REABOLD RESOURCES PLC

Annual Report and Financial Statements

For the year ended 31 December 2015

Registered number 3542727

Contents

Officers and professional advisers

Directors	Jeremy Edelman (Chairman) Anthony Samaha
Secretary	Milford Secretaries Limited
Registered Office	200 Strand London WC2R 1DJ
Registered number	3542727
Solicitors	Kerman & Co LLP 200 Strand London WC2R 1DJ
Auditor	Mazars LLP Tower Bridge House St. Katharine's Way London E1W 1DD
Nominated advisor	Beaumont Cornish Limited 2nd Floor, Bowman House 29 Wilson Street London EC2M 2SJ
Registrar	Neville Registrars Limited 18 Laurel Lane Halesowen West Midlands B63 3DA
Bankers	Barclays Bank Plc Level 27, 1 Churchill Place, London E14 5HP

The Chairman's statement and the Strategic report for Reabold Resources Plc ("the Company") for the year ended 31 December 2015 are presented below.

The Board has continued to be active in the identification and evaluation of investment opportunities in various sectors towards the objective of an acquisition that drives creation of value for stakeholders.

Placements

The Company announced on 18 September 2015 the placement by the Company of 40,000,000 new Ordinary Shares of 0.1p each in the Company at a price of 0.5p per share, raising £200,000 for working capital purposes.

On 8 January 2016, the Company announced an additional placement of 40,000,000 new Ordinary shares of 0.1p each at a price of 0.5p per share, raising £200,000 for working capital purposes.

The Board is delighted to have the support of these two new strategic investors gained through these placements

Mogul Ventures Corp. Investment

The Company holds 5 million shares in Mogul Ventures Corp. ("Mogul"), a private company focused on natural resources in Mongolia, principally in tin. Reabold's holding in Mogul amounts to a 4.2% undiluted, and 4.1% fully diluted interest. On 20 February 2015, Mogul entered into an amended and restated arrangement agreement ("the Arrangement Agreement") with Knowlton Capital Inc. ("Knowlton"), a TSX-V listed company, for the acquisition by Knowlton of all of the issued and outstanding shares of Mogul. The Arrangement Agreement superseded a letter of intent dated 23 May 2014 and a definitive agreement dated 22 August 2014. The Arrangement Agreement constituted a reverse takeover of Knowlton, the completion of which was subject to a number of conditions, including approval by the TSX-V, Knowlton's shareholders and Mogul's shareholders. On 29 April 2016, Knowlton announced the termination of the Arrangement Agreement with Mogul to pursue another reverse take-over transaction.

In November 2015, Mogul issued a convertible debenture in the amount of CAD $200k with a term of 1 year, an annual coupon of 3% and convertible to Mogul equity at CAD $0.25 per share.

In Q4 2015, Mogul conducted a drilling program to collect samples for metallurgical test work at Mogul's Oortsog Ovoo tin-polymetallic project, which is expected to be completed by the end of Q2 2016. Mogul believes the program will be important in significantly de-risking the project and securing funding towards its development. Notwithstanding the termination of the transaction with Knowlton, the management and key stakeholders in Mogul remain positive towards Mogul's future in the public markets under improved market conditions.

Financial Risk Management

The Company's continuing operations expose it to foreign currency, credit and liquidity risks. The Company was exposed to price risk during the year on its investment in unlisted shares. The Board's strategy in managing the market price risk inherent in the Company's equity investment is determined by the requirement to meet the Company's investment objective. The directors manage these risks by regular reviews of the investment within the context of current market conditions. The size of the Company means that it is unnecessary and impractical for the Directors to delegate the responsibility of monitoring financial risk management to a sub-committee of the Board.

Financial Review

The loss of the Company for the 12 months ended 31 December 2015 was £104,000 (2014: loss of £118,000), in line with expectations.

The net assets as at 31 December 2015 were £624,000 (2014: £424,000). As at 31 December 2015, the Company had cash of £481,000.

Outlook

Having successfully raised further capital and the added support from two new strategic shareholders, the Board is moving forward positively to drive shareholder value through the investment strategy. Whilst the Board believes there are positive cyclical investment opportunities in resources stocks, they may be subject to significant volatility in financial markets and commodity prices, as well as other potential risk areas, including operational, geological, environmental, sovereign issues and access to capital. The Board will evaluate investment opportunities in other sectors as they arise. The Board is positive towards the outlook for quality investment opportunities.

The Board looks forward to reporting further in due course.

This report was approved by the Board and signed on its behalf:

Jeremy Edelman
Director

29 June 2016

Jeremy Edelman - Executive Chairman
Jeremy Edelman holds Bachelor degrees in Commerce and Law together with a Masters degree in Applied Finance. Jeremy is admitted as a solicitor to the Supreme Courts of Western Australia and New South Wales. Jeremy subsequently worked for some of the world's leading investment banks, including Bankers Trust and UBS Warburg in debt and acquisition finance. He has held consulting and director positions in listed companies in the UK and Australia, such as Mt Grace Resources NL, with a focus on resource exploration and development, including investment companies established with the specific objective of investing in resources projects. He also has corporate finance experience, having been responsible for co-coordinating a number of companies in making acquisitions in a variety of resource sectors, including oil and gas, uranium, molybdenum, base metals and coal. He has worked in various regions of the world, including the Republic of Kazakhstan, Russia, South Africa and Australia. Jeremy is currently a Non-Executive Director of Leni Gas Cuba Limited. Jeremy served as a Director of Altona Energy Plc (also known as Altona Resources Plc) until 4 July 2006, Executive Director of Leni Gas & Oil PLC from August 2006 to December 2010 and Director of Braemore Resources Plc until 27 July 2005.

Anthony Samaha - Executive Director
Anthony Samaha is a Chartered Accountant who has over 20 years' experience in accounting and corporate finance, including resources development. Anthony worked for over 10 years with international accounting firms, including Ernst & Young, principally in corporate finance, gaining significant experience in valuations, IPOs, independent expert reports, and mergers and acquisitions. He has extensive experience in the listing and management of AIM quoted companies, such as Equatorial Palm Oil Plc, Altona Energy Plc and Braemore Resources Plc, including fund raisings, project development and mergers and acquisitions. Anthony has been involved in acquisitions and resource projects in various regions of the world, including Australia, South Africa, West Africa, North America, India, Kazakhstan and the People's Republic of China. Anthony is currently the Finance Director of Leni Gas Cuba Limited and AfriAg Plc, which are listed on the ISDX Growth Market. He holds Bachelor of Commerce and Bachelor of Economics degrees from the University of Western Australia, and is an Associate of the Institute of Chartered Accountants in Australia and an Associate of the Financial Services Institute of Australasia.

The Directors submit their report and the audited financial statements of the Company for the year ended 31 December 2015.

Principal activities
At the general meeting of the shareholders of the Company on 19 December 2012, shareholders approved a fundamental change of business to that of an investing company in the natural resources sector, and is now classified as an Investing Company under the AIM Rules for Companies ("AIM Rules"). Prior to this date, the principal activity of the Company during the year was that of a holding company to a group of companies providing specialist business to business marketing services to clients in the technology and media industries.

Results and dividends
The results of the Company are shown on page 10. No dividends were declared or paid in the year (2014: £nil). The Directors do not recommend the payment of a final dividend.

Post balance sheet events
Details of post reporting date events are disclosed in Note 20 of the financial statements.

Financial Risk Management
The Company's continuing operations expose it to foreign currency, credit and liquidity risks. The Company was exposed to price risk during the year as there were purchases of listed and unlisted shares. The Board's strategy in managing the market price risk inherent in the Company's portfolio of equity investments is determined by the requirement to meet the Company's investment objective. The directors manage these risks by regular reviews of the portfolio within the context of current market conditions. The size of the Company means that it is unnecessary and impractical for the Directors to delegate the responsibility of monitoring financial risk management to a sub-committee of the Board. Refer to Note 17 of the financial statements, for further details.

Directors and their interests
The names of the Directors who held office during the year and their shareholdings are shown below.

Director	**At 31 December 2015**	At 1 January 2015
Jeremy Edelman *	**144,000,000**	144,000,000
Anthony Samaha	**-**	-

** including 124,000,000 shares held by Saltwind Enterprises Ltd, a company connected with Jeremy Edelman*

Directors' indemnity
The Company maintains a directors' and officers' liability policy on normal commercial terms which includes third party indemnity provisions.

Going concern
The financial statements have been prepared on the going concern basis. The Directors expect to be able to be able to obtain further funding for the Company. However, there can be no guarantee that the required funds will be raised within the necessary timeframe or on terms that will be acceptable to the Company.

Outlook
A summary of the outlook for the Company is given within the Chairman's Report on page 3.

Political and charitable contributions
The Company made no contributions to charitable or political bodies during the year (2014: £Nil).

Substantial shareholders
The following had interests in 3% or more of the voting capital of the Company as at 16 June 2016:

Holder	No. of shares	%
Saltwind *	124,000,000	38.6
Delta Oil Company Ltd	40,000,000	12.5
Silverwood Ventures Ltd	40,000,000	12.5
Pelamis Investments Ltd	40,000,000	12.5
Mazen Haddad	24,600,000	7.7
Jeremy Edelman	20,000,000	6.2
KIA Ltd	10,000,000	3.1
Sunvenus Holdings Ltd	10,000,000	3.1

** Saltwind is connected with Jeremy Edelman*

Treasury stock
At the Extraordinary General Meeting held on 29 May 2008 shareholders authorised the Company to purchase its own shares and during the remainder of the 2008 financial year the Company entered into a number of transactions acquiring a total of 104,136 shares which it put into Treasury. In 2014 an Employee Benefit Trust ("EBT") held 9,311 Ordinary Shares, which were disposed and the EBT was dissolved. In the current year there is no treasury stock.

Corporate governance
The Board is committed to ensuring good standards of corporate governance in so far as practicable for a company of this size.

Board of Directors
The Board meets regularly to determine the policy and business strategy of the Company and has adopted a schedule of those matters that are reserved as the responsibility of the Board. Throughout 2015 the Board consisted of two executive Directors, including the Chairman.

Board committees
In view of the current size of the Company, the Board has not delegated certain authorities to committees. The Board intends to implement an Audit Committee, Remuneration Committee and Nominations Committee, when the Company has reached a sufficient size.

Controlling party
In the opinion of the Directors, Jeremy Edelman is the ultimate controlling party in the share capital of the Company.

Statement of disclosure to auditor
So far as the Directors are aware, there is no relevant audit information of which the Company's auditor is unaware, and they have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor
In accordance with section 489 of the Companies Act 2006, a resolution to reappoint Mazars LLP was put to the Annual General Meeting held on 5 August 2015 and was approved.

By order of the Board, 29 June 2016

A Samaha
Registered Office:
200 Strand
London
WC2R 1DJ

Statement of Directors' responsibilities

The Directors are responsible for preparing the Strategic report and the Directors' report and the financial statements in accordance with applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether IFRS as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements;
- provide additional disclosures when compliance with specific requirements in IFRS is 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
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for keeping adequate accounting records 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.

We have audited the financial statements of Reabold Resources Plc for the year ended 31 December 2015 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Respective responsibilities of Directors and auditors
As explained more fully in the Directors' Responsibilities Statement set out on page 7, 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. 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.

Scope of the audit of the financial statements
A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's web-site at www.frc.org.uk/auditscopeukprivate.

Opinion on the financial statements
In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2015 and of its loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on the other matters 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 Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

Samantha Russell (Senior Statutory Auditor)
for and on behalf of Mazars LLP
Chartered Accountants and Statutory auditor
Tower Bridge House
St. Katharine's Way
London E1W 1DD

29 June 2016

REABOLD RESOURCES PLC

Statement of comprehensive income for the year ended 31 December 2015

	Notes	2015 £'000	2014 £'000
Net capital loss on financial assets at fair value through profit or loss	4	-	(11)
Investment income	4	-	6
Net investment losses		-	(5)
Other operating income		-	5
Administration expenses		**(104)**	(117)
Operating loss	6	**(104)**	(117)
Finance income	9	-	2
Finance costs	10	-	(3)
Loss on ordinary activities before taxation		**(104)**	(118)
Taxation on loss on ordinary activities	11	-	-
Loss for the financial year		**(104)**	(118)
Other comprehensive income		-	-
Total comprehensive income for the financial year		**(104)**	(118)
Attributable to:			
Equity holders		**(104)**	(118)
		(104)	(118)
Loss per share			
Basic and fully diluted loss per share (pence)	12	**(0.04)**	(0.1)

All amounts relate to continuing operations

The notes on pages 14 to 26 form part of these financial statements.

REABOLD RESOURCES PLC

Statement of financial position as at 31 December 2015 Company no. 3542727

	Notes	2015 £'000	2014 £'000
ASSETS			
Non-current assets			
Investments at fair value through profit and loss	4	**-**	-
Investments available for sale	5	**200**	200
		200	200
Current assets			
Cash		**481**	196
Trade and other receivables	13	**1**	2
		482	198
Total assets		**682**	398
EQUITY			
Capital and reserves			
Share capital	15	**395**	355
Share premium account		**8,291**	8,131
Advance received for shares to be issued	15	**200**	-
Capital redemption reserve		**200**	200
Retained earnings		**(8,462)**	(8,358)
Total equity		**624**	328
LIABILITIES			
Current liabilities			
Trade and other payables	17	**58**	70
Total liabilities		**58**	70
Total equity and liabilities		**682**	398

Approved by the Board of Directors on 29 June 2016
Signed on behalf of the board of directors:

Anthony Samaha
Director

The notes on pages 14 to 26 form part of these financial statements.

REABOLD RESOURCES PLC

Statement of changes in equity for the year ended 31 December 2015

	Share capital	Share premium	Advance received for shares to be issued	Capital redemption reserve	Retained earnings	Total
	£'000	£'000	£'000	£'000	£'000	**£'000**
Balance as at 31 December 2013	285	7,726	-	200	(8,240)	**(29)**
Total comprehensive income for the year	-	-	-		(118)	**(118)**
Changes in equity for 2014						
Issue of share capital	70	405	-		-	**475**
Balance as at 31 December 2014	**355**	**8,131**	**-**	**200**	**(8,358)**	**328**
Total comprehensive income for the year	-	-	-		(104)	**(104)**
Changes in equity for 2015						
Issue of share capital	40	160	-		-	**200**
Advance received for shares to be issued	-	-	200		-	**200**
Balance as at 31 December 2015	**395**	**8,291**	**200**	**200**	**(8,462)**	**624**

The notes on pages 14 to 26 form part of these financial statements.

REABOLD RESOURCES PLC

Statement of cash flows for the year ended 31 December 2015

	Notes	2015 £'000	2014 £'000
Cash flows from operating activities			
Loss before taxation		**(104)**	**(118)**
Adjustments for:			
Realised loss on investments		**-**	**11**
Interest charge		**-**	**3**
Finance income		**-**	**(2)**
Operating cash flows before movement in working capital		**(104)**	**(106)**
Decrease in receivables		**1**	**3**
Increase/(decrease) in payables		**(12)**	**20**
Cash used in operations		**(115)**	**(83)**
Interest paid	10	**-**	**(3)**
Net cash used in operating activities		**(115)**	**(86)**
Cash flows from investing activities			
Interest received	9	**-**	**2**
Purchase of listed securities	4	**-**	**(610)**
Purchase of unlisted securities	5	**-**	**(50)**
Proceeds from divestiture of listed securities	4	**-**	**599**
Net cash flows from investment activities		**-**	**(59)**
Cash flows from financing activities			
Increase in borrowings – equity margin facility	14	**-**	**416**
Repayment of borrowings – equity margin facility	14	**-**	**(416)**
Share placement received	15	**200**	**325**
Advance received for shares to be issued	15	**200**	**-**
Net cash generated from financing activities		**400**	**325**
Net increase/(decrease) in cash and cash equivalents		**285**	**180**
Cash and cash equivalents at the beginning of the period		**196**	**16**
Cash and cash equivalents at the end of the period		**481**	**196**
Cash and cash equivalents comprises:			
Cash and cash equivalents		**481**	**196**
Overdraft and borrowings		**-**	**-**
		481	**196**

The notes on pages 14 to 26 form part of these financial statements.

Reabold Resources Plc is a company registered in England and Wales under the Companies Act. Registered in England number 3542727 at 200 Strand. London WC2R 1DJ. The nature of the Company's operations and its principal activities are set out in the Directors' report on pages 6 to 7.

1. Preparation of financial statements

Standards, amendments and interpretations adopted in the current financial year ended 31 December 2015

The adoption of the following mentioned standards, amendments and interpretations in the current year have not had a material impact on the Company's financial statements.

- IFRIC 21 'Levies' (applicable for annual periods beginning on or after 17 June 2014)
- Improvements to IFRS (2011 - 2013) (applicable for annual periods beginning on or after 1 January 2015)

Other than disclosure, there has been no impact on the financial statements of these adoptions.

Standards, amendments and interpretations in issue but not yet effective

The adoption of the following mentioned standards, amendments and interpretations in future years are not expected to have a material impact on the Company's financial statements.

- Annual Improvements to IFRS (2010-2012) (applicable for annual periods beginning on or after 1 February 2015)
- Annual Improvements to IFRS (2012-2014) (applicable for annual periods beginning on or after 1 January 2016)
- Amendments to IAS 1 Presentation of Financial Statements – Disclosure Initiative (applicable for annual periods beginning on or after 1 January 2016)
- Amendments to IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets- Depreciation and Amortisation (applicable for annual periods beginning on or after 1 January 2016)
- Amendments to IAS 16 Property, Plant and Equipment and IAS 41 Agriculture- Bearer Plants (applicable for annual periods beginning on or after 1 January 2016)
- Amendments to IAS 19 Employee Benefits – Employee Contributions (applicable for annual periods beginning on or after 1 February 2015)
- Amendments to IAS 27 Separate Financial Statements - Equity Method (applicable for annual periods beginning on or after 1 January 2016)
- Amendments to IFRS 10 Consolidated Financial Statements (applicable for annual periods beginning on or after 1 January 2016, but not yet endorsed in the EU)
- Amendments to IAS 28 Investments in Associates and Joint Ventures (applicable for annual periods beginning on or after 1 January 2016, but not yet endorsed in the EU)
- Amendments to IFRS 11 Joint Arrangements (applicable for annual periods beginning on or after 1 January 2016)
- Amendments to IAS 7 Statement of Cash Flows – Disclosure Initiative (applicable for annual periods beginning on or after 1 January 2017, but not yet endorsed in the EU)
- Amendments to IAS 12 Income Taxes (applicable for annual periods beginning on or after 1 January 2017, but not yet endorsed in the EU)
- IFRS 9 Financial Instruments (applicable for annual periods beginning on or after 1 January 2018, but not yet endorsed in the EU)
- IFRS 15 Revenue from Contracts with Customers (applicable for annual periods beginning on or after 1 January 2018, but not yet endorsed in the EU)
- IFRS 16 Leases (applicable for annual periods beginning on or after 1 January 2019, but not yet endorsed in the EU)
- IFRS 14 Regulatory Deferral Accounts (applicable for annual periods beginning on or after 1 January 2016)
- Amendments to IFRS 10 Financial Instruments and IAS 28 Investment in Joint Ventures (endorsement postponed indefinitely)

2. Summary of significant accounting policies

Basis of accounting
The 2015 financial statements are prepared under International Financial Reporting Standards, as adopted for use by the European Union.

The financial statements have been prepared on the going concern basis and historical cost basis, except that the following assets and liabilities are stated at their fair value: financial instruments classified as fair value through the profit and loss.

The financial statements are presented in sterling, the currency of the primary economic environment in which the Company operates and in which the majority of the Company's transactions are denominated.

The principal accounting policies adopted are set out below.

Going concern
The financial statements have been prepared on the going concern basis. The Directors expect to be able to be able to obtain further funding for the Company. However, there can be no guarantee that the required funds will be raised within the necessary timeframe or on terms that will be acceptable to the Company.

Investments at fair value through profit or loss
Classification
The Company classifies its investments as financial assets at fair value through profit or loss ("financial assets"). The financial assets are designated by the Company at fair value through profit or loss at inception. At the year end the Company did not class any investments as financial assets at fair value through profit or loss.

Recognition
Purchases and sales of investments are recognised on the trade date – the date on which the Company commits to purchase or sell the investments.

Measurement
Financial assets at fair value are initially recognised at cost, being the fair value of consideration given. Subsequent to initial recognition, all financial assets at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the 'financial assets at fair value' category are presented in the Statement of Comprehensive Income in the period in which they arise.

Fair value estimation
Marketable (Listed) Securities – Where an active market exists for the security, the value is stated at the bid price on the last trading day in the period. Marketability discounts are not applied unless there is some contractual, governmental or other legally enforceable restriction preventing realisation at the reporting date.

Unlisted Investments – Where the Company has investments in equity instruments that do not have a quoted price in an active market and whose fair value cannot be reliably measured these are carried at historic cost.

Fair value hierarchy
IFRS 13 requires disclosure of fair value measurements by level of the following fair value hierarchy:
Level 1 - inputs are quoted prices (unadjusted) in active markets for identical assets and liabilities that the entity can readily observe;
Level 2 - inputs are inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly; and
Level 3 - inputs that are not based on observable market data (unobservable inputs).

Investments available for sale
Available for sale financial assets are non-derivatives that are either designated as available for sale or are not classified as loans and receivables, held-to-maturity investments or financial assets at fair value through profit or loss.

2. Summary of significant accounting policies (continued)

The company has an investment in unlisted shares that are not traded in an active market but that are classified as available for sale financial and stated at fair value (because the directors consider that fair value can be reliably measured). Fair value is determined in the manner described in note 5. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the investments revaluation reserve with the exception of impairment losses, interest calculated using the effective interest method and foreign exchange gains and losses on monetary assets, 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 the investments revaluation reserve is reclassified to profit or loss.

Available for sale equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost less any identified impairment losses at the end of each reporting period.

Taxation
The tax charge represents the sum of current and deferred tax.

Current tax payable is based on taxable profits for the year. Taxable profits differ from net profits as reported in the income statement because it excludes items that are taxable or deductible in other years and items that are not taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted at 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 liability method. Deferred tax liabilities are recognised for all temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which temporary differences can be utilised.

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

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability or the asset is realised.

Borrowing costs
Unless borrowing costs are capitalised that are directly attributable to the acquisition construction or production of a qualifying asset, borrowing costs are expensed in the period they are incurred. No borrowing costs were capitalised in the year (2014: Nil).

Currencies
Transactions in currencies other than Sterling are recorded at the rates of exchange prevailing on the dates of the transactions. Monetary items in the statement of financial position are retranslated at the closing exchange rate at each statement of financial position date, and the resulting translation differences are recorded in profit or loss.

Impairment
At each reporting date, the Company reviews the carrying amount of its tangible and intangible assets including investments to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the impairment loss is recognised as an expense.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset. A reversal of an impairment loss is recognised as income immediately.

2. Summary of significant accounting policies (continued)

Financial instruments
Financial assets and financial liabilities are recognised in the Company's statements of financial position when the Company has become a party to the contractual provisions of the instrument.

Loans and other receivables
Loans and other receivables are recognised initially at fair value and subsequently measured at amortised costs using the effective interest rate method, as reduced by appropriate provisions for estimated irrecoverable amounts less provision for impairment. A provision for impairment is accounted for when management deems the specific trade receivable balance not to be collectable. The amount of the impairment loss is recognised in the income statement

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

Other financial liabilities
Other financial liabilities, including borrowings, 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 the expected yield basis. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expect life of the expected financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Financial liabilities and equity
Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that creates a residual interest in the assets of the Company.

Trade payables
Trade payables are stated at their amortised cost less any discount or rebate received.

Dividends
Dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders.

Equity instruments
Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Capital redemption reserve
Where a company acquires its own shares out of free reserves, then a sum equivalent to the nominal value is transferred to a capital redemption reserve.

2. Summary of significant accounting policies (continued)

Critical accounting judgements and key sources of estimation uncertainty
The Directors consider the critical accounting estimates and judgements used in the financial statements and concluded that the main areas of judgement are:

The preparation of the financial statements 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 under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. 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.

The following are the critical accounting judgements, apart from those involving estimations (which are dealt with separately below), that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

(a) Critical judgements in applying the Company's accounting policy

In the process of applying the Company's accounting policies which are described above, management has not had to make any further significant judgements on the amounts recognised in the financial statements.

(b) Key sources of estimation uncertainty

As the Company is now an investing company, the key source of estimation uncertainty is the valuation of unlisted investments.

3. Segment analysis

The segmental analysis relates to the operations of the Company, as these are individual financial statements of the Company. The Company has one reportable operating segment on the basis that it earns revenues and incurs expenses from one business activity; being investing, and on the basis that it operates in one geographical location; being the United Kingdom. During the current year, the Company did not generate any turnover from its investment activities, as no acquisition was completed during the reporting period.

4. Investments at fair value through profit & loss

For the period ended 31 December 2015

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Opening cost	**-**	**-**	**-**	**-**
Additions at cost – cash	-	-	-	-
Additions at cost – in specie	-	-	-	-
Disposal proceeds	-	-	-	-
Net realised loss on disposal of investments	-	-	-	-
Closing portfolio cost	**-**	**-**	**-**	**-**
Net unrealised (loss)/gain on investments	-	-	-	-
Closing valuation	**-**	**-**	**-**	**-**
Net unrealised (loss)/gain on investments	-	-	-	-
Net realised loss on disposal of investments	-	-	-	-
Net capital (loss)/gain on fair value of financial assets designated at fair value through profit or loss	**-**	**-**	**-**	**-**
Investment income	-	-	-	-
Total (losses)/gains on Financial Assets at fair value through profit or loss	**-**	**-**	**-**	**-**

Details of the additions and disposals can be found in the Chairman's Statement and Strategic Report.

For the period ended 31 December 2014

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Opening cost	**-**	**-**	**-**	**-**
Additions at cost – cash	610	-	-	610
Additions at cost – in specie	-	-	-	-
Disposal proceeds	(599)	-	-	(599)
Net realised loss on disposal of investments	(11)			(11)
Closing portfolio cost	**-**	**-**	**-**	**-**
Net unrealised (loss)/gain on investments	-	-	-	-
Closing valuation	**-**	**-**	**-**	**-**
Net unrealised (loss)/gain on investments	-	-	-	-
Net realised loss on disposal of investments	(11)	-	-	(11)
Net capital (loss)/gain on fair value of financial assets designated at fair value through profit or loss	**(11)**	**-**	**-**	**(11)**
Investment income	6	-	-	6
Total (losses)/gains on financial Assets at fair value through profit or loss	**(5)**	**-**	**-**	**(5)**

5. Investments available for sale

	2015	2014
	£'000	£'000
Opening	**200**	-
Additions at cost – cash	-	50
Additions at cost – in specie	-	150
Closing	**200**	200

Details of the additions can be found in the Chairman's Statement and Strategic Report. The opinion of the Directors at the prior period was that the fair value of this investment could not be reliably measured given the early stage of development of the entity. The fair value can now be determined with reference to subsequent issue prices of convertible debentures by the company the investment is in. This classifies the asset at Level 2 of the fair value hierarchy.

6. Loss from operations

	2015	2014
The result from operations has been arrived at after charging:	**£'000**	£'000
Auditors' remuneration – audit of Company	**11**	10
Auditors' remuneration – other services	**-**	-
Staff costs	**48**	24

7. Staff costs

	2015	2014
Staff employment costs were:	**£'000**	£'000
Wages and salaries		
Social security costs	**48**	24
Other pension costs	**-**	-
	-	-
	48	24

During the year there were no employees (2014: nil) employed by the Company excluding directors in administration roles. The staff costs during the year include the accrual of director fees in the amount of £24,000 which were not paid during the reporting period.

8. Directors' remuneration

The emoluments (including pension contributions) paid to Directors during the year was as follows:

	Salary & fees	Compensation for loss of office	Pension contribution	**2015 Total**	2014 Total
	£'000	£'000	£'000	**£'000**	£'000
Executive Directors					
Jeremy Edelman	**24**	**-**	**-**	**24**	-
Anthony Samaha	**24**	**-**	**-**	**24**	[illegible]
	48	**-**		**48**	[illegible]

An accrual of £24,000 for directors which were unpaid during the reporting period has been made.

As at 31 December 2015, no Director was accruing benefits under a money purchase scheme (2014: none). At the year-end no Director had any share options. Share options of directors who resigned in the prior years lapsed on their resignation.

9. Finance income

	2015 £'000	2014 £'000
Interest income	-	2

10. Finance costs

	2015 £'000	2014 £'000
Interest on loans and overdrafts	-	3

11. Tax on profit on ordinary activities

Analysis of charge in year

	2015 £'000	2014 £'000
Current tax:		
UK corporation tax on profits/ (loss) of the year	-	-
Adjustments in respect of previous periods	-	-
Total current tax	-	-
Deferred tax:		
Release of deferred tax asset	-	-
Origination and reversal of temporary differences	-	-
Total deferred tax	-	-
Total tax for the year	-	-

Factors affecting tax charge for the year:

The tax assessed for the year is lower than the standard rate of corporation tax in the UK 23.25 % (2014: 23.25%).

	2015 £'000	2014 £'000
Loss on ordinary activities before tax	**(104)**	(118)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.0% (2014: 21.5%)	(20)	(25)
Effects of:		
Expenses not deductible for tax purposes	-	-
Unrelieved tax losses	20	25
Total tax for the year	-	-

No deferred tax assets have been recognised (2014: nil)
The corporation tax rate was reduced from 21.5% to 20.0% on 1 April 2014. Thus the corporation tax rate for the year ended 31 December 2015 is 20.0%.

The company has unused tax losses of £1.7 million and capital losses of £2.5 million. The deferred tax asset for these losses, amounting to £835,000 (2014: £815,000) has not been recognised as the timing of profits is uncertain.

12. Loss per share

The calculations of the basic and diluted earnings per share are based on the following data:	**2015**	2014
	£'000	£'000
Loss for the year	**(104)**	(118)
Loss for the purpose of basic earnings per share	**(104)**	(118)
	Number	Number
Number of shares		
Weighted average number of ordinary shares in issue during the year	**251,682,611**	207,177,116
Effect of dilutive options	**-**	-
Diluted weighted average number of ordinary shares in issue during the year	**251,682,611**	207,177,116
Loss per share		
Basic and diluted loss per share (pence)	**(0.04)**	(0.06)

13. Trade and other receivables

	2015	2014
	£'000	£'000
Other taxation and social security	**1**	1
	1	1

Credit risk

The Company's credit risk is primarily attributable to its trade receivables and cash balances. The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

14. Borrowings

	2015	2014
	£'000	£'000
Bank overdraft	**-**	-
	-	-

During the previous reporting period, the Company entered into a stock margin service financing facility with Barclays Bank Plc to provide a facility with an initial drawdown of circa £400,000 to support the Company's listed investment programme. The initial term of the facility is 12 months, with interest payable quarterly at the TM (TomNext) rate applicable to low-volatility currency plus 1.35 per cent. The facility may be repaid in whole or part without penalty prior to the expiry of the term. The balance owing under the facility as at 31 December 2015 was £nil (2014: £nil).

15. Share capital

	2015	2015	2014	2014
Called up, allotted and fully paid	**£'000**	**No of shares**	£'000	No of shares
Ordinary shares				
Opening 1st January, ordinary shares of 0.10 pence each	**171**	**240,915,896**	171	170,915,896
Placement of new ordinary shares of 0.10 pence each	**70**	**40,000,000**	70	70,000,000
Closing, 31st December, ordinary shares of 0.10 pence each	**241**	**280,915,896**	241	240,915,896
"A" Deferred Share				
Opening, 1st January, "A" Deferred Share of 1.65 pence each	**114**	**6,915,896**	114	6,915,896
Closing, 31st December, "A" Deferred Share of 1.65 pence each	**114**	**6,915,896**	114	6,915,896

At 31st December 2014 no share options were outstanding (2014: nil).

On 23 June 2014, the Company issued 65,000,000 new ordinary shares of 0.1p each at a price of 0.5p per share raising £325,000 in funds to make investments in accordance with the Company's investing policy and for working capital purposes.

On 23 June 2014, the Company issued 5,000,000 new ordinary shares of 0.1p each at a deemed price of 3p per share to Mogul Ventures Corp ("Mogul"), as part of the consideration for the acquisition of 1,480,000 shares in Mogul.

On 18 September 2015, the Company issued 40,000,000 new ordinary shares of 0.1p each at a price of 0.5p per share raising £200,000 in funds for working capital purposes.

As at 31 December 2015, the Company's total issued ordinary share capital was 280,915,896 ordinary shares of 0.1p each and 6,915,896 "A" Deferred Shares of 1.65 pence per share.

The holders of ordinary shares are entitled to one vote per share at the meetings of the company and to dividends as declared in proportion to the amounts paid up on the ordinary shares. No shares are of the Company are currently redeemable or liable to be redeemable at the option of the holder or the Company.

The holders of "A" Deferred Shares do not have any right to receive written notice of or attend, speak or vote at any general meeting of the company, or to any dividend declared by the company. They may however be redeemed by the Company at any time at its option for one penny for all the "A" Deferred Shares without obtaining sanction of such holders.

On 8 January 2016, the Company announced the placement of 40,000,000 ordinary shares at 0.5 pence per share to raise gross proceeds of £200,000 to provide additional working capital for the Company. The funds in respect of this placement were received prior to 31 December 2015.

16. Employee benefit trust

At the Extraordinary General Meeting held on 29 May 2008 shareholders authorised the Company to purchase its own shares and during the remainder of the 2008 financial year the Company entered into a number of transactions acquiring a total of 104,136 shares which it put into Treasury. The potential beneficiaries of the EBT included the executive directors and employees of the Group and their respective families. In 2014 an Employee Benefit Trust ("EBT") held 9,311 Ordinary Shares, which were disposed and the EBT was dissolved. In the current year there is no treasury stock

17. Trade and other payables

	2015 £'000	2014 £'000
Trade payables	**4**	29
Accruals	**47**	34
Loans from related party	**7**	7
	58	70

The Directors consider that the carrying amount of trade and other payables approximates to their fair value. All liabilities are due within one year.

18. Related party transactions

The Subscription agreements announced on 23 June 2014 totalling £325,000 for 65,000,000 new Ordinary Shares of 0.1p each in the Company at a price of 0.5p per share, included a subscription by Saltwind, a company controlled by Jeremy Edelman, for 20,000,000 new Ordinary Shares.

During the previous reporting period, Saltwind provided funds for the payment of a creditor of the Company in the amount of £7,260, on an interest free basis. As at 31 December 2015 the amount of £7,260 was payable to Saltwind. The fair value of this loan is not materially different from the face value.

The directors are the key management of the Company (refer to note 7).

19. Financial risk management

The Company's operations expose it to a limited level of credit, foreign currency and liquidity risk. There is little financial risk arising from the effects of changes in market prices of commodities based on its current activities. Interest rate risk exists on bank and third party borrowings.

The Company does not use derivative financial instruments to manage interest rate costs, and no hedge accounting is thus applied. Given the size of the Company, the Directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the Board.

Price risk
Price risk arises from uncertainty about the future prices of financial instruments held within the Company's portfolio. It represents the potential loss that the Company might suffer through holding market positions in the face of market movements. The investments in equity and fixed interest stocks of unquoted companies are not traded and as such the prices are more uncertain than those of more widely traded securities. The Board's strategy in managing the market price risk inherent in the Company's portfolio of equity investments is determined by the requirement to meet the Company's investment objective. The directors manage these risks by regular reviews of the portfolio within the context of current market conditions. Unquoted investments are valued as per accounting policy in these financial statements. Regular reviews of the financial results, combined with close contact with the management of these investments, provide sufficient information to support these valuations.

Liquidity risk
The Company actively maintains a treasury system that maintains a net credit position and is designed to ensure the Company have sufficient available funds for operations and planned expansions.

19. Financial risk management (continued)

Maturity of financial liabilities
The following table shows details the Company's remaining contractual maturity for its non-derivative financial liabilities. The maturity of the financial liabilities table has been drawn up based on the undisclosed cash flows based on the earliest date on which the Company can be required to pay.

	2015	2014
	£'000	£'000
Within one year	**58**	70

Interest rate risk
The Company's exposure to changes in interest rate risk relates primarily to interest-earning financial assets and interest-bearing financial liabilities. Interest rate risk is managed by the Company on an ongoing basis with the primary objective of limiting the extent to which net interest expense could be affected by an adverse movement in interest rates. Variable interest rates are based on LIBOR plus a margin. The Company has assessed the impact of changes in interest rate risks as being immaterial, as all borrowings have a fixed rate of interest.

Foreign currency risk
The Company incurs foreign currency risk on investments that are denominated in currencies other than Sterling. At present, the Company does not have any formal policy for hedging against exchange exposure. The Company may, when necessary, enter into foreign currency forward contracts to hedge against exposure from foreign currencies fluctuations. As at both 31st December 2014 and 31st December 2015 the Company has investments denominated in Canadian Dollar. Any movement in the Canadian Dollar against Sterling will create a fair value gain or loss. The Company has assessed the impact of changes in exchange rates as not being significant to the Company.

Capital risk management
The Company manages its capital to ensure the Company will be able to continue on a going concern on a long term basis while ensuring the optimal return to shareholders and other stakeholders through an effective debt and equity balance.

The capital structure of the Company consists of equity attributable to equity holders of the Company, less cash and bank balances. The Management reviews the capital structure and makes adjustment to it in the light of changes in economic conditions.

The Company's capital employed is funded by equity attributable to equity shareholders of the Company and net debt as follows:

	2015	2014
	£'000	£'000
Bank borrowings	**-**	-
Less: cash and bank balances	**(481)**	(196)
Net cash	**(481)**	(196)
Total equity	**624**	328
Capital Employed	**143**	131

Other financial assets and liabilities
The notional amounts of financial assets and liabilities with a maturity of less than one year (including trade and other receivables, cash and cash equivalents and trade and other payables) are assumed to approximate their fair value.

19. Financial risk management (continued)

Categories of financial instruments

	Available for sale investments 2015 £'000	**Loans and receivables/ other financial liabilities 2015 £'000**	**Total 2015 £'000**	Available for sale investments 2014 £'000	Loans and receivables/ other financial liabilities 2014 £'000	Total 2014 £'000
Financial assets:						
Cash and cash equivalents	**-**	**481**	**481**	-	196	196
Loans and other receivables	**-**	**1**	**1**	-	2	2
Available for sale investments	**200**	**-**	**200**	200	-	200
Financial assets	**200**	**482**	**682**	200	198	398
Financial liabilities:						
Other financial liabilities	**-**	**58**	**58**	-	70	70

20. Post balance sheet events

On 8 January 2016, the Company announced the placement of 40,000,000 ordinary shares at 0.5 pence per share to raise gross proceeds of £200,000 to provide additional working capital for the Company.

On 29 April 2016, Knowlton announced the termination of the Arrangement Agreement with Mogul to pursue another reverse take-over transaction. Notwithstanding the termination of the transaction with Knowlton, the management and key stakeholders in Mogul remain positive towards Mogul's future in the public markets under improved market conditions.

21. Ultimate controlling party

Jeremy Edelman is the ultimate controlling party.