration No. 07603259

NODDING DONKEY PLC
CONSOLIDATED CASH FLOW STATEMENT
For the period ended 30 April 2012

	Notes	2012 £
Net cash outflow from operating activities	16	(147,106)
Management of liquid resources		
Purchase of current asset investments		(366,989)
Receipt from sale of current asset investments		<u>152,277</u>
		(214,712)
Financing		
Issue of ordinary share capital		519,899
Share issue costs		<u>(88,063)</u>
		431,836
Increase in cash in the period		<u>70,018</u>
RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS		
Increase in cash in the period		70,018
Movement in net funds in the period		<u>70,018</u>
Net funds at start of period		<u>-</u>
Net funds at end of period		<u>70,018</u>

NODDING DONKEY PLC

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 April 2012

1. Accounting policies

1.1 BASIS OF PREPARATION

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

1.2 COMPLIANCE WITH ACCOUNTING STANDARDS

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

1.3 BASIS OF CONSOLIDATION

The consolidated financial statements incorporate the financial statements of the Company and its subsidiary, Equatorial Oil and Gas Plc made up to 30 April 2012.

The results of subsidiaries acquired or sold are included in the profit and loss account up to, or from the date control passes.

Where necessary, adjustments are made to the financial statements of the subsidiary to bring the accounting policies used into line with those used by the group. Inter-company transactions and balances between group companies are eliminated.

1.4 TURNOVER

Turnover represents profits and losses on the disposal of investments, together with dividend income received. Realised gains and losses on the disposal of investments are calculated using a FIFO valuation basis and are net of transaction costs. Dividend income is recognised when payment has been received.

1.5 CURRENT ASSET INVESTMENT

Current asset investments are stated at their open market value and unlisted investments are stated at cost. The investments are reviewed annually with any revaluation adjustments taken to the revaluation reserve and any impairment taken directly to the profit and loss account.

1.6 DEFERRED TAXATION

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Group's taxable profits and its results as stated in the financial statements.

Deferred tax is not provided as timing difference arising from the revaluation of fixed assets where there is no commitment to sell the assets. Deferred tax assets are only recognised to the extent that it is regarded as more likely than not that they will be recovered against future taxable profits.

NODDING DONKEY PLC
NOTES TO THE FINANCIAL STATEMENTS
For the period ended 30 April 2012

1.7 FOREIGN CURRENCIES

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction. Exchange gains and losses are recognised in the profit and loss account.

2. Turnover and profit on ordinary activities before taxation

The Group's turnover and loss before taxation were all derived from its principal activity carried out in the United Kingdom.

	2012
	£
Sale of investments	152,259
Cost of investments	<u>(71,973)</u>
Net gain on disposal of investments disclosed as turnover	<u><u>80,286</u></u>

3. Profit on ordinary activities before taxation

This is stated after charging:

	2012
	£
Auditors' remuneration for audit work	<u><u>6,000</u></u>

NODDING DONKEY PLC
NOTES TO THE FINANCIAL STATEMENTS
For the period ended 30 April 2012

4. Directors' remuneration

	2012
	£
Emoluments paid to:	
C Windham	34,133
N Lyons	34,133
A Fabrizi	31,633
	<u>99,899</u>

5. Taxation

	2012
	£
Based on the profit for the year:	
UK corporation tax on profits of the year	-
Adjustments in respect of prior periods	-
	<u>-</u>

	2012
	£
Factors affecting the tax charge for the year:	
The tax assessed for the year is higher than the standard rate of corporation tax in the UK of 26%. The differences are explained below:	
Loss on ordinary activities before tax	(65,377)
Loss on ordinary activities multiplied by the standard rate of UK corporation tax UK of 26%	(16,998)
Effects of :	
Non-deductible expenses	655
Adjustment for tax purposes	(192)
Losses available to offset against profits	16,335
	<u>-</u>
UK corporation tax on profits for the year	<u>-</u>

The group has estimated losses of £63,596 available for carry forward against future trading profits.

NODDING DONKEY PLC
NOTES TO THE FINANCIAL STATEMENTS
For the period ended 30 April 2012

6. Earnings per share

The loss and number of shares used in the calculation of loss per ordinary share are set out below:

Basic & Diluted	2012
Loss for the financial year	65,377
Weighted average number of ordinary shares	77,569,752
Loss per share (pence)	0.084
	<u> </u>

7. Fixed asset investments

	Company 2012 £
Share capital in Equatorial Oil and Gas Plc	1
	<u> </u>
	1
	<u> </u>

Nodding Donkey Plc owns the entire issued share capital of Equatorial Oil and Gas Plc, a company registered in England and Wales number 07965227.

8. Current asset investments

	Group 2012 £	Company 2012 £
Listed investments – at valuation	322,677	322,677
	<u> </u>	<u> </u>
	322,677	322,677
	<u> </u>	<u> </u>

9. Debtors

	Group 2012 £	Company 2012 £
Amount due from group undertaking	-	20,000
Prepayments	13,508	13,508
	<u> </u>	<u> </u>
	33,508	33,508
	<u> </u>	<u> </u>

NODDING DONKEY PLC
NOTES TO THE FINANCIAL STATEMENTS
For the period ended 30 April 2012

10. Creditors: Amounts falling due within one year

	Group 2012 £	Company 2012 £
Other creditors and accruals	12,065	12,065
	<u>12,065</u>	<u>12,065</u>
	<u><u>12,065</u></u>	<u><u>12,065</u></u>

11. Share capital

	Group and Company 2012 Number	Group and Company 2012 £
Allotted issued and fully paid up: Ordinary shares of 0.25p each	119,137,084	297,843
		<u>297,843</u>
		<u><u>297,843</u></u>

On 4th May 2011 the company issued 20,000,000 ordinary shares of 0.25p each at a price of 1p each.

On 15th August 2011 the company issued 2,000,000 ordinary shares of 0.25p each at a price of 1p each.

On 16th August 2011 the company issued 1,000,000 ordinary shares of 0.25p each at a price of 1p each.

On 1st September 2011 the company issued 75,000,000 ordinary shares of 0.25p each at a price of 0.4p each.

On 2nd November 2011 the company issued 20,000,000 ordinary shares of 0.25p each share at a price of 0.6p each.

On 29 February 2012 the company issued 1,137,084 ordinary shares of 0.25p each at a price of 1.75p each.

NODDING DONKEY PLC
NOTES TO THE FINANCIAL STATEMENTS
For the period ended 30 April 2012

12. Statement of movement in reserves

	Share Premium Account	Revaluation Reserve	Profit and Loss Account
	£	£	£
Group			
Balance at 13 April 2011	-	-	-
Retained loss for the period	-	-	(65,377)
Share issued during period	133,993	-	-
Revaluation during the period	-	27,679	-
As at 30 April 2012	<u>133,933</u>	<u>27,679</u>	<u>(65,377)</u>
Company			
Balance at 13 April 2011	-	-	-
Retained loss for the period	-	-	(51,144)
Share issued during period	133,993	-	-
Revaluation during the period	-	27,679	-
As at 30 April 2012	<u>133,993</u>	<u>27,679</u>	<u>(51,144)</u>

13. Reconciliation of movements in shareholders' funds

	Group 2012	Company 2012
	£	£
Loss for the financial period	(65,377)	(51,144)
Other recognised gains and losses	27,679	27,679
Proceeds from share issue	431,836	431,836
	<u>394,138</u>	<u>408,371</u>
Opening Shareholders' funds	-	-
Closing Shareholders' funds	<u>394,138</u>	<u>408,371</u>

14. Employees

Number of employees	Company 2012
	£

The average monthly number of employees (including directors) during the period was:

3

NODDING DONKEY PLC
NOTES TO THE FINANCIAL STATEMENTS
For the period ended 30 April 2012

15. Controlling Party

There are no controlling parties. The consolidated accounts for the group can be obtained at 42 Welbeck Street, London W1G 8DU

16. Net Cash Flow from Operating Activities

	Group 2012 £
Loss for the financial period	(65,377)
Gain on sale of current asset investments	(80,286)
Increase in debtors	13,508
Increase in creditors	12,065
Net cash outflow from operating activities	<u>(147,106)</u>

17. Analysis of net funds

	13April 2011 £	Cash Flow £	30 April 2012 £
Cash at bank and in hand	-	70,098	<u>70,098</u>

18. Financial instruments

An explanation of the objectives and policies for the holding and issuing financial instruments are given in the accounting policies.

Interest rate risk

The Group's exposure to changes in interest rates relates primarily to cash at bank. Cash is held either on current or on short term deposits at floating rates of interest determined by the relevant bank's prevailing base rate. The Group seeks to obtain a favourable interest rate on its cash balances through the use of bank treasury deposits.

Market Price risk

The company holds investments quoted as a public market. In the opinion of the directors the main risk is market price fluctuations.

NODDING DONKEY PLC

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 April 2012

19. Related Party Transactions

During the year the company was invoiced £27,500 each by N Lyons and C Windham and £25,000 by A Fabrizi, directors, for the provision of consultancy services. At 30 April 2012, the amounts had been settled in full by the issue of ordinary shares.

During the year the company was invoiced £6,000 by Buckingham Corporate Services Ltd, the Company Secretary. At 30 April 2012 this amount had been paid in full.

20. Principal Subsidiary

The principal subsidiary is detailed below:

Company Name	Percentage Shareholding	Description
Equatorial Oil & Gas Plc	100%	Trading in mining shares

21. Subsequent Events

Subsequent to the year end, a conversion of debt to equity resulted in the Company's interest in Equatorial Oil and Gas Plc being diluted to 70%.

In July 2012 Equatorial Oil and Gas Plc acquired a 99% interest in Equatorial Resources Limited for no consideration. Equatorial Resources Limited is a company incorporated in Zambia.

As announced on 26 September 2012, Equatorial Oil and Gas plc has, through its 99% owned Zambian subsidiary, Equatorial Resources Ltd, agreed to farm in for 85 per cent of African Coal and Gas Corporation Ltd's ("ACGC") licence interests covering 2,107.7 square kilometres to explore for and produce coal bed methane in Botswana. Under the transaction, Equatorial Oil and Gas Plc will acquire an 85 per cent participating interest in three licences from ACGC through meeting certain annual payments and work expenditures.