

# KENNEDY VENTURES plc

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20/11/2014

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COMPANIES HOUSE

**ANNUAL  
REPORT  
2014**

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## Directors and Advisers

### DIRECTORS

G Clarke Chairman  
N Harrison Director  
P Redmond Director  
C L Weinberg Director  
C J Yates Director

### REGISTERED OFFICE

C/o Morrison & Foerster  
CityPoint  
One Ropemaker Street  
London EC2Y 9AW

### SOLICITORS

Morrison & Foerster UK LLP  
CityPoint  
One Ropemaker Street  
London EC2Y 9AW

### FINANCIAL ADVISERS, NOMINATED ADVISER AND JOINT STOCKBROKERS

Cenkos Securities plc  
6,7,8 Tokenhouse Yard  
London EC2R 7AS

### JOINT STOCKBROKER

Peterhouse Corporate Finance Ltd  
31 Lombard Street  
London EC3V 9BQ

### BANKERS

HSBC Bank PLC  
3 Rivergate  
Temple Quay  
Bristol BS1 6ER

MetroBank plc  
160-166 Kensington High Street  
London W8 7RG

### INDEPENDENT AUDITOR

Welbeck Associates  
Statutory Auditor  
30 Percy Street  
London  
W1T 2DB

### REGISTRARS

Capita Registrars  
The Registry  
34 Beckenham Road  
Beckenham  
Kent BR3 4TU

Registered in England and Wales Number  
05697574

## Chairman's statement

During the period under review, Kennedy Ventures has undergone some significant changes. In March 2014, the Company completed a placing to raise gross proceeds of £550,000 and, having participated in that placing, Nick Harrison and I joined the Board.

Since that time, we have identified and entered into a conditional agreement to acquire a tantalite project in Namibia (the "Transaction"). Under the terms of the Transaction the Company will acquire 75% of African Tantalum (Pty) Limited ("Aftan") for a total consideration of R12m (£0.66m), R4m (£0.22m) of which will be satisfied through the issuance of 4,523,113 ordinary shares in Kennedy Ventures at a price of 4.9p per share, (average closing price over 15 days up to and including 31 August 2014) and the remainder through a loan of R8m (£0.44m). Aftan has signed a conditional agreement with Magnum Mining and Exploration Limited to acquire 60% of the Tantalite Valley Project in Namibia, a mine which it is intended will be brought back into production of tantalite, used in the production of tantalum, within six months of completion of the Transaction.

The principal demand for tantalum is from the electronics industry, where tantalum capacitors are widely used in electronic equipment. In addition, tantalum is used to produce a variety of super alloys which can be used to manufacture high temperature cutting tools and other applications.

This is the first step in our intention to build Kennedy Ventures into a Namibian based producer of the highest grade of tantalum which, when certified, is a highly valuable commodity given its use in nearly every modern electronic device. Its origin matters to end users such as the world's large electronics companies due to their desire to comply with US regulations requiring companies reporting to the SEC to publicly disclose the origins of the tantalum they buy in order to restrict the use of conflict minerals.

Good progress is being made on satisfying the outstanding conditions and I am confident that the Transaction will complete by the year end.

The Board has carried out a review of the two unquoted investments held by the Company at the year end and has taken the view that, while some recovery in value may be possible in the future, it is prudent, in view of the uncertainties regarding the future of one of the companies concerned, to make a full provision against one of these unquoted investments. Furthermore, following the year end, the Company disposed of the other unquoted investment at cost. Meanwhile, Kennedy has continued to operate on a low-cost basis and incurred administrative expense losses of £131,000 during the period.

We believe, however, that the shape and performance of the Company will be substantially different in the future. We plan to build upon this initial tantalite acquisition, utilising wide ranging international financing options to create significant value for shareholders in a fully integrated business.

**Giles Clarke**  
Chairman

## Strategic report

The Directors present their strategic report on the Company for the year ended 30 June 2014

### PRINCIPAL ACTIVITY AND BUSINESS REVIEW

The principal activity of the Company is as an investment company with the investing policy adopted at a general meeting of the Company on 25 May 2012 and re-adopted at the AGM held on 24 April 2014. The Company's Investing Policy is in summary to invest principally, but not exclusively, in the resources and energy sectors. The Company will focus on projects located in Asia but will also consider investments in other geographical regions. The Company may be either an active investor and acquire control of a single company or it may acquire non-controlling shareholdings.

The review of the period is contained within the Chairman's statement.

The results for the Company are set out in the income statement.

The Directors recommend that there is no dividend payment for the year ended 30 June 2014 (2013: nil).

The Chairman's statement provides a balanced and comprehensive analysis of the development and performance and results of the Company during the period and the balance sheet position of the Company at the end of that period in the context of the Company's current activities.

### KEY PERFORMANCE INDICATORS

The Company considers investment value (and thus net asset value) as its principal key performance indicator. This is reported in the financial statements, monitored quarterly and reviewed at Board meetings.

### PRINCIPAL RISKS AND UNCERTAINTIES

The Company's business is to identify, make, manage and realise investments in accordance with the Company's stated investing policy. The Directors consider the following risks to be the most material or significant for the management of the business. These issues do not purport to be a complete list or explanation of all the risk factors facing the Company. In particular the Company's performance may be affected by changes in the market and/or economic conditions and changes in legal, regulatory or tax requirement legislation. Additional risks and uncertainties not presently known by the Company or that the Company currently deems immaterial may also impact the business.

- ***Unable to invest***  
The Directors may be unable to identify investments which are consistent with the Company's investment policy and which are available at a price which the Directors consider suitable, which would limit the potential for the Company's value to grow
- ***Unavailability of finance***  
The Directors may identify suitable investments at what they believe to be a suitable price but which may require more funds than are available to the Company and the Company may then be unable to raise further funds at all or on terms which the Directors consider acceptable
- ***Investment risk***  
Once an investment has been made, the underlying business invested in may not perform as the Directors had expected and this may impair or eliminate the value of the Company's investment
- ***Realisation risk***  
Once an investment has been made, it may not prove possible to realise the investment at the time the Directors intend or only to realise it at a value which damages the Company's value

The Board of Directors monitors these risks and the Company's performance on a regular basis, considering investment proposals, the performance of investments made and opportunities for divestment as appropriate as well as considering the actual performance of the Company against budgets.

## Strategic report continued

### FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's activities will expose it to a small number of financial risks including credit risk, interest rate risk and investment risk. It is the Company's policy that no speculative trading in financial instruments shall be undertaken.

- ***Credit risk***

The Company's principal financial assets are investments made and bank balances and cash and the Board consider there is limited credit risk.

- ***Interest rate risk***

The Company's interest rate risk is limited as there are currently no borrowings and during the period consisted of a term loan which was subject to a fixed rate facility fee.


- ***Investment risk***

The Company is expected to make investments whose value may fluctuate.

### GOING CONCERN

The financial statements have been prepared on a going concern basis because, as set out in detail in Note 1 (Going Concern), the Directors have a reasonable expectation that the Company has adequate resources to continue operating for the foreseeable future.

ON BEHALF OF THE BOARD



N Harrison  
Director

13 November 2014

## Directors' report

The Directors present their report and the audited financial statements for the year ended 30 June 2014.

### DIRECTORS AND THEIR INTERESTS

The current Directors of the Company are:

#### G Clarke - Chairman

Giles Clarke was appointed as a director on 25 March 2014. He is currently Chairman of AIM quoted Amerisur Resources plc and of Westleigh Investments Holdings Limited and Non-executive Chairman of Ironveld plc (which is also AIM quoted). He began his career as an investment banker with Credit Suisse First Boston before successfully establishing, building and selling a number of high profile businesses including Majestic Wine, Pet City plc and Safestore plc. He is Chairman of the England and Wales Cricket Board and Chairman of several private organisations.

#### N Harrison - Director

Nick Harrison was appointed as a director on 25 March 2014. He is currently Finance Director of AIM quoted Amerisur Resources plc and a Non-executive Director of Ironveld plc (also AIM quoted). Mr Harrison was Finance Director of Pet City plc and has held Board positions at a number of private companies with international activities. He is a Chartered Accountant, having qualified with Arthur Andersen before holding senior roles with Deloitte, Midland Bank (International) and Coopers & Lybrand.

#### P Redmond - Director

Peter Redmond was appointed as a Director on 25 May 2012. He is an experienced corporate financier and has some 30 years' experience in corporate finance and venture capital. He became director of corporate finance at Durlacher Limited in 2003, then joined Merchant House Group plc where he later became Chief Executive. He has been active in reconstructing a number of AIM companies which have subsequently acquired or established operating businesses, including natural resources companies such as Igas Energy plc and Weatherly International plc. Currently, Peter is a director of Pires Investments PLC, which is an investment company on AIM

#### C L Weinberg - Director

Colin Weinberg was appointed as a Director on 8 April 2013. He was a qualified stockbroker from 1980 to 2006. Subsequently, until November 2012, he worked for a major industrial and resources Group in Ukraine, acting as advisor on mergers and acquisitions and transactions financing. He was previously a non-executive director of a United Kingdom Building Society, and is now a director of the listed company, Associated British Engineering plc.

#### C J Yates - Director

Christopher Yates was appointed as a Director on 25 May 2012. He has been a corporate financier for nearly 30 years involved mainly with smaller quoted companies. He qualified as a chartered accountant in 1978 and, following a secondment to the London Stock Exchange, joined the corporate finance department of Laing & Cruickshank (which became Credit Lyonnais Securities). He worked on flotations, fund raisings, take-overs, acquisitions and disposals for small quoted companies including a number of investment companies. In January 2003 he joined Corporate Finance Partners Limited, a small corporate finance advisory firm. He is director of the AIM-quoted investment company, Pires Investments plc. From 1999 until 2006, he was a member of the Corporate Governance Committee of the Quoted Companies Alliance (and chairman between 2001 and 2006).

**Directors' report** continued

The Directors who held office during the period and their beneficial interest in the ordinary shares of the Company were as follows:

Ordinary shares	30 June 2014	30 June 2013
G Clarke (appointed 25 March 2014) ( <i>see note</i> )	4,800,000	-
N Harrison (appointed 25 March 2014) ( <i>see note</i> )	4,800,000	-
P Redmond	1,320,000	-
C L Weinberg (appointed 8 April 2013)	1,960,000	150,000
C J Yates	1,810,500	90,500

*Note: Westleigh Investments Holdings Limited (a company beneficially owned by Giles Clarke and Nick Harrison), holds 7,600,000 Ordinary shares in addition to the personal holdings shown above.*

**MATERIAL INTERESTS**

P Redmond, C Weinberg and C Yates participated in the successful placing to raise £550,000 in March 2014, subscribing respectively for 1,320,000, 1,810,000 and 1,720,000 new ordinary shares at 1.25p. G Clarke and N Harrison were both granted options to subscribe new ordinary shares as detailed in the report of the Board on remuneration. So far as the Board is aware, no Director had any material interest in a contract of significance (other than service contracts) with the Company during the period.

**CAPITAL STRUCTURE**

Details of the issued share capital are shown in note 14. The Company has one class of ordinary shares which carries no right to fixed income. Each share carries the right to one vote on a poll at general meetings of the Company.

There are no specific restrictions on the size of a holding nor on the transfer of shares, which are both governed by the provisions of the Articles of Association and prevailing legislation. The Directors are not aware of any agreements between holders of the Company's shares that may result in restrictions on the transfer of securities or on the exercise of voting rights.

No person has any special rights of control over the Company's share capital and all issued shares are fully paid.

With regard to the appointment and replacement of directors, the Company is governed by its Articles of Association, the Companies Acts and related legislation. The Articles themselves may be amended by special resolution of the shareholders.

**SUBSTANTIAL SHAREHOLDINGS**

The Board has been notified of the following disclosures in respect of shareholders with an interest in 3 per cent. or more of the issued share capital of the Company at 6 November 2014:

	Number of ordinary shares	%age
Westleigh Investments Holdings Limited ( <i>see note</i> )	7,600,000	10.69%
G Clarke ( <i>see note</i> )	4,800,000	6.75%
N Harrison ( <i>see note</i> )	4,800,000	6.75%
Client of Redmayne Nominees Limited	3,960,000	5.57%
Gledhow Investments plc	3,550,000	4.99%

*Note: Westleigh Investments Holdings Limited is a company beneficially owned by Giles Clarke and Nick Harrison and the interest of Westleigh Investments Holdings Limited is not included in either the holding of G Clarke or N Harrison as shown above.*

## Directors' report continued

### ANNUAL GENERAL MEETING

Notice of the Annual General Meeting of the Company to be held at 11.00 a.m. on 15 December 2014 is set out at the end of this document. The business of the meeting comprises:

- receiving the financial statements and reports for the year ended 30 June 2014
- the election as directors of Giles Clarke and Nick Harrison who retire at the AGM having been appointed since notice of the last AGM was given
- the re-appointment of Welbeck Associates as auditor and authorising the directors to determine its remuneration
- renewing the directors' authority to allot new ordinary shares with a nominal value of up to £1,500,000
- renewing the power of the directors to allot equity securities for cash up to an aggregate nominal value of £1,500,000
- renewing the Company's power to make on-market purchases of up to approximately 10% of the Company's issued ordinary shares

### CLOSE COMPANY STATUS

In the opinion of the Directors, the Company is not a close company within the provisions of section 414 of the Income and Corporation Taxes Act 1988.

### EMPLOYEES

The Directors do not intend in the short term to have a significant number of employees. To the extent that the Company becomes an employer, it is the Directors intention that it will be an equal opportunities employer.

### CORPORATE GOVERNANCE STATEMENT

The Company, being traded on AIM, is not required to comply with the requirements of the Combined Code but the Board is committed to high standards of corporate governance. The Board is accountable to the shareholders for good governance. At the current time, the Company has only non-executive Directors and no full time employees. All functions have to date therefore been undertaken by the Board as a whole including the consideration of relations with the auditors, the appointment of further directors and the setting of remuneration levels.

The Board has resolved to establish an audit committee comprising Peter Redmond (as Chair) and Nick Harrison and a remuneration committee comprising Giles Clarke (Chair) and Peter Redmond.

The Board is committed to implementing corporate governance structures in line with best practice for a company of its size and complexity as its business and activities develop.

The Directors acknowledge that they have overall responsibility for the Company's system of internal control and for reviewing its effectiveness. Such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and even the most effective system can provide only reasonable, and not absolute, assurance with respect to the preparation of financial information and the safeguarding of assets. The close involvement of the Directors in all decisions and actions undertaken by the Company is intended to ensure that the risks to the Company are minimised.

## Directors' report continued

### AUDITOR

Each of the persons who is a director at the date of approval of this report confirms that:

- 1) So far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- 2) The Director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Welbeck Associates have expressed their willingness to continue in office and a resolution for their re-appointment will be proposed at the forthcoming Annual General Meeting.

By order of the Board



N Harrison

Director

13 November 2014

## Report of the Board on remuneration

### UNAUDITED INFORMATION

As stated in the corporate governance statement in the Directors' Report, the Company is not required to comply with the requirements of the Combined Code.

This report is made in accordance with the AIM rules.

#### Remuneration committee

In view of the nature of the Company's Board and the Company's activities, remuneration matters have been dealt with by the Board as a whole to date.

#### Remuneration policy

The remuneration of the Directors is set by the Board as a whole and is reviewed annually. They are remunerated by a fixed fee for their duties as Directors, but it is anticipated that additional payments may be made where as a result of the Company's activities the time to be spent by the Directors on the affairs of the Company are greater than envisaged by the fixed fee.

With a view to aligning the efforts of the Directors most closely with the achievement of success by the Company, the Directors resolved to grant options to directors to subscribe up to 8,531,760 new ordinary shares at 1.25p per share. To date 1,599,705 options have been granted to each of G Clarke and N Harrison and up to 5,332,350 of the options are reserved for future grant.

The Company does not provide a pension scheme for employees or Directors and does not contribute to plans established by them.

#### Directors' service contracts

The Directors have letters of appointment which commence from their date of appointment and will continue unless terminated in accordance with the terms of the letter.

### AUDITED INFORMATION

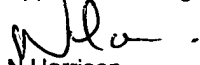
#### Directors' emoluments (all fees)

	Year ended 30 June 2014	Year ended 30 June 2013
	£'000	£'000
G Clarke	2	-
N Harrison	2	-
P Redmond	11	15
C J Yates	11	15
C L Weinberg	11	3
	37	33

Details of the share options granted to Directors are shown below:

	Number outstanding at 30 June 2014	Exercise price	Vesting date	Expiry Date
G Clarke	1,599,705	1.25p	25.03.2014	25.03.2018
N Harrison	1,599,705	1.25p	25.03.2014	25.03.2018
	3,199,410			

Approved and signed on behalf of the Board.



N Harrison

Director

13 November 2014

## Statement of Directors' responsibilities

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

Company law requires the Directors to prepare financial statements for each financial period. Under that law the Directors are required to prepare the Company financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and have also chosen to prepare the parent company financial statements under IFRSs as adopted by the EU. Under company law the Directors must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Company's ability to continue as a going concern.

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

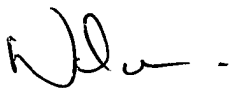
The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

### Responsibility statement

We confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with International Financial Reporting Standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company; and
- the management report, which is incorporated into the Directors' Report, includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that it faces.

By order of the Board



N Harrison

Director

13 November 2014

## Independent auditor's report to the members of Kennedy Ventures plc

### Independent Auditors' Report to the Members of Kennedy Ventures plc

We have audited the financial statements of Kennedy Ventures plc for the year ended 30 June 2014 which comprise the income statement, the statement of changes in equity, the balance sheet, the cash flow statement, and the related notes. The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

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

### Respective Responsibilities of Directors and Auditors

As explained more fully in the statement of Directors' responsibilities set out on page 9, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### Scope of the Audit of the Financial Statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Chairman's statement, strategic report and Directors' report 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 implication for our report.

A description of the scope of an audit of financial statements is provided on the APB's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm)

### Opinion on Financial Statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 June 2014 and of the Company's loss for the year then ended;
- have been properly prepared in accordance with IFRS as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Opinion on Other Matters Prescribed by The Companies Act 2006

In our opinion the information given in the report of the directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

## Independent auditor's report to the members of Kennedy Ventures plc continued

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



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

30 Percy Street  
London  
W1T 2DB

13 November 2014

**Income statement** for the year ended 30 June 2014

		Year ended 30 June 2014	Year ended 30 June 2013
	Note	£'000	£'000
<b>Continuing operations:</b>			
Loss on disposal of investments		-	(6)
Impairment of available for sale investments		(55)	-
Administration expenses		(131)	(133)
<b>Loss before tax from continuing operations</b>		<b>(186)</b>	<b>(139)</b>
Income tax	7	-	-
<b>Loss for the year from continuing operations</b>		<b>(186)</b>	<b>(139)</b>
<b>LOSS FOR THE YEAR</b>		<b>(186)</b>	<b>(139)</b>
<b>Basic loss per share (pence)</b>	8	<b>(0.5)</b>	<b>(0.5)</b>

**Note:**

There are no recognised gains or losses in either period other than the loss for that period and therefore no statement of comprehensive income is presented.

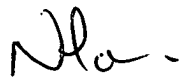
**Statement of changes in equity** for the year ended 30 June 2014

	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Share based payment reserve £'000	Retained earnings £'000	Total equity £'000
Balance at 1 July 2012	271	7,571	2,077	1,456	(11,137)	238
Loss for the financial period and total comprehensive income	-	-	-	-	(139)	(139)
Transfer to retained earnings	-	-	-	(1,456)	1,456	-
<b>Balance at 30 June 2013</b>	<b>271</b>	<b>7,571</b>	<b>2,077</b>	<b>-</b>	<b>(9,820)</b>	<b>99</b>
Loss for the financial period and total comprehensive income	-	-	-	-	(186)	(186)
Issue of share capital	440	110	-	-	-	550
Share issue costs	-	(8)	-	-	-	(8)
Share based payment expense	-	-	-	-	23	23
<b>Balance at 30 June 2014</b>	<b>711</b>	<b>7,673</b>	<b>2,077</b>	<b>-</b>	<b>(9,983)</b>	<b>478</b>

**Balance sheet** as at 30 June 2014

	Note	30 June 2014 £'000	30 June 2013 £'000
<b>NON CURRENT ASSETS</b>			
Available for sale investments	9	22	77
		22	77
<b>CURRENT ASSETS</b>			
Trade and other receivables	10	10	25
Cash and cash equivalents	11	531	206
		541	231
<b>CURRENT LIABILITIES</b>			
Trade and other payables	12	85	59
		85	59
<b>NET CURRENT ASSETS</b>		<b>456</b>	<b>172</b>
<b>NON CURRENT LIABILITIES</b>			
Loan notes	13	-	150
		-	150
<b>NET ASSETS</b>		<b>478</b>	<b>99</b>
<b>EQUITY</b>			
Share Capital	14	711	271
Share premium account		7,673	7,571
Capital redemption reserve		2,077	2,077
Retained earnings		(9,983)	(9,820)
<b>TOTAL EQUITY</b>		<b>478</b>	<b>99</b>

These financial statements of Kennedy Ventures plc, registered number 05697574, were approved by the Board of Directors and authorised for issue on 13 November 2014. Signed on behalf of the Board of Directors



N Harrison  
Director

**Cash flow statement** for the year ended 30 June 2014

	Note	Year ended 30 June 2014 £'000	Year ended 30 June 2013 £'000
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	16	(67)	(297)
<b>INVESTING ACTIVITIES</b>			
Purchase of available for sale investments		-	(175)
Proceeds from the disposal of available for sale investments		-	114
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		-	(61)
<b>FINANCING ACTIVITIES</b>			
Net proceeds from loan note issue		-	150
Repayment of loan notes		(150)	-
Net proceeds of share issue		542	-
<b>NET CASH FROM FINANCING ACTIVITIES</b>		392	150
<b>NET (DECREASE)/INCREASE IN CASH</b>		325	(208)
<b>CASH AT THE BEGINNING OF PERIOD</b>	11	206	414
<b>CASH AT THE END OF THE PERIOD</b>	11	531	206

## Notes to the financial statements

### 1 GENERAL INFORMATION

Kennedy Ventures plc is a Company incorporated in the United Kingdom under the Companies Act. The address of the registered office is given on the inside front cover. The nature of the Company's operations and its principal activities are set out in the Chairman's statement, the strategic report and the Directors' report.

These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the Company operates. There are no foreign operations.

### 2 ACCOUNTING POLICIES

#### Going concern

The financial statements have been prepared on the going concern basis.

The Directors have prepared cash flow forecasts to 30 June 2016, which show that the Company will have sufficient available cash resources to provide for its future requirements. In preparing their forecasts the Directors have given due regard to the risks and uncertainties affecting the business as set out in the Strategic report.

On this basis, the Directors have a reasonable expectation that the Company has adequate resources to continue operating for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the Company's financial statements.

#### Basis of preparation

The financial statements are prepared in accordance with applicable IFRS including standards and interpretations issued by the International Accounting Standards Board as adopted by the EU.

The financial statements have been prepared on the basis of historical cost, except for the revaluation of financial instruments. Cost is based on the fair values of the consideration given in exchange for assets.

In the application of IFRS management is required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments. Actual results may differ from these estimates.

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

Judgments made by management in the application of IFRS that have significant effects on the financial statements and estimates with a significant risk of material adjustment in the next year are disclosed, where applicable, in the relevant notes to the financial statements.

#### Statement of compliance

The financial statements have been prepared and approved by the Directors in accordance with all relevant IFRSs as issued by the International Accounting Standards Board ("IASB"), and interpretations issued by the IFRS Interpretations Committee, endorsed by the European Union ("EU").

In the current year, the Company adopted the following standards and amendments:

#### IFRS 13 "Fair value measurement"

IFRS 13 establishes a single source of guidance under IFRS for fair value measurement and introduces new disclosures to help users better assess the valuation techniques and inputs used to measure fair value. The standard has been applied prospectively. Adoption of the standard has not had a significant impact on the financial statements.

## Notes to the financial statements continued

### 2 ACCOUNTING POLICIES continued

#### IFRS 7 (Amended) "Financial instruments: Disclosures - Offsetting financial assets and financial liabilities"

The amendments to IFRS 7 require entities to disclose information to enable users of the financial statements to evaluate the effect or potential effect of netting arrangements on the balance sheet. Adoption of the amendments has not had a significant impact on the financial statements.

		Effective for accounting periods beginning on or after:
IFRS 10	Consolidated financial statements	1 January 2014
IFRS 11	Joint arrangements	1 January 2014
IFRS 12	Disclosure of interests in other entities	1 January 2014
IAS 27	Separate financial statements	1 January 2014
IAS 28	Investments in associates	1 January 2014
IAS 32	Presentation: Offsetting financial assets and financial liabilities	1 January 2014
IFRIC 21	Levies	1 January 2014
IFRS	Annual improvements 2010 to 2012 and 2011 to 2013	1 July 2014
IFRS 15	Revenue from contracts with customers	1 January 2017
IFRS 9	Financial instruments	1 January 2018

The Directors anticipate that the adoption of the above Standards and Interpretations in future periods will have little or no impact on the financial statements of the Company when the relevant Standards come into effect for future reporting periods.

#### Taxation

The tax currently payable is based on taxable profit or loss for the period. Taxable profit or loss differs from net profit or loss as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying value of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted at the balance sheet date. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

## Notes to the financial statements continued

### 2 ACCOUNTING POLICIES continued

#### **Impairment**

Assets that have an indefinite useful life are not subject to amortisation but are reviewed for impairment annually and where there are indications that the carrying value may not be recoverable. An impairment loss is recognised for the amount by which the carrying value exceeds the recoverable amount.

#### **Financial instruments**

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

The Company ceases to recognise a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

The Company ceases to recognise a financial liability when the Company's obligations are discharged, cancelled or they expire.

Financial instruments are classified as cash and cash equivalents, trade and other receivables, trade creditors, borrowings (including obligations under finance leases) and other payables (including social security and current tax liabilities).

Non-derivative financial assets are categorised as "loans and receivables" and non-derivative financial liabilities are categorised as "other financial liabilities".

#### ***Available for sale investments***

All investments are classified as available for sale investments on initial recognition. Investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value in accordance with IAS 39. In respect of quoted investments, this is either the bid price at the period end date or the last traded price, depending on the convention of the exchange on which the investment is quoted, with no deduction for any estimated future selling cost. Unquoted investments are valued by the directors using primary valuation techniques such as recent transactions, last price or net asset value.

Gains and losses on measurement are recognised in other comprehensive income except for impairment losses and foreign exchange gains and losses on monetary items denominated in a foreign currency, which are recognised directly in profit or loss. Where the investment is disposed of or is determined to be impaired the cumulative gain or loss previously recognised in other comprehensive income is reclassified to profit or loss.

The Company assesses at each period end date whether there is any objective evidence that a financial asset or group of financial assets classified as available for sale has been impaired. An impairment loss is recognised if there is objective evidence that an event or events since initial recognition of the asset have adversely affected the amount or timing of future cash flows from the asset. A significant or prolonged decline in the fair value of a security below its cost shall be considered in determining whether the asset is impaired.

When a decline in the fair value of a financial asset classified as available for sale has been previously recognised in other comprehensive income and there is objective evidence that the asset is impaired, the cumulative loss is removed from other comprehensive income and recognised in profit or loss. The loss is measured as the difference between the cost of the financial asset and its current fair value less any previous impairment

The Company determines the fair value of its Investments based on the following hierarchy:

**LEVEL 1** - Where financial instruments are traded in active financial markets, fair value is determined by reference to the appropriate quoted market price at the reporting date. Active markets are those in which transactions occur in significant frequency and volume to provide pricing information on an on-going basis.

**LEVEL 2** - If there is no active market, fair value is established using valuation techniques, including discounted cash flow models. The inputs to these models are taken from observable market data including recent arm's length market transactions, and comparisons to the current fair value of similar instruments; but where this is not feasible, inputs such as liquidity risk, credit risk and volatility are used.

## Notes to the financial statements continued

### 2 ACCOUNTING POLICIES continued

LEVEL 3 - Valuations in this level are those with inputs that are not based on observable market data.

#### *Loans and receivables*

Loans and receivables, as categorised above, are measured at amortised cost using the effective interest method less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

#### *Trade and other receivables*

Trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date, which are classified as non-current assets and are measured at amortised cost less an allowance for any uncollectible amounts. The net of these balances are classified as "trade and other receivables" in the balance sheet.

Trade and other receivables are assessed for indicators of impairment at each balance sheet date and are impaired where there is objective evidence that the recovery of the receivable is in doubt.

Objective evidence of impairment could include significant financial difficulty of the customer, default on payment terms or the customer going into liquidation.

The carrying amount of trade and other receivables is reduced through the use of an allowance account. When a trade or other receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in the income statement.

#### *Cash and cash equivalents*

Cash and cash equivalents include cash at bank and in hand, deposits at call with banks, other short-term highly liquid investments with original maturity at acquisition of three months or less that are readily convertible to cash, net of bank overdrafts. For the purpose of the cash flow statement, cash and cash equivalents consist of the definition outlined above.

#### *Financial liabilities*

All non-derivative financial liabilities are classified as other financial liabilities and are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Other financial liabilities consist of borrowings and trade and other payables.

Financial liabilities are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

#### *Other financial liabilities*

Other financial liabilities, as categorised above, are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis. Other financial liabilities are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

#### *Equity instruments*

Equity instruments consist of the Company's ordinary share capital and are recorded at the proceeds received, net of direct issue costs.

### 3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with the Company's accounting policies as disclosed in Note 2 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable

**Notes to the financial statements** continued**3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS** continued

under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The carrying value of assets is determined based on their fair value as supported by a management valuation less costs to sell. This estimate and assumption can present a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial period. The valuation of the options granted during the year involved making a number of critical estimates relating to price volatility, future dividend yields, expected life of the options and forfeiture rates. These assumptions have been described in more detail in note 15. The estimate and assumptions could materially affect the current year's Income Statement.

**4 BUSINESS AND GEOGRAPHICAL REPORTING**

The Company's operations are solely in the United Kingdom. Following the disposal of the Company's trading operations it has no trading activities and so no segmental analysis of operations is included.

**5 LOSS FOR THE PERIOD**

	Year ended 30 June 2014 £'000	Year ended 30 June 2013 £'000
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Loss for the period has been arrived at after charging:

Staff costs (see note 6)	40	65
Auditor's remuneration	9	5

The analysis of auditor's remuneration is as follows:

Fees payable for the Company's annual audit	8	5
Total audit fees	8	5
Non audit services:		
Tax services	1	-
Total	9	5

**6 STAFF COSTS**

	Year ended 30 June 2014 Number	Year ended 30 June 2013 Number
--	--------------------------------------	--------------------------------------

Average number of persons employed (including directors)

Administration	4	3
	4	3
	£'000	£'000

Staff costs during the period

Wages and salaries	37	61
Social security costs	3	4
Other pension costs	-	-
	40	65

**Directors' emoluments**

An analysis of the directors' emoluments and pension entitlements and their interest in the share capital of the Company is contained in the Report of the Board on remuneration accompanying these financial statements.

## Notes to the financial statements continued

## 7 TAXATION

	Year ended 30 June 2014 £'000	Year ended 30 June 2013 £'000
<b>Analysis of tax charge in the period:</b>		
<b>Current taxation</b>		
United Kingdom charge	-	-
	-	-
<b>Taxation components</b>		
Loss on ordinary activities before tax	(186)	(139)
Loss on ordinary activities multiplied by the standard rate of Corporation Tax of 21.5% (2013: 23.75%)	(40)	(33)
<b>Effects of:</b>		
Expenses not deductible for tax purposes	2	6
Effect of unrealised investment losses not deductible for tax purposes	12	-
Losses carried forward	26	27
<b>Current tax charge based on loss for the period</b>	<b>-</b>	<b>-</b>

**Deferred tax**

No deferred tax asset is recognised in respect of losses brought forward at a tax written down value of £3.6m (2013: £3.5m). The asset is not recognised as there is no certainty that sufficient taxable profits will arise within the next 12 months against which to utilise the losses. An asset would be recognised once it was reasonably certain that sufficient taxable profits would arise within the Company.

## 8 LOSS PER SHARE

The calculation of basic loss per share is based on the following data

	Year ended 30 June 2014 £'000	Year ended 30 June 2013 £'000
<b>Loss for the financial period</b>	<b>(186)</b>	<b>(139)</b>
<b>Number of shares</b>		
Weighted average number of shares for the purposes of basic earnings per share	38,791,151	27,098,022
<b>Basic loss per ordinary share (pence)</b>	<b>(0.5)</b>	<b>(0.5)</b>

The Company has outstanding warrants and options as disclosed under Note 14 which may be dilutive in future periods. The effect in respect of the current year would have been anti-dilutive (reducing the loss per share) and accordingly is not presented.

**Notes to the financial statements** continued**9 AVAILABLE FOR SALE INVESTMENTS**

	2014 £'000	2013 £'000
Balance brought forward	77	-
Purchase of investments	-	197
Investment disposals	-	(114)
Loss on disposal of investments	-	(6)
Provision for impairment	(55)	-
<b>Balance carried forward</b>	<b>22</b>	<b>77</b>
Categorised as:		
Level 3 - Unquoted investments	22	77
	22	77

The table above sets out the fair value measurements using the IFRS 7 fair value hierarchy. Categorisation within the hierarchy has been determined on the basis of the lowest level of input that is significant to the fair value measurement of the relevant asset as follows:

Level 1 - valued using quoted prices in active markets for identical assets.

Level 2 - valued by reference to valuation techniques using observable inputs other than quoted prices included within Level 1.

Level 3 - valued by reference to valuation techniques using inputs that are not based on observable market data.

All available for sale investments relate to Level 3 investments. The valuation techniques used by the Company are explained in note 2 under the heading 'Available for sale Investments'.

**10 TRADE AND OTHER RECEIVABLES**

	2014 £'000	2013 £'000
Other receivables	5	19
Prepayments	5	6
	10	25

**11 CASH AND CASH EQUIVALENTS**

	2014 £'000	2013 £'000
Cash and cash equivalents	531	206

**Credit risk**

The Company's principal financial assets are bank balances and cash and other receivables, which represent the Company's maximum exposure to credit risk in relation to financial assets. The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

**Notes to the financial statements** continued**12 TRADE AND OTHER PAYABLES**

	2014 £'000	2013 £'000
Trade creditors	46	8
Other creditors	22	22
Accruals	17	29
	85	59

The Directors consider that the carrying amount of trade payables approximates to their fair value at the balance sheet date.

**13 LOAN NOTES**

On 10 May 2013 the Company issued £150,000 secured loan notes repayable on 31 October 2014, on which a facility fee at the rate of £2,000 per quarter was payable on redemption. The loan notes were redeemed at par in March 2014

**14 SHARE CAPITAL AND PREMIUM**

	Number of ordinary shares	Nominal value £'000	Share Premium £'000
<b>Issued and fully paid</b>			
At 1 July 2012, shares of 0.01p each	2,709,802,191	271	7,571
Share consolidation, shares of 1p each	(2,682,704,191)	-	-
At 30 June 2013, shares of 1p each	27,098,000	271	7,571
Share issue	44,000,000	440	110
Share issue expenses	-	-	(8)
At 30 June 2014, shares of 1p each	71,098,000	711	7,673

**Share issue**

On 25 March 2014, the Company issued 44,000,000 ordinary shares of 1p each at 1.25p per share by way of a private placing, raising £550,000 before expenses.

**Warrants**

On 25 May 2012 and in association with the CVA and Placing, the Company granted to Peterhouse Corporate Finance Limited by way of a deed a warrant to subscribe shares representing 3% of the Company's issued ordinary share capital from time to time exercisable at 2 pence per share at any time up to 20 March 2015. By an agreement of 24 March 2014, the number of ordinary shares the subject of this option was fixed at 1,142,940.

**Options**

On 25 March 2014 the Board resolved to grant options over up to 8,531,760 new ordinary shares exercisable at 1.25p per share and granted 3,199,410 of such options.

**Notes to the financial statements** continued**15 SHARE BASED PAYMENTS****Equity-settled share option scheme**

The Company operates share-based payment arrangements to incentivise directors by the grant of share options. Equity-settled share-based payments are measured at fair value (excluding the effect of non-market based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of shares that will eventually vest and adjusted for the effect of non-market based vesting conditions.

On 25 March 2014 the Board resolved to grant options over up to 8,531,760 new ordinary shares exercisable at 1.25p per share and granted 1,599,705 such options each to G Clarke and N Harrison. The options are exercisable at any time up to 25 March 2018.

The significant inputs to the model in respect of the options granted were as follows:

Grant date share price	1.50p
Exercise share price	1.25p
No. of share options	3,199,410
Risk free rate	2.5%
Expected volatility	50%
Option life	4 years
Calculated fair value per share	0.517p

The total share-based payment expense recognised in the income statement for the year ended 30 June 2014 in respect of the share options granted was £22,582 (2013: £Nil).

Number of options at 1 July 2013	Issued in the year	Exercised in the year	Number of options at 30 June 2014	Exercise price	Vesting Date	Expiry date
-	3,199,410	-	3,199,410	1.25p	25.03.2014	25.03.2018

**16 NOTES TO THE CASH FLOW STATEMENT**

	2014	2013
	£'000	£'000
<b>Operating loss</b>	(186)	(139)
Adjustments for:		
Loss on disposal of investments	-	6
Fair value movements in investments	55	-
Share based payment expense	23	-
<b>Operating cash flows before movement in working capital</b>	(108)	(133)
Decrease in receivables	15	9
Increase/(decrease) in payables	26	(173)
<b>Net cash used in operating activities</b>	(67)	(297)

Cash and cash equivalents (which are presented as a single class of asset on the face of the balance sheet) comprise cash at bank and other short term, highly liquid investments with a maturity of three months or less

**17 CAPITAL COMMITMENTS**

There were no capital commitments authorised by the Directors or contracted for at 30 June 2014 (2013: £nil).

**18 CONTINGENT LIABILITIES**

There were no contingent liabilities as at 30 June 2014 (2013: £nil).

**Notes to the financial statements** continued**19 RELATED PARTY TRANSACTIONS**

The remuneration of the Directors, who are the key management personnel of the Company, is set out in the report of the Board on remuneration accompanying these financial statements. P Redmond, C Weinberg and C Yates participated in a placing to raise £550,000 in March 2014, subscribing respectively for 1,320,000, 1,810,000 and 1,720,000 new ordinary shares at 1.25p per share. G Clarke and N Harrison were both granted options to subscribe new ordinary shares as detailed in the report of the Board on remuneration. There have been no other material transactions with related parties.

**20 POST BALANCE SHEET EVENT**

In August 2014, the Company entered into a conditional agreement to acquire 75% of African Tantalite (Pty) Limited ("Aftan") for a total consideration of R12m (£0.66m). R4m of the consideration is to be satisfied through the issue of 4,523,113 new ordinary shares in the Company and the balance of R8m is to be satisfied through a loan. Aftan has signed a conditional agreement to acquire 60% of a mine in Namibia which is intended to be brought back into production within six months of completion of the Company's acquisition. Completion is conditional upon a number of conditions being satisfied by 31 December 2014 (or such later date as may be agreed), including confirmation of mining tenure for the mine and regulatory approvals in Namibia.

**21 ULTIMATE CONTROLLING PARTY**

The Directors are not aware that there is any single controlling party.