ATHOL GOLD AND VALUE LIMITED

Annual Report and Financial Statements

For the year ended 31 December 2012

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COMPANY INFORMATION

DIRECTORS:	Jennifer Allsop (Chairman) Alastair Ford (Director and Chief Investment Officer)
REGISTERED OFFICE:	190 Elgin Avenue George Town Grand Cayman KY1-9005 Cayman Islands
COMPANY NUMBER:	Incorporated in the Cayman Islands with registered number 141920
SECRETARY:	Walkers SPV Limited
NOMINATED ADVISER:	Libertas Capital Corporate Finance Limited 17c Curzon Street London W1J 5HU
BROKER:	Libertas Capital Corporate Finance Limited 17c Curzon Street London W1J 5HU
REGISTRARS:	Capita Registrars (Jersey) Limited 12 Castle Street St Helier Jersey JE2 3RT
SOLICITORS:	Spring Law 65 Chandos Place London WC2N 4HG
AUDITORS:	Welbeck Associates Registered Auditor Chartered Accountants 31 Harley Street London W1G 9QS

CHAIRMAN'S STATEMENT

FOR THE YEAR ENDED 31 December 2012

Dear Shareholders,

I am pleased to present the results of your Company for the year ended 31 December 2012.

OVERVIEW

During the year in question the Company's Net Asset Value per share declined from 0.33p as at 25 January 2012 to 0.14p as at 31 December 2012. This drop in value stemmed primarily from a decision taken late in 2011 to change the Company's investment mandate from a focus on metals and mining to a much broader and more general mandate. The Company's name was also changed from Athol Gold to Athol Gold & Value.

Following this decision, the investment portfolio became heavily weighted in illiquid companies, many of which were listed on what was then known as Plus Markets. There was also a disproportionate holding in Ascot Mining, a company which faced some difficult issues with its assets in Costa Rica, and which significantly underperformed the wider market.

Then, in the spring of 2012, Athol made an opportunistic bid for the assets of Commodity Watch, specifically Minesite.com and Oilbarrel.com, two websites specialising in coverage of junior resources companies. However, shortly after the bid was made, the Company's investment manager resigned. The offer for Commodity Watch was withdrawn, and the Company requested repayment of the £575,000 refundable deposit that had been made to the owners of Commodity Watch, Rivington Street Holdings.

In July, Alastair Ford, who has been a leading London-based commentator on natural resources for more than ten years, and who is currently the editor of Minesite.com, was appointed as chief investment officer of Athol.

At that point it was agreed that a further change in the investment mandate was required, to return the Company to its earlier focus, and this was approved at an extraordinary general meeting held at the beginning of September.

At the same time it was agreed that the substantial portion of the illiquid stocks that had come into the Athol portfolio following the change of mandate in 2011 should be transferred out of the Company via an asset swap with Webb Capital, the Company's major shareholder, and also the holder of a significant portion of Athol Gold debt. Accordingly it was agreed that Athol would take units in Webb funds in exchange for its illiquid assets, and on redemption of those units on an agreed and staged basis would use a substantial portion of the moneys raised to pay down that debt. This agreement was implemented at the beginning of October.

[Do we want to say how much of the Webb debt has been repaid]

In mid-September agreement was reached with Rivington Street Holdings for the refundable deposit of £575,000, relating to the aborted Commodity Watch acquisition, to be repaid in three instalments, together with interest at 7% per annum, and in early December, Athol received the third and final instalment from Rivington to complete the repayments due.

Accordingly, although the decline in Net Assets was deeply disappointing, Athol ended 2012 on a much surer footing than it entered it.

FINANCIAL STATEMENTS

The Financial Statements are presented in the following pages.
The Company recorded a loss for the year of £2,264,000 (2011: £2,168,000).
The loss per share was 0.21p (2011: 0.38p)
During the year Athol's net assets declined from £3,147,000 to £1,611,000

CHAIRMAN'S STATEMENT

FOR THE YEAR ENDED 31 December 2012

PROSPECTS FOR 2013

The Company has entered 2013 with renewed optimism. Markets in the junior resources sector remain tough, but that also presents opportunities. We were early into the platinum space, ahead of the re-rating the sector enjoyed on the back of political and industrial problems in South Africa. And there will be other such opportunities. At the moment gold equities look oversold, as do explorers right across the commodities spectrum.

And although the structural problems in Europe remain, the economic news from China does seem to be brightening, albeit that the world will have to get used to slower growth rates than those we enjoyed in the last decade. Recent data showing increased Chinese exports points to the likelihood of more demand for the commodities in which Athol is invested, and in the long term that bodes well for an uplift in our Net Asset Value.

In the short-term though, it remains a stock-picker's market, and we are unlikely to see a major upturn across the board in junior resources until at least the autumn.

In the meantime, the Company continues to receive approaches from parties with unlisted vehicles looking for investment and/or an Aim listing. The board of Athol will consider each such proposal on its merits.

Finally, the Board of Athol has resolved that following the turbulent year we had in 2012, it would be appropriate to change the Company's name, and to adjust the share structure so that the shares can be priced more appropriately for a quoted company. Accordingly, resolutions will be put to the shareholders at the AGM to approve the change of the Company's name to Mineral & Financial Investments Limited, and a share consolidation on a 1-for-100 basis.

Jennifer Allsop,
Chairman

15 March 2013

www.atholgold.com

CHIEF INVESTMENT OFFICER'S REVIEW

FOR THE YEAR ENDED 31 December 2012

Since I was appointed Chief Investment Officer in July, the Company has commenced the process of reducing its exposure to illiquid stocks. Athol is now well into the process of realising cash from those assets via our agreement with Webb Capital, as outlined in the Company's announcement of 17 August 2012.

In addition, the Company sought and achieved the return of amounts owing from Rivington Street Holdings, with interest. This money is now being invested in accordance with our updated investment policy in the natural resources and energy sector, and as a result the catastrophic declines in net asset value that Athol suffered in 2011 and in the first half of 2012 have been stemmed.

That is not to say that further shocks relating to legacy assets may not be in store, but the Company's financial position is certainly a great deal more stable than it was a year ago.

During the past six months Athol has invested in a number of new opportunities. Sensing that the wind was changing in the platinum space the Company participated in a placing of Jubilee Platinum shares, and also took a position in Aquarius.

The Company also continues to be active in the gold space. We are long-term believers in the strength of gold, as currency wars continue to rage, paralysis in the Eurozone continues, Chinese demand picks up, supply continues to lag demand, interest rates remain low, and inflation looms.

With that in mind, Athol recently participated in a fundraising for Nyota Minerals and is already sitting on a small gain. The Company sees the current weakness in gold equities generally as presenting a buying opportunity, albeit that there might still be some weakness in the gold price ahead before strength returns to the market.

In base metals the outlook is more favourable, and the Company continues to be positive about our holdings in EMED mining and other companies exposed to the space.

Athol is continuing to seek opportunities in the oil and gas and uranium sectors.

A summary of the major holdings in Athol's portfolio follows:

SF Webb Capital Smaller Companies Growth Fund

Athol took a large position in the Growth fund as a result of the asset swap deal concluded with Webb Capital in October of last year. As outlined at the time, the rationale for the deal was to allow Athol to exit from non-core and illiquid investments, principally outside of the resources space, in a reasonable and orderly way. As a result, a series of staged redemptions of our units in the Growth fund has now commenced, the proceeds of which have been used to pay off substantial amounts of the debt that Athol has carried on its balance sheet for some time. These redemptions should complete in October of this year, as per our agreement with Webb Capital, at which point it is anticipated that Athol will no longer hold any units in the Growth Fund.

SF Webb Capital Smaller Companies Gold Fund

As a result of the October 2012 agreement with Webb Capital, the Company also took a significant stake in the Webb Gold Fund. Since it is in accordance with Athol's investment mandate to hold investments in the gold space, it was agreed with Webb Capital that Athol would be locked into its holding in the Gold Fund until October 2013. Accordingly we are holders of the Webb Gold Fund at least until then, and quite possibly for the longer-term too, as the portfolio is currently comprised of some of the more robust companies in the junior gold space.

Among the companies that Webb hold that look particularly attractive to us are Condor Gold, Minera IRL, Amara Mining and Archipelago Resources. Condor has just put out a positive preliminary economic assessment on its La India project in Nicaragua, Minera IRL has just raised C$15 million to continue work on developing its Ollachea project in Peru, Amara is progressing with work on all three of its major West African projects, and Archipelago's ramp up into mid-tier producer status is now complete. Also positioned strongly is Pan African Resources, which represents 4.23 per cent of the fund, notwithstanding the recent resignation of chief executive Jan Nelson.

CHIEF INVESTMENT OFFICER'S REVIEW

FOR THE YEAR ENDED 31 December 2012

Silvermere Energy

Athol holds a £330,000 loan note in Silvermere Energy and, notwithstanding that Silvermere has had a harder time than anticipated in bringing its I-1 well on stream, remains in close dialogue with the company as to likely further developments. Silvermere completed a small fundraising at the start of this year to tide it over, and most recently has just announced that it sold nearly 11.5 million cubic feet of gas in February alongside production of 1,845 barrels of oil, increases of 32 per cent and four per cent respectively month-on-month. The company understands that it is the intention of Silvermere to attempt to acquire another asset to give it critical mass, finance permitting, and will follow any such development with close interest.

Aquarius Platinum

The acquisition of our stake in Aquarius Platinum came as part of a wider appreciation that the platinum sector was oversold and looked ripe for recovery. And so it proved as the massacre at Lonmin's Marikana mine towards the end of last year reminded everyone how precarious the supply of platinum really is.

Aquarius has been weighed down somewhat by the anticipation in the market that it will need to raise new money at some stage, both to bring a new project back on stream, and to re-finance existing debt. Nonetheless, since we took our stake in Aquarius, just before the resignation and replacement of chief executive Stuart Murray, the value of our holding has increased by more than 10 per cent. We would anticipate further strength in the platinum space looking ahead.

Anglo Pacific

The value of our small investment in Anglo Pacific has improved modestly since we bought the shares on market back in the autumn of 2012. Anglo Pacific is London's only listed royalty specialist, and has a track record of success stretching back over two decades. Recently, however, Rio Tinto was forced to declare force majeure at the Kestrel mine in Australia, over which Anglo Pacific holds a significant royalty. This has held back Anglo Pacific's shares in a market that otherwise views the company as a safe haven in periods of uncertainty. But operations at Kestrel are now beginning to recover, and the benefits should flow through to Anglo Pacific.

Ascot Mining

Athol has now reduced the size of its stake in Ascot Mining by more than 66 per cent from its peak holding of 5.1 million shares. The decision to sell down our Ascot shares has largely been vindicated by the uncertainty which has continued to surround the company as it attempts to make a viable business of its projects in Costa Rica. Recent news about a stalled funding has hurt sentiment further, although investors will be pleased to know that the exit price achieved by Athol was at an average higher than the current price. Currently we hold 1.51 million Ascot shares, which comprises approximately three per cent of the portfolio.

Amara Mining

In common with many gold companies, Amara Mining has had a tricky few months as the gold price has fallen and investors have wondered where the capital for big projects is likely to come from. In Amara's case, the funding issue is less acute, partly because it is already in production from one of its projects, Kalsaka in Burkina Faso, and partly because a big backer has already made itself known in the shape of Samsung. Nonetheless, Amara has set itself a tight timetable as regards bringing a new source of ore into the Kalsaka plant, and there has been some market scepticism that it will achieve this, and hence a weaker share price. We remain strong advocates of the company, however, and believe it has one of the stronger management teams to be found on AIM.

Aureus Mining

Aureus has also suffered from negative sentiment in the gold space as a consequence of a falling gold price. However, the company is pressing on with development work at the New Liberty gold project in Liberia, with a view to achieving first production in 2014. Funding is not a pressing issue following the completion of an US$80 million raise at the end of last year, and we fully expect chief executive David Reading, a veteran in the space and in the region, to make a success of this one.

CHIEF INVESTMENT OFFICER'S REVIEW

FOR THE YEAR ENDED 31 December 2012

Carpathian Gold

Carpathian Gold is pressing on with the development of its Riacho dos Machados mine in Brazil, which is likely to come on stream later this year. Initially this will be a 100,000 ounce per year project with an eight year mine life, although the company is continuing to drill and further increases in the resource seem likely. If such increases do occur it could well be that output increases as well as mine life, since the company is building spare capacity into its plant. Meanwhile, in the background lies the multi-million ounce Rovina project in Romania, from which news is expected either at the end of the first quarter or in April. We remain buyers of Carpathian, on the anticipation of a production re-rating later in the year and positive progress at Rovina.

Chapel Down

Athol holds a £100,000 convertible loan note in Chapel Down, which pays a coupon of eight per cent. Athol does not regard this as a core holding, but will continue to retain the note either until a reasonable offer is made for it, or until expiry and conversion in 2014. The conversion price is currently in the money.

EMED Mining

The value of Athol's investment in EMED Mining has increased by around 25 per cent since we participated in a fundraising last autumn. EMED continues to make progress with its redevelopment plans for the famous old Rio Tinto mine in Spain, and nearly all regulatory and administrative hurdles have now been cleared. EMED plans to start plant construction this year, with a view to delivering first production in 2014 and then ramping up to an annualised 37,000 tonnes of copper-in-concentrate per year by the end of 2015.

Jubilee Platinum

Our investment in Jubilee Platinum has improved modestly since we participated in a fundraising last year, as part of a move into platinum-focussed equities. Jubilee has plenty on its plate, and has been apt to confuse investors with a plethora of different and complex projects. However, the nub of it is that following the acquisition of Platinum Australia, the company is now in the position independently to go from mining ore to producing platinum group metals, which is an almost unique position for a junior in the platinum space to be in. It also has its own power supply, and has been selling into the grid in South Africa for some months now. We are holders of Jubilee on the prospect of further strength in the platinum price.

Mwana Africa

Mwana's most recent news relates to an increased resource at its Zani-Kodo gold project in the east of the Democratic Republic of Congo. This looks good, but investors immediately discounted the value of the 2.6 million ounces at 2.4 grams per tonne on the basis of political risk. Having said that, other major gold projects are being developed in the region. Meanwhile, production has now resumed the Freda Rebecca mine in Zimbabwe, after a short hiatus following a non-fatal accident. Freda Rebecca is a good little gold mine that should provide Mwana with plenty of cash flow as it seeks to develop Zani, and its other major undertaking, the restart of the Bindura nickel mining and smelting complex, also in Zimbabwe. Nickel may not be the flavour of the month right now, but most analysts are agreed that the nickel price ought to strengthen in around 18 months or so. If that's the case, the timing could prove propitious for Mwana. We remain buyers of a company that has consistently proved itself capable of operating in some of the world's most difficult, and most discounted jurisdictions.

Northland Resources

Northland suffered a catastrophic cost blow-out at its Kaunisvaara iron ore project in Sweden that sent its local subsidiaries into administration. In a market that currently favours iron ore and iron ore projects, this is particularly disappointing, and our modest stake in Northland has now dropped significantly in value. However, the company is now shipping product out from the port of Narvik, so there is a real possibility of recovery once the local financial issues are resolved.

CHIEF INVESTMENT OFFICER'S REVIEW

FOR THE YEAR ENDED 31 December 2012

Nyota Minerals

The company recently acquired 950,000 shares in Nyota Minerals, after participating in a fundraising. Nyota is pressing ahead with its Tulu Kapi gold project in Ethiopia, and is now optimising feasibility work as it continues to negotiate with the Ethiopian government for a mining licence. The recent placing put £4 million into Nyota's coffers, and was noteworthy because major shareholders Centamin and Resource Capital Fund both participated in a big way. Athol is already sitting on a gain of around five per cent on this investment, less than one month on.

Sutherland Health

Around three per cent of the Athol portfolio is taken up with a legacy investment in Sutherland Health Group. The company regards this as non-core and will seek to dispose of this stake when a suitable opportunity presents itself.

Toro Gold

Toro Gold is developing the Mako gold project in Senegal, and has been adding ounces at a rapid rate. The company's management is dynamic and consists of experienced industry players with access to deep pools of capital. In due course Toro will list on a recognised exchange, at which point Athol may choose either to crystallize some value, or stay in for the development phase. Athol acquired 14,000 shares in Toro Gold, and the investment comprises around three per cent of the portfolio.

ZincOx

Sentiment towards the base metals has been weak over the past few months and shares in ZincOx have suffered accordingly. In addition certain issues with the ramp up of the company's Korea Recycling Plant knocked sentiment. But that ramp up is now progressing well and the company is on course to hit design capacity in the final quarter of 2013. Once the market sees clear evidence that the plant works, we are confident the shares will re-rate.

Alastair Ford
Chief Investment Officer

15 March 2013

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 December 2012

The Directors present their annual report together with the audited financial statements for the year ended 31 December 2012.

PRINCIPAL ACTIVITY

During the year the Company acted as an investment company.

On 4 September 2012 the Company adopted a New Investing Policy, to invest in the natural resources sector, with a particular focus on precious metals such as gold and silver, as well as base metals, oil and gas and uranium.

Investments are to be made in quoted shares, units in open ended investment companies, exchange traded funds and unquoted investments. The aim of the Company is to be a passive investor and it will not be seeking to gain control of any investee company. It intends to buy shares which it considers to be fundamentally undervalued and offer scope for material returns for shareholders within 5 years.

BUSINESS REVIEW

A review of the business in the period and of future developments is given in the Chairman's statement on page 3.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Details of the financial risk management objectives and policies are provided in Note 14 to the financial statements.

RESULTS

The results of the Company are as shown in the Income Statement on page 14. The Directors do not recommend the payment of a dividend.

POST BALANCE SHEET EVENTS

There have been no material post balance sheet events.

DIRECTORS

The Directors of the Company during the year and subsequently are set out below.

Jennifer Allsop	
Alastair Ford	(appointed 23 July 2012)
Robin Andrews	(resigned 20 April 2012)
Nicholas Woolard	(appointed 12 January 2012 and resigned 26 July 2012)
Leslie Brady	(resigned 12 January 2012)

SUBSTANTIAL SHAREHOLDINGS

The only interests in excess of 3% of the issued share capital of the Company which have been notified to the Company as at 11 March 2013 were as follows:

	Ordinary shares of 0.25p each number	Percentage of capital %
The Bank of New York (Nominees)	262,637,189	22.97%
Barclayshare Nominees Limited	110,206,864	9.64%
TD Direct Investing Nominees	86,472,601	7.56%
Hargreaves Lansdown (Nominees)	67,395,699	5.89%
HSDL Nominees Limited	65,679,885	5.74%
Share Nominees Ltd	55,985,395	4.90%
L R Nominees Limited	38,539,522	3.37%
Jim Nominees Limited	38,308,317	3.35%
Investor Nominees Limited	38,103,225	3.33%

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 December 2012

DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The Company was incorporated as a corporation in the Cayman Islands, which does not prescribe the adoption of any particular accounting framework. Accordingly, the Board have resolved that the Company will follow applicable law and International Financial Reporting Standards as adopted by the European Union (IFRSs) when preparing its annual financial statements.

The Directors are responsible for the preparation of the Company's financial statements which give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for the period. In preparing the financial statements, the directors are required to:

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

The Directors are responsible for keeping adequate accounting records, for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Directors are aware:

- there is no relevant audit information of which the Company's auditor is 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.

The Directors are responsible for the maintenance and integrity of the corporate and financial information held on the Company's website.

AUDITORS

The auditors Welbeck Associates have indicated their willingness to continue in office and a resolution that they be reappointed will be proposed at the Annual General Meeting.

For and on behalf of the Board

Jennifer Allsop
Director

15 March 2013

CORPORATE GOVERNANCE REPORT

FOR THE YEAR ENDED 31 December 2012

The requirements of the combined code of corporate governance are not mandatory for companies traded on AIM. However, the Directors recognise the importance of sound corporate governance and have adopted corporate governance principles which the Directors consider are appropriate for a company of its size.

BOARD OF DIRECTORS

The Board of Directors is responsible for the Company's system of corporate governance. It comprises an executive chairman and one other executive director, who is also the Chief Investment Officer. The Chairman of the Board is Jennifer Allsop.

The Board met regularly throughout the year. It has a schedule of matters referred to it for decision, which includes strategy and future developments, allocation of financial resources, investments, annual and interim results, and risk management. Matters which would normally be referred to appointed committees, such as the audit and remuneration committees, are dealt with by the full Board.

INTERNAL CONTROL

The Board is responsible for maintaining a strong system of internal control to safeguard shareholders' investment and the Company's assets and for reviewing its effectiveness. The system of internal financial control is designed to provide reasonable, but not absolute, assurance against material misstatement or loss.

GOING CONCERN

The Directors have prepared cash flow forecasts through to 30 June 2014 which assume no significant investment activity is undertaken unless sufficient funding is in place to undertake the investment activity. The expenses of the Company's continuing operations are minimal and the cash flow forecasts demonstrate that the Company is able to meet these liabilities as they fall due. On this basis, the Directors have a reasonable expectation that the Company has adequate resources to continue operating for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the Company's financial statements.

REPORT ON REMUNERATION

FOR THE YEAR ENDED 31 December 2012

DIRECTORS' REMUNERATION

The Board recognises that Directors' remuneration is of legitimate concern to the shareholders and it is committed to following current best practice. The Company operates within a competitive environment and its performance depends on the effective contributions of the Directors and employees who are compensated accordingly.

DIRECTORS' REMUNERATION

The remuneration of the Directors was as follows:

	Year ending 31 December 2012			Year ending 31 December 2011		
	Salary and fees	Pension	Total	Salary and fees	Pension	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Jennifer Allsop	20	-	20	13	-	13
Alastair Ford	7	-	7	6	-	6
Robin Andrews	3	-	3	8	-	8
Nicholas Woolard	5	-	5	-	-	-
Leslie Brady	-	-	-	-	-	-
	35	-	35	27	-	27

PENSIONS

No pension contributions were paid in respect of the directors for the year ended 31 December 2012, or for the year ended 31 December 2011.

BENEFITS IN KIND

The Directors did not receive any benefits in kind, either in the year ended 31 December 2012, or in the year ended 31 December 2011.

BONUSES

There were no bonuses payable either for the year ended 31 December 2012, or for the year ended 31 December 2011.

SHARE OPTION INCENTIVES

Directors held options as follows. Further details of options are disclosed in note 13.

	At beginning of year	Granted in period	Cancelled in period	At end of period	Exercise price
Alastair Ford	1,829,268	-	-	1,829,268	0.82p

REPORT OF THE INDEPENDENT AUDITOR
TO THE MEMBERS OF ATHOL GOLD AND VALUE LIMITED
FOR THE YEAR ENDED 31 December 2012

We have audited the financial statements of Athol Gold and Value Limited for the year ended 31 December 2012 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. 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 AUDITORS

As explained more fully in the Directors' Responsibilities Statement set out on page 10, 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 (APB'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.org.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 2012 and of the Company's loss for the year then ended; and
- the financial statements have been properly prepared in accordance with IFRS as adopted by the European Union.

Jonathan Bradley-Hoare
Senior Statutory Auditor
for and on behalf of Welbeck Associates
Statutory Auditor, Chartered Accountants

31 Harley Street
London
W1G 9QS

15 March 2013

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 December 2012

	Notes	2012 £'000	2011 £'000
Investment income		**29**	3
Net (losses)/gains on disposal of investments		**(1,428)**	103
Net change in fair value of investments		**(622)**	(1,982)
		(2,021)	(1,876)
Operating expenses		**(197)**	(276)
Operating loss	3	**(2,218)**	(2,152)
Finance cost	10	**(46)**	(16)
Loss before taxation		**(2,264)**	(2,168)
Taxation expense	5	**-**	-
Loss for the year from continuing operations and total comprehensive income, attributable to owners of the Company		**(2,264)**	(2,168)
Loss per share attributable to owners of the Company during the year from continuing and total operations:	6	**Pence**	Pence
Basic (pence per share)		**(0.21)**	(0.38)
Diluted (pence per share)		**(0.21)**	(0.38)

STATEMENT OF FINANCIAL POSITION

AS AT 31 December 2012

	Notes	2012 £'000	2011 £'000
CURRENT ASSETS			
Financial assets	7	**1,425**	3,262
Trade and other receivables	8	**17**	73
Cash and cash equivalents		**633**	295
		2,075	3,630
CURRENT LIABILITIES			
Trade and other payables	9	**29**	49
		29	49
NET CURRENT ASSETS		**2,046**	3,581
NON-CURRENT LIABILITIES			
Convertible unsecured loan notes	10	**435**	434
		435	434
NET ASSETS		**1,611**	3,147
EQUITY			
Share capital	11	**2,859**	1,543
Share premium		**4,423**	3,658
Shares to be issued		**-**	1,348
Loan note equity reserve	12	**104**	109
Capital reserve		**15,736**	15,736
Retained earnings		**(21,511)**	(19,247)
Equity attributable to owners of the Company and total equity		**1,611**	3,147

The financial statements were approved by the Board and authorised for issue on 15 March 2013.

Jennifer Allsop
Director

Alastair Ford
Director

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 December 2012

	Share capital £'000	Share premium £'000	Shares to be issued £'000	Loan note reserve £'000	Capital reserve £'000	Accumulated losses £'000	Total equity £'000
At 1 January 2011	981	2,838	-	45	15,736	(17,088)	2,512
Loss for the year	-	-	-	-	-	(2,168)	(2,168)
Total comprehensive expense for the year	-	-	-	-	-	(2,168)	(2,168)
Share based payments	-	-	-	-	-	9	9
Issue of loan notes	-	-	-	100	-	-	100
Conversion of loan notes	145	-	-	(36)	-	-	109
Acquisition of share portfolio	-	-	1,348	-	-	-	1,348
Share issues	417	888	-	-	-	-	1,305
Share issue expenses	-	(68)	-	-	-	-	(68)
At 31 December 2011	1,543	3,658	1,348	109	15,736	(19,247)	3,147
Loss for the year	-	-	-	-	-	(2,264)	(2,264)
Total comprehensive expense for the year	-	-	-	-	-	(2,264)	(2,264)
Repayment of loan notes	-	-	-	(5)	-	-	(5)
Share issues	1,316	765	(1,348)	-	-	-	733
At 31 December 2012	2,859	4,423	-	104	15,736	(21,511)	1,611

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 December 2012

	2012 £'000	2011 £'000
OPERATING ACTIVITIES		
(Loss)/profit before taxation	(2,264)	(2,168)
Adjustments for:		
Share based payment charge	-	9
Shares issued in settlement of directors remuneration	-	23
Shares issued in settlement of professional fees	35	93
Loss/(profit) on disposal of trading investments	1,428	(103)
Fair value loss/(gain) on trading investments	622	1,982
Investment income	(29)	(3)
Finance costs	46	16
Operating cashflow before working capital changes	(162)	(151)
Decrease in trade and other receivables	64	20
Decrease in trade and other payables	(20)	(5)
Net cash outflow from operating activities	(118)	(136)
INVESTING ACTIVITIES		
Continuing operations:		
Purchases of investments	(1,298)	(1,773)
Disposals of investments	1,775	875
Investment income	29	3
Net cash inflow/(outflow) from investing activities	506	(895)
FINANCING ACTIVITIES		
Continuing operations:		
Proceeds from share issues	-	862
Share issue expenses	-	(68)
Proceeds from issue of convertible loan notes	-	490
Redemption of convertible loan notes	(50)	-
Net cash (outflow)/inflow from financing activities	(50)	1,284
Net increase in cash and cash equivalents	338	253
Cash and cash equivalents as at 1 January	295	42
Cash and cash equivalents as at 31 December	633	295

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 December 2012

1 GENERAL INFORMATION

The Company was incorporated as a Corporation in the Cayman Islands which does not prescribe the adoption of any particular accounting framework. The Board has therefore adopted International Financial Reporting Standards as adopted by the European Union (IFRSs). The Company's shares are listed on the AIM market of the London Stock Exchange.

The Company is an investment company, mainly investing in natural resources, minerals, metals, and oil and gas projects. The registered office of the Company is as detailed in the Company Information on page 2.

2 PRINCIPAL ACCOUNTING POLICIES

BASIS OF PREPARATION

The financial statements have been prepared under the historical cost convention, and in accordance with International Financial Reporting Standards ("IFRS"), and International Financial Reporting Interpretations Committee ("IFRIC") interpretations. All accounting standards and interpretations issued by the International Accounting Standards Board and IFRIC effective for the periods covered by these financial statements have been applied.

The principal accounting policies of the Company are set out below.

GOING CONCERN

The Directors have prepared cash flow forecasts through to 30 June 2014 which assume no significant investment activity is undertaken unless sufficient funding is in place to undertake the investment activity. The expenses of the Company's continuing operations are minimal and the cash flow forecasts demonstrate that the Company is able to meet these liabilities as they fall due. On this basis, the Directors have a reasonable expectation that the Company has adequate resources to continue operating for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the Company's financial statements.

STATEMENT OF COMPLIANCE

The financial statements comply with IFRS. At the date of authorisation of these financial statements there are no new standards and interpretations with an effective date after the date of these financial statements and which have not been early adopted which would have a material effect on the Company's financial statements.

KEY ESTIMATES AND ASSUMPTIONS

Estimates and assumptions used in preparing the financial statements are reviewed on an ongoing basis and are based on historical experience and various other factors that are believed to be reasonable under the circumstances. The results of these estimates and assumptions form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources:

The only estimates and assumptions that may cause material adjustment to the carrying value of assets and liabilities relate to the valuation of unquoted investments.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 December 2012

2 PRINCIPAL ACCOUNTING POLICIES (continued)

INVESTMENT INCOME

Dividend income from financial assets at fair value through profit or loss is recognised in the statement of comprehensive income on an ex-dividend basis. Interest on fixed interest debt securities is recognised using the effective interest rate method.

TAXATION

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting period, that are unpaid at the balance sheet date. They are calculated according to the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable result for the year. All changes to current tax assets or liabilities are recognised as a component of tax expense in the income statement.

Deferred income taxes are calculated using the liability method on temporary differences. This involves the comparison of the carrying amounts of assets and liabilities in the consolidated financial statements with their respective tax bases. However, deferred tax is not provided on the initial recognition of goodwill, nor on the initial recognition of an asset or liability, unless the related transaction is a business combination or affects tax or accounting profit. In addition, tax losses available to be carried forward as well as other income tax credits to the Company are assessed for recognition as deferred tax assets.

Deferred tax liabilities are always provided for in full. Deferred tax assets are recognised to the extent that it is probable that they will be able to be offset against future taxable income. Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted at the balance sheet date.

Most changes in deferred tax assets or liabilities are recognised as a component of tax expense in the income statement. Only changes in deferred tax assets or liabilities that relate to a change in value of assets or liabilities that is charged directly to equity are charged or credited directly to equity.

FINANCIAL ASSETS

Financial assets are recognised in the Company’s balance sheet when the Company becomes a party to the contractual provisions of the instrument.

The Company’s financial assets are classified into the following specific categories: ‘investments at fair value through profit and loss’, and ‘loans and receivables’. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

All financial assets, as represented in the balance sheet, are investments held at fair value through profit or loss. Investment transactions are accounted for on a trade date basis. Assets are de-recognised at the trade date of the disposal. Assets are sold at their fair value, which provides the proceeds of sale less any transaction cost. The fair value of the financial instruments in the balance sheet is based on the quoted bid price at the balance sheet date, with no deduction for any estimated future selling cost. Unquoted investments are valued by the directors using primary valuation techniques such as recent transactions, last price and net asset value.

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as ‘loans and receivables’. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 December 2012

2 PRINCIPAL ACCOUNTING POLICIES (continued)

EQUITY

An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received net of direct issue costs.

The share premium account represents premiums received on the initial issuing of the share capital. Any transaction costs associated with the issuing of shares are deducted from share premium, net of any related income tax benefits.

Shares to be issued represents the equity which the Company has committed to issue and which has been issued subsequent to the year end.

The loan note reserve represents the value of the equity component of the nominal value of the loan notes issued.

The capital reserve represents amounts arising in connection with reverse acquisitions.

Retained earnings include all current and prior period results as disclosed in the statement of comprehensive income together with the cumulative amount of share based expenses transferred to equity.

FINANCIAL LIABILITIES

Financial liabilities are recognised in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument. All interest related charges are recognised as an expense in finance cost in the income statement using the effective interest rate method.

The Company's financial liabilities comprise convertible loan notes, and trade and other payables.

The fair value of the liability portion of the convertible loan notes is determined using a market interest rate for an equivalent non-convertible loan note. This amount is recorded as a liability on an amortised cost basis until extinguished on conversion or maturity of the loan notes. The remainder of the proceeds is allocated to the conversion option, which is recognised and included in shareholders' equity, net of tax effects.

Trade payables are recognised initially at their fair value and subsequently measured at amortised cost less settlement payments.

SHARE BASED PAYMENTS

All share based payment arrangements, granted after 7 November 2002 and not vested on 6 January 2005, are recognised in the financial statements. The Company operates equity settled share based remuneration plans for the remuneration of its employees.

All services received in exchange for the grant of any share based remuneration are measured at their fair values. These are indirectly determined by reference to the fair value of the share options awarded. Their value is appraised at the grant date and excludes the impact of any non-market vesting conditions (for example, profitability and sales growth targets).

Share based payments are ultimately recognized as an expense in the income statement with a corresponding credit to retained earnings in equity, net of deferred tax where applicable. If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised, if there is any indication that the number of share options expected to vest differs from previous estimates. No adjustment is made to the expense or share issue cost recognized in prior periods if fewer share options ultimately are exercised than originally estimated.

Upon exercise of share options, the proceeds received net of any directly attributable transaction costs up to the nominal value of the shares issued are allocated to share capital with any excess being recorded as share premium.

Where share options are cancelled, this is treated as an acceleration of the vesting period of the options. The amount that otherwise would have been recognised for services received over the remainder of the vesting period is recognised immediately within profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 December 2012

2 PRINCIPAL ACCOUNTING POLICIES (continued)

FOREIGN CURRENCIES

The Directors consider Sterling to be the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. The financial statements are presented in Sterling, which is the Company's functional and presentation currency.

Foreign currency transactions are translated into Sterling using the exchange rates prevailing at the date of the transactions. Foreign currency exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in the income statement. Non-monetary items that are measured at historical costs in a foreign currency are translated at the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency are translated into the functional currency using the exchange rates at the date when the fair value was determined.

SEGMENTAL REPORTING

A segment is a distinguishable component of the Company's activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the Company's chief operating decision maker to make decisions about the allocation of resources and assessment of performance and about which discrete financial information is available.

As the chief operating decision maker reviews financial information for and makes decisions about the Company's investment activities as a whole, the directors have identified a single operating segment, that of holding and trading in investments in natural resources, minerals, metals, and oil and gas projects. The directors consider that it would not be appropriate to disclose any geographical analysis of the Company's investments.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 December 2012

3 OPERATING LOSS

	2012	2011
	£'000	£'000
Loss from operations is arrived at after charging:		
Investment management fee	**8**	106
Foreign exchange losses	**-**	5
Auditors' remuneration:		
- fees payable to the Company's auditors and its associates for the audit of the Company's financial statements	**13**	12

4 EMPLOYEE REMUNERATION

The expense recognised for employee benefits is analysed below:

	2012	2011
	£'000	£'000
Wages and salaries	**35**	27
Share based payment charge	**-**	9
	35	36

Details of Directors' employee benefits expense are included in the Report on Remuneration on page 12.

Remuneration for key management of the Company, including amounts paid to Directors of the Company, is as follows:

	2012	2011
	£'000	£'000
Short-term employee benefits	**35**	27
Share based payment charge	**-**	9
	35	36

5 TAXATION

No provision has been made in respect of current taxation or deferred taxation as the Company is domiciled in the Cayman Islands and no corporation tax is applicable.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 December 2012

6 EARNINGS PER SHARE

The basic and diluted earnings per share is calculated by dividing the profit/(loss) attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year.

	2012	2011
	£'000	£'000
(Loss)/profit attributable to owners of the Company		
- Continuing operations	**(2,264)**	(2,168)
- Discontinued operations	**-**	-
	(2,264)	(2,168)

	2012	2011
Weighted average number of shares for calculating basic earnings per share	**1,087,086,528**	566,723,074
Weighted average number of shares for calculating fully diluted earnings per share*	**1,087,086,528**	566,723,074

	2012	2011
	pence	pence
(Loss)/earnings per share from continuing and total operations		
- Basic (pence per share)	**(0.21)**	(0.38)
- Fully diluted (pence per share)	**(0.21)**	(0.38)

* The weighted average number of shares used for calculating the diluted loss per share for 2011 and 2012 was the same as that used for calculating the basic loss per share as the effect of exercise of the outstanding share options was anti-dilutive.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 December 2012

7 FINANCIAL ASSETS

	2012 £'000	2011 £'000
1 January 2012 – Investments at fair value	**3,262**	2,869
Cost of investment purchases	**1,988**	3,146
Proceeds of investment disposals	**(1,775)**	(875)
(Loss)/profit on disposal of investments	**(1,429)**	103
Fair value adjustment	**(621)**	(1,981)
31 December 2012 – Investments at fair value	**1,425**	3,262
Categorised as:		
Level 1 - Quoted investments	**981**	3,073
Level 3 - Unquoted investments	**444**	189
	1,425	3,262

The Company has adopted fair value measurements using the IFRS 7 fair value hierarchy

Categorisation within the hierarchy has been determined on the basis of the lowest level of input that is significant to the fair value measurement of the relevant asset as follows:

Level 1 – valued using quoted prices in active markets for identical assets
Level 2 – valued by reference to valuation techniques using observable inputs other than quoted prices included in Level 1.
Level 3 – valued by reference to valuation techniques using inputs that are not based on observable market criteria.

8 TRADE AND OTHER RECEIVABLES

	2012 £'000	2011 £'000
Other receivables	**-**	65
Prepayments	**17**	8
Total	**17**	73

The fair value of trade and other receivables is considered by the Directors not to be materially different to carrying amounts.

At the balance sheet date in 2012 and 2011 there were no trade receivables past due.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 December 2012

9 TRADE AND OTHER PAYABLES

	2012 £'000	2011 £'000
Trade payables	7	15
Other payables	-	-
Accrued charges	22	34
Total	29	49

The fair value of trade and other payables is considered by the Directors not to be materially different to carrying amounts.

10 CONVERTIBLE UNSECURED LOAN NOTES

The outstanding convertible loan notes are zero coupon, unsecured and unless previously purchased, redeemed or converted they are redeemable at their principal amount between 31 December 2013 and 31 October 2015.

The net proceeds from the issue of the loan notes have been split between the liability element and an equity component, representing the fair value of the embedded option to convert the liability into equity of the Company as follows:

	2012 £'000	2011 £'000
Liability component at 1 January	434	137
Nominal value of convertible loan notes issued	-	978
Equity component of convertible loan notes issued during year	-	(100)
Repayment of loan notes	(50)	-
Loan notes converted into shares	-	(633)
Equity component of loan notes repaid or converted	5	36
	389	418
Interest charged	46	16
Liability component at 31 December	435	434

The interest charged during the period is calculated by applying an effective average interest rate of 10% to the liability component for the period since the loan notes were issued.

The Directors estimate the fair value of the liability component of the loan notes at 31 December 2012 to be approximately £435,000 (2011: £434,000). This fair value has been calculated by discounting the future cash flows at the market rate of 10%.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 December 2012

11 SHARE CAPITAL

	Number of ordinary shares	Value £'000
Authorised (par value of 0.25p):		
At 31 December 2011 and 31 December 2012	4,000,000,000	10,000
Issued and fully paid (par value of 0.25p each):		
At 31 December 2010	392,284,866	981
Shares issued in year	224,829,231	562
At 31 December 2011	617,114,097	1,543
Shares issued in year	526.392.157	1,316
At 31 December	1,143,506,254	2,859

On 25 January 2012, 305,432,127 shares were issued at 0.444p in respect of the acquisition of the share portfolio of Worship Street Investments Limited.

On 8 February 2012, 1,515,152 shares were issued at 0.33p each in respect of the acquisition of an investment.

On 21 February 2012, 207,622,728 shares were issued at 0.33p in respect of the acquisition of the share portfolio of Agneash Soft Commodities plc.

On 1 March 2012, 3,662,743 shares were issued at 0.37p each, in settlement of investment management fees.

On 20 September 2012, 7,326,073 shares were issued at 0.25p each, in settlement of professional fees.

12 LOAN NOTE EQUITY RESERVE

	2012 £'000	2011 £'000
Equity component of convertible loan notes at 1 January	**109**	45
Equity component of convertible loan notes issued during year	**-**	100
Equity component of loan notes repaid or converted	**(5)**	(36)
Equity component of convertible loan notes at 31 December	**104**	109

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 December 2012

13 SHARE OPTIONS

In November 2010 the Company granted 5,487,804 options to directors and employees. The fair value of options granted was determined using Black-Scholes valuation models. Significant inputs into the calculations were as follows:

- 15% volatility based on expected share price (ascertained by reference to historic share prices of the Company for the 12 months prior to the date of grant)
- share price of 0.82p per share at date of grant of options
- exercise price of 0.82p per share
- a risk free interest rate of 3.5%
- 0% dividend yield
- estimated option life of five years.

At the year end all these options had vested and are exercisable at any time prior to the fifth anniversary of the date of grant. The share based payment charge for the year was nil (2011: £9,000).

The movements on share options and their weighted average exercise price are as follows:

	2012		2011	
	Number	**Weighted average exercise price (pence)**	Number	Weighted average exercise price (pence)
Outstanding at 1 January	**5,487,804**	**0.82**	5,487,804	0.82
Granted	**-**	**-**	-	-
Lapsed	**-**	**-**	-	-
Cancelled	**-**	**-**	-	-
Outstanding at 31 December	**5,487,804**	**0.82**	5,487,804	0.82

14 RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company is exposed to a variety of financial risks which result from both its operating and investing activities. The Company's risk management is coordinated by the board of directors, and focuses on actively securing the Company's short to medium term cash flows by minimising the exposure to financial markets.

MARKET PRICE RISK

The Company's exposure to market price risk mainly arises from potential movements in the fair value of its investments. The Company manages this price risk within its long-term investment strategy to manage a diversified exposure to the market. If each of the Company's equity investments were to experience a rise or fall of 5% in their fair value, this would result in the Company's net asset value and statement of comprehensive income increasing or decreasing by £71,000 (2011: £156,000).

FOREIGN CURRENCY RISK

The Company's exposure to foreign currencies is limited to its investments which are quoted on overseas stock markets in currencies other than Pounds Sterling and is not material.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 December 2012

14 RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

CREDIT RISK

The Company's financial instruments, which are exposed to credit risk, are considered to be mainly cash and cash equivalents and the Company's receivables are not material. The credit risk for cash and cash equivalents is not considered material since the counterparties are reputable banks.

The Company's exposure to credit risk is limited to the carrying amount of the financial assets recognised at the balance sheet date, as summarised below:

	2012	2011
	£'000	£'000
Trade and other receivables	**-**	65
Cash and cash equivalents	**633**	295
	633	360

LIQUIDITY RISK

Liquidity risk is managed by means of ensuring sufficient cash and cash equivalents are held to meet the Company's payment obligations arising from administrative expenses. The cash and cash equivalents are invested such that the maximum available interest rate is achieved with minimal risk.

CAPITAL RISK MANAGEMENT

The Company's objectives when managing capital are:

- to safeguard the Company 's ability to continue as a going concern, so that it continues to provide returns and benefits for shareholders;
- to support the Company 's growth; and
- to provide capital for the purpose of strengthening the Company 's risk management capability.

The Company actively and regularly reviews and manages its capital structure to ensure an optimal capital structure and equity holder returns, taking into consideration the future capital requirements of the Company and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities. Management regards total equity as capital and reserves, for capital management purposes.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 December 2012

15 FINANCIAL INSTRUMENTS

FINANCIAL ASSETS BY CATEGORY

The IAS 39 categories of financial assets included in the balance sheet and the headings in which they are included are as follows:

	2012	2011
	£'000	£'000
Financial assets:		
Cash and cash equivalents	**633**	295
Investments held at fair value through profit and loss	**1,425**	3,262
Loans and receivables:		
Other receivables	**-**	65
	2,058	3,622

FINANCIAL LIABILITIES BY CATEGORY

The IAS 39 categories of financial liability included in the balance sheet and the headings in which they are included are as follows:

	2012	2011
	£'000	£'000
Financial liabilities at amortised cost:		
Convertible unsecured loan notes	**435**	434
Trade and other payables	**7**	15
	442	449

16 CONTINGENT LIABILITIES

There were no contingent liabilities at 31 December 2012 or 31 December 2011.

17 POST BALANCE SHEET EVENTS

There have been no material post balance sheet events.

18 RELATED PARTY TRANSACTIONS

The chief investment officer and investment manager of the Company, until his resignation in June 2012, was also at the time responsible for the investment management of SF t1ps Smaller Companies Gold Fund and SF t1ps Smaller Companies Growth Fund, which have major shareholdings in the Company, as detailed in the Directors' report. At 31 December 2011 management fees of £13,552 were due and were settled on 1 March 2012 by the issue of 3,662,743 shares at 0.37p each.

During the year Rivington Street Corporate Finance Limited which was an associated company of t1ps Investment Management (IOM) Ltd, charged the Company £18,315 for broking services (2011: £5,000).

In January 2012 the Company made a loan of £25,000, by way of a one year convertible loan, to Fast Bet Solutions plc, a company of which Jennifer Allsop was a director.