

REGISTERED NUMBER 06163193

HOT ROCKS INVESTMENTS PLC

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2011**

TUESDAY



A8PHEXPO

A06

20/09/2011

100

COMPANIES HOUSE

	Page
Officers and Professional Advisers	2
Chairman's Statement	3 - 4
Report of the Directors	5 - 6
Corporate Governance Statement	7
Report of the Independent Auditors	8 – 9
Statement of Comprehensive Income	10
Statement of Financial Position	11
Statement of Changes in Equity	12
Statement of Cash Flows	13
Accounting Policies	14 - 17
Notes to the Financial Statements	18 - 22

HOT ROCKS INVESTMENTS PLC

OFFICERS AND PROFESSIONAL ADVISORS

Directors

Brian Rowbotham
Gavin John Burnell

Secretary

Lorraine Elizabeth Young

Registered Office

3 Vaughan Avenue
Tonbridge Kent
TN10 4EB

Corporate Advisor

St Helens Capital Partners LLP
223a Kensington High Street
London
W8 6SG

Solicitors

Edwin Coe LLP
2 Stone Buildings
Lincoln's Inn
London WC2A 3TH

Auditors

Littlejohn LLP
Statutory Auditor
1 Westferry Circus
Canary Wharf
London E14 4HD

Registrars

Share Registrars Limited
Suite E
First Floor
9 Lion and Lamb Yard
Farnham
Surrey GU9 7LL

Registered Number

06163193

Dear Shareholders,

I am pleased to announce the final audited results for the Company for the year ended 31 March 2011

The Company made a pre-tax loss of £27,176 for the year. No interest was receivable on deposits for the year

Cash in the bank at the end of March 2011 was £204,627

The Directors reviewed a number of potential acquisitions and investment opportunities since the successful flotation of Hot Rocks Investments Plc on PLUS, which raised £500,000 gross. At 31 March 2011 the Company had completed its first two investments and since then the Directors have remained focused on additional opportunities

On 21 March 2011, the Company made an investment of US\$260,000 into Minergy Limited ("Minergy") at US\$2.44 per share. The Company now owns 4% (approximately) of Minergy Limited

Minergy is an unlisted company incorporated in the British Virgin Islands and is focused on African and Australasian energy and strategic minerals projects. Minergy has interests in coal and uranium projects in Botswana and two prospective uranium projects in Mauritania

Minergy has a quality management team with experience gained at Platmin, Ranger Minerals, WMC Limited and Gallery Gold. In relation to the fundraising just undertaken Minergy had a pre-money valuation of US\$5.5m and the board of Minergy intends it to seek an IPO in 2012

Also on 21 March 2011 the Company made its second investment into an oil and gas exploration company, Mafula Energy Limited ("Mafula")

Mafula is a Zambian registered company focusing on building a portfolio of oil and gas exploration assets in the Republic of Zambia. Neighbouring countries Angola, Uganda, DRC and Tanzania have made significant oil discoveries and Zambia is thought to lie within the same East Africa Rift System as these countries

The Company invested \$60,000 into Mafula for 6% of the ordinary share capital. The Company has since the year end invested a further \$40,000 for a further 4% of the ordinary share capital of Mafula and following the award to Mafula of Exploration Block 32 in Zambia, the Company invested a further \$120,000 for a further 2% of Mafula. Mafula intends to seek a stock exchange listing in due course. The Company will also be granted warrants to acquire 3% of the equity of Mafula upon its flotation

Mafula is in the process of engaging international petroleum consultants to review and report on Mafula's geological data that has been acquired. This data includes seismic, gravity and aeromagnetic surveys

On 11 May 2011 the Company completed three new investments into Impact Oil and Gas Limited ("Impact"), Trinity Resource Limited ("Trinity") and Terra Energy Limited ("Terra")

Impact has an 80% stake in four under-explored licences located offshore Durban, South Africa and has raised £9.6m before expenses in a pre-ipo round of funding. The Company invested a small sum of £25,000 into this fundraising. Impact has an extensive database of seismic data and drilling logs and direct hydrocarbon indicators show the exceptional prospectivity of the licences held. Impact intends to seek admission to the AIM market during 2012

Trinity is a Zambian holding company with stakes in a number of early stage natural resource exploration companies and it is planned that Trinity will seek a listing on an appropriate market in due course

The Company has invested \$125,000 into Trinity for a 12.5% stake. The Company has also secured an option to acquire a further 7.5% stake in Trinity for the sum of \$150,000, such option having a six month life, expiring 10 November 2011

Terra is an unconventional oil & gas exploration company which has identified significant opportunities in Europe and other markets. The promoters and management team have a proven track record of successful exploration in the oil & gas sector in starting and listing companies and delivering returns to investors.

The management of Terra has identified targets in Ireland, Slovakia, Serbia and Ethiopia and funds raised pursuant to a private placing, in which the Company took part, will be utilised to claim the licenses and provide the working capital to bring Terra to an AIM listing.

The Company has invested Euro85,000 into Terra.

Following an equity raising of £602,750, completed by the Company after the reporting period in June, the Directors continued to concentrate on companies that they consider have the potential to produce a favourable return for shareholders in both the short and medium terms.

On 15 July 2011 the Company made an investment into MedGold Resource Ltd ("MedGold")

MedGold is a new company focused on the discovery and development of gold and precious metal deposits and is targeting deposits with a discovery target of greater than one million ounces to attract major development partners.

This first round of funding is being utilised to implement MedGold's strategy which is centred on creating a significant resource business focussed on the discovery and development of gold and / or silver deposits with a one million ounce discovery target in Europe, initially in Spain, Italy and France.

The Board and management team of MedGold has a successful track record in developing and listing resource companies and establishing major company JVs. The company has assembled regional Spanish and French geological databases, identified a number of advanced projects and has licenses under application in Italy.

MedGold plans an IPO in due course and the Company has invested £200,000 for approximately 12% of the issued share capital of MedGold as enlarged by the fundraising.

Your board looks forward to updating you with further progress.



Brian Rowbotham
Non-Executive Chairman

The Directors present their report and the Financial Statements for the year ended 31 March 2011

Principal Activities and Review of the Business

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

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

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

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

Results and Dividends

The loss for this year after taxation was £27,176. The Directors do not recommend the payment of a dividend. The Directors consider the results for the period to be acceptable.

Financial Risk Management

The Company's principal financial instruments comprise unlisted investments, other receivables, other creditors and cash on deposit. No bank loans or other financing arrangements have been required. No borrowings have been required to finance working capital. Therefore the Company's exposure to credit risk, liquidity risk and market risk is not material for the present.

Directors and Directors' Interests

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

	Ordinary shares interest at end of period No.	Warrants interest at end of period No.	Ordinary shares interest at start of period No.	Warrants interest at start of period No.
Gavin J Burnell	3,000,000	4,000,000	3,000,000	4,000,000
Brian Rowbotham	-	-	-	-

Substantial Interests

As at 30 August 2011, the Directors were aware of the following shareholdings in excess of 3% of the Company's issued share capital:

	%	Number of ordinary shares
Bank of New York (Nominees) Limited*	5.70	8,000,000
Christopher Farmer	7.70	10,810,000
Gavin Burnell	3.03	4,250,000
Pershing Nominees Limited	11.76	16,500,000
Sunvest Corporation Limited	29.87	41,900,000
W B Nominees Limited	16.74	23,480,000
Winterflood Securities Limited	3.74	5,246,939

* The 8,000,000 ordinary shares registered in the name of Bank of New York (Nominees) Limited are held on behalf of Mr Paul Ray

Events after the Reporting Period

Significant events occurring after the reporting period have been disclosed in note 14

Supplier Payment Policy

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

Provision of information to auditors

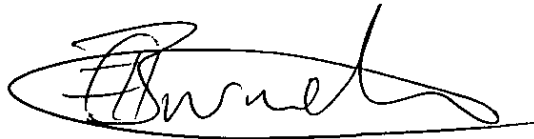
The Directors at the time when this Directors' Report is approved have confirmed that

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

Auditors

Littlejohn LLP have signified their willingness to continue in office as auditors

Approved by the Board on 31 August 2011 and signed on its behalf by

A handwritten signature in black ink, appearing to read 'G Burnell', enclosed within a large, loopy oval shape.

Gavin J Burnell
Director

Introduction

The Company's system of corporate governance, which is summarised below, has been formulated with the UK Corporate Governance Code (2010) in mind. However, not every provision and principle of this Code has been dealt with as it is considered by the Directors to be inappropriate due to the current size of the Company. Although not required, the Directors have decided to provide the following corporate governance information.

Board of Directors

As at 31 March 2011 the Board consisted of a Non-Executive Chairman and a Non-Executive Director. The Board communicates and/or meets on a regular basis and the agenda of matters discussed and approved consists of matters concerned with the future direction of the business.

Statement of Directors' Responsibilities

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the Financial Statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss for that period.

- select suitable accounting policies and then apply them consistently,
- make judgments and accounting estimates that are reasonable and prudent,
- state that the Financial Statements comply with IFRSs as adopted by the European Union, 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, in which case there should be supporting assumptions or qualifications as necessary.

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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HOT ROCKS INVESTMENTS PLC

We have audited the Financial Statements of Hot Rocks Investments PLC for the year ended 31 March 2011 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 Auditors

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

Scope of the audit of the Financial Statements

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

Opinion on Financial Statements

In our opinion the Financial Statements

- give a true and fair view of the state of the Company's affairs as at 31 March 2011 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

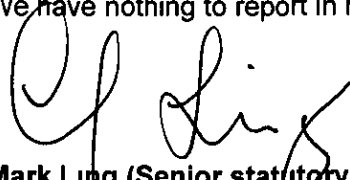
In our opinion the information given in the Directors' Report for the financial year for which the Financial Statements are prepared is consistent with the Financial Statements.

Matters on which we are required to report by exception

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

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

We have nothing to report in respect of the above matters


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

Statutory auditor

**1 Westferry Circus
Canary Wharf
London E14 4HD**

31 August 2011

	Note	Year ended 31 March 2011 £	Year ended 31 March 2010 £
Operating expenses		(27,176)	(24,461)
Operating loss	1	(27,176)	(24,461)
Interest receivable and similar income		-	553
Loss before taxation		(27,176)	(23,908)
Corporation tax	2	-	-
Loss for the period		(27,176)	(23,908)
Other comprehensive income		-	-
Total comprehensive income for the year		(27,176)	(23,908)
 Loss per share – basic and diluted	3	 (0.00p)	 (0 00p)

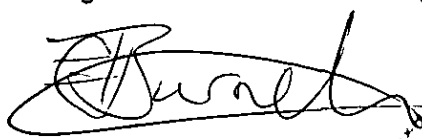
The Accounting Policies and Notes on pages 14 to 22 form part of these Financial Statements

HOT ROCKS INVESTMENTS PLC
REGISTERED NUMBER 06163193

STATEMENT OF FINANCIAL POSITION
AT 31 MARCH 2011

	Note	As at 31 March 2011 £	As at 31 March 2010 £
Assets			
Non-Current Assets			
Available-for-sale financial assets	5	230,169	-
		<u>230,169</u>	<u>-</u>
Current Assets			
Other receivables	6	5,307	5,173
Cash and cash equivalents		204,627	432,552
		<u>209,934</u>	<u>437,725</u>
Total Assets		<u>440,103</u>	<u>437,725</u>
Equity and Liabilities			
Equity			
Called up share capital	8	80,000	80,000
Share premium account		301,872	301,872
Share to be issued under warrants	9	25,440	25,440
Other reserves	10	54,000	54,000
Retained loss		(55,156)	(27,980)
		<u>406,156</u>	<u>433,332</u>
Current liabilities			
Trade and other payables	7	33,947	4,393
Total Equity and Liabilities		<u>440,103</u>	<u>437,725</u>

These financial statements were approved and authorised for issue by the Board of Directors and were signed on its behalf on 31 August 2011



Gavin Burnell
Director

The Accounting Policies and Notes on pages 14 to 22 form part of these Financial Statements

Attributable to Equity Shareholders

	Note	Share capital £	Share premium £	Shares to be issued under warrants £	Other reserves £	Retained loss £	Total £
Balance at 1 April 2009		80,000	301,872	25,440	54,000	(4,072)	457,240
Comprehensive income							
Loss for the year	1	-	-	-	-	(23,908)	(23,908)
Total comprehensive Income		-	-	-	-	(23,908)	(23,908)
Total transactions with Owners		-	-	-	-	-	-
Balance as at 31 March 2010		80,000	301,872	25,440	54,000	(27,980)	433,332
Comprehensive income							
Loss for the year	1	-	-	-	-	(27,176)	(27,176)
Total comprehensive Income		-	-	-	-	(27,176)	(27,176)
Total transactions with Owners		-	-	-	-	-	-
Balance as at 31 March 2011		80,000	301,872	25,440	54,000	(55,156)	406,156

The Accounting Policies and Notes on pages 14 to 22 form part of these Financial Statements

HOT ROCKS INVESTMENTS PLC

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2011

	Note	Year ended 31 March 2011 £	Year ended 31 March 2010 £
Cash flows from operating activities			
Operating loss	1	(27,176)	(24,461)
(Increase)/ decrease in trade and other receivables	6	(296)	2,323
Increase in trade and other payables	7	29,554	1,927
Net cash generated from / (used in) operations		2,244	(20,211)
Cash flows from investing activities			
Purchases of available-for-sale financial assets		(230,169)	-
Interest received		-	553
Net cash (used in)/generated from investing activities		(230,169)	553
Decrease in cash and cash equivalents		(227,925)	(19,658)
Cash and cash equivalents at the beginning of the year		432,552	452,210
Cash and cash equivalents at the end of the year		204,627	432,552

The Accounting Policies and Notes on pages 14 to 22 form part of these Financial Statements

General Information

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

Summary of Significant Accounting Policies

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

Basis of Preparation of Financial Statements

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

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

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

Standards, amendments and interpretations effective in 2010

The following standards and amendments to existing standards have been published and are mandatory for the Company's accounting periods beginning on or after 1 April 2010, but not currently relevant to the Company.

IFRS 3 (revised), 'Business combinations' and consequential amendments to IAS 27, 'Consolidated and separate financial statements', IAS 28 'Investments in associates' and IAS 31 'Interests in joint ventures', are effective prospectively to business combinations for which the acquisition date is on or after 1 July 2009.

IFRS 3 (revised) continues to apply the acquisition method to business combinations but with some significant changes compared to IFRS 3. For example, all payments to purchase a business are recorded at fair value at the acquisition date with contingent payments classified as debt subsequently re-measured through the statement of comprehensive income. All acquisition costs are expensed.

Amendments to IFRS 1 "First-time Adoption of International Financial Reporting Standards" and IAS 27 "Consolidated and Separate Financial Statements" address concerns that retrospectively determining the cost of an investment in separate financial statements and applying the cost method in accordance with IAS 27 on first-time adoption of IFRSs cannot, in some circumstances, be achieved without undue cost or effort. This amendment is effective for periods beginning on or after 1 July 2009.

Amendments to IFRS 1 "First-time Adoption of International Financial Reporting Standards" address the retrospective application of IFRSs to particular situations (oil and gas assets and leasing contracts), and are aimed at ensuring that entities applying IFRSs will not face undue cost or effort in the transition process. This standard is effective for periods beginning on or after 1 January 2010.

Amendments to IFRS 2 "Share-based Payment" clarify the accounting for group cash-settled share-based payment transactions. This standard is effective for periods beginning on or after 1 January 2010.

Basis of Preparation of Financial Statements (continued)

Amendments to IAS 32 "Financial Instruments Presentation" address the accounting for rights issues that are denominated in a currency other than the functional currency of the issuer. This standard is effective for periods beginning on or after 1 February 2010.

Amendments to IAS 39 "Financial Instruments Recognition and Measurement" provide additional guidance on what can be designated as a hedged item. This standard is effective for periods beginning on or after 1 July 2009.

IFRIC 17 "Distributions of Non-cash Assets to Owners" standardises practice in the measurement of distributions of non-cash assets to owners. This standard is effective for periods beginning on or after 1 July 2009.

IFRIC 18 "Transfers of Assets from Customers" clarifies the requirements of IFRSs for agreements in which an entity receives from a customer an item of property, plant and equipment that the entity must then use either to connect the customer to a network or to provide the customer with ongoing access to a supply of goods or services (such as a supply of electricity, gas or water). This amendment applies to transfers of assets from customers received on or after 1 July 2009.

New and Amended Standards and IFRIC Interpretations that are Not Yet Effective and have Not Been Early-Adopted by the Company

At the date of approval of these Financial Statements, the following standards and IFRIC interpretations, which have not been applied in these Financial Statements, were in issue. They will be mandatory for the Company's accounting periods beginning on 1 April 2011 or later, and the Company has not early-adopted them.

IFRS 9 "Financial Instruments" specifies how an entity should classify and measure financial assets, including some hybrid contracts, with the aim of improving and simplifying the approach to classification and measurement compared with IAS 39. This standard is effective for periods beginning on or after 1 January 2013, subject to EU endorsement, and is not expected to have an impact on the Company's Financial Statements.

A revised version of IAS 24 "Related Party Disclosures" simplifies the disclosure requirements for government-related entities and clarifies the definition of a related party. This standard is effective for periods beginning on or after 1 January 2011, and is not expected to have an impact on the Company's Financial Statements.

An amendment to IFRIC 14 "IAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction", on prepayments of a minimum funding requirement, applies in the limited circumstances when an entity is subject to minimum funding requirements and makes an early payment of contributions to cover those requirements. The amendment permits such an entity to treat the benefit of such an early payment as an asset. This standard is effective for periods beginning on or after 1 January 2011, and is not expected to have an impact on the Company's Financial Statements.

In October 2010, the requirements for classification and measurement of financial liabilities were added to IFRS 9. This standard applies for periods beginning on or after 1 January 2013, subject to EU endorsement, and is not expected to have an impact on the Company's Financial Statements.

Amendments to IFRS 1 "First-time Adoption of International Financial Reporting Standards" replace references to a fixed date of 1 January 2004 with "the date of transition to IFRSs", thus eliminating the need for Companies adopting IFRSs for the first time to restate de-recognition transactions that occurred before the date of transition to IFRSs, and provide guidance on how an entity should resume presenting Financial Statements in accordance with IFRSs after a period when the entity was unable to comply with IFRSs because its functional currency was subject to severe hyperinflation. This standard applies for periods beginning on or after 1 July 2011, subject to EU endorsement, and is not expected to have an impact on the Company's Financial Statements.

Basis of Preparation of Financial Statements (continued)

Amendments to IFRS 7 "Financial Instruments Disclosures" are designed to help users of Financial Statements evaluate the risk exposures relating to transfers of financial assets and the effect of those risks on an entity's financial position. This standard applies for periods beginning on or after 1 January 2011, subject to EU endorsement, and is not expected to have an impact on the Company's Financial Statements.

Amendments to IAS 12 "Income Taxes" introduce a presumption that recovery of the carrying amount of an asset measured using the fair value model in IAS 40 "Investment Property" will normally be through sale. This standard applies for periods beginning on or after 1 January 2012, subject to EU endorsement, and is not expected to have an impact on the Company's Financial Statements.

Amendments to IAS 1 "Presentation of Financial Statements" require items that may be reclassified to the profit or loss section of the income statement to be grouped together within other comprehensive income (OCI). The amendments also reaffirm existing requirements that items in OCI and profit or loss should be presented as either a single statement or two consecutive statements. This amendment applies for periods beginning on or after 1 July 2012, subject to EU endorsement, and is not expected to have an impact on the Company's Financial Statements.

Amendments to IAS 19 "Employment Benefits" eliminate the option to defer the recognition of gains and losses, known as the "corridor method", streamline the presentation of changes in assets and liabilities arising from defined benefit plans, including requiring re-measurements to be presented in other comprehensive income, and enhance the disclosure requirements for defined benefit plans, providing better information about the characteristics of defined benefit plans and the risks that entities are exposed to through participation in those plans. This amendment applies for periods beginning on or after 1 January 2013, subject to EU endorsement, and is not expected to have an impact on the Company's Financial Statements.

The Directors anticipate that the adoption of these Standards and Interpretations in future periods will have no material impact on the Financial Statements of the Company. The effective date refers to accounting periods commencing on or after that date.

Cash and Cash Equivalents

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

Segmental Reporting

The Company has only one operating segment.

Financial Assets

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

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

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

Financial Assets (continued)

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets.

Available for sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets. The Company's loans and receivables comprise Other Receivables and Cash and Cash Equivalents in the Statement of Financial Position.

Share Based Incentive

The fair value of the services in exchange for the grant of warrants is recognised as an expense and as a component of equity, if material. The total amount to be expensed over the vesting period is determined by reference to the fair value of the warrants granted using the Black-Scholes option pricing model.

Critical Accounting Estimates and Assumptions

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

Impairment of Financial Assets

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

Going Concern

The Directors have prepared the Financial Statements on a going concern basis and consider this appropriate having considered a period of no less than 12 months from the date of approval of these Financial Statements.

1 Loss from Operations

	Year ended 31 March 2011 £	Year ended 31 March 2010 £
Loss from operations is stated after charging		
Auditors' remuneration	2,968	3,147
Fees to auditors for other services	1,080	999

2 Corporation Tax**Tax charge for the year**

No taxation arises on the result for the year because of the trading loss

Factors affecting the tax charge for the year

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

Loss for the year before taxation	(27,176)	(23,908)
Tax on loss for the year before tax multiplied by the UK small companies corporation tax rate of 21% (2010 21%)	(5,707)	(5,021)
Tax losses for the year not relieved	5,707	5,021
	-	-

Tax losses available to be carried forward by the Company at 31 March 2011 against future profits are £56,684. A deferred tax asset has not been recognised in respect of these losses in view of the uncertainty as to the level of future taxable profits.

3 Loss per Share

The calculation of basic loss per share is based on the loss attributable to ordinary shareholders divided by the weighted average of ordinary shares in issue being 80,000,000 during the year. This results in a loss per share which is too low to be meaningful. No warrant is potentially dilutive, as the average market price of the ordinary shares during the year was less than the exercise price of the warrants, and hence basic and diluted loss per share are the same.

	Year ended 31 March 2011	Year ended 31 March 2010
4 Directors		
	No	No

The average number of persons (including Directors)
employed by the Company was

Directors	2	2
-----------	---	---

Directors' emoluments during the year amounted to £3,333 (2010 £Nil)

5. Available for Sale Financial Assets	As at 31 March 2011 £	As at 31 March 2010 £
At 1 April	-	-
Additions	203,289	-
Contracted for financial asset	26,880	-
At 31 March	230,169	-

At 31 March 2011 the Company had entered into an agreement for the purchase of an asset, subject to conditions which were fulfilled after the reporting date See note 14

The fair value of available for sale equity instruments has not been disclosed because the fair value cannot be measured reliably There is no readily available market value Equity instruments held by the Company are denominated in US Dollars

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

6. Other Receivables

Prepayments	5,307	5,173
-------------	-------	-------

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

7 Trade and Other Payables

Trade creditors	4,187	1,661
Accruals and deferred income	2,880	2,732
Other payable	26,880	-
	33,947	4,393

8 Share Capital**Authorised**

	As at 31 March 2011	As at 31 March 2010
474,000,000 ordinary shares of 0 1p each	474,000	474,000
26,000,000 redeemable shares of 0 1p each	26,000	26,000
	500,000	500,000

Allotted, issued and fully paid

80,000,000 ordinary shares of 0 1p each	80,000	80,000

9 Share Based Payments

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

The fair value of the warrants is as follows

Name	Date granted	Number	Exercise price £	Expiry date	Fair value at grant date
Gavin Burnell	26 April 2007	4,000,000	0 01	14 June 2012	8,480
Hichens, Harrison (Ventures) Limited	26 April 2007	4,000,000	0 01	14 June 2012	8,480
Sunvest Corporation Limited	26 April 2007	4,000,000	0 01	14 June 2012	8,480
		12,000,000			£25,440

The warrants are exercisable at £0 01 at any time from the date of the original admission to PLUS and expiring five years from such date.

	Average exercise Price (pence per share)	Warrants
At 1 April 2007	-	-
Granted	1	12,000,000
Forfeited	-	-
Exercised	-	-
Expired	-	-
		12,000,000
At 31 March 2010 and 31 March 2011		12,000,000

9 Share Based Payments (continued)

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

Warrants

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

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

10 Other Reserves

Other reserves are non-distributable. They represent the equity entry in respect of the fair value of warrants exercised in previous years, which had been debited to the share premium account as a directly attributable cost of an equity transaction.

11 Capital Commitments

There were no capital commitments authorised by the Directors or contracted for at 31 March 2011, other than the investment in an equity instrument contracted for and described in notes 5 and 14.

12 Related Party Transactions

Gavin Burnell, a Director of the Company, was until October 2010 a Director of Corporate Finance at St Helens Capital Partners LLP. St Helens Capital Partners LLP provided corporate finance advisory services to 31 March 2011. The total fees for these services amounted to £9,563 (2010: £2,938).

Mountbeach Associates Limited invoiced the Company for the services of Brian Rowbotham as non-executive Chairman in the amount of £1,250 (2010: £Nil). Mountbeach Associates Limited is controlled by Brian Rowbotham.

Lizzy Bet Limited invoiced the Company for the Director services of Gavin Burnell in the amount of £2,083 (2010: £Nil). Lizzy Bet Limited is controlled by Gavin Burnell.

13 Ultimate Controlling Party

The Directors consider that there is no ultimate controlling party.

14 Events after the Reporting Period

The Company raised £602,750 from the issue of 60,275,000 new ordinary shares with a nominal value of 0.1p per share, at 1p per share, on 29 June 2011. The total number of ordinary shares in issue is 140,275,000.

After the reporting period, the Company completed an investment in an equity instrument that had been agreed subject to conditions during March 2011. This balance is included as a contracted-for financial asset and other payable in the Statement of Financial Position at 31 March 2011.

14 Events after the Reporting Period (continued)

Following the above mentioned fundraising, the Company has made additional investments, details of which are provided in the Chairman's Statement

15 Treasury Policy

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

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

16 Financial Risk Management objectives and policies

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

17 Capital Risk Management

The Company is subject to capital requirements set by the PLUS capital market on which the Company's securities are traded. At 31 March 2011 the minimum share capital required by the regulated market was £50,000. The Company has remained within the required limits throughout the year.