Registered number: 04606754

POLEMOS PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2014

CONTENTS

Company Board

Donald Strang Executive Chairman

Mr Strang is a member of the Australian Institute of Chartered Accountants and has been in business over 20 years, holding senior financial and management positions in both publicly listed and private enterprises in Australia, Europe and Africa. Mr Strang has considerable corporate and international expertise and over the past decade has focussed on mining and exploration activities. He is currently a director of several companies listed on AIM.

Hamish Harris Non-Executive Director

Mr Harris holds a Bachelor of Commerce from the University of Tasmania. He has held positions within market risk management at a number of financial institutions including Nomura Group, Dresdner Kleinwort Wasserstein, Deutsche Bank AG and Lloyds Banking Group plc in Singapore, Hong Kong and London. Hamish currently holds a position with Nivalis Capital, a private equity vehicle which looks for opportunities in mining and agriculture in Eastern Europe.

Spencer Wilson Non-Executive Director

Mr. Wilson is a financier and has been Chief Executive Officer at Markab Capital Limited ("Markab"), a boutique Middle East-focused investment bank and family office since 2010. Mr. Wilson currently oversees deal origination at Markab as well as developing financing and M&A opportunities for the firm. Prior to joining Markab, Mr. Wilson worked as a Managing Partner at Churchill Merchant Capital, Inc. from 2000 to 2002 and then a Senior Managing Director at Newhaven Merchant Bankers from 2002 to 2010.

Company Secretary	Donald Strang
Directors	Donald Strang Hamish Harris Spencer Wilson
Company Number	04606754
Registered Office	Princes House Suite 3B 38 Jermyn Street London SW1Y 6DN
Nominated Adviser and Broker	Beaumont Cornish Limited 2nd Floor, Bowman House 29 Wilson Street London EC2M 2SJ
Bankers	Bank of Scotland plc Corporate Banking Level 2 Pentland House 8 Lochside Avenue Edinburgh EH12 9DJ
Independent Auditors	Chapman Davis LLP Statutory Auditors 2 Chapel Court London SE1 1HH
Solicitors	Kerman & Co LLP 200 Strand London WC2R 1DJ

The Directors are pleased to present the Strategic Report on the Company for the year ended 31 December 2014.

Activities, Business Review and Strategy

The Board continues to evaluate new investment opportunities as they arise. In the short term, the Company has investments in listed securities with, what the Board believes to be, high levels of liquidity within the natural resources sector.

The Company continues to review a number of potential new investment opportunities in accordance with its investing policy and further announcements will be made in due course as appropriate.

The Board considers this approach allows flexibility to evaluate investments in other opportunities within the natural resources sector.

In June 2014, the Company raised £500,000, before expenses, by way of a placing of 500,000,000 new Ordinary Shares at a subscription price of 0.1 pence per Placing Share ("the Placing"). The Placing enables the Company to consider further and take advantage of new investment opportunities to develop shareholder value on behalf of shareholders as a whole in the Company.

On 27 August 2014, David Lenigas stepped down as Executive Chairman and Donald Strang replaced him.

Results and Dividends

The Statement of Comprehensive Income is set out on page 13 and has been prepared in Sterling, the functional and reporting currency of the Company.

The Company’s loss after taxation attributable to equity holders of the Company for the period was £258,000 (2013 – £469,000 loss).

No dividends have been paid or proposed.

Financial Review

During the year, the Company made a loss before taxation from continuing operations of £258,000 (2013: £469,000). There was a weighted loss per share from continuing operations of 0.04p (2013: loss per share of 0.12p).

Cash and cash equivalents at 31 December 2014 amounted to £342,000 (31 December 2013: £26,000).

Key Performance Indicators (“KPIs”)

The Board monitors the activities and performance of the Company on a regular basis. Given the current Investing Policy there were no relevant KPIs during the accounting period or at the year end.

Risks and Uncertainties

The principal risks facing the Company are set out below. Risk assessment and evaluation is an essential part of the Company’s planning and an important aspect of the Company’s internal control system.

Financial Risk

The risks faced by the Company include interest rate, credit risk and liquidity risk. Directors have in place a process of regularly reviewing risks to the business and monitoring associated controls, actions and contingency plans.

The Company's financial risk management policies are set out in note 3.

Business Risk

The Board regularly evaluates and reviews all business risks when reviewing project timelines. The types of risks reviewed also include:

- Regulatory and compliance obligations
- Legal risks relating to contracts, licenses and agreements
- Insurance risks.

Outlook and Future developments

Your Board is continuing to review a number of other investment opportunities in accordance with its investing policy and further announcements will be made as appropriate.

The Board would like to take this opportunity to thank our shareholders, staff and consultants for their continued support.

Approved by the Board of Directors on 18 June 2015, and signed on their behalf by;

Donald Strang
Director

The Directors present their report and the audited Financial Statements for the year ended 31 December 2014.

Principal Activities and Investment Policy

As at 31 December 2014 the principal activity of the Company was that of an investing company which is seeking to acquire a direct and/or indirect interest in projects and assets in the natural resources sector, as well as opportunities that may arise in other sectors. The Company will focus on opportunities in Europe, Africa and the Middle East but will consider possible opportunities anywhere in the world.

Business Review and Future Developments

A full review of the Company's performance, financial position and future prospects is given in the Strategic Report on pages 4 to 5.

Substantial Shareholdings

At 17 June 2015, the following had notified the Company of disclosable interests in 3% or more of the nominal value of the Company's shares:

Shareholder	Number of Shares	% of Issued Capital
JIM Nominees Limited	100,003,815	11.28
RB Rowan	94,552,711	10.66
Ferlim Nominees Limited	67,369,857	7.60
Amara Dhari Investments Limited	66,666,667	7.52
Beaufort Nominees Limited	61,466,054	6.93
TD Direct Investing Nominees (Europe) Ltd	49,893,827	5.63
Hargreaves Lansdown (Nominees) Limited	41,099,572	4.63
Barclayshare Nominees Ltd	36,318,069	4.10
Share Nominees Limited	35,214,022	3.97
TD Direct Investing Nominees (Europe) Ltd	32,520,000	3.67
David Steinepreis	30,000,000	3.38
Hargreaves Lansdown (Nominees) Limited	28,062,613	3.16
Nomura Clearance & Settlement Nominees Limited	27,650,000	3.12

Directors' Remuneration and interests

The Company remunerates the Directors at a level commensurate with the size of the Company and the experience of its Directors. The Remuneration Committee has reviewed the Directors' remuneration and believes it upholds the objectives of the Company with regard to this issue. Details of the Directors' emoluments and payments made for professional services rendered are set out in note 7 to the Financial Statements.

All the directors below served during throughout the period unless otherwise stated;

Donald Strang
Hamish Harris
Spencer Wilson
David Lenigas (resigned 27 August 2014)

Each of the directors hold fully vested options over 8,000,000 ordinary shares each (total options held by directors is 32,000,000) which are exercisable at 0.2p each up until 31 December 2020.

Corporate Governance

A statement on Corporate Governance is set out on pages 9 and 10.

Annual General Meeting ("AGM")

This report and financial statements will be presented to shareholders for their approval at an AGM. The Notice of the AGM will be distributed to shareholders separately to this Annual Report.

Employees

The Company has no directly employed personnel, apart from the Directors.

Creditor Payment Policy

The policy of the Company is to:

- Agree the terms of payment with suppliers when settling the terms of each transaction;
- Ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; and
- Pay in accordance with its contractual and other legal obligations provided suppliers comply with the terms and conditions of supply.

Trade payables at the year end all relate to sundry administrative overheads and disclosure of the number of days' purchases represented by year end payables is therefore not meaningful.

Charitable Donations

The Company made no charitable donations during the year (2013 - £Nil).

Financial Reporting

The Board has ultimate responsibility for the preparation of the annual audited Financial Statements. A detailed review of the performance of the Company is contained in the Strategic Report on pages 4 to 5. With the Strategic Report, the Board seeks to present a balanced and understandable assessment of the Company's position, performance and prospects.

Going Concern

The Directors note the losses that the Company has made for the Year Ended 31 December 2014. The Directors have prepared cash flow forecasts for the period ending 30 June 2016 which take account of the current cost and operational structure of the Company.

The cost structure of the Company comprises a high proportion of discretionary spend and therefore in the event that cash flows become constrained, costs can be quickly reduced to enable the Company to operate within its available funding.

These forecasts demonstrate that the Company has sufficient cash funds available to allow it to continue in business for a period of at least twelve months from the date of approval of these financial statements. Accordingly, the financial statements have been prepared on a going concern basis.

Internal Control

A key objective of the Directors is to safeguard the value of the business and assets of the Company. This requires the development of relevant policies and appropriate internal controls to ensure proper management of the Company's resources and the identification and mitigation of risks which might serve to undermine them. The Directors are responsible for the Company's system of internal control and for reviewing its effectiveness. It should, however, be recognised that such a system can provide only reasonable and not absolute assurance against material misstatement or loss.

Provision of Information to Auditors

So far as each of the Directors is aware at the time this report is approved:

- there is no relevant audit information of which the Company's auditors are unaware; and
- the Directors 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

Chapman Davis LLP has signified its willingness to continue in office as auditors, and a resolution that they be reappointed will be proposed at the annual general meeting.

This report was approved by the board on 18 June 2015 and signed on its behalf.

Donald Strang
Director

The Board is committed to maintaining high standards of corporate governance. The Listing Rules of the Financial Conduct Authority incorporate the UK Corporate Governance Code, which sets out the principles of Good Governance, and the Code of Best Practice for listed companies. Whilst the Company is not required to comply with the UK Corporate Governance Code, the Company's corporate governance procedures take due regard of the principles of Good Governance set out in the UK Corporate Governance Code proportionate to the size and the stage of development of the Company.

Board of Directors

The Board of Directors currently comprises one executive Director (whom is the Chairman) and two non-executive Directors. The Directors are of the opinion that the Board comprises a suitable balance and that the recommendations of the UK Corporate Governance Code have been implemented to an appropriate level. The Board maintains regular contact with its advisers and public relations consultants in order to ensure that the Board develops an understanding of the views of major shareholders about the Company. On 27 August 2014, the Board make-up was changed. David Lenigas resigned as Executive Chairman and Donald Strang was appointed Executive Chairman. Hamish Harris and Spencer Wilson remain as Non-Executive Directors.

Board meetings

The Board meets regularly throughout the year in relation to normal operational matters. The Board is responsible for formulating, reviewing and approving the Company's strategy, financial activities and operating performance.

All Directors have access to the advice of the Company's solicitors and the Company Secretary ensures necessary information is supplied to the Directors on a timely basis to enable them to discharge their duties effectively, and all Directors have access to independent professional advice, at the Company's expense, as and when required.

Board Committees

The Board has established the following committees, each which has its own terms of reference:

Audit Committee

The Audit Committee is responsible for overseeing the Company's financial reporting disclosure process; this also includes the choice of appropriate accounting policies. It also monitors internal financial controls as well as overseeing the hiring and performance of the external auditors. The Audit Committee comprises all of the Directors with Hamish Harris as Chairman.

Remuneration Committee

The Remuneration Committee is responsible for making recommendations to the Board on the remuneration for Directors. It comprises all of the Directors with Hamish Harris as Chairman. Financial packages for Directors are established by reference to those prevailing in the employment market for executives of equivalent status both in terms of level of responsibility of the position and their achievement of recognized job qualifications and skills. The Committee will also have regard to the terms which may be required to attract an equivalent experienced executive to join the Board from another company.

Nomination Committee

The Directors do not consider that, given the size of the Board, it is appropriate to have a Nomination Committee. The appropriateness of such a committee will however, be kept under regular review by the Board.

Internal Controls

The Directors acknowledge their responsibility for the Company's systems of internal controls and for reviewing their effectiveness. These internal controls are designed to safeguard the assets of the Company and to ensure the reliability of financial information for both internal use and external publication. Whilst they are aware that no system can provide absolute assurance against material misstatement or loss, in light of increased activity and further development of the Company, continuing reviews of internal controls will be undertaken to ensure that they are adequate and effective.

Risk Management

The Board considers risk assessment to be important in achieving its strategic objectives. There is a process of evaluation of performance targets through regular reviews by senior management to forecasts. Project milestones and timelines are regularly reviewed.

Insurance

The Company maintains insurance in respect of its Directors against liabilities in relation to the Company.

Treasury Policy

The Company finances its operations through equity and holds its cash as a liquid resource to fund the obligations of the Company. Decisions regarding the management of these assets are approved by the Board.

Securities Trading

The Board has adopted a Share Dealing Code that applies to Directors, senior management and any employee who is in possession of 'inside information'. All such persons are prohibited from trading in the Company's securities if they are in possession of 'inside information'. Subject to this condition and trading prohibitions applying to certain periods, trading can occur provided the relevant individual has received the appropriate prescribed clearance.

Relations with Shareholders

The Board is committed to providing effective communication with the shareholders of the Company. Significant developments are disseminated through stock exchange announcements and regular updates of the Company website. The Board views the AGM as a forum for communication between the Company and its shareholders and encourages their participation in its agenda.

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 the Financial Statements comply with IFRSs as adopted by the European Union, subject to any material departures disclosed and explained in the Financial Statements;
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors confirm that they have complied with the above requirements in preparing the Financial Statements.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the Financial Statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of the Financial Statements may differ from legislation in other jurisdictions.

The Company is compliant with AIM Rule 26 regarding the Company's website.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF POLEMOS PLC

We have audited the Financial Statements of Polemos plc for the year ended 31 December 2014 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
A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.ork.uk/apb/scope/private.cfm.

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 December 2014 and of its loss 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 Strategic Report and 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:

Under the Companies Act 2006 we are required 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.

Keith Fulton
Senior Statutory Auditor
for and on behalf of Chapman Davis LLP
Statutory Auditor, Chartered Accountants
LONDON
18 June 2015

	Note	Year ended 31 December 2014 £'000	Year ended 31 December 2013 restated £'000
Revenue		-	3
Administrative expenses		(284)	(469)
Investment income	8	26	(5)
Operating Loss	9	(258)	(471)
Finance income	10	-	2
Loss before Taxation		(258)	(469)
Taxation	11	-	-
Loss for the Year attributable to equity holders of the Company		(258)	(469)
Other Comprehensive Income:			
Other comprehensive income Items that may be subsequently reclassified to profit or loss:			
Transfers to income statement		20	-
Decrease in value of available for sale assets		(129)	(80)
Total other comprehensive income		(109)	(80)
Total Comprehensive Income for the Year attributable to equity holders of the Company		(367)	(549)

Earnings per Share
Attributable to the Equity Holders of the Company during the Year

	Note	Pence	Pence
Earnings per share – Basic and diluted	12	(0.04)	(0.12)

The accounting policies and notes form an integral part of these Financial Statements.

POLEMOS PLC
Company Number: 04606754

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2014

	Note	31 December 2014 £'000	31 December 2013 restated £'000
Assets			
Non-Current Assets			
Available-for-sale financial assets	13	117	332
		117	332
Current Assets			
Trade and other receivables	14	4	16
Cash and cash equivalents	15	342	26
		346	374
Assets Classified as Held for Sale	13	-	-
Total Assets		463	374
Current Liabilities			
Trade and other payables	16	(74)	(88)
Net Assets		389	286
Equity attributable to shareholders			
Share capital	17	19,395	19,345
Share premium	17	18,441	18,021
Share based payment reserve		63	63
Available-for-sale asset reserve		(189)	(80)
Retained earnings		(37,321)	(37,063)
Total Equity		389	286

The Financial Statements were approved and authorised for issue by the board of Directors on 18 June 2015 and were signed on its behalf by:

Donald Strang
Director

The accounting policies and notes form an integral part of these Financial Statements.

Attributable to equity shareholders

	Share Capital £'000	Share Premium £'000	Share based Payment reserve £'000	Available for sale asset reserve £'000	Retained Earnings £'000	Total £'000
At 31 December 2012	19,345	18,021	-	-	(36,594)	772
Share based payment charge	-	-	63	-	-	63
Total contributions by and distributions to owners of the Company	-	-	63	-	-	63
Comprehensive Income for the year						
Decrease in value of available for sale assets	-	-	-	(80)	-	(80)
Loss for the year	-	-	-	-	(469)	(469)
Total Comprehensive Income for the Year	-	-	-	(80)	(469)	(549)
At 31 December 2013 (restated)	19,345	18,021	63	(80)	(37,063)	286
Shares issued	50	450	-	-	-	500
Share issue costs	-	(30)	-	-	-	(30)
Total contributions by and distributions to owners of the Company	50	420	-	-	-	470
Comprehensive Income for the year						
Transfers to income statement	-	-	-	20	-	20
Decrease in value of available for sale assets	-	-	-	(129)	-	(129)
Loss for the year	-	-	-	-	(258)	(258)
Total Comprehensive Income for the Year	-	-	-	(109)	(258)	(367)
At 31 December 2014	19,395	18,441	63	(189)	(37,321)	389

The accounting policies and notes form an integral part of these Financial Statements.

	Note	2014 £'000	2013 £'000
Cash Flows from Operating Activities			
Operating loss		(258)	(471)
Adjustments for non-cash items:			
Bad debts written-off		2	-
(Gain)/loss on disposal of AFS assets		(23)	5
Share-based payment charge		-	63
Operating cash flows before movements in working capital		(279)	(403)
Decrease in trade and other receivables		10	215
(Decrease) in trade and other payables		(14)	(277)
Net Cash Used in Operating Activities		(283)	(465)
Cash Flows from Investing Activities			
Proceeds from disposal of subsidiaries		-	10
Interest received		-	2
Purchases of available-for-sale financial assets		(101)	(601)
Proceeds from disposal of available-for-sale financial assets		230	184
Net Cash generated from/(Used In) Investing Activities		129	(405)
Cash Flows from Financing Activities			
Proceeds from share issues		500	-
Share issue costs		(30)	-
Net cash generated from Financing Activities		470	-
Net Increase/(Decrease) in Cash and Cash Equivalents		316	(870)
Cash and cash equivalents at beginning of year	15	26	896
Cash and Cash Equivalents at End of Year	15	342	26

The accounting policies and notes form an integral part of these Financial Statements.

1. General Information

Polemos Plc is a public limited company which is quoted on AIM and incorporated and domiciled in the UK. In 2012, it disposed of all the operating subsidiaries; the business of Polemos Plc has become that of an Investment Company, pursuant to Rule 15 of the AIM Rules.

The Company's Investing Policy is to invest in any sector which the Directors consider may potentially create value for its Shareholders. The Directors intend initially to seek to acquire a direct or an indirect interest in projects and assets in the natural resources sector, however, they will consider other sectors as, and when, opportunities arise.

This investment may be in either quoted or unquoted companies; be made by direct acquisition or through farm-ins; may be in companies, partnerships, joint ventures; or direct interests in particular assets or projects. The Company's equity interest in a proposed investment may range from a minority position to 100 percent ownership and may comprise one investment or multiple investments.

Investments in early stage and exploration assets are expected to be mainly in the form of equity, with debt being raised later to fund the development of such assets. Investments in later stage assets are more likely to include an element of debt to equity gearing.

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 years presented, unless otherwise stated.

Basis of Preparation

The Financial Statements of Polemos Plc have been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRS Interpretations Committee (IFRSIC) as adopted by the European Union and the Companies Act 2006 applicable to companies reporting under IFRS.

The Financial Statements have been prepared under the historical cost convention with modification for the available-for-sale financial assets.

The preparation of Financial Statements in conformity with IFRS 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 in the Financial Statements are disclosed in Note 4.

Restatement of 2013 comparatives

As a result of a review of the accounting treatment of the Company's available for sale assets and transactions related thereto, the Company has restated its 2013 comparatives. The effect of the restatement is to re-allocate the realised loss on the sale of available for sale assets in 2013 of £5,000 to the income statement from its previous accounting treatment being included within the unrealised loss on market value movement of the AFS assets within the equity statement. The effect of this is to restate the Company's result for 2013 to a loss of £469,000. The Earnings per share for 2013 has been unaffected by this change. There is no effect of this amendment on the Company's cash flow statement for that period.

2. Summary of Significant Accounting Policies (continued)

Going Concern

The Directors noted the losses that the Company has made for the Year Ended 31 December 2014. The Directors have prepared cash flow forecasts for the period ending 30 June 2016 which take account of the current cost and operational structure of the Company.

The cost structure of the Company comprises a high proportion of discretionary spend and therefore in the event that cash flows become constrained, costs can be quickly reduced to enable the Company to operate within its available funding.

These forecasts demonstrate that the Company has sufficient cash funds available to allow it to continue in business for a period of at least twelve months from the date of approval of these financial statements. Accordingly, the financial statements have been prepared on a going concern basis.

It is the prime responsibility of the Board to ensure the Company remains a going concern. At 31 December 2014 the Company had cash and cash equivalents of £342,000 and no borrowings. The Company has minimal contractual expenditure commitments and the Board considers the present funds sufficient to maintain the working capital of the Company for a period of at least 12 months from the date of signing the Annual Report and Financial Statements following the Placing discussed in the Report of the Directors. For these reasons the Directors adopt the going concern basis in the preparation of the Financial Statements.

Accounting Policies

New standards, amendments and interpretations adopted by the Company
Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Company.

In the current year, the following new and revised Standards and Interpretations have been adopted and have affected the amounts reported in these financial statements.

IASB (International Accounting Standards Board) and IFRIC (International Financial Reporting Interpretations Committee) have issued the following standards and interpretations with an effective date after the date of these financial statements:

The following standards have been adopted by the Company for the first time for the financial year beginning on or after 1 January 2014 and have a material impact on the Company:

Amendment to IAS 32, 'Financial instruments: Presentation' on offsetting financial assets and financial liabilities. This amendment clarifies that the right of set-off must not be contingent on a future event. It must also be legally enforceable for all counterparties in the normal course of business, as well as in the event of default, insolvency or bankruptcy. The amendment also considers settlement mechanisms. The amendment did not have a significant effect on the group financial statements.

Amendments to IAS 36, 'Impairment of assets', on the recoverable amount disclosures for non-financial assets. This amendment removed certain disclosures of the recoverable amount of CGUs which had been included in IAS 36 by the issue of IFRS 13.

2. Summary of Significant Accounting Policies (continued)

New standards, amendments and interpretations adopted by the Company (continued)
Amendment to IAS 39, 'Financial instruments: Recognition and measurement' on the novation of derivatives and the continuation of hedge accounting. This amendment considers legislative changes to 'over-the-counter' derivatives and the establishment of central counterparties. Under IAS 39 novation of derivatives to central counterparties would result in discontinuance of hedge accounting. The amendment provides relief from discontinuing hedge accounting when novation of a hedging instrument meets specified criteria. The Company has applied the amendment and there has been no significant impact on the Company financial statements as a result.

IFRIC 21, 'Levies', sets out the accounting for an obligation to pay a levy if that liability is within the scope of IAS 37 'Provisions'. The Company is not currently subjected to significant levies so the impact on the Company is not material.

Other standards, amendments and interpretations which are effective for the financial year beginning on 1 January 2014 are not material to the Company.

New standards, amendments and interpretations not yet adopted
A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2014, and have not been applied in preparing these consolidated financial statement. None of these is expected to have a significant effect on the consolidated financial statements of the Company, except the following set out below:

IFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of IFRS 9 was issued in July 2014. It replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through OCI and fair value through P&L. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in OCI not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in IAS 39. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. IFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually use for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under IAS 39. The standard is effective for accounting periods beginning on or after 1 January 2018. Early adoption is permitted. The Company is yet to assess IFRS 9's full impact.

IFRS 15, 'Revenue from contracts with customers' deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. The standard replaces IAS 18 'Revenue' and IAS 11 'Construction contracts' and related interpretations. The standard is effective for annual periods beginning on or after 1 January 2017 and earlier application is permitted. The Company is assessing the impact of IFRS 15.

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

2. Summary of Significant Accounting Policies (continued)

Non-Current Assets held for Sale and Discontinued Operations

The Company classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Financial Instruments

The Company determines the classification of its financial assets at initial recognition. The subsequent measurement of financial assets depends on their classification as described below.

Available-for-sale financial assets

Available-for-sale financial assets are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period.

Available-for-sale financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the income statement.

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset is 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 recognized in profit or loss – is recognised in equity.

Trade and Other Receivables

Trade and other receivables are initially measured at fair value, based on their invoice value and subsequently measured at amortised cost using the effective interest 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. The allowance recognised is measured as the difference between the asset's carrying amount and the estimated recoverable amount.

Trade and Other Payables

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

Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and demand deposits.

2. Summary of Significant Accounting Policies (continued)

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 the Income Statement. Foreign exchange gains and losses are presented in the Other Comprehensive Income.

Share Capital

Ordinary Shares are classified as equity. Share premium is shown as an additional incremental costs directly attributable to the issue of new shares are shown as a deduction, net of tax, in equity from the proceeds.

Taxation

The tax expense represents the sum of the tax payable for the current period and deferred tax.

Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company and its subsidiaries operate and generate taxable income.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

2. Summary of Significant Accounting Policies (continued)

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Share Based Payments

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. The fair value excludes the effect of non market-based vesting conditions. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 6.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest. At each Statement of Financial Position date, the Company revises its estimate of the number of equity instruments expected to vest as a result of the effect of non market-based vesting conditions. The impact of the revision of the original estimates, if any, is recognised in the Income Statement such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

Fair value is measured by use of the Monte Carlo Model. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

Operating Leases

Rentals payable under operating leases are charged to income on a straight-line basis over the term of the relevant lease. Where the terms of a lease become onerous, provision or accrual is made for all future costs net of any estimated future recoveries.

3. Financial Risk Management

Financial Risk Factors

The Company’s activities expose it to a variety of financial risks: market risk (including exchange rate risk and interest rate risk), credit risk and liquidity risk. The Company’s overall risk management programme focuses on the unpredictability of financial markets, and seeks to minimise potential adverse effects on the Company’s financial performance.

Risk management is carried out by the Directors under policies approved by the Board of Directors which include continuous assessments of interest rate, credit risk and liquidity risk.

3. Financial Risk Management (continued)

(a) **Market Risk**

(i) **Foreign Exchange Risk**

The Company operates mainly in the UK, and has limited exposure to foreign exchange risk. Following the new strategies post re-structure, the Company may have greater currency risk should it develop an international investment portfolio.

(ii) **Interest Rate Risk**

The Company does not have any borrowing at the year end and hence has limited exposure to interest rate risk. Should borrowing become necessary, the Directors will assess the instruments required to meet the Company's financing needs.

(b) **Credit Risk**

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions. The Company considers the credit ratings of banks in which it holds funds in order to reduce exposure to credit risk. The Company will only bank with financial institutes that have a credit rate of A- or better.

(c) **Liquidity Risk**

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. Cash is invested in commercial call accounts which provide a modest return on the cash resources whilst ensuring there is limited risk of loss.

There is no difference between the carrying values and fair values of the financial instruments in the current year or prior year.

(d) **Market/Price Risk**

The Company is exposed to equity securities market/price risk because of investments held by the Company and classified on the Statement of Financial Position as available-for-sale assets. To manage this risk, the Company diversified its portfolio.

Capital Risk Management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern, in order to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

4. Critical Accounting Judgements and Key Sources of Estimation Uncertainty

The preparation of the financial information in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

4. Critical Accounting Judgements and Key Sources of Estimation Uncertainty (continued)

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

(i) **Critical Accounting Estimates and Assumptions**

Share Based Payments

The Company made no awards of options over its unissued share capital to the directors during the year to 31 December 2014.(2013: 32million share options issued)

The fair value of share based payments is calculated by reference to a Monte Carlo simulation model. Inputs into the model are based on management's best estimates of appropriate volatility, dividend yields, discount rate and share price growth.

During the year, the Company incurred no share based payment charge (2013: £63,000 charge).

5. Segment Information

The Company is now operating as a single UK based segment with a single primary activity to invest in businesses so as to generate a return for the shareholders. No segmental analysis has been disclosed as the Company has no operating segments.

6. Share Based Payments

During the year to 31 December 2014, the Company granted no share options. During the year to 31 December 2013, the Company granted each of the four directors' options over 8,000,000 new ordinary shares of 0.01p each in the Company at an exercise price of 0.2 pence per share. These Options vested immediately and expire on 31 December 2010. The share option charge for the year is £nil (2013: £62,950).

	2014 No. of share options	**Weighted average exercise price**	**2013 No. of share options**	**Weighted average exercise price**
Outstanding at beginning of year	32,000,000	0.2p	-	-
Granted during the year	-	-	32,000,000	0.2p
Forfeited during the year	-	-	-	-
Cancelled during the year	-	-		
Outstanding at the end of the year	32,000,000	0.2p	32,000,000	0.2p
Exercisable at the end of the year	32,000,000	0.2p	32,000,000	0.2p

There are £nil (2013: £nil) employee benefit expenses in 2014 and 2013, as the Company does not have employees other than the Directors.

7. Directors and Employees

Average number of employees	**2014 No.**	**2013 No.**
Average number of employees (who are all Directors) during the year was:	3	3
	£'000	**£'000**
Emoluments of the Directors	160	136

Directors' Emoluments	**Salary and fees £'000**	**2014 Total £'000**	**2013 Total £'000**
Donald Strang	42	42	50
Hamish Harris	42	42	9
Spencer Wilson (appointed on 10 July 2013)	42	42	29
David Lenigas (appointed on 03 April 2013, and resigned 27 August 2014)	34	34	48
	160	160	136

There were no pension scheme contributions on behalf of Directors during in 2014 or 2013.

8. Investment income

	2014 £'000	**2013 £'000**
Dividend income	3	-
Realised gain/(loss) on sale of AFS assets	23	(5)
	26	(5)

9. Operating Loss

	2014 £'000	**2013 £'000**
Included within the results of operating activities are the following;		
Staff costs	160	136
Audit and Accountancy fees	9	19
Share based payments	-	63
Bad debt written-off	2	-
Auditor's remuneration:		
- Fees payable for the audit of the Company	5	15
- Audit related assurance services	4	-

10. Finance Income

	2014 £'000	2013 £'000
Interest income on short-term bank deposits	-	2
	-	2

11. Income Tax

	2014 £'000	2013 £'000
UK Corporation Tax at standard rate of UK small companies Corporation Tax rate of 20% (2012 - 20%)	-	-
Deferred tax:		
Origination and reversal of temporary differences	-	-

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 loss of the Company as follows:

	2014	2013
Loss on ordinary activities before tax	(258)	(469)
Current tax at 20% (2013 – 20%)	(52)	(94)
Tax effects of:		
- Expenses not deductible for tax purposes	-	-
- Tax losses for which no deferred income tax asset is recognised	52	94
Tax charge/(credit)	-	-

12. Earnings per Share

Basic loss per share is calculated by dividing the loss attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

	2014	2013
Loss attributable to equity holders of the Company (£'000)	(258)	(469)
Weighted average number of ordinary shares in issue (thousands)	674,578,697	386,907,464
Basic and diluted loss per share (£)	(0.04)	(0.12)

The impact of the share options are considered to be anti-dilutive.

13. Assets Classified as Held for Sale

The major classes of assets and liabilities classified as held for sale are as follows:

Shares in Subsidiary Undertaking	2014 £'000	2013 £'000
Opening balance	-	10
Transfer from investment in subsidiaries (see below)	-	-
Disposal of shares in Subsidiary Undertakings	-	(10)
Closing balance	-	-

In January 2012 the Company subscribed for 400,000 new ordinary shares of PLUS-DX at £1 each, which increased the Company's total shareholding in PLUS-DX from 80% to 99.99995%. In September 2012, a sale and purchase agreement was signed between the Company and Pipeline Capital Inc. to dispose of the entire shareholding for cash consideration of £10,000, subject to regulatory approval. Accordingly, the investment in PLUS-DX was impaired down to the recoverable amount and reclassified as held for sale as at 31 December 2012.

PLUS-SX and PLUS-TS were disposed of in May and June 2012 respectively. PLUS-DX was disposed of in January 2013.

Available-for-sale financial assets – Listed Investments	2014 £'000	2013 £'000
Opening balance	332	-
Purchase of securities	101	601
Disposal of securities	(230)	(184)
Gain/(loss) on disposal of investments	23	(5)
Transfers to income statement	20	-
Movement in market value during the year	(129)	(80)
Closing balance	117	332

Available-for-sale assets comprise investments in listed securities which are traded on stock markets throughout the world, and are held by the Company as a mix of strategic and short term investments.

14. Trade and Other Receivables

	2014 £'000	2013 £'000
Other receivables	3	4
VAT recoverable	1	12
	4	16

15. Cash and Cash Equivalents

	2014 £'000	2013 £'000
Cash at bank and in hand	342	26

16. Trade and Other Payables

	2014 £'000	2013 £'000
Trade payables	41	44
Other payables	6	-
Social security and other taxes	6	5
Accruals	21	39
	74	88

17. Share Capital and Premium

	Number of shares (thousands)	Share capital £'000	Share premium £'000	Total £'000
At 31 December 2013				
- ordinary shares	386,907	38	18,021	18,059
- deferred shares	386,907	19,307	-	19,307
	773,814	19,345	18,021	37,366
Ordinary Shares issued				
On 4 June 2014, placing for cash at 0.1p per share	500,000	50	450	500
Less: placing costs	-	-	(30)	(30)
At 31 December 2014				
- ordinary shares	886,907	88	18,441	18,529
- deferred shares	386,907	19,307	-	19,307
	1,273,814	19,395	18,441	37,836

The issued share capital at 31 December 2014 consists of 886,907,464 ordinary shares of 0.01p each and 386,907,464 deferred shares of 4.99p each.

The deferred shares do not entitle their holders to receive dividends or other distributions, receive notice of or to attend and vote at any general meeting or receive a return of capital on a winding up. The deferred shares are redeemable at the option of the Company at any time on giving 7 days written prior notice.

32 million share options were outstanding at 31 December 2014 (2013 – 32 million). The Company has no warrants in issue at 31 December 2014 (2013: nil).

18. Operating Lease Commitments and capital commitments

The Company has no current lease or capital commitments as at 31 December 2014.

19. Related Party Transactions

There were no related party transactions during the year.

Key Management Personnel
The only key management personnel are the directors, whose remuneration is detailed in Note 7.

20. Events after the Reporting Period

There are no events after the reporting period of 31 December 2014 to disclose.

21. Ultimate Controlling Party

The Directors believe there to be no ultimate controlling party.