

REGISTERED NUMBER 06163193

HOT ROCKS INVESTMENTS PLC

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2017**

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Directors	Brian Rowbotham Gavin J Burnell Charles J Vaughan
Company Secretary	Lorraine Elizabeth Young
Registered Office	6 th Floor 60 Gracechurch Street London EC3V 0HR
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
Independent Auditor	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 hereby present the financial results for the Company for the year ended 31 March 2017. The Company is an active investor primarily in junior natural resources companies and during the year we have seen a recovery across much of our portfolio.

The Company made a pre-tax loss of £16,191 for the year, compared to a pre-tax profit of £8,129 in the prior year. The Company will not be paying a dividend at this stage (2016: £Nil).

Cash and cash equivalents as at the year end of 31 March 2017 were £12,216 (2016: £13,705).

During the year our investee company Goldcrest Resources plc was refinanced and acquired interests in oil and gas opportunities in Georgia. The company name has been changed to Block Energy plc and it will seek admission to AIM in due course.

A prior year adjustment was recorded as a result of the late provision of information pertaining to a share consolidation by an investee during the year ended 31 March 2014.

Our main recoveries have been in the TSXV-traded Medgold Resources and private coal exploration company Minergy Limited which has floated a company in which it holds a 40% interest on the Botswana Stock Exchange.

We hold stakes in the following entities:

- Block Energy plc (NEX: BLOK)
- Brazil Tungsten Holdings Limited
- Copper Bay plc
- Elephant Oil Limited
- Impact Oil & Gas Limited
- Mafula Energy Limited
- MedGold Resources Corp (TSXV:MED)
- Minergy Limited
- New Horizon Oil & Gas Limited
- Rift Resources Limited
- Royal Road Minerals (previous Tigris Resources) (TSXV:RYR)
- Upland Resources Limited (AIM:UPL)

The Board of Directors will continue to introduce further equity positions to the Company to enable additional diversification of the portfolio. It is anticipated that these will continue to be primarily within the natural resources sector.

Brian Rowbotham
Non-Executive Chairman
6th September 2017

The Directors of the Company present their Strategic Report on the Company for the year ended 31 March 2017.

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, managing the investments, as detailed in the Chairman's Statement. The Company will continue to seek to make investments primarily within this sector but the Directors will review other opportunities as they arise.

Financial Review

The loss for this year before taxation was £16,191 (2016 profit before taxation - £8,129).

Cash in the bank at the end of March 2017 was £12,216 (2016 - £13,705).

The Directors consider the results for the year to be satisfactory.

Key Performance Indicators ("KPI's")

The Directors consider the following to be the KPIs of the business:

	2017 £	2016 £	% Increase/ (Decrease)
Valuation of available for sale investments	836,126	648,330	29%
Cash	12,216	13,705	(11%)

The company performed in line with expectations.

Principal Risks and Uncertainties

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 Directors seek to mitigate this risk by monitoring the performance of the companies in which it holds investments so they can take action accordingly.

Given the nature of the business and activity of the Company, the Directors believe that the Company is exposed to the following risks:

Liquidity risk

The Company's continued future operations depend on the ability to hold sufficient working capital to be able to meet its financial obligations. The Directors are confident that there is adequate funding to finance future immediate working capital requirements.

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.

Political and country risk – including EU Referendum

The Company holds investments whose operations are based in a number of locations worldwide. The Directors routinely monitor political and regulatory developments in its countries of interest, in particular those developments which may indicate impairment to available-for-sale financial assets.

Political and country risk – including EU Referendum (continued)

The Company is quoted in the United Kingdom (UK) and operates in the UK and European Union (EU). As a result of the Referendum, the Company may be subject to the impact of the UK leaving the European Union. As a result, given the ongoing uncertainty surrounding the situation the Company is monitoring matters and seeking advice as to how to mitigate the risks arising.

Approved by the Board on 6th September 2017 and signed on its behalf by:

Gavin J Burnell

Director

The Directors present their report and the audited Financial Statements for the year ended 31 March 2017.

Results and Dividends

The loss for this year after taxation was £16,191 (2016 profit after taxation: £8,129).

The Directors do not recommend the payment of a dividend (2016: £Nil).

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	29,290,000	-	29,290,000	9,027,500
Brian Rowbotham	4,200,000	-	4,200,000	500,000
Charles J Vaughan	2,150,000	-	2,150,000	500,000

These represent the following % shareholdings:

	% holding at end of period	% holding at beginning of period
Gavin J Burnell	16.87%	16.87%
Brian Rowbotham	2.42%	2.42%
Charles J Vaughan	1.24%	1.24%

Events after the Reporting Period

On 31 May 2017 the Company issued warrants to directors of the Company as follows:

Gavin Burnell – 15,000,000
Charles Vaughan – 1,000,000
Brian Rowbotham – 1,000,000

The warrants are exercisable at 1p per new ordinary share and expire on 1 June 2027.

On 24 May 2017, Gavin Burnell purchased 2,666,666 ordinary shares in the Company at 0.25 pence per share and is now interested in 31,956,666 ordinary shares, representing 18.41 per cent of the Company's issued share capital.

Subsequent to the year end, the Company has made the following new investments with the aim of diversifying its portfolio:

Jangada Mines plc – 250,000 shares at 5.5 pence per share
N4 Pharma plc – 42,500 shares at 7.0 pence per share

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 Auditor

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.

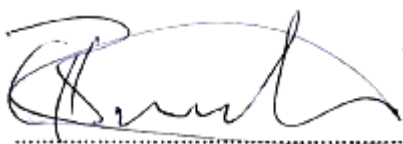
Going concern

Accounting standards require the Directors to consider the appropriateness of the going concern basis when preparing the financial statements. The Directors confirm that they consider that the going concern basis remains appropriate. Further details can be found in the accounting policies accompanying the financial statements.

Independent Auditor

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

Approved by the Board on 6th September 2017 and signed on its behalf by:

A handwritten signature in blue ink, appearing to read 'G Burnell', is written over a horizontal line.

Gavin J Burnell
Director

The Directors are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and regulations.

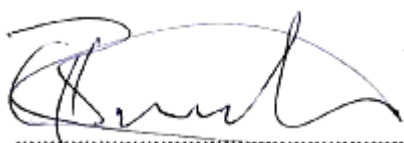
Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the Financial Statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the Directors 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;
- state 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 a 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.

Approved by the Board on 6th September 2017 and signed on its behalf by:



Gavin J Burnell
Director

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 2017 which comprise of 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 Directors' Responsibilities Statement, 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 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2017 and of its result 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, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

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 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.

Joseph Archer (Senior statutory auditor)
For and on behalf of PKF Littlejohn LLP
Statutory auditor

1 Westferry Circus
Canary Wharf
London E14 4HD

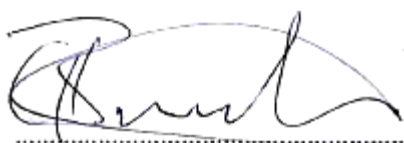
6th September 2017

	Note	2017 £	2016 - restated £
Continuing Operations			
Revenue		-	-
Foreign exchange gain/(loss) on available-for-sale financial assets		22,062	(1,115)
Operating expenses	1	(33,217)	(39,934)
Impairment of available-for-sale financial assets	6	(15,962)	-
Other gains/ – sale of available-for-sale financial assets		8,689	46,136
		<hr/>	<hr/>
Operating (Loss)/Profit		(18,428)	5,087
Finance income		2,237	3,042
Finance costs		-	-
		<hr/>	<hr/>
(Loss)/Profit before Income Tax		(16,191)	8,129
Income tax expense	4	-	-
		<hr/>	<hr/>
(Loss)/Profit for the Year attributable to equity holders		(16,191)	8,129
		<hr/>	<hr/>
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		(6,055)	(19,014)
Fair value change in value on available-for-sale financial assets		180,078	(161,714)
		<hr/>	<hr/>
Total Comprehensive Income for the Year attributable to equity holders		174,023	(180,728)
		<hr/>	<hr/>
Earnings Per Share – Basic and Diluted (expressed in pence per share)	5	(0.00)	(0.00)
		<hr/>	<hr/>

The Accounting Policies and Notes on pages 15 to 28 form part of these Financial Statements.

	Note	As at 31 March 2017 £	As at 31 March 2016 - restated £	Restated as at 1 April 2015 £
Assets				
Non-Current Assets				
Available-for-sale financial assets	6	836,126	648,330	795,888
		<hr/>	<hr/>	<hr/>
		836,126	648,330	795,888
		<hr/>	<hr/>	<hr/>
Current Assets				
Other receivables	7	721	18,617	25,172
Cash and cash equivalents		12,216	13,705	39,984
		<hr/>	<hr/>	<hr/>
		12,937	32,322	65,156
		<hr/>	<hr/>	<hr/>
Total Assets		<hr/> <hr/> 849,063	<hr/> <hr/> 680,652	<hr/> <hr/> 861,044
Equity and Liabilities				
Equity Attributable to Shareholders				
Ordinary shares	9	173,602	173,602	173,602
Share premium account	9	1,174,631	1,174,631	1,174,631
Share options and warrants reserve	10	-	29,738	29,738
Other reserves	11	66,209	(107,814)	72,915
Retained loss		(666,875)	(680,422)	(688,551)
		<hr/>	<hr/>	<hr/>
		747,567	589,735	762,335
Current Liabilities				
Trade and other payables	8	101,496	90,917	98,709
		<hr/>	<hr/>	<hr/>
Total Equity and Liabilities		<hr/> <hr/> 849,063	<hr/> <hr/> 680,652	<hr/> <hr/> 861,044

These financial statements were approved and authorised for issue by the Board of Directors and were signed on its behalf on 6th September 2017.



Gavin J Burnell
Director

The Accounting Policies and Notes on pages 15 to 28 form part of these Financial Statements.

	Attributable to Equity Shareholders					
	Ordinary shares £	Share premium £	Share options and warrants reserve £	Other reserves £	Retained loss £	Total £
Balance as at 1 April 2015	173,602	1,174,631	29,738	57,110	(688,551)	746,530
Prior year adjustment (note 17)	-	-	-	15,805	-	15,805
Balance as at 1 April 2015 - restated	173,602	1,174,631	29,738	72,915	(688,551)	762,335
Profit for the year	-	-	-	-	8,129	8,129
Reclassifications of cumulative gains on available-for-sale financial assets - restated	-	-	-	(19,015)	-	(19,015)
Fair value change in value on available-for-sale financial assets - restated	-	-	-	(161,714)	-	(161,714)
Total Comprehensive Income	-	-	-	(180,729)	8,129	(172,600)
Total Transactions with Owners	-	-	-	-	-	-
Balance as at 31 March 2016 and 1 April 2016	173,602	1,174,631	29,738	(107,814)	(680,422)	589,735
Loss for the year	-	-	-	-	(16,191)	(16,191)
Reclassifications of cumulative gains on available-for-sale financial assets	-	-	-	(6,055)	-	(6,055)
Fair value change in value on available-for-sale financial assets	-	-	-	180,078	-	180,078
Warrants expired or lapsed in the year	-	-	(29,738)	-	29,738	-
Total Comprehensive Income	-	-	(29,738)	174,023	13,547	157,832
Total Transactions with Owners	-	-	-	-	-	-
Balance as at 31 March 2017	173,602	1,174,631	-	66,209	(666,875)	747,567

The Accounting Policies and Notes on pages 15 to 28 form part of these Financial Statements.

	2017 £	2016 £
Cash Flows from Operating Activities		
(Loss)/Profit before income tax	(16,191)	8,129
Finance income	(2,237)	(3,042)
Unrealised foreign exchange (gain)	(22,062)	-
Bad debts	2,997	-
Gain on disposal of available-for-sale financial assets	(8,689)	(46,134)
Impairment of available-for-sale financial asset	15,962	-
Decrease in other receivables	2,130	2,253
Increase in trade and other payables	10,425	8,828
	<hr/>	<hr/>
Cash Used in Operations	(17,665)	(29,966)
Interest paid	-	-
Income tax paid	(82)	(16,620)
	<hr/>	<hr/>
Net Cash Used in Operations	(17,747)	(46,586)
	<hr/>	<hr/>
Cash Flows from Investing Activities		
Purchases of available-for-sale financial assets	(33,984)	(224,535)
Proceeds from disposal of available-for-sale financial assets	50,242	244,842
	<hr/>	<hr/>
Net Cash Generated from Investing Activities	16,258	20,307
	<hr/>	<hr/>
Decrease in Cash and Cash Equivalents	(1,489)	(26,279)
Cash and cash equivalents at the beginning of the year	13,705	39,984
	<hr/>	<hr/>
Cash and Cash Equivalents at the End of the Year	12,216	13,705
	<hr/>	<hr/>

Major non cash transactions

During the year the loan receivable from Block Energy plc (formerly Goldcrest Resources plc) was converted to shares at 0.25p a share in line with the terms of an agreement between the Company and Block Energy. The remaining balance on the loan receivable has been written off at the year end.

The Accounting Policies and Notes on pages 15 to 28 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 and details of its principal activities on page 4.

The company has classified itself as an investment entity.

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 as adopted by the European Union (IFRS as adopted by the EU), IFRIC interpretations and those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The Financial Statements have also been prepared under the historical cost convention, as modified by the revaluation of 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.

Changes in accounting policies and disclosures*a) New and amended standards and interpretations adopted by the Company*

There have been no new standards and amendments to standards and interpretations effective for the financial year beginning on 1 April 2016 that are material to the Company and therefore applied in preparing these Financial Statements.

Changes in accounting policies and disclosures (continued)*b) New and amended standards and interpretations issued but not yet effective 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, that could potentially impact the Financial Statements, are disclosed below. The Directors are assessing the possible impact of the following standards on the Company's Financial Statements:

Standard		Effective Date
IAS 7 (Amendments)	Results of the Disclosure Initiative	*1 January 2017
IAS 12 (Amendments)	Recognition of Deferred tax assets for Unrealised Losses	*1 January 2017
IFRS 2 (Amendments)	Measurement of Share Based Payment Transactions	*1 January 2018
IFRS 9 (Amendments)	Financial Instruments	*1 January 2018
IFRS 15	Revenue from Contracts with Customers	1 January 2018
IFRS 16	Leases	1 January 2019
Annual Improvements	2014 - 2016 Cycle	*1 January 2017/ 1 January 2018

**Subject to EU endorsement*

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company.

Segmental Reporting

The Company has only one operating segment being the investment in companies, or assets, in the natural resource sector. Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision-Maker ("CODM"). The CODM, 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. Therefore the Financial Statements of the single segment is the same as that set out in the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Change in Equity and the Statement of Cash Flows.

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 re-measured. 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 Instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments and on a trade date basis. A financial asset is derecognised when the Company's contractual rights to future cash flows from the financial asset expire or when the Company transfers the contractual rights to future cash flows to a third party. A financial liability is derecognised only when the liability is extinguished.

(a) Available for Sale Investments

Available-for-sale investments are those non-derivative financial assets that are designated as available for sale or are not classified as loans and receivables. After initial recognition, available for sale financial assets are measured at fair value with gains or losses being recognised as a separate component of equity until the investment is derecognised or until the investment is determined to be impaired at which time the cumulative gain or loss previously reported in equity is included in the statement of comprehensive income.

The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the closure of business on the statement of financial position date. For investments where there is no active market, fair value is determined using valuation techniques.

(b) Trade and other receivables

Trade and other receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in the statement of comprehensive income when there is objective evidence that the asset is impaired.

(c) Cash and cash equivalents

The Company considers all highly liquid investments which are readily convertible into known amounts of cash and have a maturity of three months or less when acquired to be cash equivalents. At the reporting date management believes that the carrying amount of cash and cash equivalents approximates fair value because of the short maturity of these financial instruments.

Cash and cash equivalents comprise cash at bank and in hand and short term deposits with an original maturity of three months or less, all of which are available for use by the company unless otherwise stated. Cash and cash equivalents are measured at fair value, based on the relevant exchange rates at the reporting date.

(d) Financial liabilities and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

The Company's financial liabilities include trade and other payables. All financial liabilities, except for derivatives, are recognised initially at their fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial liability and subsequently measured at amortised cost.

Share Capital

Ordinary shares are recorded at nominal value and proceeds received in excess of nominal value of shares issued, if any, are accounted for as share premium. Both ordinary shares and share premium are classified as equity. Costs incurred directly to the issue of shares are accounted for as a deduction from share premium, otherwise they are charged to the Income Statement.

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 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:

(i) Available For Sale Investments

Available for sale financial assets have a carrying value of £836,126 at 31 March 2017 following an impairment charge of £15,962 (2016: £Nil) and additional equity share acquisitions and disposals in the period.

The Company follows the guidance of IAS 39 to determine when an available-for-sale equity investment is impaired. This involves a review of the fair value of its equity investments at each statement of financial position date. This requires management to make an estimate of the fair value of the securities in the absence of an active market. Uncertainty also exists due to the early stage of development of certain of the investments. Further details are given in Note 6.

This determination requires significant judgement. In making this judgement, the Company evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost; and the financial health of the short-term business outlook for the investee, including factors such as industry and sector performance and operational and financing cash flow.

Management has concluded that an impairment charge should be recognised in respect of the carrying value of available for sale financial assets based on its valuation of the equity instruments held. The impairment review carried out in the previous year concluded that no impairment was necessary.

Going Concern

The Directors have prepared the Financial Statements on a going concern basis, despite the Company having net current liabilities at 31 March 2017 of £88,559 (2016: £58,595). The Directors believe that the Company has sufficient funds, through its ability to liquidate its investments and to undertake its operating activities over the next 12 months, including any additional payment required in relation to its working capital requirements. It is not considered by the Directors that the investments will be required to be sold in the foreseeable future.

The Company has financial resources which, the Directors believe, will be sufficient to fund the Company's operational expenditure and this has been considered through Director prepared forecasts which have included considering the valuation of investments post year end and the liquidity of investments held.

The Directors have also confirmed that they will waive their right to the amounts owed to them by the Company, as disclosed under Note 13, until the Company has net current assets.

Given the above, 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); and
- 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 were measured at fair value as at 31 March 2017 and 31 March 2016. The Company does not have any liabilities measured at fair value.

	Level 1	Level 2	Level 3	Total
31 March 2017:				
Available-for-sale financial assets	£	£	£	£
- Equity holdings	255,565	139,594	440,969	836,126
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
31 March 2016:				
Available-for-sale financial assets				
- Equity holdings	114,407	61,217	472,706	648,330
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

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, TSX, Toronto Stock Exchange, and TSXV, TSX Venture 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 Company has valued all level 3 financial instruments at cost. The Directors perform an annual impairment assessment in for all level three inputs and recognise any impairment charge due.

The following table presents the changes in Level 3 instruments for the year ended 31 March 2017 and 31 March 2016:

	2017 £	2016 £
Opening balance	472,706	562,226
Transfers into level 3	-	-
Transfers into level 1	(12,249)	(30,000)
Gains (and losses) recognised in profit or loss	(19,488)	(59,520)
	<u> </u>	<u> </u>
Closing Balance	440,969	472,706
	<u> </u>	<u> </u>

1. Loss from Operations	2017 £	2016 £
Loss from operations is stated after charging:		
Employee benefit expense (Note 2)	-	12,500
Directors fees	-	5,000
Auditor's remuneration (see below)	15,950	4,930
Corporate finance fee	2,250	4,500
NEX Fee	7,800	7,800
Foreign exchange differences	(22,062)	1,115
Impairment of available-for-sale financial asset	15,962	-
	<hr/>	<hr/>
During the year the Company obtained the following services from the Company's auditor and its associates:		
Fees payable to Company's auditor and its associates for the audit of Company Financial Statements.	13,034	4,000
Fees payable to company's auditor and its associates for other services:		
Tax compliance service	2,916	930
	<hr/>	<hr/>
	15,950	4,930
	<hr/>	<hr/>
2. Employee Benefit Expense (including Directors)		
Wages and salaries	-	12,500
	<hr/>	<hr/>
	-	12,500
	<hr/>	<hr/>
3. Directors		
Key management includes Directors (executive and non-executive).		
The fees, remuneration paid or payable to key management for employee services is shown below:		
Salaries and other short term employee benefits	-	17,500
	<hr/>	<hr/>
	No.	No.
The average number of persons (including Directors) employed by the Company was:		
Directors	3	3
	<hr/>	<hr/>

4. Income Tax Expense

	2017	2016
Current tax:		
Adjustments in respect of prior years	-	-
	<hr/>	<hr/>
Income tax expense	-	-
	<hr/> <hr/>	<hr/> <hr/>

The tax on the Company's loss before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to losses of the Company as follows:

Factors Affecting the Tax Charge for the Year

	2017	2016
Profit/Loss for the year before taxation	(16,191)	8,129
	<hr/>	<hr/>
Tax on profit/(loss) for the year before tax multiplied by the UK small companies corporation tax rate of 20% (2016: 20%):	(3,238)	1,626
Disallowed items not deductible for tax purposes	-	-
Utilisation of tax losses brought forward	-	(1,626)
Tax losses for the year not relieved	-	-
Adjustments in respect of prior years	-	-
Tax losses carried forward	3,238	-
	<hr/>	<hr/>
	-	-
	<hr/> <hr/>	<hr/> <hr/>

Tax losses available to be carried forward by the Company at 31 March 2017 against future profits are approximately £104,000 (2016 - £101,000). 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 and as a result this amount has not been disclosed above.

5. Earnings Per Share

Basic earnings per share is calculated by dividing the earnings attributable to ordinary shareholders of the company by the weighted average number of ordinary shares outstanding during the year: 173,602,222 (2016 – 173,602,222).

6. Available for Sale Financial Assets

	2017 £	2016 £
At 1 April	648,330	795,888
Additions	48,984	165,560
Disposal	(50,486)	(132,389)
Impairment	(15,962)	-
Foreign exchange movements recognised in profit or loss	22,062	-
Net gains/(losses) transferred to equity	183,198	(180,729)
	<hr/> 836,126 <hr/>	<hr/> 648,330 <hr/>

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

Pound	526,939	466,509
Canadian Dollar	233,568	99,464
US Dollar	24,060	34,787
Euros	51,560	47,570
	<hr/> 836,126 <hr/>	<hr/> 648,330 <hr/>

The Company intends to hold these assets until such time as their disposal represents a return for shareholders which, due to the depressed natural resource market, is expected to be more than one year from the date of the Financial Statements hence their classification as non-current assets. A 10% increase / decrease in the foreign exchange would have led to a £17,888/£16,262 increase/decrease in the carrying value of the assets.

Impairment Review

An impairment review of the investments is carried out on an annual basis. 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 the year under review, this resulted in an impairment charge of £15,962 (2016 - £nil).

7. Other Receivables

	2017 £	2016 £
Other receivables	-	15,767
Prepayments	721	2,850
	<hr/> 721 <hr/>	<hr/> 18,617 <hr/>

8. Trade and Other Payables

	2017 £	2016 £
Trade payables	9,856	4,210
Other creditors	60,656	60,574
Accruals	30,984	26,134
	<hr/>	<hr/>
	101,496	90,918
	<hr/>	<hr/>

9. Ordinary Shares

Issued	Number of shares	Ordinary shares £	Share premium £	Total £
At 1 April 2016	173,602,222	173,602	1,174,631	1,348,233
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2016	173,602,222	173,602	1,174,631	1,348,233
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2017	173,602,222	173,602	1,174,631	1,348,233
	<hr/>	<hr/>	<hr/>	<hr/>

10. Share Based Payments

All warrants have expired during the year and therefore the balance held in the Share options and warrants reserve has been recycled to retained loss at the year end.

	Weighted average exercise Price £	Warrants Number
At 31 March 2016	0.01	14,027,500
		<hr/>
Expired during the year	0.01	(14,027,500)
At 31 March 2017	-	-
		<hr/>

11. Reserves

Share capital comprises amount subscribed for share capital at nominal value.

Share premium comprises amount subscribed for share capital in excess of nominal value.

Share options and warrants reserve consists of the fair value of options and warrants outstanding at the year end.

Other reserves are non-distributable and 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.

Retained loss comprises cumulative net gains and losses recognised in the statement of comprehensive income.

12. Capital Commitments

There were no capital commitments authorised by the Directors or contracted for at 31 March 2017 or 31 March 2016.

13. Related Party Transactions

Mountbeach Associates Limited, which is controlled by Brian Rowbotham, did not invoice the Company for the services of Brian Rowbotham as non-executive Chairman during the year and an expense of £Nil (2016 - £2,500) has been accrued. As at 31 March 2017, a balance of £10,000 (2016 - £10,000) remains outstanding.

Charles Vaughan, a Director of the Company, did not invoice for his Director services during the year and an expense of £Nil (2016 - £2,500) has been accrued. At 31 March 2017, a balance of £11,250 (2016 - £11,250) remains outstanding.

Gavin Burnell, a Director of the Company, did not invoice the Company for his Director services during the year and an expense refund of £Nil (2016 - £12,500) has been accrued. At 31 March 2017, a balance of £60,656 remains outstanding to Gavin Burnell (2016 - £60,656).

The directors have waived their right to the amounts owed to them by the Company, until the Company has net current assets.

14. Ultimate Controlling Party

The Directors consider that there is no ultimate controlling party.

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 intends to finance its activities by the raising of funds through the placing of shares.

16. Financial Risk Management objectives and policies

The Company has sought to minimise its exposure as follows:

(a) Financial Risk Factors

The Company's principal financial instruments comprise both listed and unlisted investments, other receivables, other payables and cash. The main purpose of these financial instruments is to raise finance for the Company's operations.

The Company's activities expose it to a variety of financial risks. The Company's Board monitors and manages the financial risks relating to the operations of the Company. The Board provides written policies for overall risk management, as well as written policies covering specific areas.

Market risk**Price risk**

The Company is exposed to equity securities price risk because of investments held by the Company, classified as available-for-sale. The Company is not directly exposed to commodity price risk. To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio.

Diversification of the portfolio is done in accordance with the limits set by the Board.

Interest risk

The Company is not exposed to interest rate risk on financial liabilities.

The Company has no other borrowing facilities available to it.

Foreign Exchange risk

The Company is exposed to foreign exchange risk on the investments it holds on foreign exchanges which are traded in non GBP currency. The Company does not hedge against these investments but does monitor exchange rate movements to ensure that set exchange rate movements are not exceeded.

Liquidity Risk

The Company's continued future operations depend on its ability to raise sufficient working capital through the issue of share capital, generate a return on its investments to meet its future obligations and the potential settlement of the convertible loan.

The Company manages liquidity risk by maintaining adequate reserves and by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The Company seeks to manage financial risk, to ensure sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably.

17. Capital Risk Management

The Company is subject to capital requirements set by the NEX capital market on which the Company's securities are traded. At 31 March 2017 the minimum share capital required by the regulated market was £50,000 (2016 - £50,000). The Company has remained within the required limits throughout the year.

The capital structure primarily consists of equity attributable to the owners – comprising issued capital, reserves and retained losses – as well as cash and cash equivalents. The Company manages its capital by making adjustments to its composition in light of the economic conditions, with the aim of ensuring that it will be able to continue as a going concern while maximising the return to stakeholders.

18. Prior Year Adjustment

As a result of the late provision of information from an investee regarding a share consolidation that took place during the financial year ended 31 March 2014 the carrying value of available for sale financial assets was required to be restated. This resulted in an increase in value of available for sale investments of £15,805 to £795,888 as at 1 April 2015 and a corresponding increase of £15,805 to other reserves.

The effect of the adjustment as at 31 March 2016 was a decrease in the value of available for sale investments of £74,464 to £648,330 and a corresponding decrease in other comprehensive income and other reserves of £74,464.

19. Events after the Reporting Period

On 31 May 2017 the Company issued warrants to directors of the Company as follows:

Gavin Burnell – 15,000,000
Charles Vaughan – 1,000,000
Brian Rowbotham – 1,000,000

The warrants are exercisable at 1p per new ordinary share and expire on 1 June 2027.

On 24 May 2017, Gavin Burnell purchased 2,666,666 ordinary shares in the Company at 0.25 pence per share and is now interested in 31,956,666 ordinary shares, representing 18.41 per cent of the Company's issued share capital.

Subsequent to the year end, the Company has made the following new investments with the aim of diversifying its portfolio:

Jangada Mines plc – 250,000 shares at 5.5 pence per share
N4 Pharma plc – 42,500 shares at 7.0 pence per share