galileo
RESOURCES PLC

Annual Report 2014

Company number: 05679987

Contents

Holding Company
Galileo Resources Plc

Country of incorporation and domicile
United Kingdom

Nature of business and principal activities
The Company acts as a holding Company for subsidiary undertakings and investments engaged in the exploration of natural resources.

Corporate Information

Directors	Colin Bird *Chairman* Brian Gavin *Chief Executive Officer – appointed 13 May 2014* Andrew Sarosi *Finance & Technical Director* Christopher Molefe *Non-Executive Director* John Wollenberg *Non-Executive Director*		
Secretarial Services	Capita Asset Services 1st Floor, 40 Dukes Place, London, EC3A 7NH Tel: +44 (0) 20 7954 9529 Website: http://www.capitacosec.co.uk E-mail: NSayers@capitaregistrars.com		
Public Relations	Gable Communications 6th Floor, 34 Lime Street Beckenham, London, EC3M 7AT Justine James +44 (0) 2071937463		
Registered Office	United Kingdom 4th Floor 2 Cromwell Place London, SW7 2JE		South Africa 2 Einstein Street Highveld Techno Park Centurion
Auditors	Saffery Champness Lion House, Red Lion Street London, WC1R 4GB Tel: +44 (0) 20 7841 4000 Fax: +44 (0) 20 7841 4100 Website: http://www.saffery.com E-mail: info@saffery.com	Bankers	National Westminster Bank Plc 186 Brompton Road London, SW3 1XJ
Nominated Advisor and Joint Broker	Beaumont Cornish Limited 2nd Floor, Bowman House 29 Wilson Street, London, EC2M 2SJ Tel: +44 (0) 20 7628 3396 Fax: +44 (0) 20 7628 3393 Website: http://www.beaumontcornish.com E-mail: corpfin@b-cornish.co.uk	Joint Broker	Shore Capital & Corporate Limited Bond Street House 14 Clifford Street, London, W1S 4JU Tel: +44 (0) 20 7468 7967 Mobile: + 44 (0) 7813 181 990 Website: http://www.shorecap.co.uk E-mail: toby.gibbs@shorecap.co.uk
Registrars	Neville Registrars Neville House, 18 Laurel Lane Halesowen, West Midlands, B63 3DA Tel: +44 (0) 121 585 1131 Fax: +44 (0) 121 585 1132 Website: http://www.nevilleregistrars.co.uk E-mail: info@nevilleregistrars.co.uk	UK Solicitors to the Company	Morgan Cole LLP Bradley Court, Park Place Cardiff, CF10 3DR Tel: +44 (0) 870 366 4644 Website: http://www.morgan-cole.com/ E-mail: info@morgan-cole.com

Incorporation No: 05679987

Strategic Report – Chairman's Report

The year under review was one of consolidation of our interests in the Glenover Rare Earth/ Phosphate Project and the post year end acquisition of St. Vincent Minerals Inc., the owner of significant Nevada, USA based copper and gold interests.

The Glenover Project was more clearly defined by optimisation work with Dorfner Anzaplan, the German metallurgical consultant. Further work with Guangzhou Research Institute in China was completed and announced during the year. This work primarily involved the use of nitric acid as opposed to sulfuric acid and demonstrated that a viable alternative processing route was available. The major benefits of the nitric acid route isbenefits of the nitric acid route are that, in the process it produces some high demand, valuable nitrogen and calcium based fertiliser products.

It is the view of the board that Glenover represents a significant strategic investment, which is well placed in both, the phosphate and rare earth evolving project arena. Like all projects, irrespective of commodity, the driving economic force is of course the price of the commodity. Currently there exists some considerable uncertainty in the forward pricing of rare earth products whilst phosphates remain a reasonably predictable against supply/demand fundamentals. To its benefit, Glenover has a basket of rare earth, some of which is earth, some of which is identified as critical rare earth, and as such should be well positioned in any future rare earth price progression.

In previous Chairman's Reports I have mentioned the extreme difficulties that smaller resource companies are experiencing in financing work to release the values contained in their assets. The year under review was no better than the previous five years and many companies began facing distress as opposed to difficulties. The consequence of this was that quality project availability was better than seen for many years. The board therefore decided to balance country and commodity risk by acquiring assets, which fitted the Glenover model. The Glenover model had prior abundant technical information and positive studies, which mitigated the high level of risk associated with conceptual exploration. After reviewing many opportunities at desktop level, Galileo identified St. Vincent Minerals Inc. as a prime target, fitting this model, mainly because of its exploration history, location and prospectivity.

The main project, detailed later, is in the south of Nevada known as Gabbs. This project is maturing and has the potential to be considered as a "world class" copper/gold project. It became apparent in March of this year that considerable gold potential existed near one of our projects known as Ferber, which is only 12 km from a rapidly evolving exploration site owned by Pilot Gold, listed in Toronto. The whole property package of St. Vincent Minerals Inc. represents exciting prospects in what is considered to be one of the world's most friendly jurisdictions for exploration and mining. The mining world in general is not well considered by major investors and there is much talk about the "commodity super cycle " being over. We are seeing significant consolidation and disposal of production capability by the major mining companies. This is being driven by the need to provide the necessary investment returns to shareholders and to give shareholders and the investing world the confidence of focus.

The changing exploration sector again provides many opportunities for the smaller cap mining resource sector with access to capital being the main hurdle. The forecast for mid and long term base metal requirements coupled with lower exploration success will inevitably lead to a financing renaissance for our sector, a rebirth which is long awaited and overdue. My past experience tells me that when forecasters are professing the end of cycles, they are more likely just about to begin and I remain cynical of such sweeping generalisations in a rapidly changing and developing world.

Consistent with the decision to broaden the commodity and country base, it was decided to abandon any further interest in the Company's other various rare earth projects in southern Africa.

During the period under review the Company lost £4,164,494 which represents 4.7 pence per ordinary share compared to a loss of €1,839,828 2013 and loss per share of 2.2 pence per ordinary share for the comparative period.

I would like to thank my fellow board members and management for their hard work and support during a year of better understanding for Glenover and the exciting new acquisition of St. Vincent. I sincerely hope that the coming year identifies a suitable major partner for Glenover and allows us to add value to our Nevada project portfolio to the benefit of all shareholders.

Colin Bird
5 September 2014
CHAIRMAN DIRECTOR

Strategic Report –
Operations Report

SUMMARY

Galileo's (Company) key asset is the Glenover Rare Earth project (the Glenover Project or the Project), held through its shareholding in Glenover Phosphate (Pty) Ltd (Glenover). The project is Black Economic Empowered (BEE) through a 26% ownership by Galagen (Pty) Ltd (Galagen) in Glenover.

Galileo's funding of the project has driven the feasibility agenda, resulting in both a SAMREC-compliant resource statement (Annual report 2013) and during the period under review a Preliminary Economic Assessment (PEA), proving that the project is both technically feasible and economically an attractive investment using a process based on sulphuric acid and tested at Dorfner Anzaplan (Anzaplan) in Germany.

The Company through Glenover, continued to optimise the Anzaplan testwork (now completed) against key assumptions made in the PEA.

Galileo funded further testwork on Glenover ore to pre-feasibility level at Guangzhou Research Institute of Non-ferrous Metals (GZRINM) in China using an alternative process based on nitric acid, which has demonstrated significantly potentially better metallurgical results and economics than the process using sulphuric acid.

The Company commenced seeking and continues to seek a strategic partner to advance this Project to feasibility study level.

In the period under review the Company agreed to acquire Toronto (Ontario) incorporated St. Vincent Minerals Inc. (SVM) (the Acquisition) by way of issuing 21,650,000 new Galileo ordinary shares of par 5p (Galileo Shares) at a strike price of 11p in exchange for the entire issued share capital of SVM. SVM's assets include a resource-estimate level Gabbs gold-copper property (Gabbs Property) in Nye County and a number of other properties in Nevada, USA.

Brian Gavin, former President and CEO of SVM, was appointed CEO elect of Galileo with special responsibility for USA operations, replacing Colin Bird, who remains executive chairman of the Company.

The Company elected not to pursue the Nkombwa Hill rare earth project (Nkombwa) in Zambia and other rare-earth opportunities in Mozambique and Spain under its earn-in agreement with Rare Earth International Limited and so holds no further interest in these projects.

The Glenover Project

Glenover holds the prospecting rights to a large concession containing phosphates and other potentially economic minerals in the Limpopo Province of South Africa. Within the licence area is an open pit, formerly mined for phosphates by Gold Fields of South Africa Ltd for approximately 20 years (ceasing in the early 1980s) and subsequently acquired by Fer-Min-Ore. Historical data suggested that the phosphate and surrounding rocks contained Rare Earth Elements (REEs), which was confirmed by Glenover's sampling, during 2012, of the previously mined "low" phosphate grade stockpiles on surface.

The concession area is a large pyroxenite and carbonatite intrusion, which globally, outside of China, is a much sought after geological environment for hosting potential REE deposits.

The surface stockpiles, which contain significant quantities of REEs, constitute a major potential benefit to the Company, as these stockpiles represent potential feed for immediate processing without mining cost.

Glenover has applied for the renewal of the prospecting rights, which application is pending approval from the South African Department of Mineral Resources (DMR).

Since completing the positive PEA of the Project, Glenover, in which the Company now holds a 33.99% interest, continued with and completed optimisation work on its sulphuric acid processing route. It also commissioned testwork by Guangzhou Research Institute of Non-Ferrous

Metals (GZRINM) in China on an alternative ore processing route involving bulk rare earth-phosphate flotation and nitric acid as the rare-erath and phosphate lixiviant for the concentrate. An advantage of this route over the PEA sulphuric acid route, is that the reagents consumed in the process are converted into saleable nitrogen and calcium based phosphate fertilizer products.

Glenover advanced all the critical metallurgical testwork to pre-feasibility study (PFS) status.

Sulphuric acid process

The Company completed the optimization testwork at Anzaplan on the sulphuric acid process, in December 2013, against key assumptions made in the PEA and aimed at improving project fundamentals by increasing the recovery of the phosphate component in the ore to sealable fertilizer product and streamlining the flow sheet.

Nitric Acid Process

Glenover completed the GZRINM testwork to prefeasibility-study level in December 2013 with positive results. The directors believe this testwork has added significant value to both its investment in Glenover and the Glenover Project.

The nitric acid process could potentially produce more highly saleable products, than those from the sulphuric acid process, which former process includes mixed rare earth oxides, nitro-phosphate and calcium nitrate fertilisers. Internal project finance studies suggest that Glenover could be viable from these fertiliser products alone thus making the cost of rare earth oxide production potentially much lower than previously anticipated.

The results also indicate that niobium can be recovered, which provides Glenover with the potential to an additional increased high value by-product, if economically viable to process.

GZRINM Test Results Highlights

The highlights of the GZRINM metallurgy referred to by Glenover as the Nitrophos-Rare Earth (NPRE) Process, are as follows:

Ore Feed:	400 000 tonnes per annum (TPA) (over 25 year mine-life)
Phosphate recovery:	63% overall
Fertiliser Products:	Granular NP (nitro-phosphate) – 310 000TPA Calcium Nitrate 190 000TPA
Overall REO recovery:	53% (into mixed REO concentrate) and 24% (into an intermediate Nb-REO concentrate for further processing)
Final REO product:	+90% purity mixed REO Concentrate: 5 500TPA

PROJECT SUMMARY

The Company and Glenover have now completed the major phase of its PFS-level metallurgy. This included both the update and optimisation of the previous preliminary economic assessment (PEA) metallurgy work carried out by Anzaplan, as well as the alternative PFS-level process metallurgy by GZRINM. Both programmes were completed in December 2013. Key improvements made to the previously reported PEA flow sheet (7 March 2013), which was based on whole-ore sulphuric acid cracking process (Anzaplan), include the potential economic value-add recovery of 93% of the phosphate in the ore into PK (phosphate-potassium) a granular fertiliser product.

The GZRINM metallurgy developed over 14 months provides a potentially superior and well-understood process, that offers the market potentially highly saleable product packages – Phosphate fertiliser, mixed Rare Earth Oxides (REO), a value-add calcium nitrate by-product and the certainty of Niobium (Nb) credits, if commercially recoverable, from the Nb-REO intermediate concentrate (Nb-REO).

Based on the NPRE Process work data, Glenover internally completed basic project operational economics, which suggest that Glenover could potentially be a very low/near zero cost rare earth producer i.e. Glenover could be viable from the production of fertiliser products only, while still operating the rare earth recovery circuit.

The Company's logistical studies highlight potentially optimal construction of a processing facility on the east coast of (KwaZulu-Natal) in

South Africa, which Glenover believes should simplify its ore and reagent logistics and provide a suitable and cost effective location relative to potential export markets. In order to secure an ore-to-coast logistics solution, Glenover is in discussions with a local coal mining entity, which is in the process of constructing a rail line in the Waterberg that is set to pass within 20 kilometres of the Glenover mine site.

As far as its markets are concerned, Glenover intends selling its fertiliser products into the Southern African, East African and Indian markets and marketing its Rare Earths globally. With respect to the latter, discussions are in progress on collaborating with a strategic Rare Earth processing and marketing corporation with an established refinery. A letter of interest has vrecently been signed with this entity.

Going forward – 2014

The PEA and subsequent optimisation work covered all aspects of a proposed Rare Earth/ phosphate operation and the Company intends to rework the PEA to assess the overall financial impact per se and against the results from the Chinese process route in order to select the final route for project definition.

During 2014, the Company intends to consolidate on the advances made including securing the necessary strategic fertiliser and funding partnerships to move the Glenover project towards production and commissioning a full project pre-feasibility study. Glenover is currently considering bids for this study.

St Vincent Minerals Inc (SVM) Acquisition

During the period under review, with difficult market and financing conditions prevailing, the Company assessed other opportunities in the smaller resources company sector, which the directors believed presented unprecedented value and identified a gold-copper opportunity in the prolific and mining-friendly state of Nevada, USA.

To this end, the Company agreed to acquire the entire issued share capital of Toronto (Ontario) incorporated SVM, whose assets include the Gabbs Property located in Nye County, Nevada, USA and a number of other gold-copper properties, Nevada, USA, including Ferber Property in Elko County. The Acquisition, valued at CDN$4.3 million, was agreed by way of a share exchange, issuing 21,650,000 new Galileo ordinary shares of par 5p (Galileo Shares) at a strike price of 11p pursuant to a Business Combination Agreement (Business Combination) signed on 28 January 2014 between Galileo, its special purpose wholly-owned Canadian subsidiary 2404119 Ontario Inc. (Subco) and SVM including an Amalgamation Agreement between SVM and Subco under the Ontario Business Corporations Act.

These Galileo shares, were agreed to have an 8-month lock-up period, during which these shares may not be disposed of without the prior written consent of Galileo (not to be unreasonably withheld or delayed).

GABBS PROPERTY ACQUIRED

Gabbs Property, Nye County, Nevada

The Gabbs Property (Gabbs) is located in the Fairplay Mining District, on the southwest flank of the Paradise Range, about 9 km (5.6 miles) south-southwest of the town of Gabbs, Nye County, Nevada. Gabbs consists of 355 unpatented lode claims and 1 patented lode claim which constitute a 28-square kilometre contiguous claim block, which contains at least three separate mineralised Au-Cu porphyries and one epithermal gold prospect

Interpretation of extensive geophysical surveys over the Gabbs property postulates the potential for a major porphyry feeder source at depth for these separate mineralised zones.

Geology

Gabbs is underlain by a stratigraphic sequence of intermediate volcanic rocks and shallow marine sediments that are intruded by a large mafic to ultramafic igneous gabbroic complex.

Monzonite bodies intrude the Triassic units and gabbroic complex. These intrusive bodies are extremely significant as they host porphyry style Au-Cu mineralization found at the Sullivan, Lucky Strike and Gold Ledge mineralized areas on the property. The Car Body prospect by comparison is classified as an epithermal gold system.

Overlying the pre-Tertiary (Triassic) rocks are thick sequences of Tertiary intermediate and felsic volcanic rocks.

Gabbs Resource

SVM completed a 2,400 metre (7,875 feet) drilling programme consisting of 10 reverse circulation (RC) holes in March – April of 2011. The goal of this drilling was to expand the area of known mineralization at the Lucky Strike area (6 holes) and test geophysic IP (induced polarisation) anomalies (4 holes) identified by previous owner, Newcrest. Gold mineralization was encountered in 7 of 10 holes. Highlights of the three most interesting holes include extension of the mineralization 2,000 feet (610 metres) at Lucky Strike and encountering mineralization in a new area identified by an IP anomaly south of the Sullivan mineralized zone.

The independently prepared Inferred Mineral Resource estimate (details of which are available on the Company's website www.galileoresources.com.) is based on 494 drillhole records, consisting of 397 historical drillholes, 87 drill holes completed by Newcrest and ten RC drillholes recently completed by St. Vincent. The historical drill holes do not meet NI 43-101 and CIM guidelines for the public reporting of a mineral resource. Historical drill holes were therefore used only to define the extent of the mineralized deposits, and historical assay grades were not incorporated into the mineral resource estimate. The Mineral Resource estimate for the Gabbs Property is reported at a cut-off grade of 0.40 g/t Au for the oxide deposits and 0.30 g/t Au for the non-oxide deposits (see Table 1). A summary of the mineral resource sensitivity is presented in Table 2.

Table 1 Resource Estimate

Deposit	Au Cut-off g/t	1,000 t	Au g/t	Au 1,000 oz	Cu ppm	AuEq g/t	AuEq 1,000 oz
Sullivan Oxide	0.40	9,935	0.80	254.5	2,463	0.80	254.5
Sullivan Non-Oxide	0.30	10,782	0.47	161.6	2,185	0.83	288.1
Car Body Oxide	0.40	836.5	1.44	38.6	–	1.44	38.6
Car Body Non-Oxide	0.30	44.4	0.78	1.1	–	0.78	1.1
Gold Ledge Oxide	0.40	108.2	0.47	1.6	2,691	0.47	1.6
Gold Ledge Non-Oxide	0.30	760.6	0.61	15.0	1,800	0.91	22.3
Lucky Strike Oxide	0.40	243.5	0.52	4.1	2,479	0.52	4.1
Lucky Strike Non-Oxide	0.30	34,489	0.50	552.6	2,427	0.90	1,002
Total	–	57,199	0.56	1,029	2,342	0.88	1,612

(1) Mineral Resources, which are not mineral reserves, do not have demonstrated economic viability. Environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues may materially affect the estimate of Mineral Resources.

(2) The quantity and grade of reported Inferred Mineral Resources are uncertain in nature and there has been insufficient exploration to define these Inferred Mineral Resources as an Indicated or Measured Mineral P&E Mining Consultants Inc. iii St. Vincent Minerals Inc. Gabbs Au-Cu Property Report No. 220 Resource, and it is uncertain if further exploration will result in upgrading them to an Indicated or Measured Mineral Resource category.

(3) Mineral Resources were estimated using the Canadian Institute of Mining, Metallurgy and Petroleum (CIM), CIM Standards on Mineral Resources and Reserves, Definitions and Guidelines prepared by the CIM Standing Committee on Reserve Definitions and adopted by CIM Council.

(4) Mineral Resources are reported within a conceptual pit shell.

(5) Inverse distance weighting of capped composite grades within grade envelopes was used for estimation.

(6) Composite grade capping of 5.00 g/t Au and 9,000 ppm Cu was implemented prior to estimation.

(7) A bulk density of 2.70 t/m³ was used for tonnage calculations.

(8) A two-year, November 30, 2011 trailing average copper price of US$3.70/lb and a gold price of $1,350.00/oz were used along with an oxide process cost of $6.50/tonne, a sulphide process cost of $9.50/tonne and G&A costs of $2.25/tonne.

(9) An oxide Au recover of 50% and a sulphide Au recovery of 90% were used.

(10) Resources were estimated within an optimized pit shell utilizing pit slopes of 45 degrees and mining costs of $1.50/tonne of rock.

*(11) The conversion factor for AuEq: Au+Cu*1.67/10,000.*

Table 2 Summary – Sensitivity To Cut-Off Of Gabbs Resource Estimate

Grade Sensitivity Matrix, Gabbs, Nevada

Cut-off Au g/t Oxide/Non-oxide	Tonnage (1,000 t)	Au (g/t)	Au (1,000 oz)	Cu (ppm)	AuEq (g/t)	AuEq (1,000 oz)
0.60 / 0.50	20,132	0.82	532	2,740	1.17	756
0.50 / 0.40	38,528	0.65	806	2,443	0.97	1,208
0.40 / 0.30	57,199	0.56	1,029	2,342	0.88	1,612
0.30 / 0.20	85,014	0.46	1,262	2,253	0.77	2,117
0.20 / 0.10	167,942	0.37	1,977	2,213	0.74	3,972

POST BALANCE SHEET EVENTS

Following further negotiations with SVM and review of SVM's other US properties, including the prospective Ferber gold-copper property (Ferber) and pursuant to SVM shareholder meeting and agreement for the Acquisition on 15 May 2014, the Company closed the Acquisition with the issue of 26,195,538 new Galileo ordinary 5p shares at a strike price of 9p, in exchange for the entire issued share capital of SVM, including converted SVM shares for loan notes held by SVM shareholders. SVM shareholders hold 22.88% of the enlarged issued share capital of Galileo following the Acquisition.

On 21 July 2014, the Company through SVM, executed two Exploration Lease and Option to Purchase Agreements to consolidate its Ferber position. These agreements increased the Company's position in Ferber from 88 unpatented mining claims covering circa 1,760 acres to 102 unpatented and 21 patented mining claims, which now cover circa 2,377 contiguous acres at Ferber.

Ferber Property, Elko County, Nevada

The Ferber property is a historic producer of gold and copper and hosts widespread gold and copper mineralisation. Galileo is reviewing available data on the property in light of recent major gold discoveries in eastern Nevada at Long Canyon and, more recently, at Kinsley Mountain. Ferber is approximately 12 kilometres (km) east of Kinsley Mountain.

The Ferber property is located about 25 miles south of Wendover in Elko County Nevada and approximately 20 kilometres east of the Kinsley Mountains. The Ferber claim block (Ferber Flat) comprises 88 unpatented lode claims.

Galileo's Land Position at Ferber

SVM acquired a 100% interest in 88 unpatented mining claims (approximately 1,760 acres) at Ferber in 2010 from Newcrest Resources Inc. To consolidate mineral ownership at Ferber, SVM recently signed an Exploration Lease and Option to Purchase Agreement covering 14 unpatented claims (approximately 280 acres) and a separate Exploration Lease and Option to Purchase Agreement covering approximately 337 acres of patented mining claims. The two Exploration Lease and Option to Purchase Agreements give SVM an option to purchase the properties with a net smelter royalty (NSR) (subject to a partial buy back at the rate of $1m per 1%) retained to the seller. All annual payments and purchase payments to the landowners are credits against any eventual purchase and the on-going annual and quarterly advance payments (which increase steadily over a ten year period) will be against payments under the NSR arrangements, which are in line with industry standard-arrangements.

Exploration Strategy at Ferber

Recent new gold discoveries in the nearby region provide strong evidence for a mineralised system at Ferber, which makes the property a compelling target for reinterpretation and subsequent exploration.

SVM geologists, following site visits and on-going review of all data, have identified many geologic similarities with these nearby discoveries and are formulating a near-term exploration programme.

SVM geologists are currently conducting a thorough review of the newly acquired lands and geologic information in order to formulate a near-term exploration plan. Likely exploration activities include geologic mapping, data compilation, soil and rock geochemical sampling as well as ground geophysics in order to move rapidly to the drilling stage.

Recent Discoveries Close To Ferber

Recent Carlin-type gold discoveries at Long Canyon and Kinsley Mountain have opened up an important new exploration frontier in eastern Nevada. The Long Canyon property was discovered and defined between 2005 – 2011 by a Fronteer – AuEx joint venture and is reported to host an estimated 2.2 million ounces of gold. Newmont Mining purchased the property in 2011 for $2.33 billion dollars. At Kinsley Mountain, a former producer of gold controlled by Pilot Gold (listed on the Toronto Stock Exchange), a reinterpretation of the regional and local geology and subsequent drilling has revealed high grade gold up to 21.3g/t over 29 metres (m) and 10.5g/t over 42.7 m. (Note: Galileo has no ownership interest in either Long Canyon or Kinsley Mountain).

Geology and Mineralisation at Ferber

The Ferber District consists of a multi-phase Tertiary igneous complex intruding Permian carbonates. Marble and skarn are developed at the margin of the intrusive complex. USGS Rock chip sampling has shown copper <= 2% and lesser gold (<= 0.2 ppm) to occur in 'skarn', 'jasperoid', and 'marble'.

The Ferber property is underlain by a stratigraphic sequence of Pennsylvania-Permian age carbonate units thought to include the Rib Hill Formation, Riepe Spring Formation, Ferguson Mountain Formation, and possibly the Pequop Formation. The sedimentary units are intruded and domed by a multi-phase diorite-quartz monzonite Tertiary-aged igneous complex. The intrusive complex has an exposed footprint of 6.1 km east-west by 1.6 km north-south. A contact metamorphic marble and calc-silicate zone are found at the margin of the intrusive complex. The project area is intersected by a number east-west, north-northwest and north-east trending faults.

Historic Activity at Ferber

Historical drilling in the district in the mid-late 1990s reported mineralization in metamorphosed sedimentary rocks and intrusive. Intercepts included:

- 11 metres of 0.53g/t Au in contact metamorphosed rocks
- 5 metres of 2.15g/t Au in oxidized intrusive
- 5 metres of 0.718% Cu (oxide) in intrusive
- 26 metres of 0.415% Cu (oxide) in contact zone
- 12 metres of 0.832% Cu (oxide) in contact zone

Active exploration by others in the nearby Kinsley Mountains has recently reported, inter alia, "that infill and step-out drilling at Kinsley Mountain's Western Flank target continues to intersect high grade gold mineralization, including 21.3 grams per tonne gold (g/t Au) over 29.0 metres. The upper portion of this intercept, including an interval grading 46.4 g/t Au over 4.9 metres, is oxidized, similar to other nearby drill holes with high grade zones of oxidation." [1].

Kinsley Mountain hosts near-surface mineralization similar to other Carlin-style, sediment-hosted gold systems. [2]

1 (http://www.pilotgold.com/news/pilot-gold-reports-213-gt-gold-over-290-metres-western-flank-kinsley-mountain)

2 *Pilot Gold NEWS RELEASE 14-14 April 23, 2014*

Andrew Sarosi
DIRECTOR
5 September 2014

Directors' Report

The directors submit their report and the Group's and Company's audited financial statements for the year ended 31 March 2014.

1. REVIEW OF ACTIVITIES

The Group's main activities are contained in this annual report. Details of the likely future developments of the Group have been addressed in the Chairman's report and the Operations report.

Principal activities

Galileo Resources PLC (AIM:GLR) (the Company) is a resource/development company specialising in the acquisition of projects which can be brought into production in the near-term. Our portfolio consists of a South African Rare Earth/Phosphate project which has undergone independent successful preliminary economic study.

In May 2014, the Company acquired St. Vincent Minerals Inc, a Canadian based company, which owns the Gabbs property in Nevada, a major copper/gold project and other early stage copper/gold properties. Refer to page 10 for more information on this acquisition.

Business review

The function of the business review is to provide a balanced and comprehensive review of the Group's performance and developments during the year and its position at the year end. The review also covers the principal risks and uncertainties faced by the Group. At this stage in the Group's development, the key performance indicators that the directors monitor on a regular basis are management of liquid resources, which are cash flows and bank balances. The results of the Company and the Group for the year are set out in the audited financial statements on pages 20 to 50.

A review of the Group's operations during the year ended 31 March 2014 and future developments is contained in the Chairman's report and in the Operations Report on pages 5 to 11.

Key performance indicators

Key performance indicators in assessing the performance of the Group have been considered in detail within the Operations Report.

Galileo is a resource/development company specialising in the acquisition of projects which can be brought into production in the near-term. Its portfolio consists of a South African Rare Earth/Phosphate project which has undergone independent successful preliminary economic study.

In May 2014, Galileo acquired St. Vincent Minerals, a Canadian based company, which owns the Gabbs Property in Nevada, a major copper/gold project and other earlier stage copper/gold properties. This quality asset fits in with the Company's strategy to invest in near term production assets with quality and near term cash. The Gabbs and Glenover projects are above average for the junior resource sector and can generally be described as world class projects

Financial review

The Group reported a net loss of £6,495,603 (2013: £4,036,543) before and after taxation. The directors have not recommended the payment of a dividend (2013: £nil). The loss of £6,495,603 (2013: £4,036,543) includes a foreign exchange currency movement loss of £2,331,109 (2013: £2,196,715) mainly due to the weak rand against the pound sterling. Because the Group's projects are all South African based and rand denominated, the weak rand resulted in a negative adjustment of £1,670,464 (2013: £1,869,050) to the exploration and evaluation assets' value at year end. A re-valuation of rand denominated loans also resulted in an increase in the foreign exchange currency loss of £629,386 (2013: £399,862). The total foreign exchange currency loss of £2,331,109 is included in other comprehensive income.

Risk review

The board and the executive committee keep the risks inherent in an exploration business under constant review. The principal risks for an exploration company and the measures taken by the Company to mitigate them are detailed below:

Political risk

Political risk is the risk that assets will be lost through expropriation and unrest or war. The Group minimises political risk by operating in countries with relatively stable political systems, established fiscal and mining codes and a respect for the rule of law. The Company has instigated a black economic empowerment policy to comply with the South African mining charter, code of practice and black economic legislation.

Commodity risk

Commodity risk is the risk that the price earned for minerals will fall to a point where it becomes uneconomic to extract them from the ground and process. The principal metals in the Group's portfolio are rare earth elements (REE) and phosphorus (as phosphate). The prices of these elements have decreased during the year but remain nevertheless relatively robust. The economics of all the Group's projects are kept under close review on a regular basis.

Financial risk

The three main types of financial risk faced by the Group are credit risk, liquidity risk and currency risk. Liquidity risk is the risk of insufficient working and investment capital. The Group's goal is to finance its exploration and activities from operational cash flow from operations but in the absence of such cash flow, the Group relies on the issue of equity share capital to finance its activities. Galileo secured additional funds by way of a placing during the year under review to advance exploration activities in order to further develop a mineral resource estimate, advance metallurgical testwork and continue with a Preliminary Economic Assessment (PEA) of the Company's Glenover project.

The Group finances its overseas operations by purchasing South African rand with pounds sterling in the United Kingdom and transferring it to meet local operating costs. The Group does not hedge its exposure and is therefore exposed to currency fluctuations between these two currencies and local currencies but this policy will be reviewed from time to time. The Group maintains tight financial and budgetary control to keep its operations cost effective to mitigate these financial risks.

Strategic risk

Significant and increasing competition exists for mineral acquisition opportunities throughout the world. As a result of this competition, the Group may be unable to acquire rights to exploit additional attractive mining properties on terms it considers acceptable. Accordingly, there can be no assurance that the Group will acquire any interest in additional operations that would yield reserves or result in commercial mining operations. The Group expects to undertake sufficient due diligence where warranted to help ensure opportunities are subjected to proper evaluation.

Funding risk

The Group has raised funds via equity contributions from new and existing shareholders, thereby ensuring the Company remains a going concern until such time that it enters into an off-take agreement/debt financial arrangement. The directors regularly review cash flow requirements to ensure the Company can meet financial obligations as and when they fall due.

Exploration risk

Exploration risk is the risk of investing cash and resources on projects which may not provide a return. The Group addresses this risk by using its skills, experience and local knowledge to select only the most promising areas to explore. Mineral exploration and development of the Group's mineral exploration properties is speculative in nature and is contingent upon obtaining satisfactory exploration results. Mineral exploration and development involves substantial expenses and a high degree of risk, which even a combination of experience, knowledge and careful evaluation may not be able adequately to mitigate. The degree of risk reduces substantially when a Group's properties move from the exploration phase to the development phase.

Operational risk

Exploration and subsequent mining operations are subject to hazards normally encountered in exploration, development and production. Although it is intended to take adequate precautions during each stage of development to minimise risk, there is a possibility of a material adverse impact on the Group's operations and its financial results. The Group will develop and maintain policies appropriate to the stage of development of its various projects. Recruiting and retaining skilled and qualified personnel are critical to the Group's success. The number of persons skilled in the acquisition, exploration and development of mining properties is limited and competition for such persons is intense. While the Group has good relations with its employees, these relations may be impacted by changes in the scheme of labour relations, which may be introduced by the relevant governmental authorities. Adverse changes in such legislation may have a material adverse effect on the Group's business, results of operations and financial condition. Members of staff are encouraged to discuss with management matters of interest to the employees and subjects affecting day-to-day operations of the Group.

Mining risk

There is no guarantee that the minerals contained in the various assets can be mined either practically, technically or at a cost less than the realizable value of the contained minerals. The cost of development and access may preclude the development of the mine. Should a mine be developed there is no assurance that operations can continue since operations are dependent on product prices, direct operating cost and the cost of "stay in business" capital. Mining operations are often challenged by difficult mining and/or slope stability conditions, variability of grade, excess water and small faulting. All of these factors could adversely affect mining production rate and therefore profitability.

Processing risk

REEs are relatively difficult to process and as such require complex chemistry solutions to gain satisfactory recovery and quality. The recovery of one element may be at the sacrifice of another rare earth element and no assurance can be given that the ultimate suite of elements that can be recovered can be done so economically. Should the Company elect to progress to recovery only to concentrate, then there is no assurance that a global market exists for the concentrate. Shareholders and investors should be aware that the cost of building a rare earth processing plant is considerably higher than other mineral processing plants and that the Company may not be able to raise sufficient finance to build such a plant.

Political stability

The Group is conducting its activities in South Africa. The directors believe that the government of South Africa supports the development of natural resources by foreign investors and actively monitors the situation. However, there is no assurance that future political and economic conditions in South Africa will not result in the government of South Africa adopting different policies regarding foreign development and ownership of mineral resources. Any changes in policy affecting ownership of assets, taxation, rates of exchange, environmental protection, labour relations, repatriation of income and return of capital, may affect the Group's ability to develop the projects. The Company is complying with current South African mining charter code of practice and black economic empowerment legislation (refer to the directors' report).

Uninsurable risks

The Group may become subject to liability for accidents, pollution and other hazards against which it cannot insure or against which it may elect not to insure because of premium costs or for other reasons, such as in amounts, which exceed policy limits.

Security of tenure

The Group investigates its rights to explore and extract minerals from all of its material properties and, to the best of its knowledge; those rights are expected to be in good standing. However, no assurance can be given that the Group will be able to secure the grant or the renewal of existing mineral rights and tenures on terms satisfactory to it, or that governments in the jurisdiction in which the Group operates will not revoke or significantly alter such rights or tenures or that such rights or tenures will not be challenged or impugned by third parties, including local governments or other claimants. Although the Group is not aware of any existing title uncertainties with respect to any of its future material properties, there is no assurance that such uncertainties, if negative, will not result in future losses or additional expenditures, which could have an adverse impact on the Group's future cash flows, earnings, results of operations and financial condition.

Market perception

Market perception of mining and exploration companies may change, which could impact on the value of investors' holdings and impact on the ability of the Company to raise further funds by issue of further shares in the Company.

Glenover licence

Glenover has six new order prospecting rights covering a surface area of 15,802 hectares. These mineral assets are located primarily on the farm Glenover 371 LQ, but are also spread across other farms. The prospecting right to Glenover 371 LQ expired on 30 October 2012 while the other five prospecting rights expired on 31 October 2012. Glenover has submitted applications to the DMR to renew these prospecting rights. While the directors believe that the renewal of these prospecting rights will be granted there is no guarantee that this will be the case. Failure to do so would have a material effect on the business of Glenover and the value of the Company's investment in Glenover.

Environmental factors

All mining operations have some degree of an environmental risk. Although the directors have made reasonable assessment, no assurance can be given that no outstanding or intended claims against disturbance of the environment exist. Rare Earths are often associated with radioactivity and the Glenover project has amongst other minerals, radioactive thorium present in the ore. The directors have considered the significance of this and what potential problems may be presented due to the presence of radioactive minerals. They have concluded that the potential radioactivity will not prevent operations but no assurance can be given that the presence of radioactivity will impact on either capital or operating cost or both. In addition, the Group will also be subjected to, where appropriate, clean-up costs and for any toxic or hazardous substances, which may be produced as a result of its operation. Environmental legislation and permitting are evolving in a non-mining supportive manner, which could result in onerous standards and enforcement with the risk of consequential fines, penalties and closure. As the Company develops, the directors intend to carry out the appropriate environmental base line studies with experts outsourced from independent environmental consultancies.

Reserve and resource estimates

The Group's future reported reserves and resources of Glenover are only estimates. No assurance can be given that the estimated reserves and resources will be recovered or that they will be recovered at the rates estimated. Mineral and metal reserve and resource estimates are based on limited sampling and, consequently, are uncertain because the samples may not be representative. Mineral and metal reserve and resource estimates may require revision (either up or down) based on actual production experience or further sampling. Any future reserve and/or resource figures will be estimates and there can be no assurance that the minerals are present, will be recovered or can be brought into profitable production. Furthermore, a decline in the market price for natural resources that the Group may discover or invest in could render reserves containing relatively lower grades of these resources uneconomic to recover and may ultimately result in a restatement of reserves.

2. GOING CONCERN

We draw attention to the fact that at 31 March 2014, the Group had accumulated losses of €7,830,839 (2013: €3,666,343), however, the assets exceeded the liabilities as a result of on-going support from shareholders.

The Group has sufficient financial resources to enable it to continue in operational existence for the foreseeable future, to continue the current development programme and meet its liabilities as they fall due. The directors have further reviewed the Group's cash flow forecast. In the light of this review and the current financial position, they are satisfied that the Company and Group have access to adequate resources to continue in operational existence for the foreseeable future. Accordingly, the directors consider it appropriate to continue to adopt the going concern basis in preparing these financial statements. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

3. EVENTS AFTER THE REPORTING PERIOD

Other than the events described in the Operations Report and the transactions described below, the directors are not aware of any matter or circumstances arising that should be disclosed since the end of the financial year.

4. DIRECTORS' SHAREHOLDING ANALYSIS

Directors' direct and indirect interests in the ordinary shares of the Company were as follows:

	At 31 March 2014		At 31 March 2013	
Beneficial owner	Shares	% holding	Shares	% holding
Colin Bird	42,200,000	47.79	42,200,000	47.79
John Richard Wollenberg	2,800,000	3.17	2,800,000	3.17
The Cardiff Property plc *	900,000	1.02	900,000	1.02

* *John Richard Wollenberg and his family are 42.45% shareholders in the Cardiff Property plc*

Mr Bird holds 42,200,000 ordinary shares of 5p each or 47.79% of the Company's issued share capital. This makes him a majority shareholder in Galileo with potentially significant influence over the affairs of the Company.

On 13 May 2014 Brian Gavin was appointed Chief Executive Officer and he was issued with 1,262,675 new Galileo ordinary shares of 5p each.

Refer to note 33 for directors' emoluments and options granted to the directors.

5. CAPITAL STRUCTURE AND SHARE ISSUE

Authorised and issued share capital

There have been no changes in the issued capital of the Company during the period under review. On 13 May 2014, subsequent to the period under review, Brian Gavin, the newly appointed Chief Executive Officer, was issued 1,262,675 new Galileo ordinary shares of 5p each.

Allotment of shares

As special business at the annual general meeting, a resolution will be proposed to renew the power of your directors to allot equity securities, pursuant to section 551 of the companies act 2006, such power being limited to equity securities having an aggregate nominal value of £2,207,680. This authority may be renewed for five years but, in common with modern corporate governance practice, it is your directors' intention that the resolution be limited to one year and that its renewal be proposed at each annual general meeting.

Pre-emption rights

As special business at the annual general meeting, a resolution will be proposed to renew for a further year the power of your directors to allot equity securities for cash without first offering such securities to existing shareholders. The aggregate nominal amount of equity securities, which may be allotted in this way shall not exceed £2,207,680.

6. DIVIDENDS

No dividends were declared or paid to shareholders during the year under review.

7. DIRECTORS

The directors of the Company during the year and to the date of this report are disclosed under Corporate Information on page 2 of this report.

8. SECRETARY

The secretary of the Company is Capita Asset Services, a division of Capita Registrars Ltd with address; 1st Floor, 40 Dukes Place, London, EC3A 7NH.

9. AUDITORS

A resolution proposing the re-appointment of the auditors, Saffery Champness, will be put to vote at the annual general meeting.

10. DISCLOSURE OF INFORMATION TO AUDITORS

The directors, who held office at the date of approval of this directors' report, confirm that as far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

11. DIRECTORS' RESPONSIBILITIES AND APPROVAL

The directors are required in terms of the Companies Act 2006 to maintain adequate accounting records and are responsible for the content and integrity of the consolidated annual financial statements and related financial information included in this report. It is their responsibility to ensure that the consolidated annual financial statements fairly present the state of affairs of the Group as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with the applicable UK laws.

The consolidated annual financial statements are prepared in accordance with international financial reporting standards (IFRS) and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates. The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the Group and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined Framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Group and all employees are required to maintain the highest ethical standards in ensuring the Group's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Group is on identifying, assessing, managing and monitoring all known forms of risk across the Group. While operating risk cannot be fully eliminated, the Group endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the consolidated annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The going concern basis has been adopted in preparing the consolidated annual financial statements. The directors have no reason to believe that the Group will not be a going concern in the foreseeable future, based on forecasts and available cash resources. These consolidated annual financial statements support the viability of the Company. The directors have reviewed the Group's financial position at the balance sheet date and for the period ending on the anniversary of the date of approval of these financial statements and they are satisfied that the Group has, or has access to, adequate resources to continue in operational existence for the foreseeable future.

12. RELATED PARTY TRANSACTIONS

Related party transactions are disclosed in note 31.

13. FINANCIAL INSTRUMENTS

For the period under review the Group held no financial instruments, outside of cash and receivables. Financial risk management policies are disclosed in note 34.

14. POLITICAL AND CHARITABLE CONTRIBUTIONS

The Group made no charitable donations (2013: €Nil) and no political donations (2013: €Nil) during the year.

The Company's independent auditors, Saffery Champness, audited the Group's consolidated annual financial statement, and their report is presented on pages 18 to 50.

The Group and Company annual financial statements set out on pages 20 to 50, which have been prepared on the going concern basis, were approved by the board on 5 September 2014 and were signed on its behalf by:

Colin Bird
Chairman - DIRECTOR

5 September 2014

COMPANY NUMBER: 05679987

Independent Auditors' Report

to the members of Galileo Resources Plc

We have audited the Company's financial statements on pages 20 to 50. 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 and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the 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 Group's and the parent Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements, and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of affairs of the Group and the parent company as at 31 March 2014 and of the Group's loss for the year then ended; and
- the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent Company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Andrew Gaskell
Senior Statutory Auditor

For and on behalf of
Saffery Champness
Chartered Accountants
Statutory Auditors
Lion House
Red Lion Street
London
WC1R 4GB

5 September 2014

Saffery Champness
Chartered Accountants
Statutory Auditors

Statements of Financial Position

as at 31 March 2014

		Group		Company	
Figures in Pound Sterling	Note(s)	2014	2013	2014	2013
Assets					
Non Current Assets					
Property, plant and equipment	3	282	826	282	282
Intangible assets	4	6,635,128	8,305,592	–	–
Investments in subsidiaries	5	–	–	10,166,000	10,166,000
Investment in joint ventures	6	2,313,663	2,385,759	–	–
Loans to Group companies	8	79,804	–	4,886,486	4,212,640
Other financial assets	9	328,202	4,065,584	–	3,711,562
		9,357,079	14,757,761	15,052,768	18,090,484
Current Assets					
Other financial assets	9	399,926	61,568	399,926	41,407
Trade and other receivables	11	568	11,452	–	–
Cash and cash equivalents	12	324,819	1,735,074	310,837	1,580,791
		725,313	1,808,094	710,763	1,622,198
Total Assets		10,082,392	16,565,855	15,763,531	19,712,682
Equity and liabilities					
Equity					
Share capital	13	21,603,932	21,603,932	21,603,932	21,603,932
Reserves		(3,736,063)	(1,404,954)	787,139	787,139
Accumulated loss		(7,830,837)	(3,666,343)	(6,659,509)	(2,702,858)
		10,037,032	16,532,635	15,731,562	19,688,213
Liabilities					
Non Current Liabilities					
Other financial liabilities	16	6	8	–	–
Current Liabilities					
Trade and other payables	17	45,354	33,212	31,969	24,469
Total Liabilities		45,360	33,220	31,969	24,469
Total Equity and Liabilities		10,082,392	16,565,855	15,765,531	19,712,682

These financial statements were approved by the directors and authorised for issue on 5 September 2014 and are signed on their behalf by:

Colin Bird **Andrew Sarosi**
5 September 2014

Company number: 05679987

COLIN BIRD
~~CHAIRMAN~~
DIRECTOR

ANDREW SAROSI
DIRECTOR

Statements of Comprehensive Income

		Group		Company	
Figures in Pound Sterling	Note(s)	2014	2013	2014	2013
Revenue					
Operating expenses		(2,991,626)	(1,071,164)	(2,772,682)	(539,231)
Operating loss	19	(2,991,626)	(1,071,164)	(2,772,682)	(539,231)
Investment revenue	20	55,975	36,945	6,031	29,718
Fair value adjustments	21	(1,190,000)	(500,000)	(1,190,000)	(500,000)
Loss from equity accounted investments	6	(38,843)	(113,039)	–	–
Finance costs	23	–	(192,570)	–	–
Loss for the year		(4,164,494)	(1,839,828)	(3,956,651)	(1,009,513)
Other comprehensive income:					
Exchange differences on translating foreign operations		(2,331,109)	(2,196,715)	–	–
Total comprehensive loss for the year		(6,495,603)	(4,036,543)	(3,956,651)	(1,009,513)
Loss per share in Pence (basic and diluted)	27	(4.7)	(2.2)		

All operating expenses and operating losses relate to continuing activities.

Statements of Changes in Equity

Figures in Pound Sterling	Share capital	Share premium	Total share capital	Foreign currency translation reserve	Share based payment reserve	Total reserves	Accumulated loss	Total equity
Group								
Balance at 01 April 2012	3,777,859	12,614,511	16,392,370	4,622	787,139	791,761	(1,826,515)	15,357,616
Loss for the year	–	–	–	–	–	–	(1,839,828)	(1,839,828)
Other comprehensive income	–	–	–	(2,196,715)	–	(2,196,715)	–	(2,196,715)
Total comprehensive loss for the year	–	–	–	(2,196,715)	–	(2,196,715)	(1,839,828)	(4,036,543)
Issue of shares	637,500	4,574,062	5,211,562	–	–	–	–	5,211,562
Total contributions by and distributions to owners of Company recognised directly in equity	637,500	4,574,062	5,211,562	–	–	–	–	5,211,562
Balance at 01 April 2013	4,415,359	17,188,573	21,603,932	(2,192,093)	787,139	(1,404,954)	(3,666,343)	16,532,635
Loss for the year	–	–	–	–	–	–	(4,164,494)	(4,164,494)
Other comprehensive income	–	–	–	(2,331,109)	–	(2,331,109)	–	(2,331,109)
Total comprehensive loss for the year	–	–	–	(2,331,109)	–	(2,331,109)	(4,164,494)	(6,495,603)
Balance at 31 March 2014	4,415,359	17,188,573	21,603,932	(4,523,202)	787,139	(3,736,063)	(7,830,837)	10,037,032
Note(s)	13	13	13	15 & 26			27	
Company								
Balance at 01 April 2012	3,777,859	12,614,511	16,392,370	–	787,139	787,139	(1,693,345)	15,486,164
Loss for the year	–	–	–	–	–	–	(1,009,513)	(1,009,513)
Total comprehensive loss for the year	–	–	–	–	–	–	(1,009,513)	(1,009,513)
Issue of shares	637,500	4,574,062	5,211,562	–	–	–	–	5,211,562
Total contributions by and distributions to owners of Company recognised directly in equity	637,500	4,574,062	5,211,562	–	–	–	–	5,211,562
Balance at 01 April 2013	4,415,359	17,188,573	21,603,932	–	787,139	787,139	(2,702,858)	19,688,213
Loss for the year	–	–	–	–	–	–	(3,956,651)	(3,956,651)
Total comprehensive loss for the year	–	–	–	–	–	–	–	–
Balance at 31 March 2014	4,415,359	17,188,573	21,603,932	–	787,139	787,139	(6,659,509)	15,731,562
Note(s)	13	13	13				27	

Statements of Cash Flows

		Group		Company	
Figures in Pound Sterling	Note(s)	2014	2013	2014	2013
Cash flows from operating activities					
Cash used in operations	28	(809,433)	(959,360)	(467,642)	(580,518)
Interest income		6,032	36,945	6,031	29,718
Finance costs		–	(192,570)	–	–
Net cash from operating activities		**(803,401)**	**(1,114,785)**	**(461,611)**	**(550,800)**
Cash flows from investing activities					
Disposal of property, plant and equipment	3	544	–	–	–
Movement in investments (incl subs, JVs & Assoc)	29	(443,040)	(457,496)	–	–
Loans advanced to Group companies		(79,804)	–	(673,846)	(1,295,654)
Purchase of financial assets		(84,554)	(4,627,147)	(134,497)	(4,252,969)
Net cash from investing activities		**(606,854)**	**(5,084,643)**	**(808,343)**	**(5,548,623)**
Cash flows from financing activities					
Proceeds on share issue	13	–	5,211,562	–	5,211,562
Repayment of other financial liabilities		–	8	–	–
Net cash from financing activities		–	**5,211,570**	–	**5,211,562**
Total cash movement for the year		(1,410,255)	(987,858)	(1,269,954)	(887,864)
Cash at the beginning of the year		1,735,074	2,722,932	1,580,791	2,468,652
Total cash at end of the year	12	**324,819**	**1,735,074**	**310,837**	**1,580,791**

Accounting Policies

1. PRESENTATION OF ANNUAL FINANCIAL STATEMENTS

The consolidated annual financial statements have been prepared in accordance with International Financial Reporting Standards IFRIC interpretations issued by the International Accounting Standards Board and the Companies Act 2006. The consolidated annual financial statements have been prepared on the historical cost basis, except for certain financial instruments at fair value, and incorporate the principal accounting policies set out below. Cost is based on the fair values of the consideration given in exchange for assets and they are presented in Pound Sterling.

1.1 Consolidation

Basis of consolidation

The consolidated annual financial statements incorporate the annual financial statements of the Company and all entities, including special purpose entities, which are controlled by the Company.

Control exists when the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries are included in the consolidated annual financial statements from the effective date of acquisition to the effective date of disposal.

Adjustments are made when necessary to the annual financial statements of subsidiaries to bring their accounting policies in line with those of the Group.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Non-controlling interests in the net assets of consolidated subsidiaries are identified and recognised separately from the Group's interest therein, and are recognised within equity. Losses of subsidiaries attributable to non-controlling interests are allocated to the non-controlling interest even if this results in a debit balance being recognised for non-controlling interest.

Transactions which result in changes in ownership levels, where the Group has control of the subsidiary both before and after the transaction are regarded as equity transactions and are recognised directly in the statement of changes in equity.

The difference between the fair value of consideration paid or received and the movement in non-controlling interest for such transactions is recognised in equity attributable to the owners of the parent.

Where a subsidiary is disposed of and a non-controlling shareholding is retained, the remaining investment is measured to fair value with the adjustment to fair value recognised in profit or loss as part of the gain or loss on disposal of the controlling interest.

Business combinations

The Group accounts for business combinations using the acquisition method of accounting. The cost of the business combination is measured as the aggregate of the fair values of assets given, liabilities incurred or assumed and equity instruments issued. Costs directly attributable to the business combination are expensed as incurred, except the costs to issue debt which are amortised as part of the effective interest and costs to issue equity which are included in equity.

Contingent consideration is included in the cost of the combination at fair value as at the date of acquisition. Subsequent changes to the assets, liability or equity which arise as a result of the contingent consideration are not affected against goodwill, unless they are valid measurement period adjustments.

The acquiree's identifiable assets, liabilities and contingent liabilities which meet the recognition conditions of IFRS 3 Business combinations are recognised at their fair values at acquisition date, except for non-current assets (or disposal group) that are classified as held-for-sale in accordance with IFRS 5 Non-current assets held-for-sale and discontinued operations, which are recognised at fair value less costs to sell.

Contingent liabilities are only included in the identifiable assets and liabilities of the acquiree where there is a present obligation at acquisition date.

On acquisition, the Group assesses the classification of the acquiree's assets and liabilities and reclassifies them where the classification is inappropriate for Group purposes. This excludes lease agreements and insurance contracts, whose classification remains as per their inception date.

Non-controlling interests arising from a business combination, which are present ownership interests, and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation, are measured either at the present ownership interests' proportionate share in the recognised amounts of the acquiree's identifiable net assets or at fair value. The treatment is not an accounting policy choice but is selected for each individual business combination, and disclosed in the note for business combinations. All other components of non-controlling interests are measured at their acquisition date fair values, unless another measurement basis is required by IFRS's.

1. PRESENTATION OF ANNUAL FINANCIAL STATEMENTS (continued)

In cases where the Group held a non-controlling shareholding in the acquiree prior to obtaining control, that interest is measured to fair value as at acquisition date. The measurement to fair value is included in profit or loss for the year. Where the existing shareholding was classified as an available-for-sale financial asset, the cumulative fair value adjustments recognised previously to other comprehensive income and accumulated in equity are recognised in profit or loss as a reclassification adjustment.

Goodwill is determined as the consideration paid, plus the fair value of any shareholding held prior to obtaining control, plus non-controlling interest and less the fair value of the identifiable assets and liabilities of the acquiree.

Goodwill is not amortised but is tested on an annual basis for impairment. If goodwill is assessed to be impaired, that impairment is not subsequently reversed.

Goodwill arising on acquisition of foreign entities is considered an asset of the foreign entity. In such cases the goodwill is translated to the functional currency of the Group at the end of each reporting period with the adjustment recognised in equity through to other comprehensive income.

Investment in associates

An associate is an entity over which the Group has significant influence and which is neither a subsidiary nor a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

An investment in associate is accounted for using the equity method, except when the investment is classified as held-for-sale in accordance with IFRS 5 Non-current assets held-for-sale and discontinued operations. Under the quity method, investments in associates are carried in the consolidated statement of financial position at cost adjusted for post-acquisition changes in the Group's share of net assets of the associate, less any impairment losses.

Losses in an associate in excess of the Group's interest in that associate are recognised only to the extent that the Group has incurred a legal or constructive obligation to make payments on behalf of the associate.

Any goodwill on acquisition of an associate is included in the carrying amount of the investment; however, a gain on acquisition is recognised immediately in profit or loss.

Profits or losses on transactions between the Group and an associate are eliminated to the extent of the Group's interest therein.

When the Group reduces its level of significant influence or loses significant influence, the Group proportionately reclassifies the related items which were previously accumulated in equity through other comprehensive income to profit or loss as a reclassification adjustment. In such cases, if an investment remains, that investment is measured to fair value, with the fair value adjustment being recognised in profit or loss as part of the gain or loss on disposal.

Interests in joint ventures

A joint venture is a contractual agreement whereby the Group and other parties undertake an economic activity that is subject to joint control that is when the strategic financial and operating policy decisions relating to the activities of the joint venture require the unanimous consent of the parties sharing control.

Jointly controlled entities

An interest in a jointly controlled entity is accounted for using the equity method, except when the investment is classified as held-for-sale in accordance with IFRS 5 Non-current assets held-for-sale and discontinued operations. Under the equity method, interests in jointly controlled entities are carried in the consolidated statement of financial position at cost adjusted for post-acquisition changes in the Group's share of net assets of the jointly controlled entity, less any impairment losses. Profits or losses on transactions between the Group and a joint venture are eliminated to the extent of the Group's interest therein.

When the Group loses joint control, the Group proportionately reclassifies the related items which were previously accumulated in equity through other comprehensive income to profit or loss as a reclassification adjustment. In such cases, if an investment remains, that investment is measured to fair value, with the fair value adjustment being recognised in profit or loss as part of the gain or loss on disposal.

1.2 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgements include:

Options granted

Management used the ABC model to determine the value of the options issued at listing date and will use the Black Scholes Formula for subsequent options being granted. Additional details regarding the estimates are included in note 14 – Share based payments.

Fair value estimation

The fair value of financial instruments traded in active markets (such as trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price.

The fair value of financial instruments that are not traded in an active market (for example, over the counter derivatives) is determined by using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at the end of each reporting period. Quoted market prices or dealer quotes for similar instruments are used for long-term debt. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows. The fair value of forward foreign exchange contracts is determined using quoted forward exchange rates at the end of the reporting period.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

1.3 Property, plant and equipment

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits associated with the item will flow to the Company; and
- the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Average useful life
Furniture and fixtures	5 years
Computer equipment	3 years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting period. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

The depreciation charge for each period is recognised in profit or loss unless it is included in the carrying amount of another asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in profit or loss when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

1.4 Exploration and evaluation costs

Exploration and evaluation costs, including the costs of acquiring licences, are capitalised as exploration and evaluation assets on an area of interest basis.

Exploration and evaluation assets are only recognised if the rights of the area of interest are current and either:

(i) the expenditures are expected to be recouped through successful development and exploitation of the area of interest;

or

(ii) activities in the area of interest have not at the reporting date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are assessed for impairment if:

(i) sufficient data exist to determine technical feasibility and commercial viability and

(ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount. For the purposes of impairment testing, exploration and evaluation assets are allocated to cash-generating units (CGU) to which the exploration activity related.

Exploration and evaluation assets are carried forward in the balance sheet under intangible assets.

1.5 Investments in subsidiaries

Company annual financial statements

In the Company's separate annual financial statements, investments in subsidiaries are carried at:

1. PRESENTATION OF ANNUAL FINANCIAL STATEMENTS (continued)

The cost of an investment in a subsidiary is the aggregate of:

- the fair value, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Company; plus
- any costs directly attributable to the purchase of the subsidiary.

An adjustment to the cost of a business combination contingent on future events is included in the cost of the combination if the adjustment is probable and can be measured reliably.

1.6 Investment in joint ventures

Company annual financial statements

An investment in a joint venture is carried at cost less any accumulated impairment.

In respect of its interests in jointly controlled operations, the Company recognises in its annual financial statements:

- the assets that it controls and the liabilities that it incurs; and
- the expenses that it incurs and its share of the income that it earns from the sale of goods or services by the joint venture.

In respect of its interest in jointly controlled assets, the Company recognises in its annual financial statements:

- its share of the jointly controlled assets, classified according to the nature of the assets;
- any liabilities that it has incurred;
- its share of any liabilities incurred jointly with the other venturers in relation to the joint venture;
- any income from the sale or use of its share of the output of the joint venture, together with its share of any expenses incurred by the joint venture; and
- any expenses that it has incurred in respect of its interest in the joint venture.

1.7 Investments in associates

Company annual financial statements

An investment in an associate is carried at cost less any accumulated impairment.

1.8 Financial instruments

Classification

The Group classifies financial assets and financial liabilities into the following categories:

- Financial assets at fair value through profit or loss designated
- Loans and receivables
- Financial liabilities measured at amortised cost

Classification depends on the purpose for which the financial instruments were obtained/incurred and takes place at initial recognition. Classification is reassessed on an annual basis, except for derivatives and financial assets designated as at fair value through profit or loss, which shall not be classified out of the fair value through profit or loss category.

Initial recognition and measurement

Financial instruments are recognised initially when the Group becomes a party to the contractual provisions of the instruments.

The Group classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial instruments are measured initially at fair value, except for equity investments for which a fair value is not determinable, which are measured at cost and are classified as available-for-sale financial assets.

For financial instruments which are not at fair value through profit or loss, transaction costs are included in the initial measurement of the instrument.

Transaction costs on financial instruments at fair value through profit or loss are recognised in profit or loss.

Regular way purchases of financial assets are accounted for at trade date.

Subsequent measurement

Financial instruments at fair value through profit or loss are subsequently measured at fair value, with gains and losses arising from changes in fair value being included in profit or loss for the period.

Net gains or losses on the financial instruments at fair value through profit or loss exclude dividends and interest.

Dividend income is recognised in profit or loss as part of other income when the Group's right to receive payment is established.

Loans and receivables are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment losses.

Financial liabilities at amortised cost are subsequently measured at amortised cost, using the effective interest method.

Loans to (from) Group companies

These include loans to and from holding companies, fellow subsidiaries, subsidiaries, joint ventures and associates and are recognised initially at fair value plus direct transaction costs.

Loans to Group companies are classified as loans and receivables.

Loans from Group companies are classified as financial liabilities measured at amortised cost.

Inter-Company loans bear no interest.

Trade and other receivables

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

Trade and other receivables are classified as loans and receivables.

Trade and other payables

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

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

1.9 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, to other comprehensive income, or
- a business combination.

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly in equity.

1.10 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset. This liability is not discounted.

Any contingent rents are expensed in the period they are incurred.

1.11 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

1.12 Share based payments

Goods or services received or acquired in a share based payment transaction are recognised when the goods or as the services are received. A corresponding increase in equity is recognised if the goods or services were received in an equity-settled share based payment transaction or a liability if the goods or services were acquired in a cash-settled share based payment transaction.

1. PRESENTATION OF ANNUAL FINANCIAL STATEMENTS (continued)

When the goods or services received or acquired in a share based payment transaction do not qualify for recognition as assets, they are recognised as expenses.

For equity-settled share based payment transactions the goods or services received and the corresponding increase in equity are measured, directly, at the fair value of the goods or services received provided that the fair value can be estimated reliably.

If the fair value of the goods or services received cannot be estimated reliably, or if the services received are employee services, their value and the corresponding increase in equity, are measured, indirectly, by reference to the fair value of the equity instruments granted.

Vesting conditions which are not market related (i.e. service conditions and non-market related performance conditions) are not taken into consideration when determining the fair value of the equity instruments granted. Instead, vesting conditions which are not market related shall be taken into account by adjusting the number of equity instruments included in the measurement of the transaction amount so that, ultimately, the amount recognised for goods or services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest. Market conditions, such as a target share price, are taken into account when estimating the fair value of the equity instruments granted. The number of equity instruments are not adjusted to reflect equity instruments which are not expected to vest or do not vest because the market condition is not achieved.

If the share based payments granted do not vest until the counterparty completes a specified period of service, Group accounts for those services as they are rendered by the counterparty during the vesting period, (or on a straight line basis over the vesting period).

If the share based payments vest immediately the services received are recognised in full.

1.13 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

1.14 Revenue

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the end of the reporting period. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group;
- the stage of completion of the transaction at the end of the reporting period can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue shall be recognised only to the extent of the expenses recognised that are recoverable.

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business, net of trade discounts and volume rebates, and value added tax.

Interest is recognised, in profit or loss, using the effective interest rate method.

Service fees included in the price of the product are recognised as revenue over the period during which the service is performed.

1.15 Translation of foreign currencies

Functional and presentation currency

Items included in the annual financial statements of each of the Group entities are measured using the currency of the primary economic environment in which the entity operates (functional currency).

The consolidated annual financial statements are presented in Pound Sterling which is the Group functional and presentation currency.

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in Rands, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of the reporting period:

- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous annual financial statements are recognised in profit or loss in the period in which they arise.

When a gain or loss on a non-monetary item is recognised to other comprehensive income and accumulated in equity, any exchange component of that gain or loss is recognised to other comprehensive income and accumulated in equity. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

Cash flows arising from transactions in a foreign currency are recorded in Rand by applying to the foreign currency amount the exchange rate between the Rand and the foreign currency at the date of the cash flow.

Investments in subsidiaries, joint ventures and associates

The results and financial position of a foreign operation are translated into the functional currency using the following procedures:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- income and expenses for each item of profit or loss are translated at exchange rates at the dates of the transactions; and
- all resulting exchange differences are recognised to other comprehensive income and accumulated as a separate component of equity.

Exchange differences arising on a monetary item that forms part of a net investment in a foreign operation are recognised initially to other comprehensive income and accumulated in the translation reserve. They are recognised in profit or loss as a reclassification adjustment through to other comprehensive income on disposal of net investment.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of that foreign operation are treated as assets and liabilities of the foreign operation.

The cash flows of a foreign subsidiary are translated at the exchange rates between the functional currency and the foreign currency at the dates of the cash flows.

1.16 Going concern

The going concern basis has been adopted in preparing the consolidated annual financial statements. The directors have no reason to believe that the Group will not be a going concern in the foreseeable future, based on forecasts and available cash resources. These consolidated annual financial statements support the viability of the Company. The directors have reviewed the Group's financial position at the balance sheet date and for the period ending on the anniversary of the date of approval of these financial statements, they are satisfied that the Group has or has access to adequate resources to continue in operational existence for the foreseeable future.

2. NEW STANDARDS AND INTERPRETATIONS

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the Group has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

IFRS 13 Fair Value Measurement

New standard setting out guidance on the measurement and disclosure of items measured at fair value. The Group has adopted this standard and includes appropriate disclosure in the notes to the financial statements.

Changes in accounting policies and disclosures

Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), which comprise standards and interpretations approved by the International Accounting Standards Board (IASB), the International Financial Reporting Interpretations Committee (IFRIC), the International Accounting Standards and Standards Interpretations Committee Interpretations approved by the International Accounting Standards Committee (IASC) that remain in effect as at 31 March 2014 and to the extent that they have been adopted by the European Union.

In the current year the following significant and new and revised standards, amendments and interpretations were effective but did not effect amounts reported in these financial statements but may effect future periods:

- IFRS 7 (amendments as part of improvements to IFRSs issued in 2011), 'Financial Instruments: Disclosures', effective for annual periods beginning on or after 1 January 2013. The amendments to IFRS 7 clarify the required level of disclosures about offsetting financial assets and financial liabilities;
- IFRS 9 (amendments as part of improvements to IFRSs issued in 2010), 'Financial Instruments: Recognition and Measurement', effective for annual periods beginning on or after 1 January 2013. The amendments introduce new requirements for the classification and measurement of financial assets and financial liabilities and for derecognition;
- IFRS 10 (Standards issued in 2011), 'Consolidated Financial Statements', effective for annual periods beginning on or after 1 January 2013. The objective of IFRS 10 is to establish principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities, in replacement of IAS 27;
- IFRS 12 (Standards issued in 2011), 'Disclosure of interests in other entities', effective for annual periods beginning on or after 1 January 2013. The objective of IFRS 12 is to require disclosure of information that enables users of financial statements to evaluate interests in other entities;
- IAS 16 (amendments as part of improvements to IFRSs issued in 2011), 'Property, Plant and Equipment', effective for annual periods beginning on or after 1 January 2013. The amendments relate to classification of servicing equipment;
- IAS 19 (amendments as part of improvements to IFRSs issued in 2011), 'Employee benefits', effective for annual periods beginning on or after 1 January 2013. The amendments eliminate the use of the 'corridor' approach and instead mandate all re-measurement impacts be recognised in OCI, and extends these requirements to all long-term employee benefits;
- IAS 32 (amendments as part of improvements to IFRSs issued in 2012), 'Financial Instruments: Presentation', effective for annual periods beginning on or after 1 January 2013. The amendments relate to the tax effect of equity distributions;
- IAS 34 (amendments as part of improvements to IFRSs issued in 2012), 'Interim Financial Reporting', effective for annual periods beginning on or after 1 January 2013. The amendments relate to the interim reporting of segmental assets.

Applicable new standards and amendments to existing standards not yet effective

The following new standards and amendments to existing standards that are relevant to the Company, have been issued but are not effective for the year ending 31 March 2014 and have not been early adopted:

- IFRS 2 (Annual Improvements for 2010 – 2012 Cycle), 'Share based Payment', effective for annual periods beginning on or after 1 July 2014. The amendments to IFRS 2 clarify the definition of 'vesting condition' and 'market condition' and add definitions for 'performance condition' and 'service condition';
- IFRS 3 (Annual Improvements for 2010 – 2012 Cycle), 'Business Combinations', effective for annual periods beginning on or after 1 July 2014. The amendment to IFRS 3 clarifies that contingent consideration that is classified as an asset or a liability shall be measured at fair value at each reporting date;
- IFRS 8 (Annual Improvements for 2010 – 2012 Cycle), 'Operating Segments', effective for annual periods beginning on or after 1 July 2014. The amendments require an entity to disclose the judgements made by management in applying the aggregation criteria to operating segments and clarifies that an entity shall only provide reconciliations of the total of the reportable segments' assets to the entity's assets if the segments' assets are reported regularly.
- IFRS 9, 'Financial Instruments – Classification and Measurement', effective for annual periods beginning on or after 1 January 2015. The standard reflects the first phase of the IASB's three stage project to replace IAS 39. The first phase deals with the classification and measurement of financial assets and financial liabilities.

The Company will also consider the impact of the remaining phases of IFRS 9 when completed by the IASB;

- IFRS 10, 'Consolidated Financial Statements', effective for annual periods beginning on or after 1 January 2014. This standard replaces the consolidation sections of IAS 27 and SIC 12. The standard sets out a new definition of control, which exists only when an entity is exposed to, or has rights to, variable returns from its involvement with the entity, and has the ability to effect those returns through power over the investee;
- IFRS 11, 'Joint Arrangements', effective for annual periods beginning on or after 1 January 2014. The standard replaces IAS 31 and SIC 13. The standard defines a Joint Arrangement as existing only when decisions about relevant activities require the unanimous consent of the parties sharing joint control in terms of a contractual arrangement;
- IFRS 12, 'Disclosure of Interests in Other Entities', effective for annual periods beginning on or after 1 January 2014. The standard sets out disclosure requirements for investments in subsidiaries, associates, joint ventures and unconsolidated structured entities. The disclosures are aimed to provide information about the significance and exposure to risks of such interests. The most significant impact is in the disclosure requirement for unconsolidated structured entities or off-balance sheet vehicles;
- IFRS 13 (Annual Improvements for 2010 – 2012 Cycle), 'Fair Value Measurement', effective for annual periods beginning on or after 1 July 2014. The amendment clarifies that issuing IFRS 13 and amending IFRS 9 and IAS 39 did not remove the ability to measure short-term receivables and payables with no stated interest rate at their invoice amounts without discounting if the effect of not discounting is immaterial;
- IAS 16 (Annual Improvements for 2010 – 2012 Cycle), 'Property, Plant and Equipment', effective for annual periods beginning on or after 1 July 2014. The amendment clarifies that when an item of PPE is revalued the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount;
- IAS 19, 'Employee Benefits Revised', effective for annual periods beginning on or after 1 January 2014. The amendment revises the recognition of changes in the net defined liability/(asset) including immediate recognition of defined benefit cost, disaggregation of defined benefit cost into components, recognition of re-measurements in profit or loss, plan amendments, curtailments and settlements;
- IAS 24 (Annual Improvements for 2010 – 2012 Cycle), 'Related Party Disclosures', effective for annual periods beginning on or after 1 July 2014. The amendment clarifies that an entity providing key management personnel services to the reporting entity or to the parent of the reporting entity is a related party of the reporting entity;
- IAS 27, 'Separate Financial Statements', effective for annual periods beginning on or after 1 January 2014. The standard is a consequential amendment as a result of IFRS 10. The amended standard now only deals with separate financial statements;
- IAS 28, 'Investments in Associates', effective for annual periods beginning on or after 1 January 2014. The amendment changes the name to 'Investments in Associates and Joint Ventures' and prescribes the application of the equity method when accounting for investments in associates and joint ventures;
- IAS 32, 'Financial Instruments: Presentation', effective for annual periods beginning on or after 1 January 2014. The amendment offers clarification of certain aspects concerning the requirements for offsetting financial assets and financial liabilities;
- IAS 36, 'Impairment of Assets', effective for annual periods beginning on or after 1 January 2014. The amendment clarifies the disclosures required in respect of recoverable amounts;
- IAS 38 (Annual Improvements for 2010 – 2012 Cycle), 'Intangible Assets', effective for annual periods beginning on or after 1 July 2014. The amendment clarifies that when an intangible asset is revalued the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount.

The effect of the new standards and interpretations are not expected to result in a material adjustment to the consolidated financial statements.

3. PROPERTY, PLANT AND EQUIPMENT

Group	2014			2013		
	Cost/ Valuation	Accumulated depreciation	Carrying value	Cost/ Valuation	Accumulated depreciation	Carrying value
Furniture and fixtures	282	–	282	282	–	282
Computer software	–	–	–	544	–	544
Total	282	–	282	826	–	826

Company	2014			2013		
	Cost/ Valuation	Accumulated depreciation	Carrying value	Cost/ Valuation	Accumulated depreciation	Carrying value
Furniture and fixtures	282	–	282	282	–	282

Reconciliation of property, plant and equipment

	Group – 2014			Group – 2013		
	Opening balance	Disposals	Total	Opening balance	Foreign exchange movements	Total
Furniture and fixtures	282	–	282	282	–	282
Computer software	544	(544)	–	615	(71)	544
	826	(544)	282	897	(71)	826

Reconciliation of property, plant and equipment

	Company – 2014		Company – 2013	
	Opening balance	Total	Opening balance	Total
Furniture and fixtures	282	282	282	282

A register containing the information required by Regulation 25(3) of the Companies Regulations, 2011 is available for inspection at the registered office of the Company.

4. INTANGIBLE ASSETS

Group	2014			2013		
	Cost/ Valuation	Accumulated depreciation	Carrying value	Cost/ Valuation	Accumulated depreciation	Carrying value
Exploration and evaluation asset	6,635,128	–	6,635,128	8,305,592	–	8,305,592

4. INTANGIBLE ASSETS (continued)

Reconciliation of intangible assets

	Group – 2014			Group – 2013		
	Opening balance	Foreign exchange movements	Total	Opening balance	Foreign exchange movements	Total
Exploration and evaluation asset	8,305,592	(1,670,464)	6,635,128	10,174,642	(1,869,050)	8,305,592

The exploration and evaluation asset is a South African Rand denominated asset. It is carried at cost adjusted for any foreign currency movements during the period under review.

No amortisation is recognised in respect of exploration expenditure. Amortisation of evaluation asset will start once mining commences on the related exploration and evaluation asset. The period of amortisation will be the estimated life of the mine.

5. INVESTMENTS IN SUBSIDIARIES

Name of company	Held by	% voting power 2014	% voting power 2013	Carrying amount 2014	Carrying amount 2013
Skiptons Global Investments Ltd – Incorporated in British Virgin Islands		100.00	100.00	10,166,000	10,166,000
Galileo Resources SA (Proprietary) Limited – Incorporated in the Republic of South Africa		100.00	100.00	–	–
				10,166,000	10,166,000

The carrying amounts of subsidiaries are shown net of impairment losses.

Galileo Resources Plc holds 100% of the issued share capital in Galileo Resources SA (Proprietary) Limited, incorporated in the Republic of South Africa, through its fully owned subsidiary, Skiptons Global Investment Ltd (BVI).

The principal activity of Galileo Resources SA (Proprietary) Limited is the same as that of Galileo Resources Plc.

6. INVESTMENT IN JOINT VENTURES

Name of company	% holding 2014	% holding 2013	Carrying amount 2014	Carrying amount 2013
Glenover Phosphate (Proprietary) Limited	33.99	29.71	2,313,663	2,385,759

Glenover Phosphate (Proprietary) Limited (Glenover) – Incorporated in the Republic of South Africa

Galagen Proprietary Limited (Galogen) – Incorporated in the Republic of South Africa

Galileo's direct investment in Glenover is 29% and it also has an indirect investment in Glenover through its shareholding in Galagen of 4.99% resulting in a total economic interest in Glenover of 33.99%. Galileo is currently carrying the BEE in terms of its interest in Glenover. The shareholders are currently reviewing the funding of the BEE interest in the project.

The carrying amounts of Joint ventures are shown net of impairment losses.

Galileo's share of the equity accounted profit/loss for the Joint Venture is recognised from the date of acquisition on 4 July 2011.

6. INVESTMENT IN JOINT VENTURES (continued)

Summary of Groups interest in joint venture

	Group 2014	Group 2013
Carrying value at the beginning of the year	2,385,759	1,519,841
Additional investment	443,040	457,496
Loan conversion	–	692,273
Effect of change in translation currency	(476,293)	(170,812)
Equity accounted loss for the year	(38,843)	(113,039)
Carrying value at year end	2,313,663	2,385,759
The Group's share of the Joint Venture investment in Glenover Phosphate (Pty) Ltd		
Summary of the Group's interests in the Joint Venture.		
Current assets	21,184	32,587
Non-current assets	724,791	265,975
Current liabilities	(12,373)	(599)
Non-current liabilities	(26,438)	–
Net assets	707,164	297,963
Income	526	12,794
Expenses	(39,369)	(125,833)
Equity accounted loss for the year	(38,843)	(113,039)

In terms of the funding arrangement between the shareholders of Glenover, Galileo South Africa's obligation to complete its funding expired on 3 January 2014. Funding from this date onwards is done through a combination of convertible loans from existing shareholders or alternatively from third party funding.

7. INVESTMENTS IN ASSOCIATES

Name of company	Listed/ Unlisted	% holding 2014	% holding 2013	Carrying amount 2014	Carrying amount 2013
Brightwater Trade and Invest 55 (Pty) Ltd	Unlisted	49.00	49.00	–	–

The carrying amounts of Associates are shown net of impairment losses.

The Group has discontinued recognising its share of the losses of Brightwater Trade and Invest 55 (Pty) Ltd, as the investment is held at £ nil and the Group has no obligation for any losses of the associate. The total unrecognised losses for the current period amount to £– (2013: £–). The accumulated unrecognised losses to date amount to £– (2013: £–).

8. LOANS TO GROUP COMPANIES

	Group		Company	
Figures in Pound Sterling	2014	2013	2014	2013
Subsidiaries				
Galileo Resources SA (Proprietary) Limited	–	–	4,884,842	4,210,996
Skiptons Global Investment Ltd	–	–	1,644	1,644
	–	–	4,886,486	4,212,640
Joint ventures				
Glenover	79,804	–	–	–

9. OTHER FINANCIAL ASSETS

	Group		Company	
Figures in Pound Sterling	2014	2013	2014	2013
At fair value through profit or loss – designated				
Praetorian Resources Ltd incorporated in Guernsey	310,000	1,500,000	310,000	1,500,000
The listed investment in Praetorian is carried at its market price on 31 March 2014 which approximates its fair value at that date.				
Galagen – Ordinary shares	10	12	–	–
Galagen – B Preference shares	324,255	352,958	–	–
	634,265	1,852,970	310,000	1,500,000

The investment in Praetorian Resources was reclassified as a current asset as the investment disposed subsequent to the period under review.

The above non-listed preference share investment represents the "B" class zero% coupon rate preference shares issued by Galagen for its investment in Glenover as part of the BBBEE transaction.

Preference share dividends are not receivable as the share are represented by zero percent coupon rate and are only redeemable after 3 years under the following terms:

The terms and conditions of the B Preference Shares state that "for so long as any A Preference Shares remain outstanding, the Company shall be obliged, in priority to and before any provision for, or payment of, any Distribution on any other class of Share in the capital of the Company which does not rank pari passu with the B Preference Shares, to utilize 70% of the balance of the Glenover Distributions after the Distribution payable to the A Preference Shares, to redeem the B Preference Shares pro rata with the Holders of all other B Preference Shares; and after there are no further A Preference Shares outstanding, the Company shall be obliged, in priority to and before any provision for, or payment of, any Distribution on any other class of Share in the capital of the Company which does not rank pari passu with the B Preference Shares, to utilise 70% of all Glenover Distributions to redeem the B Preference Shares pro rata with the Holders of all other B Preference Shares. The fair value of this preference share investment is estimated by discounting expected future cash flows using an appropriate market related discount rate assessed at 15%. Refer to note 20 and 23 for details of the interest so recognised.

9. OTHER FINANCIAL ASSETS (continued)

	Group		Company	
Figures in Pound Sterling	2014	2013	2014	2013
Loans and receivables				
Rare Earth International incorporated in the British Virgin Islands	–	2,273,130	–	2,252,969
Galagen	93,863	1,052	89,926	–
This loan bears no interest and has no fixed terms of repayment.				
	93,863	2,274,182	89,926	2,252,969
Total other financial assets	728,128	4,127,152	399,926	3,752,969
Non-current assets				
At fair value through profit or loss – designated	324,265	1,852,970	–	1,500,000
Loans and receivables	3,937	2,212,614	–	2,211,562
	328,202	4,065,584	–	3,711,562
Current assets				
Loans and receivables	399,926	61,568	399,926	41,407
	728,128	4,127,152	399,926	3,752,969

Fair value hierarchy of financial assets at fair value through profit or loss.

For financial assets recognised at fair value, disclosure is required of a fair value hierarchy which reflects the significance of the inputs used to make the measurements.

Level 1 represents those assets which are measured using unadjusted quoted prices for identical assets.

Level 2 applies inputs other than quoted prices that are observable for the assets either directly (as prices) or indirectly (derived from prices).

Level 3 applies inputs which are not based on observable market data.

	Group		Company	
Figures in Pound Sterling	2014	2013	2014	2013
Level 1 – Listed shares	310,000	1,500,000	310,000	1,500,000
Level 3 – Class 1 Unlisted ordinary shares	10	12	–	–
Class 2 Unlisted preference shares	324,265	352,958	–	–
	324,275	352,970	–	–
	634,275	1,852,970	310,000	1,500,000

9. OTHER FINANCIAL ASSETS (continued)

Reconciliation of financial assets at fair value through profit or loss measured at level 3

Reconciliation of Class 1 – 2014

	Opening balance	Foreign exchange movement	Total
Unlisted ordinary shares	12	(2)	10

Reconciliation of Class 1 – 2013

	Opening balance	Purchases	Total
Unlisted ordinary shares	–	12	12

Reconciliation of Class 2 – 2014

	Opening balance	Gains or losses in profit or loss	Foreign exchange movement	Total
Unlisted preference shares	352,958	46,540	(75,233)	324,265

The fair value measurement relates to gains/(losses) on the financial asset, recorded in the Statement of Income within investment revenue (see note 20).

The foreign exchange movement is recorded in other comprehensive income.

Reconciliation of Class 2 – 2013

	Opening balance	Purchases	Total
Unlisted preference shares	–	352,958	352,958

Impact of changes in assumptions – level 3

The Group has not reclassified any financial assets from cost or amortised cost to fair value, or from fair value to cost or amortised cost during the current or prior year.

10. FINANCIAL ASSETS BY CATEGORY

The accounting policies for financial instruments have been applied to the line items below:

	Group – 2014			Group – 2013		
	Loans and receivables	Fair value through profit or loss – designated	Total	Loans and receivables	Fair value through profit or loss – designated	Total
Other financial assets	93,863	634,265	728,128	2,274,182	1,852,970	4,127,152
Trade and other receivables	568	–	568	11,452	–	11,452
Cash and cash equivalents	324,819	–	324,819	1,735,074	–	1,735,074
	419,250	634,265	1,053,515	4,020,708	1,852,970	5,873,678

10. FINANCIAL ASSETS BY CATEGORY (continued)

	Company – 2014			Company – 2013		
	Loans and receivables	Fair value through profit or loss – designated	Total	Loans and receivables	Fair value through profit or loss – designated	Total
Loans to Group companies	4,886,486	–	4,886,486	4,212,640	–	4,212,640
Other financial assets	89,926	310,000	399,926	2,252,696	1,500,000	3,752,696
Trade and other receivables	310,837	–	310,837	1,580,781	–	1,580,781
	5,287,249	310,000	5,597,249	8,046,117	1,500,000	9,546,117

	Group		Company	
Figures in Pound Sterling	2014	2013	2014	2013

11. TRADE AND OTHER RECEIVABLES

Trade receivables	–	9,101	–	–
Prepayments	568	2,351	–	–
	568	11,452	–	–

The directors consider that the carrying amount of trade and other receivables approximates to fair value.

12. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of:

Cash on hand	62	62	–	–
Bank balances	324,757	1,735,012	310,837	1,580,791
	324,819	1,735,074	310,837	1,580,791

Credit quality of cash at bank and short term deposits, excluding cash on hand

The credit quality of cash at bank and short term deposits, excluding cash on hand that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or historical information about counterparty default rates:

Credit rating				
F1 + (ZAF)	324,757	1,735,012	–	–
Not rated	62	62	–	–
	324,819	1,735,074	–	–

13. SHARE CAPITAL

Reconciliation of number of shares issued:				
Reported as at 01 April 2013	88,307,183	75,557,183	88,307,183	75,557,183
Issues for cash	–	2,500,000	–	2,500,000
Acquisitions	–	10,250,000	–	10,250,000
	88,307,183	88,307,183	88,307,183	88,307,183
Issued				
Ordinary	4,415,359	4,415,359	4,415,359	4,415,359
Share premium	17,188,573	17,188,573	17,188,573	17,188,573
	21,603,932	21,603,932	21,603,932	21,603,932

14. SHARE BASED PAYMENTS

Share Option Group	Number
Outstanding at the beginning of the year	4,945,000
Outstanding at the end of the year	4,945,000

No options were granted during the financial period under review.

Outstanding options	Exercise from grant date
Options exercisable at £ 0.23 on or before 01/09/2016	3,850,000
Options exercisable at € 0.23 on or before 19/01/2017	1,095,000

A summary of options held by directors at year end are given below

Name	Number of options
Colin Bird	500,000
Chris Molefe	250,000
Richard Wollenberg	2,500,000
Andrew Sarosi	250,000

The above options were granted to the directors on 1 October 2011 at a strike price of € 0.23 per share. The options are exercisable at any time during a five year period from the date of grant. The holders of options may exercise them at any time up to 1 September 2016.

Options are valued using the Black Scholes model, a commonly used option pricing model. The calculation of volatility used in the model is based upon the share price and equity instrument movements during the financial period. The following factors are all taken into consideration when the options are valued:

- Weighted average share price
- Expected volatility
- Expected dividends
- Stock price
- Exercise price
- Option life
- Risk free interest rate and

The above model applies to all grants made after 1 October 2011. No new grants were made during the period under review. Share based payments represent the value of unexercised share options to directors and employees. The charge for share options to profit and loss amounted to € nil (2013: € nil).

15. FOREIGN CURRENCY TRANSLATION RESERVE

Translation reserve comprises exchange differences on consolidation of foreign subsidiaries, foreign exchange profits or losses on inter-company loan accounts and revaluation of foreign intangibles recognised as part of a business combination.

	Group		Company	
Figures in Pound Sterling	2014	2013	2014	2013
Exchange differences on consolidation of foreign subsidiaries	(354,286)	76,801	–	–
Foreign exchange profits or losses on inter-company loan accounts	(629,386)	(399,862)	–	–
Foreign intangibles recognised as part of a business combination	(3,539,530)	(1,869,032)	–	–
	(4,523,202)	(2,192,093)	–	–

	Group		Company	
Figures in Pound Sterling	2014	2013	2014	2013

16. OTHER FINANCIAL LIABILITIES

Held at amortised cost				
Fer-Min-Ore (Pty) Ltd	6	8	–	–
No interest and no fixed terms of repayment				
Non-current liabilities				
At amortised cost	6	8	–	–

17. TRADE AND OTHER PAYABLES

Trade payables	19,009	8,747	7,504	4
Accrued expense	26,345	24,465	24,465	24,465
	45,354	33,212	31,969	24,469

18. FINANCIAL LIABILITIES BY CATEGORY

The accounting policies for financial instruments have been applied to the line items below:

	Group – 2014		Group – 2013	
	Financial liabilities at amortised cost	Total	Financial liabilities at amortised cost	Total
Other financial liabilities	6	6	8	8
Trade and other payables	45,354	45,354	33,212	33,212
	45,360	45,360	33,220	33,220

18. FINANCIAL LIABILITIES BY CATEGORY (continued)

	Company – 2014		Company – 2013	
	Financial liabilities at amortised cost	Total	Financial liabilities at amortised cost	Total
Trade and other payables	31,969	31,969	24,469	24,469

	Group		Company	
Figures in Pound Sterling	2014	2013	2014	2013

19. OPERATING LOSS

Operating loss for the year is stated after accounting for the following:				
Operating lease charges				
Premises Contractual amounts	35,682	45,760	16,855	–
Motor vehicles – Contractual amounts	657	–	–	–
Equipment – Contractual amounts	26,401	–	–	–
	62,740	45,760	16,855	–
Impairment on businesses (or subsidiaries, joint ventures and associates)	(37)	–	–	–
Impairment on other financial assets	2,334,705	323,639	2,297,540	–
Loss on exchange differences	2,255	–	2,255	–
Employee costs – including management	178,912	171,036	126,918	125,324

20. INVESTMENT REVENUE

Interest revenue				
Bank	3,404	7,227	–	–
Other interest	6,031	29,718	6,031	29,718
Fair value adjustment (note 9)	46,540			
	55,975	36,945	6,031	29,718

21. FAIR VALUE ADJUSTMENTS

Other financial assets	(1,190,000)	(500,000)	(1,190,000)	(500,000)

Fair value adjustments represent a downward adjustment to the Company's investment in Praetorian Resources Ltd as detailed in note 9.

	Group		Company	
Figures in Pound Sterling	2014	2013	2014	2013

22. IMPAIRMENT OF ASSETS

Material impairment losses recognised reversed				
Brightwater Trade and Invest 55 (Pty) Ltd	–	323,639	–	–
Rare Earth International incorporated in the British Virgin Islands	2,297,540	–	–	–
	2,297,540	323,639	–	–

The Directors have taken a strategic decision on the Nkombwa Hill project after considering several factors that have worked against the project, including the fact that the market for rare earths demand and price, has softened significantly from the time of acquisition of Nkombwa Hill and complementary projects. The difficulty in securing financing and funding for projects of this nature in next three to five years has also proven to be challenging.

23. FINANCE COSTS

Interest on convertible instruments	–	192,570	–	–

24. TAXATION

Reconciliation of the tax expense

Reconciliation between accounting profit and tax expense.				
Accounting loss	(4,164,494)	(1,839,828)	(3,956,651)	(1,009,513)
Tax at the applicable tax rate of 20% (2013: 20%)	(832,899)	(367,966)	(791,330)	(201,903)
Tax effect of adjustments on taxable income				
Expenses not allowed for tax purposes	704,969	4,013	704,969	4,013
Subsidiaries operating in other tax jurisdictions	41,569	166,063	–	26,634
Tax losses carried forward	86,361	197,890	86,361	197,890
	–	–	–	–

No provision has been made for 2014 tax as the Group has no taxable income. The estimated tax loss available for set off against future taxable income is €1,406,233 (2013: €974,428). The Group has not reflected a deferred tax asset in respect of the losses carried forward as the Group is not expected to generate taxable profits in the foreseeable future.

25. AUDITORS' REMUNERATION

Current year – parent	15,950	18,000	15,950	18,000
Prior year under provision – parent	20,706	35,305	20,706	35,305
Current year – subsidiaries	3,450	5,096	–	–
Non-audit fees	–	4,158	–	4,158
Total fees	40,106	62,559	36,656	57,463

26. OTHER COMPREHENSIVE INCOME

Components of other comprehensive income –	Group – 2014			Group – 2013		
	Gross	Tax	Net	Gross	Tax	Net
Exchange differences on translating foreign operations						
Exchange differences arising during the year	(2,331,109)	–	(2,331,109)	(2,196,715)	–	(2,196,715)

27. EARNINGS PER SHARE

Basic earnings per share

Basic earnings per share is determined by dividing profit or loss attributable to the ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Where there is a discontinued operation, earnings per share is determined for both continuing and discontinued operations.

Basic earnings per share was based on a loss of €4,164,494 (2013: €1,839,828) and a weighted average number of ordinary shares of €88,307,183 (2013: €84,049,649).

	Group	
	2014	2013
Reconciliation of loss attributable to equity holders of the parent to loss for the year		
Profit or loss for the year attributable to equity holders of the parent	(6,495,603)	(4,036,543)
Adjusted for:		
Foreign exchange differences on translation of foreign operations	2,331,109	2,196,715
Loss for the year	(4,164,494)	(1,839,828)
Loss per share in pence		
Basic loss per share	(4,7)	(2,2)
Diluted loss per share	(4,7)	(2,2)

Diluted earnings per share

In the determination of diluted earnings per share, profit or loss attributable to the equity holders of the parent and the weighted average number of ordinary shares are adjusted for the effects of all dilutive potential ordinary shares.

Where there is a discontinued operation, diluted earnings per share is determined for both continuing and discontinued operations.

Diluted earnings per share are equal to earnings per share because there are no dilutive potential ordinary shares in issue.

	Group		Company	
	2014	2013	2014	2013

28. CASH USED IN OPERATIONS

	Group 2014	Group 2013	Company 2014	Company 2013
Loss before taxation	(4,164,494)	(1,839,828)	(3,956,651)	(1,009,513)
Adjustments for:				
Income from equity accounted investments	38,843	113,039	–	–
Interest received	(55,975)	(36,945)	(6,031)	(29,718)
Finance costs	–	192,570	–	–
Fair value adjustments	1,190,000	500,000	1,190,000	500,000
Impairment loss	2,334,668	323,639	2,297,540	–
Other non-cash items	(175,501)	(156,782)	–	–
Changes in working capital:				
Trade and other receivables	10,884	(11,452)	–	–
Trade and other payables	12,142	(43,393)	7,500	(41,290)
	(809,433)	(959,152)	(467,642)	(580,521)

29. MOVEMENT IN INVESTMENTS (INCL SUBS, JVS & ASSOC)

	Group 2014	Group 2013	Company 2014	Company 2013
Consideration paid				
Cash	(443,040)	(457,496)	–	–
Loan conversion	–	(692,273)	–	–
	(443,040)	(1,149,769)	–	–
Net cash outflow on acquisition				
Cash consideration paid	(443,040)	(457,496)	–	–

30. COMMITMENTS

Subsequent to the conclusion of a Business Combination between Galileo and SVM, Galileo was required, in terms of the Business Combination Agreement between the parties to fund up to a maximum of CADS 50 000 towards the working capital of St Vincent Minerals up to the closing date which was 15 May 2014.

31. RELATED PARTY BALANCES AND TRANSACTIONS

	Group 2014	Group 2013	Company 2014	Company 2013
Loan accounts – owed by related parties				
Glenover Phosphate Proprietary Limited	78,118	–	–	–
Amounts paid – to related parties				
Jubilee Platinum Plc	16,748	45,760	–	–

Galileo paid rent to Jubilee Plc for their South African office. Colin Bird is Chairman of both Galileo and Jubilee Platinum Plc.

	Group		Company	
	2014	2013	2014	2013
32. EMPLOYEE COST				
Salaries and wages	56,960	27,193	6,960	6,960
Social securities	2,793	2,414	2,793	2,414
Total	59,753	29,607	9,753	9,374
Average number of employees	3	3	1	1

33. DIRECTORS' AND PRESCRIBED OFFICER'S EMOLUMENTS

	Directors' fees
Executive	
2014	
Colin Bird	25,000
Andrew Sarosi	25,000
	50,000
2013	
Colin Bird	25,012
Andrew Sarosi	25,000
	50,012
Non-executive	
2014	
Christopher Molefe	15,000
John Wollenberg	11,250
	26,250
2013	
Christopher Molefe	15,000
John Wollenberg	18,750
	33,750

33. DIRECTORS' AND PRESCRIBED OFFICER'S EMOLUMENTS (continued)

	Emoluments
Executive management	
2014	
Sylvia Vrska	36,000
Carina de Beer	38,625
	74,625
2013	
Sylvia Vrska	36,000
Carina de Beer	25,479
	61,479

34. RISK MANAGEMENT

Capital risk management

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

The capital structure of the Group consists of debt, which includes the borrowings (excluding derivative financial liabilities) disclosed in notes 8 and 16 cash and cash equivalents disclosed in note 12, and equity as disclosed in the statement of financial position.

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

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio.

Financial risk management

The Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk.

The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. Risk management is carried out under policies approved by the board. Group treasury identifies, evaluates and hedges financial risks in close co operation with the Group's operating units. The board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non derivative financial instruments, and investment of excess liquidity.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions.

The Group's risk to liquidity is a result of the funds available to cover future commitments. The Group manages liquidity risk through an ongoing review of future commitments and credit facilities.

Cash flow forecasts are prepared and adequate utilised borrowing facilities are monitored.

The table below analyses the Group's financial liabilities and net settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

34. RISK MANAGEMENT (continued)

Group

At 31 March 2014	Less than 1 year
Trade and other payables	19,009
Accrued expenses	24,465

At 31 March 2013	Less than 1 year
Trade and other payables	8,747
Accrued expenses	24,465

Company

At 31 March 2014	Less than 1 year
Accrued expenses	24,465

At 31 March 2013	Less than 1 year
Accrued expenses	24,469

Interest rate risk

The Group's interest rate risk arises from cash held and short term deposits.

The Company does not face any significant interest rate risk as it has no borrowings.

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, and trade debtors. The Company only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Financial assets exposed to credit risk at year end were as follows:

	Group		Company	
Financial instrument	2014	2013	2014	2013
Trade and other receivables	568	11,452	–	–
Cash and cash equivalents	324,819	1,735,074	310,837	1,580,791
Other financial assets	728,128	4,127,152	399,926	3,752,969
Loans to Group companies and other related entities	–	–	4,886,486	4,212,640

Foreign exchange risk

The Group is exposed to fluctuations in foreign currencies arising from having deposits in various currencies as well as the purchase of goods and services in currencies other than the Group's measurement currency.

Galileo Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the South African Rand and Pound Sterling. Galileo Group is exposed to currency risk on cash reserves, deposits received, trade receivables, and trade payables. The most significant of these being the inter Company loan which it holds with its subsidiary Galileo Resources SA (Proprietary) Limited. Profit is more sensitive to movement in Pound Sterling exchange rates in 2013 than 2012 because of the increased amount of Pound Sterling denominated borrowings hence the significant adjustment to the fair value of the intangible assets.

The Group does not hedge its foreign exchange on funding of projects as management is of the opinion that it would not have reduced these foreign currency fluctuations. Currency movements mainly include movements that arise as a result of Rand denominated projects that are re valued at each period end.

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of Galileo Resources Plc will be held at The Pelham Hotel, 15 Cromwell Place, London, SW7 2LA, on 30 September 2014 at 11:00 a.m., for the following purposes:

To consider and, if deemed fit, to pass the following resolutions.

ORDINARY BUSINESS

Ordinary resolution number 1

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

To receive the reports of the directors and auditors and the financial statements for the year ended 31 March 2014 for the Group and the Company.

Ordinary resolution number 2

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

To re-elect Andrew Sarosi as a Director of the Company

Ordinary resolution number 3

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

To confirm the election of Brian Gavin as Director of the Company

Ordinary resolution number 4

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

To confirm the re-appointment of Saffery Champness, Lion House, Red Lion Street, London, WC1R 4GB United Kingdom, as statutory auditor of the Company from the conclusion of this meeting to the conclusion of the next shareholder meeting, at which the reports of the directors and auditors and the financial statements are laid before the Company.

Ordinary resolution number 5

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

To authorise the directors to determine auditors' remuneration.

Ordinary resolution number 6

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

Resolved that the directors be generally and unconditionally authorised in substitution for any such authority previously granted pursuant to and in accordance with section 551 of the Companies Act 2006 to exercise all the powers of the Company to allot and grant options over shares in the Company provided that the authority hereby given:

(a) shall be limited to equity securities having an aggregate nominal value of £2,207,680 representing 50% of the Company's issued capital; and

(b) shall expire at the end of the next Annual General Meeting of the Company to be held in 2015 unless previously renewed or varied save that the directors may, notwithstanding such expiry, allot, grant options over or otherwise deal with or dispose of any equity securities under this authority in pursuance of an offer or agreement so to do made by the Company before the expiry of this authority.

Ordinary resolution number 7

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

That, subject to and in accordance with the Companies Act 2006 of the United Kingdom, as in force or as amended and re-enacted from time to time:

- the Company may supply documents or information to members, or persons nominated by members, by making them available on a website; and
- a person in relation to whom the following conditions are met is taken to have agreed that the Company may supply documents or information in that manner:
  - the person has been asked individually by the Company to agree that the Company may supply documents or information generally, or the documents or information in question, by means of a website; and
  - the Company has not received a response within the period of 28 days beginning with the date on which the Company's request was sent.

SPECIAL BUSINESS

Special resolution number 1

Resolved that, subject to the passing of resolution 6, the directors be and they are hereby empowered in substitution for any such power previously granted pursuant to section 570 and section 573 of the Companies Act 2006 to allot equity securities (as defined in section 560 of that Act) for cash pursuant to the authority referred to in resolution 6 above, as if section 561(1) of that Act or any pre-emption provisions contained in the articles of association of the Company or otherwise did not apply to any such allotment, provided that this power:

(a) shall be limited to the allotment of equity securities up to an aggregate nominal amount of £2,207,680 representing 50% of the Company's issued share capital; and

(b) shall expire on the date of the next Annual General Meeting of the Company or 15 months from the passing of this resolution, whichever is the earlier, save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the board may allot equity securities in pursuance of such an offer or agreement as if the power conferred hereby had not expired.

Special resolution number 2

Pursuant to the Company's articles of association that the Company be and is hereby unconditionally and generally authorised to make market purchases (as defined in section 693(4) of the Companies Act 2006) of ordinary shares of 5 pence each in the capital of the Company, provided that :

(a) the maximum number of ordinary shares hereby authorised to be acquired is 13,246,077, representing 15% of the present issued share capital of the Company as at 5 September 2014;

(b) the minimum price which may be paid for such shares is 5 pence per share, being the nominal value, which shall be exclusive of expenses;

(c) the maximum price which may be paid for such shares is, in respect of a share contracted to be purchased on any day, an amount (exclusive of expenses) equal to 105% of the middle market quotations for an ordinary share of the Company obtained from The London Stock Exchange for the five business days immediately preceding the day on which the share is contracted to be purchased;

(d) unless previously renewed, the authority hereby conferred shall expire at the conclusion of the next Annual General Meeting or 12 months from the date of passing this resolution, if earlier; and

(e) the Company may enter into a contract or contracts to purchase its own shares under the authority hereby conferred prior to the expiry of such authority which will or may be executed wholly or partly after the expiry of such authority, and may make a purchase of its own shares in pursuance of any such contract.

By order of the board

Registered office:
4th Floor
2 Cromwell Place
London, SW7 2JE

5 September 2014

Explanatory Note

Ordinary resolution number 7 – Electronic Communications

In accordance with the Disclosure and Transparency Rules this resolution must now be passed to allow the Company to use these electronic forms of communication. Your Board is proposing that they should be given authority to supply documents and make information to members available on a website. Before the Company can communicate with a member by means of website communication, the relevant member must be asked individually to agree that the Company may send or supply documents or information to him by means of a website. The Company must either have received a positive response or have received no response within the period of 28 days beginning with the date on which the request was sent. Shareholders can complete the form at the back of this Notice and return to the Company at the address indicated on the form. The Company will notify the member (either in writing, or by other permitted means) when a relevant document or information is placed on the website and a member can always request a hard copy version of the document or information.

NOTES

1 Copies of the directors' service contracts will be available for inspection at the registered office of the Company during usual business hours from the date of this notice until the date of the Annual General Meeting, and also during and at least fifteen minutes before the beginning of the Annual General Meeting.

2 If you are a member of the Company at the time, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the Annual General Meeting and you should have received a proxy form with this notice of meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form.

3 A proxy does not need to be a member of the Company but must attend the Annual General Meeting to represent you. Details of how to appoint the Chairman of the Meeting or another person as your proxy using the proxy form are set out in the notes to the proxy form. If you wish your proxy to speak on your behalf at the Annual General Meeting you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them.

4 You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, please contact Neville Registrars.

5 A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter, which is put before the Annual General Meeting.

6 As at 16:00 hours on 5 September 2014, (being the last practicable date prior to publication of the notice of meeting) the Company's issued share capital comprised 114,502,721 ordinary shares of 5 pence each. Each ordinary share carries the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company as at 16:00 hours on 5 September 2014 is 114,502,721.

7 Shareholders who hold shares through CREST and who wish to appoint a proxy or proxies by using the CREST electronic proxy appointment service may do so by using the procedures set out in the CREST manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s) should refer to their CREST sponsor or voting service provider(s), who will be able to take appropriate action on their behalf. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a CREST Proxy Instruction) must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST manual. The message, regardless of whether it relates to the appointment of a proxy or to an amendment of the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received at the Neville Registrars Limited, CREST ID 7RA11, at least 48 hours before the time appointed for holding the meeting or adjourned meeting (as the case may be). For this purpose the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the Company is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means. CREST members and, where applicable, their CREST sponsors or voting service provider(s), should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the

responsibility of the CREST member concerned to take (or, if the CREST member is a personal member or sponsored member or has appointed a voting service provider(s) to procure that his/her CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection,

CREST members and, where applicable, their CREST sponsors or voting service provider(s) are referred, in particular, to those sections of the CREST manual concerning practical limitations of the CREST system and timings. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2011.

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REGISTERED NUMBER: 03273518 (England and Wales)

Abbreviated Unaudited Accounts for the Year Ended 31 December 2013

for

PETER WOODS (LONDON) LIMITED

PETER WOODS (LONDON) LIMITED (Registered number: 03273518)

Contents of the Abbreviated Accounts
for the Year Ended 31 December 2013

Company Information
for the Year Ended 31 December 2013

DIRECTORS:	P M H Woods P I H Pressland
SECRETARY:	P I H Pressland
REGISTERED OFFICE:	1 High Street Guildford Surrey GU2 4HP
REGISTERED NUMBER:	03273518 (England and Wales)
ACCOUNTANTS:	WHITTINGTONS Chartered Accountants 1 High Street Guildford Surrey GU2 4HP

PETER WOODS (LONDON) LIMITED (Registered number: 03273518)

Abbreviated Balance Sheet
31 December 2013

	Notes	31.12.13 £	£	31.12.12 £	£
FIXED ASSETS					
Tangible assets	2		**5,275**		7,371
CURRENT ASSETS					
Debtors		**404,378**		477,151	
Cash at bank		**106,173**		144,726	
		510,551		621,877	
CREDITORS					
Amounts falling due within one year		**462,869**		535,130	
NET CURRENT ASSETS			**47,682**		86,747
TOTAL ASSETS LESS CURRENT LIABILITIES			**52,957**		94,118
CAPITAL AND RESERVES					
Called up share capital	3		**11,625**		11,625
Share premium			**83,855**		83,855
Profit and loss account			**(42,523)**		(1,362)
SHAREHOLDERS' FUNDS			**52,957**		94,118

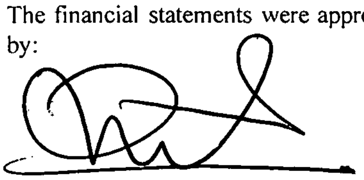
The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2013.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2013 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:
(a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
(b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The abbreviated accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved by the Board of Directors on 25 September 2014 and were signed on its behalf by:



P M H Woods - Director

The notes form part of these abbreviated accounts

Notes to the Abbreviated Accounts
for the Year Ended 31 December 2013

1. ACCOUNTING POLICIES

Accounting convention
The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

Turnover
Turnover represents net invoiced sales of services, excluding value added tax.

Tangible fixed assets
Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Improvements to property	- in accordance with the property
Plant and machinery	- 25% on reducing balance
Fixtures and fittings	- 25% on reducing balance
Computer equipment	- 25% on cost

Hire purchase and leasing commitments
Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

2. TANGIBLE FIXED ASSETS

	Total £
COST	
At 1 January 2013	**97,859**
Additions	**235**
At 31 December 2013	**98,094**
DEPRECIATION	
At 1 January 2013	**90,488**
Charge for year	**2,331**
At 31 December 2013	**92,819**
NET BOOK VALUE	
At 31 December 2013	**5,275**
At 31 December 2012	7,371

3. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	**31.12.13 £**	31.12.12 £
11,625	Ordinary	£1	**11,625**	11,625

continued...

Notes to the Abbreviated Accounts - continued
for the Year Ended 31 December 2013

4. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

The following advances and credits to a director subsisted during the years ended 31 December 2013 and 31 December 2012:

	31.12.13	31.12.12
	£	£
P M H Woods		
Balance outstanding at start of year	**62,749**	28,194
Amounts advanced	**-**	34,555
Amounts repaid	**(33,173)**	-
Balance outstanding at end of year	**29,576**	62,749