Company Number 01435584 (England and Wales)

ONZIMA VENTURES PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

ONZIMA VENTURES PLC

CONTENTS

DIRECTORS AND ADVISERS

Gavin J Burnell	Chief Executive Officer
Luke S Cairns	Non-Executive Director
Humayun A Mughal	Non-Executive Director
Lorraine Young Company Secretaries Limited	Company Secretary
Registered office	6th Floor 60 Gracechurch Street London EC3V 0HR
Website	www.onzimaventures.com
Company number	01435584
Auditors	Jeffreys Henry LLP Finsgate 5-7 Cranwood Street London EC1V 9EE
Accountants	Hills Jarrett LLP Gainsborough House Sheering Lower Road Hertfordshire CM21 9RG
Solicitors	Edwin Coe 2 Stone Buildings Lincolns Inn London WC2A 3TH
Nominated adviser and broker	Stockdale Securities Limited Beaufort House 15 St Botolph Street London EC3A 7BB

Principal bankers	National Westminster Bank Plc PO Box 113, Cavell House 2a Charing Cross Road London WC2H 0PD
Registrars	Neville Registrars Ltd Neville House 18 Laurel Lane Halesowen West Midlands B63 3DA

FINANCIAL HIGHLIGHTS AND STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2016

The Directors present their Strategic Report on the Company for the year ended 31 December 2016.

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

Following the disposal of the historical subsidiaries in October 2015, the Company commenced seeking to implement its investing policy. This continued during 2016 when the Company was extremely active, completing in excess of 100 transactions and investing in 19 companies as well as evaluating a number of potential reverse takeover opportunities.

On 1 March 2016, the Company announced that it had acquired 49% of N4 Pharma Limited ("N4 Pharma"), paying £41,000 in cash and issuing 24,272,807 new ordinary shares in Onzima. In addition, the Company agreed to provide a loan facility of £209,000 to N4 Pharma for the development of its business.

N4 Pharma is a private company that develops new versions of existing widely used drugs to provide an improved patient experience by reformulating its lead product is a novel patentable 'faster acting' version of Viagra which it will seek to out-license to a large pharma co-development partner. N4 Pharma has filed for 45 patents.

N4 Pharma was founded by Nigel Theobald, a successful healthcare entrepreneur with over 25 years' experience in the healthcare and biotech industry. Nigel previously worked in senior positions at Alliance Boots and is former CEO of Oxford Pharmascience Group Plc (AIM:OXP). He has a strong track record in developing intellectual property into commercial viable opportunities.

The funds were provided to accelerate the formulation work for N4 Pharma's novel sildenafil co-crystals (sildenafil is the generic drug name for Viagra) and undertake the initial proof of concept studies for their faster acting positioning. The erectile dysfunction market had global annual sales of approximately $4.6bn in 2016. Viagra came off patent in Europe in 2013 and is still the most widely used drug for erectile dysfunction despite it taking an hour before it starts to work. A faster acting version of Viagra will be a key new player in this attractive market. N4 Pharma also aims to expand its product portfolio and reformulate a wide range of drugs either already off patent or coming off patent soon, each of which having an equally attractive commercial opportunity. It was considered that N4 Pharma would provide regular news flow for Onzima and its investors.

As an Investing Company, the Company was required to implement its Investing Policy within 12 months of 14 October 2015 or make an acquisition or acquisitions which constitute a reverse takeover under the AIM Rules, failing which the Company's ordinary shares would be suspended from trading on AIM. As at close of business on 14 October 2016, the Company had not made an acquisition or acquisitions which constituted a reverse takeover under the AIM Rules or otherwise implemented its Investing Policy to the satisfaction of the London Stock Exchange. Accordingly, in accordance with Rule 15 of the AIM Rules for Companies, the Company's ordinary shares were suspended from trading with effect from 7:30 am on 17 October 2016.

On 17 January 2017, the Company announced that it had agreed in principle terms conditionally to acquire the 51 per cent. of the issued shares of N4 Pharma which it did not already own (the "Proposed Acquisition"). The consideration for the Proposed Acquisition would be satisfied by the issue of 36,409,210 new ordinary shares of 0.1p each in the capital of Onzima. It is intended that at the same time the Company would seek to raise approximately £3.0 million by way of a placing of new Ordinary Shares and an open offer to existing shareholders to fund development of additional patented reformulations of a wider range of generic drugs, to undertake clinical trials for the Company's reformulation of sildenafil and for working capital purposes.

The Proposed Acquisition will be classified as a reverse takeover under the AIM Rules and, as a result, is subject to the publication of an admission document in respect of the Company as enlarged by N4 Pharma setting out full details of the Proposed Acquisition and convening a general meeting of the Company where shareholders' approval will be sought for, among other things, the Proposed Acquisition and to change the Company's name to N4 Pharma plc.

Onzima is gradually monetising its share portfolio to provide funds for the continued development of N4 Pharma and the costs of the Proposed Acquisition. Following completion of the Proposed Acquisition, its trading division will cease to exist. In January 2017 Onzima also agreed to increase its loan facility to N4 Pharma from £209,000 to £309,000.

In anticipation of the Proposed Acquisition, the Company appointed Stockdale Securities Limited as its nominated adviser and broker.

It is expected that, subject to the completion of satisfactory due diligence, preparation of the requisite documentation and obtaining shareholders' approval, the Proposed Acquisition will be completed in mid-April 2017 ("Completion"). On Completion, it is expected that new directors will be appointed to the board of Onzima, including Nigel Theobald, the founder and Chief Executive of N4 Pharma, and that Professor Mughal and I will step down as directors of the Company.

CHIEF EXECUTIVE OFFICER’S STATEMENT

The year ended 31 December 2016 was another transformational year for the Company. In 2015 the historical subsidiaries were disposed of and the Company became an Investing Company.

Simultaneous with the disposals in October 2015 and a fundraising of £750,000 before expenses, Luke Cairns and I joined the Board as Directors to seek to implement the investing policy of the Company.

We sought to immediately be active but selective in our investments and prior to this financial year commencing we invested £50,000 in to Glenwick plc which we sold one month later at a 50% profit.

During 2016 and prior to the suspension of trading on AIM in the Company’s shares on 17 October 2016 we continued to build the investment portfolio in line with our investing policy, most notably with the acquisition of 49% of N4 Pharma, a very exciting pharmaceutical drug reformulation company.

We established an asset trading division and a business development division in order to separate our various positions. The asset trading division would focus on publicly traded investments and the business development division would focus on private opportunities such as N4 Pharma.

We made numerous exciting investments in to companies within the natural resources sector obtaining equity and in some cases warrant positions including Alecto Minerals plc, Ariana Resources plc, Bezant Resources plc, Bushveld Minerals Limited, ECR Minerals plc, Ferrum Crescent Limited, Hummingbird Resources plc, Hurricane Energy plc, Jubilee Platinum plc, MX Oil plc, Nu-Oil & Gas plc, Prospex Oil & Gas plc, Regency Mines plc and Savannah Resources plc.

On 17 January 2017, we announced the proposed conditional acquisition of the 51% equity of N4 Pharma that we did not already own and the appointment of advisers to assist us with the completion of the transaction which would constitute a reverse takeover, a fundraise of approximately £3 million and re-admission to AIM.

In almost all cases we have now disposed of our listed investments and retain a number of warrant positions that we shall seek to monetise in due course where possible.

We have been pleased with the performance of the Company during the year and are very excited about the future prospects for N4 Pharma which could generate very substantial returns for Onzima shareholders.

FINANCIAL

During 2016, the Company made a loss from continuing operations of £22,000 (2015: loss of £151,000). The Company's assets at 31 December 2016 include investments of £302,000 (2015: £50,000) and cash balances amounting to £172,000 (2015: £587,000).

REVIEW OF THE YEAR

During 2016 Onzima made investments pursuant to its investing policy utilising the net proceeds of funds raised in October 2015 when the Company became an investing company under the AIM Rules.

The Company was extremely active and completed over 100 transactions prior to October 2016.

Unfortunately, as the Company had not fulfilled its investing policy under the AIM Rules, trading in the Company's shares was suspended from 17 October 2016.

The Board was otherwise pleased with the Company's progress, including the variety of investments made and the returns made on its investments, together with the portfolio that it was successfully creating.

The Board entered negotiations with Nigel Theobald, founder of N4 Pharma, to acquire the remaining 51% of N4 Pharma. These negotiations were successful and the Board is excited about the future potential of the group assuming completion of the reverse takeover transaction.

OUTLOOK AND STRATEGY

Since the re-financing and disposal of the subsidiaries the Company made good progress with establishing its portfolio of investments. The Company also sought to maintain a reasonable cash balance for the purpose of making new investments.

Since Onzima was restructured in October 2015, the main focus has been on investing in opportunities within the natural resources sector that (provided scope to make significant gains in financing their development.)

Though the sector remained difficult during early 2016, the strategy has to date been successful and has yielded reasonable returns.

In order to diversify the portfolio, we took a significant stake in N4 Pharma, an early stage but very exciting company within the pharmaceutical space. The market reacted well to this position and we have now agreed to conditionally buy the other 51% of N4 Pharma to take our holding to 100% ownership.

We believe that N4 Pharma represents a very exciting opportunity in a multibillion-dollar marketplace.

Key Developments and Outlook

In line with the Investing Policy, the Board have been very active and sought suitable investments.

On 1 March 2016 Onzima acquired a 49% stake in N4 Pharma for £41,000 cash together with the issue of 24,272,807 new ordinary shares in Onzima alongside the provision of a loan facility to N4 Pharma of £209,000. N4 Pharma is a private company that develops new versions of existing widely used drugs to provide an improved patient experience by reformulating them. They continue to make positive progress through potential partners.

On 17 January 2017, the Company announced that it had agreed in principle terms conditionally to acquire the 51 per cent of the issued shares of N4 Pharma which it did not already own. The consideration for the Proposed Acquisition will be satisfied by the issue of 36,409,210 new ordinary shares of 0.1p each in the capital of Onzima. It is intended that at the same time the Company will seek to raise approximately £3.0 million by way of a placing of new Ordinary Shares plus an open offer of up to £1.0 million to fund development of additional patented reformulations of a wider range of generic drugs, to undertake clinical trials for the Company's reformulation of Sildenafil and for working capital purposes.

The Proposed Acquisition will be classified as a reverse takeover under the AIM Rules and, as a result, is subject to the publication of an admission document in respect of the Company as enlarged by N4 Pharma setting out full details of the Proposed Acquisition and convening a general meeting of the Company where shareholders' approval will be sought for, among other things, the Proposed Acquisition and to change the Company's name to N4 Pharma plc.

It is the Board’s intention to now complete the Proposed Acquisition.

Principal risks and uncertainties

Operational

The Company presently invests a significant proportion of its available capital in to natural resource companies and early stage companies generally. Some of these companies may also be unlisted or illiquid to trade. There is a risk that some of these investments may not produce a positive return for the Company and some of them may fail entirely.

At this stage in its development the Company may be reliant upon raising further funds from investors to support its growth. There is no guarantee that these funds will be available to the Company. In addition, there is no guarantee that the acquisition of N4 Pharma Limited will complete.

The principal risks and uncertainties facing the Company relate to the Proposed Acquisition. There is a risk that this transaction does not complete. In this event the Company’s shares will be delisted from AIM and the Company may not be able to fund its future operations.

The Group’s financial instruments comprise cash and various items, such as trade receivables and accruals that arise directly from its operations. The Group’s exposure to its financial instruments is not material and therefore derivative financial instruments are not used to hedge this exposure.

The main risk arising from the Group’s financial instruments can be analysed as follows:

Liquidity risk

The Group has sufficient cash resources available to meet its short term liabilities.

The Company's shares are currently suspended from trading on AIM and there is no guarantee that they will be readmitted to trading.

Interest rate risk

The Group has no borrowings and receives variable interest based on UK bank base rates on cash balances and bank deposits.

Payment to creditors

The Group does not follow any code or standard on payment practice and the terms and conditions for its business transactions are agreed with individual suppliers. Payment is then made in accordance with those terms, subject to the other terms and conditions being met by the supplier. Creditor days at the end of the year for the group were nil days (2015: nil days).

Key Performance Indicators & Financial Performance

The Board intends to review key performance indicators as the business progresses, at this stage of the Company's life cycle, it is not yet able to measure key performance indicators in any meaningful way. The Board intends to publish key performance indicators in future years.

At the year end the Company had cash at bank of £172,000 (2015: £587,000). The cash is the primary asset of the Company and enables it to select suitable investments. As identified as a risk, in time, further funding may be required which with careful and selective investment criteria should be possible to secure.

Going Concern

Accounting standards require the directors to consider the appropriateness of the going concern basis when preparing the financial statements. The Directors confirm that they consider that the going concern basis remains appropriate. The Directors regard the going concern basis as remaining appropriate as the Company and Group have adequate resources to continue in operational existence for the foreseeable future, coupled with experienced Directors that are able to seek out additional funding if they believe that it is necessary.

In closing, the Board would like to extend their thanks to all their shareholders for their continued support and look forward to a successful next year.

……………………………….

G Burnell
Chief Executive Officer

22 March 2017

DIRECTORS REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

The directors present their annual report and audited financial statements of Onzima Ventures plc for the year ended 31 December 2016.

Business review and principal activities

The principal activities of the Group during the year were in line with the adoption of the Investing Policy as set out below.

Investing Policy

The Company will seek to invest a minimum of 75 per cent. of its deployable capital in, and/or acquire companies or interests within, the natural resources sector - in which the new Directors have substantial experience as founders, investors and advisers.

The Company was participating as an investor in fundraisings for entities being admitted to trading on AIM, in secondary fundraisings, or where such entities plan to be admitted to trading on an Exchange within 18 months of investment by the Company.

The Company does not plan to have cross-holdings in entities save where there is a portfolio of related assets outside of the Company's control.

The Board considers that as investments are made, and new investment opportunities arise, further funding of the Company may also be required which is likely to be in the form of equity, until such time as the Company is self-funding.

It is intended that returns for Shareholders will initially be in the form of capital growth, subject to appreciation in the value of the investments made by the Company. In the longer term, if the Company becomes cash generative, then the plan will be to put in place an appropriate dividend policy as appropriate for a Company with its activities at that time.

The Company plans to have a maximum of fifteen investments / interests at any one time. Though there will be no maximum exposure to any one investment, it will generally seek to diversify its portfolio holdings. The Company's financial resources may ultimately be invested in a number of propositions or in just one investment, which may be deemed to be a reverse takeover pursuant to Rule 14 of the AIM Rules requiring shareholder approval.

The Company also intends to acquire over a period of time a diversified portfolio of royalties. These will consist, in varying proportions, of royalties over:
- producing properties purchased at a discount to perceived value;
- producing properties with enhanced production possibilities; and
- non-producing properties where advanced exploration is likely.

It is intended that over the longer term the royalty investments will provide cash flow to finance further investment opportunities, minimising dilution to Shareholders through reduced equity financing requirements. The Company does not currently intend to fund any investments with debt or other borrowings but may do so if appropriate. The Board may also offer New Ordinary Shares in the capital of the Company by way of consideration as well as utilising cash, preserving the Company's cash for additional opportunities and working capital.

Under the Company's investing policy, the remaining 25 per cent. of the Company's deployable capital can be invested in to non-natural resource based interests that fit the same criteria as above.

Directors

The Directors during the year under review were:
Gavin Burnell
Luke Cairns
Humayun Mughal

Biographies for each current director can be found on the Company's website: www.onzimaventures.com.

Results and dividends

The Group loss for the year before taxation amounted to £22,000 (2015: loss of £164,000), taxation refund for the year of £Nil (2015: £13,000) and a loss after tax of £22,000 (2015: loss of £151,000). Total comprehensive income for the year was £(22,000) (2015: £(1,000,000).

The directors do not recommend the payment of a dividend for 2016. No dividends were paid or proposed in 2015.

Employees

The Company does not currently employ any staff. The Directors act for the Company in implementing its Investing Policy.

DIRECTORS REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2016

Substantial Interests
At 16 March 2017 the following parties had notified the Company of a beneficial interest that represents 3% or more of the Company's issued ordinary share capital at that date:

	Number of shares	% held
Mr Nigel Theobald	24,272,807	13.34%
Hargreaves Lansdown (Nominees) Limited Des:15942	12,819,333	7.05%
Barclayshare Nominees Limited	11,953,194	6.57%
TD Direct Investing Nominees (Europe) Limited Des:SMKTNOMS	10,740,353	5.90%
HSDL NOMINEES Limited	9,695,479	5.33%
Hargreaves Lansdown (Nominees) Limited Des:VRA	8,992,588	4.94%
HSDL Nominees Limited Des:SBUILD	7,869,300	4.32%
PERSHING Nominees Limited Des:MDCLT	6,430,571	3.53%

Directors and Directors' interest
The Directors who are currently in office are shown on page 9. The emoluments, share interest and share options of the Directors are disclosed in the Directors Remuneration Report on pages 15 to 16.

Employees
It is Group policy that employees should be kept as fully informed as is feasible and practicable about the activities of the Group through consultative meetings. In addition, managers hold regular meetings with representatives of their staff in order to encourage employees to make their views known on matters that affect them.

Pensions
No contributions were paid in respect of the Directors.

DIRECTORS REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2016

Events after reporting date
On 17 January 2017, the Company announced that it had agreed in principle terms conditionally to acquire the 51% on the issued shares of N4 Pharma Limited which it does not already own. The consideration for the acquisition will be satisfied by the issue of 36,409,210 new ordinary shares.

Share Option schemes
The Company's Microvitec 1994 Inland Revenue Approved Executive Share Option Scheme approved by the Company in the Annual General Meeting 1994 has now terminated (the "Old Scheme"). There are no options to acquire ordinary shares in the capital of the Company outstanding under the Old Scheme (2013: Nil).

Ultima Networks Plc 2004 Share Option Scheme
The scheme was approved by the AGM held on 28 May 2004. No options to subscribe for ordinary shares of 1p each have been granted to date.

Ultima Networks Plc 2012 Share Option Scheme
The scheme was approved by the AGM held on 26th June 2012. No options to subscribe for ordinary shares of 1p each have been granted to date.

Options were issued to G Burnell and L Cairns. (For further details refer to note 26)

Charitable and political contributions
There were no donations to UK charitable organisations (2015: £Nil) and no political donations (2015: £Nil).

Directors' responsibilities
The directors are responsible for preparing the strategic report, 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, as required by the AIM Rules, elected to prepare the group and company financial statements in accordance with International Financial Reporting Standards as adopted by the European Union. Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group 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 estimates that are reasonable and prudent;
- state whether the group financial statements have been prepared in accordance with IFRS's as adopted by the European Union;
- state, with regard to the parent company financial statements, whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that company and the group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions that disclose with reasonable accuracy at any time the financial position of the company and the group 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 group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DIRECTORS REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2016

The directors are responsible for the maintenance and integrity of any corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement of disclosure to auditors

So far as each Director is aware, there is no relevant audit information of which the Company and Group auditors are unaware. Additionally, the Directors 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 and Group auditors are aware of the information.

Annual General Meeting

The Annual General Meeting of the Company is to be held at 2 Stone Buildings, Lincolns Inn, London WC2A 3TH on Tuesday 18 April 2017 at 10.15am.

Approval

The Report of the Directors was approved by the Board on 22 March 2017 and signed on its behalf by

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Gavin Burnell
Chief Executive Officer

CORPORATE GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2016

As a company which shares are admitted to trading on the AIM Market of the London Stock Exchange, the Company is not required to comply with the provisions of the 2006 Financial Reporting Council's revised combined Code. However, the Board has sought to commit to ensuring that proper standards of corporate governance operate throughout the Group and has therefore followed the principles of the Code so far as is practicable and appropriate to the nature and size of the Group. One of the principles is that an explanation should be given where the Code is not complied with. A statement of the directors' responsibilities in respect of the financial statements is contained within the Report of the Directors above. The statement below describes the role of the Board and its committees, followed by a statement regarding the groups system of internal controls.

The Board
The activities of the Group are ultimately controlled by the Board of Directors, which at the year-end consisted of three directors. Biographical details of all three directors are available on the Company's website. All directors are equally accountable under law for the proper stewardship of the Company's affairs. The Non-executive director has a particular responsibility to ensure that the strategies proposed by the Executive director are fully discussed and critically examined.

The Non-executive directors are Luke Cairns and Humayun Mughal and the Board considers Luke Cairns to be independent.

The Board meets at least four times a year, and more as the need arises. The Board reviews performance of investments, its strategy, examines capital expenditure and acquisitions or disposals, operating budgets and material contracts.

All directors have letters of appointment with the Company. Any director appointed during the year is required, under the Company's Articles of Association, to retire and seek re-election by the shareholders at the next Annual General Meeting and one third of the Board is required to retire each year and seek re-election. The directors are able to take independent professional advice at the expense of the company in the furtherance of their duties.

Nominations committee
The appointment of directors is a matter for the Board as a whole and therefore a nominations committee is considered unnecessary given the present number of Board members.

Audit committee
The Audit committee comprises of the two non-executive directors: Luke Cairns and Humayun Mughal. This committee assists the Board in its duties regarding the Group's financial statements and the maintenance of adequate internal financial controls. The Audit Committee's prime tasks are to receive reports from the Company's auditors, Jeffreys Henry LLP, and to review the half-yearly and annual accounts before they are presented to the Board, focusing in particular on accounting policies and compliance and areas of management judgements and estimates.

There is no internal audit function for the Group, as the Board does not believe that this is appropriate given the size of the business.

Remuneration committee
The Remuneration Committee comprises of the two Non-executive directors Luke Cairns and Humayun Mughal. Details of the executive remuneration policy are set out in the separate Directors' Remuneration Report on pages 15 and 16.

CORPORATE GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2016

Shareholder relations
The Board has a policy of providing any reasonably requested historical information and explanations to shareholders on request. The Group's annual reports are sent to shareholders. These reports are also available from the company's website along with the Group's half yearly reports and all public announcements. All shareholders are encouraged to participate in the company's Annual General Meeting, which is attended by the directors.

Internal control and financial reporting
The Board is responsible for ensuring that there is a system of internal control for reviewing its effectiveness. Such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss. The Audit Committee has been delegated responsibility by the Board for discharging its internal control responsibilities.

The Board has established an organisational structure with clearly defined levels of responsibility and delegation of authority. Control procedures include annual budget approval and monitoring of actual performance. The Board approves all investment and acquisition projects for all major acquisitions and major capital expenditure.

The Board has a clear responsibility for identifying risks facing each of the businesses and for putting in place procedures to mitigate and monitor risks. As part of the annual budgeting process risks are formally assessed by the Board.

There is a system of financial reporting and budget planning. On a monthly basis, actual results are reported and compared to budget with any significant adverse variances being examined and any remedial action taken as necessary.

The directors believe that, taken as a whole, the systems of internal control are appropriate to the business for the year ended 31 December 2016.

DIRECTORS' REMUNERATION REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

The directors present the Directors remuneration report for the year ended 31 December 2016. It should be noted that, as a company quoted on the AIM market of the London Stock Exchange, the company is not required to comply with the Remuneration Report regulations and therefore, not all elements of the regulations have been complied with. For example, a share price graph has been omitted.

Remuneration committee
The Remuneration committee consists of Non-executive directors Luke Cairns and Humayun Mughal.

The Remuneration committee determines any remuneration and benefits packages of the executive directors and considers any service contracts, salaries, other benefits, including bonuses and participation in the company's share option plans, and any other terms and conditions of employment including any compensation payments on termination of office.

Remuneration policy
Any basic salaries and benefits in kind are set to be comparable with those of peer group companies. The Company operates historic share schemes but these do not form part of the current remuneration policy. It is planned to put in place a formal share option scheme in due course.

Non-executive directors
The Non-executive directors do not have a contract for services. The Non-executive directors have letters of appointment concerning, amongst other things, the initial terms for which he was appointed, a general statement of their role and duties, the fees they will receive as a director and any supplementary fees receivable for additional work, such as being a member of more than one Board committee. The fees of Non-executive directors are determined by the full Board within the limits set out in the Memorandum and Articles of Association.

Service contracts and letters of appointment

The company does not have service contracts in respect of the Executive Directors. The letters of appointment in respect of the Non-executive directors who served during the year ended 31 December 2016 is for a rolling 12-month period. The letters of appointment contain notice periods for non-executive directors of 1 month executive directors of 6 months and no provision for termination payments.

Directors' remuneration and interests

Directors' remuneration payable for the year ended 31 December 2016 was as follows:

	Basic Salary £000	Fees £000	Benefits in kind £000	Share based payments Total £000	2016 Total £000	2015 Total £000
Executive						
H A Mughal	-	-	-	-	-	45
A P Klein	-	-	-	-	-	9
G Burnell	43	-	-	-	43	25
Non-Executive						
H A Mughal	-	15	-	-	15	-
L Cairns	15	-	-	-	15	6
	58	15	-	-	73	85

DIRECTORS' REMUNERATION REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2016

The beneficial interest in the share capital of the Company of those persons, who were directors at the year end, as recorded in the register of the Directors' interest, were as follows:

	31 December 2016		31 December 2015	
	Ordinary shares of 1p	Ordinary share options	Ordinary shares of 1p	Ordinary share options
H A Mughal	11,232,517	-	11,232,517	-
G Burnell	3,571,428	10,804,840	3,571,428	10,804,840
L Cairns	-	2,701,210	-	2,701,210

Gavin Burnell and Luke Cairns directors of the Company were granted share options over 10,804,840 and 2,701,210 shares respectively on 14 October 2015. No director has granted or exercised any share options during this or the previous year nor did any lapse.

Directors' remuneration and interests

Beneficial holdings include the directors' personal holdings and those of their spouse and children as well as holdings in family trusts of which the directors' spouse or their children are beneficiaries or potential beneficiaries.

The closing mid-market price at 16 October 2016 when the ordinary shares were suspended from trading was 1.25p and the range during the year was 1.95p to 0.425p.

Approval

The Directors' Remuneration Report was approved by the Board on 22 March 2017 and signed on its behalf by:

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Gavin Burnell
Chief Executive Officer

INDEPENDENT AUDITORS' REPORT

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ONZIMA VENTURES PLC

We have audited the financial statements of Onzima Ventures Plc for the year ended 31 December 2016, which comprise the Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Statement of Financial Position, Company Statement of Financial Position, Consolidated Statement of Cash Flows, Company Statement of Cash Flows and the related notes on pages 19 to 52. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and as regards the parent company financial statements as applied in accordance with the provisions of the Companies Act 2006. .

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

Respective responsibilities of directors and auditors
As explained more fully in the Statement of Directors' Responsibilities set out on page 11, 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 the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements
An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group's and Parent Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition we read all the financial and non-financial information in the Financial Highlights and Strategic Report and Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatement or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's state of affairs as at 31 December 2016 and of the group's loss and the group's and parent company's cash flow for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRS's as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with IFRS's as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the provisions of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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

Sachin Ramaiya (Senior Statutory Auditor)

For and on behalf of Jeffreys Henry LLP, statutory auditor

Finsgate
5-7 Cranwood Street
London
EC1V 9EE
United Kingdom

Date: 22 March 2017

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
AS AT 31 DECEMBER 2016

	Note	2016 £000	2015 £000
Revenue		1,155	-
Cost of sales		(934)	-
Gross profit		221	-
Administration expenses		(249)	(160)
Operating loss	5	(28)	(160)
Finance income/(expenditure)	8	6	(4)
Loss before taxation		(22)	(164)
Taxation recovery	10	-	13
Loss for the year from continuing operations		(22)	(151)
Discontinued operations			
Loss for the year from discontinued operations	6	(-)	(902)
Loss for the year		(22)	(1,053)
Other comprehensive income:			
Exchange difference on translating foreign operations		-	53
Total comprehensive income for the year attributable to equity holders of the parent		(22)	(1,000)
Basic and diluted loss per share – pence	11	(0.02)	(2.27)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016

	Note	2016 £000	2015 £000
ASSETS			
Non current assets			
Investments	13	302	50
Other receivables	17	215	-
Total non current assets		517	50
Current assets			
Inventory of securities	16	232	-
Trade and other receivables	17	197	21
Cash and cash equivalents	18	172	587
Total current assets		601	608
Total assets		1,118	658
LIABILITIES			
Current liabilities			
Trade and other payables	19	-	-
Current tax liabilities	10	-	-
Accruals and deferred income		(77)	(17)
Total current liabilities		(77)	(17)
Total liabilities		(77)	(17)
Net assets		1,041	641

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)
AS AT 31 DECEMBER 2016

	Note	2016 £000	2015 £000
EQUITY			
Capital and reserves attributable to equity holders of the parent			
Called up share capital	22	8,453	8,409
Share premium account		6,881	6,503
Other reserves		-	-
Share option reserve		31	31
Retained Earnings		(14,324)	(14,302)
		1,041	641

These financial statements were approved and authorised for issue by the board of directors on 22 March 2017 and were signed on its behalf by:

....
Gavin Burnell
Chief Executive Officer

Company Registration Number 01435584

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016

	Note	2016 £000	2015 £000
ASSETS			
Non current assets			
Investments	13	302	50
Other receivables	17	215	-
Total non current assets		517	50
Current assets			
Inventory of securities	16	232	-
Trade and other receivables	17	197	21
Cash and cash equivalents	18	172	587
Total current assets		601	608
Total assets		1,118	658
LIABILITIES			
Current liabilities			
Trade and other payables	19	-	-
Current tax liabilities	10	-	-
Accruals and deferred income		(77)	(17)
Total current liabilities		(77)	(17)
Total liabilities		(77)	(17)
Net assets		1,041	641

COMPANY STATEMENT OF FINANCIAL POSITION (continued)
AS AT 31 DECEMBER 2016

	Note	2016 £000	2015 £000
EQUITY			
Capital and reserves attributable to equity holders of the parent			
Called up share capital	22	8,453	8409
Share premium account		6,881	6,503
Other reserves		-	-
Share option reserve		31	31
Retained Earnings		(14,324)	(14,302)
		1,041	641

These financial statements were approved and authorised for issue by the board of directors on 22 March 2017 and were signed on its behalf by:

....
Gavin Burnell
Chief Executive Officer

Company Registration Number 01435584

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2016

	2016 £000	2015 £000
Loss for the financial year	(22)	(1,053)
Taxation recoverable	-	(13)
Interest	(6)	4
Comprehensive income	-	53
Movement in reserves	-	(171)
Depreciation charges	-	230
Amortisation of intangibles	-	-
Operating loss before changes in working capital	(28)	(950)
Decrease/(Increase) in inventories	(232)	347
Decrease/(Increase) in trade and other receivables	(176)	518
(Decrease)/increase in trade payables and other capital liabilities	60	(790)
Cash (used in)/generated from operations	(376)	(875)
Taxation	-	13
Net cash (used in)/generated from operating activities	(376)	(862)
Cash flows from investing activities		
Movement in property, plant and equipment	-	386
Movement in investments	(9)	(50)
Decrease/(Increase) in other receivables	(209)	-
Net proceeds of ordinary shares issue	179	770
Net cash used in investing activities	(39)	1,106
Cash flows from financing activities		
Interest received	-	(4)
Net cash generated from financing activities	-	(4)
Net (decrease)/increase in cash and cash equivalents	(415)	240
Cash and cash equivalents at beginning of the period	587	347
Cash and cash equivalents at end of the period	172	587

COMPANY CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2016

	2016 £000	2015 £000
Loss for the financial year	(22)	(382)
Interest payable	(6)	-
Disposal of investments	-	292
Movement in reserves	-	(171)
Depreciation charges	-	232
Operating loss before changes in working capital	(28)	(29)
(Increase)/decrease in inventories	(232)	44
(Increase)/decrease in trade and other receivables	(176)	1,838
(Decrease)/increase in trade payables and other current liabilities	60	(2,247)
Cash (used in)/generated from operations	(376)	(394)
Taxation	-	-
Net cash (used in)/generated from operating activities	(376)	(394)
Cash flows from investing activities		
Movement in investments	(9)	(50)
Decrease/(Increase) in other receivables	(209)	-
Net costs of ordinary shares issue	179	770
Purchase of property, plant and equipment	-	112
Net cash used in investing activities	(39)	832
Net (decrease)/increase in cash and cash equivalents	(415)	438
Cash and cash equivalents at beginning of the period	587	149
Cash and cash equivalents at end of the period	172	587

ONZIMA VENTURES PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016

GROUP

	Called up share capital	Share premium	Other reserves	Share option reserve	Retained earnings	Translation of foreign operations	Total Equity
	£000	£000	£000	£000	£000	£000	£000
Year ended 31 December 2016							
As 1 January 2016	8,409	6,503	-	31	(14,302)	-	641
Share issue	44	378	-	-	-	-	422
Movement in reserves	-	-	-	-	-	-	-
Share option reserve	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-		(22)	-	(22)
At 31 December 2016	8,453	6,881	-	31	(14,324)	-	1,041
Year ended 31 December 2015							
As 1 January 2015	8,299	5,843	202	-	(13,249)	(53)	1,042
Share issue	110	660	-	-	-	-	770
Movement in reserves	-	-	(202)	-	-	-	(202)
Share option reserve	-	-	-	31	-	-	31
Total comprehensive income for the year	-	-	-		(1,053)	53	(1,000)
At 31 December 2015	8,409	6,503	-	31	(14,302)	-	641

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016

COMPANY

	Called up share capital	Share premium	Other reserves	Share option reserve	Retained earnings	Total Equity
	£000	£000	£000	£000	£000	£000
Year ended 31 December 2016						
As 1 January 2016	8,409	6,503	-	31	(14,302)	641
Share issue	44	378	-	-	-	422
Movement in reserves	-	-	-	-	-	-
Share option reserve	-	-	-	-	-	-
Profit for the period	-	-	-		(22)	(22)
At 31 December 2016	8,453	6,881	-	31	(14,324)	1,041
Year ended 31 December 2015						
As 1 January 2015	8,299	5,843	202	-	(13,920)	424
Share issue	110	660	-	-	-	770
Movement in reserves	-	-	(202)	-	-	(202)
Share option reserve	-	-	-	31	-	31
Profit for the period	-	-	-	-	(382)	(382)
At 31 December 2015	8,409	6,503	-	31	(14,302)	641

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

1. GENERAL INFORMATION

In the prior year Onzima Ventures Plc ("the Company") and its subsidiaries (together "the Group") were involved in the marketing and support of computer application software and the merchandising of various products, but primarily electric bicycles. The company sold the subsidiaries on 14 October 2015 and operates now as an investment holding company.

The company is a public limited company, which is quoted on the AIM of The London Stock Exchange and is incorporated and domiciled in the United Kingdom. The address of its registered office is 6th Floor, Gracechurch Street, London, EC3V 0HR.

The Group's and company's financial statements for the year ended 31 December 2016, were authorised for issue by the Board of Directors on 22 March 2017 and the balance sheets were signed on the Boards behalf by Gavin Burnell.

2. ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently to all years presented, unless otherwise stated.

Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) as adopted by the European Union, and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

These financial statements have been prepared on the historic cost basis except where financial instruments are required to be carried at fair value under IFRS.

The financial statements are presented in pounds sterling, being the functional currency of the parent and all values are rounded to the nearest thousand pounds (£000) except where otherwise indicated.

Going concern

Having reviewed the future plans and projections for the business, the directors are satisfied that the Company and Group have adequate resources to continue to operate for the foreseeable future, a period not less than twelve months from the date of approval of the financial statements. This will also depend on the continuing support from the shareholders and directors. For these reasons, the directors continue to adopt the going concern basis in preparing the financial statements.

Were the group and company unable to continue as a going concern, adjustments would have to be made to the statement of financial position of the group and company to reduce the value of assets to their recoverable amounts, to provide for future liabilities that might arise and to reclassify non-current assets and long-term liabilities as current assets and liabilities.

Basis of consolidation

The consolidated financial statements incorporate the results and net assets of Onzima Ventures Plc and its subsidiary undertakings (together referred to as "the Group") for the year ended 31 December 2016. A subsidiary is an entity over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than 50% of the voting rights. The results of each subsidiary are included from the date that control transferred to the group and are adjusted to align accounting policies with the Group's accounting policies. Subsidiaries are no longer consolidated from the date that control ceases. Unrealised gains on transactions between the group and its subsidiaries are eliminated and unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. All intercompany balances and transactions are eliminated in full. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the group.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

2. ACCOUNTING POLICIES (continued)

Company investment in subsidiaries
In its separate financial statements, the company recognises its investments in subsidiaries at cost. Income is recognised from these investments only in relation to distributions received from post acquisition profits.

Share-based payments
For equity settled share based payment transactions the Group, in accordance with IFRS 2 "Share Based Payments" measures their value, and the corresponding increase in equity, indirectly, by reference to the fair value of the equity instruments granted. The fair value of those equity instruments is measured at the grant date using the Black-Scholes method. The expense is apportioned over the vesting period of the financial instrument and is based on the number which is expected to vest and the fair value of those financial instruments at the date of grant. If the equity instruments granted vested immediately, the expense is recognised in full.

Other intangible assets
Other intangible assets include technology platform and customer relationships. These are only recognised if acquired in a business combination. They are stated at fair value less accumulated amortisation. These assets are amortised over their estimated useful lives of 10 years and the charge is included in administration expenses.

Revenue recognition
Revenue is recognised at the point of sale of the investments.

Segment reporting
A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments and whose operating results are reviewed on a regular basis by the Group's board and for which discrete financial information is available. A geographical segment is engaged in providing products or services within a particular economic environment that is subject to risks and returns that are different form those of segments operating in other economic environments.

2. ACCOUNTING POLICIES (continued)

Property, plant and equipment
Property, plant and equipment is carried at cost less accumulated depreciation and any recognised impairment in value. Cost comprises the aggregate amount paid to acquire the asset and includes costs directly attributable to making the asset capable of operating as intended.

All land and buildings are included at valuation. Valuations are kept up-to-date through periodic valuations carried out by external valuers.

Depreciation is provided evenly on the cost (or valuation where appropriate) of the assets, to write them down to their estimated residual values over their expected useful lives. No depreciation is provided on freehold land. The principal annual rates used for the other assets are:

Freehold buildings	- 25 to 50 years
Office equipment	- 3 to 5 years
Motor vans	- 4 years
Computer equipment	- 3 years

The assets' residual values, useful lives and methods of depreciation are reviewed, and adjusted, if appropriate, on an annual basis. An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. A gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement in the year that the asset is derecognised.

Impairment of assets
At each balance sheet date, the Group reviews the carrying amounts of its property, plant and equipment and intangible assets to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset, which is the higher of its fair value less costs to sell and its value in use, is estimated in order to determine the extent of the impairment loss. Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

An impairment charge is recognised in the income statement in the year in which it occurs. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. The carrying amount of the asset is increased to the revised estimate of its recoverable amount. The increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years.

Inventories
Inventories are investments and valued at the lower of cost and net realisable value. In the prior year to 14 October 2015 cost of raw materials, consumables and goods purchased for resale means actual price, including transport and handling and is determined using FIFO method. Net realisable value means estimated net selling price less estimated costs of disposal.

Trade and other receivables
Trade receivables are recognised initially stated at fair value and subsequently measured at amortised cost using the effective interest rate method. Provision against trade receivables is made when there is objective evidence that the Group will not be able to collect all amounts due to it in accordance with the original terms of those receivables. The amount of the write-down is determined as the difference between the asset's carrying amount and the present value of estimated future cash flows.

2. ACCOUNTING POLICIES (continued)

Cash and cash equivalents
Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within financial liabilities in current liabilities on the balance sheet.

Trade and other payables
Trade payables are not interest bearing and are initially stated at their fair value and then subsequently measured at amortised cost using the effective interest method.

Income taxes
Current income tax assets and liabilities are measured at the amount expected to be recovered or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the balance sheet date.

Deferred income tax is recognised using balance sheet liability method, providing for temporary differences between the tax bases and the accounting bases of assets and liabilities. Deferred income tax is calculated on an undiscounted basis 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 rates and law enacted or substantively enacted at the balance sheet date.

Deferred income tax liabilities are recognised for all temporary differences, except when deferred income tax liabilities arise from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and at the time of transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred income tax is charged or credited to 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 income tax assets and liabilities are offset against each other only when the Group has a legal enforceable right to do so.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences can be utilised.

Pensions
The Group does not operate any pension schemes, but does contribute to the personal pension schemes (defined contribution) of certain staff. The contributions are charged as an expense as they fall due. Any contributions unpaid at the balance sheet date are included as an accrual at that date. The Group has no future payment obligations once the contributions have been paid.

Leased assets – Group as lessee
Leases are classified as finance leases when the terms of the lease transfer substantially all the risks and rewards of ownership to the Group. All other leases are classified as operating leases.

Assets leased under operating leases are not recorded on the balance sheet. Rentals payable are charged direct to the income statement. Lease incentives, for example, up-front cash payments or rent free periods, are capitalised and spread over the period of the leased term. Payments made to acquire operating leases are treated as prepaid lease expenses and amortised over the useful life of the lease.

2. ACCOUNTING POLICIES (continued)

Leased asset - Group as lessor
Assets leased out under operating leases are included in property, plant and equipment and depreciated over their useful lives. Rental income, including the effect of lease incentives, is recognised on a straight line basis over the lease term.

Components of equity
Equity comprises the following:

- Share capital represents the nominal value of equity shares,
- Share premium represents the excess over nominal value of the fair value of consideration received for equity shares, net of expenses of the share issue,
- Other reserves represents Merger Reserve and represents the difference between the value of the shares acquired and the nominal value where the shares have been issued as part of the consideration for acquisitions, and
- Share options reserves relate to the charge for the share based payment in accordance with IFRS 2.
- Profit and loss reserve represents retained profits.

Use of assumptions and estimates
The Group makes judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The resulting accounting estimates calculated using these judgements and assumptions will, by definition, seldom equal the related actual results but are based on historical experience and expectations of future events. 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 revisions and future periods if the revision affects both current and future periods.

The estimates and assumptions that have a significant effect on the amounts recognised in the financial statements are:
- Estimates in relation to future cash flows and discount rates utilised in impairment testing,
- Management intentions for realisation of tax assets and liabilities under IAS 12.
- Cash flow forecasts relating to the impairment review of the investment in N4 Pharma.

STATEMENT OF COMPLIANCE

Issued International Financial Reporting Standards (IFRS) and Interpretations Committee (IFRIC) relevant to the Group Operations
There are no IFRS or IFRIC interpretations that are effective for the first time in this financial period that would be expected to have a material impact on the Company.

Standards, interpretations and amendments to published standards that are not yet effective
There are no other IFRS and IFRIC interpretations that are not yet effective that would be expected to have a material impacts on the company.

3. SEGMENTAL REPORTING

The Group operated in the United Kingdom, Italy and Spain until its subsidiaries sold on 14 October 2015. Prior to disposal, the Group was organised into two principal business segments:

- IT and related services (comprising legal and publishing application software)
- Green technology (comprising electric bicycles, energy saving lamps, educational electronic kits and development of solar power parks)

The company now operates as an investment holding company.

The segmental results for the year ended 31 December 2016 are as follows:

	Investment Holding UK	Unallocated	Company
	£000	£000	£000
Revenue	1,155	-	1,155
Depreciation	-	-	-
Amortisation	-	-	-
Interest payable	-	-	-
Operating profit/(loss)	(22)	-	(22)

3. SEGMENTAL REPORTING (continued)

The segmental results for the year ended 31 December 2015 were as follows:

	IT and related services UK £000	Green technology UK £000	Unallocated £000	Group £000
Revenue	579	311	-	890
Depreciation	-	-	230	230
Amortisation	-	-	-	-
Interest payable	-	4	-	4
Operating profit/(loss)	(20)	(140)	-	(160)

2016	Investment Holding UK £000	Unallocated £000	Company £000
Segment assets	1,118	-	1,118
Segment liabilities	(77)	-	(77)
Net assets	1,041	-	1,041

3. SEGMENTAL REPORTING (continued)

The other information of the segments was as follows:

2015	IT and related services UK £000	Green technology £000	Unallocated £000	Group £000
Segment assets	-	-	658	658
Segment liabilities	-	-	(17)	(17)
Net assets	-	-	641	641

4. PRESENTATIONAL ADJSTMENTS

The prior year results have been presented to reflect the discontinued operation in 2015. Refer to note 6 for more details.

5. OPERATING PROFIT

	2016 £000	2015 £000
Operating profit is stated after charging:		
Depreciation plant and equipment	-	230
Amortisation of intangible assets	-	-
Operating leases – rent of building	-	43

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

6. DISCONTINUED OPERATIONS

On the 25 September 2015 the group entered into a sale agreement to dispose of Cognito Software Solutions Limited, UTN Solutions (North) Limited and Tre-Sol Italia srl, which carried out all of the group's operations. The disposal was completed on 14 October 2015 on which date control passed to the acquirer.

The results of the discontinued operations, which have been included in the consolidated income statement, were as follows:

	Year Ended 31 December 2016	Year Ended 31 December 2015
	£000	**£000**
Revenue	-	890
Expenses	-	(1,760)
Loss before tax	-	(870)
Loss on disposal of discontinued operations	-	(32)
Net loss attributable to discontinued operations (attributable to owner of the Company)	-	(902)

7. AUDITORS REMUNERATION

Services provided by the Company's auditor and its associates

	2016 £000	**2015 £000**
Group		
Fees payable to the company's auditor for the audit of the company and consolidated financial statements	10	8
	10	8

8. FINANCE INCOME & EXPENSE

	2016 £000	**2015 £000**
Finance income		
- Bank interest payable/(receivable)	(6)	4
Net finance income	(6)	4

9. EMPLOYEES

	2016 £000	2015 £000
Employee costs including executive and non-executive directors during the year amounted to:		
Wages and salaries	73	394
Social security costs	4	34
Other pension costs	-	3
Share based payments	-	31
	77	462

	2016 Number	2015 Number
The average number of persons employed during the year including executive directors analysed by category was made up as follows:		
Sales and marketing	-	2
Product development and support	-	12
Administration	3	4
	3	18

9 . EMPLOYEES (continued)

	2016 £000	2015 £000
The total remuneration of directors was as follows:		
Fees	14	9
Remuneration as executives (including benefits in kind)	59	45
Pension contributions	-	-
Share based payments	-	31
	73	85

No remuneration is paid directly by the Group for the services of the other executive director. There is currently no pension provision for any of the directors and therefore no pension is accrued to them.

Details of the directors' interests in the share capital of the company together with further details of the directors' remuneration are contained in the Remuneration Report on pages 15 to 16.

There are no amounts of compensation payable to key management.

10. TAXATION ON PROFIT

a) Analysis of charge in the year

	2016 £000	2015 £000
Current taxation		
UK corporation tax on profits for the year	-	-
Adjustments in respect of previous periods	-	(13)
Total current taxation	-	(13)
Deferred taxation		
Origination and reversal of temporary differences	-	(-)
Taxation expense	-	(13)

10. TAXATION ON PROFIT (continued)

b) Factors affecting charge in the year

	2016 £000	2015 £000
(Loss)/Profit on ordinary activities before taxation	(22)	(1,066)
Tax at UK corporation tax rate 20% (2015:20%)	-	(213)
Effect of:		
Depreciation in excess of capital allowances	-	-
Utilisation of tax losses not recognised for deferred taxation	-	213
Adjustments in respect of previous period	-	(13)
Deferred tax movement	-	(-)
	-	(13)

The Company has estimated tax losses to carry forward of £4,755,000 (2015: £4,733,000) which may be available for offset against future profits.

11. EARNINGS PER SHARE

The inputs to the earnings per share calculation are shown below:

	2016 Number	2015 Number
Weighted average ordinary shares in issue during the year	138,660,439	46,370,034
Potentially diluted share options under the Group's share option schemes	-	-
Weighted average ordinary shares for diluted earnings per share	138,660,439	46,370,034

	£	£
Loss attributable to shareholders		
Continuing operations	22,000	151,000
Discontinued operations	-	902,000
	22,000	1,053,000

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

11. EARNINGS PER SHARE (continued)

The calculation of basic earnings per ordinary share is based on the profit for the period attributable to equity holders of the parent and the weighted average number of ordinary shares in issue during the year.

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive share options.

In view of the group loss for the year, share warrants and options to subscribe for shares in the company are anti-dilutive and therefore diluted earnings per share is the same as basic loss per share.

12. PROPERTY, PLANT AND EQUIPMENT

GROUP

	Freehold land and buildings		Plant, Office and computer equipment and motor vans		Total	
	2016 £000	2015 £000	2016 £000	2015 £000	2016 £000	2015 £000
Cost						
At beginning of year	-	392	-	886	-	1,278
Additions	-	-	-	226	-	226
Disposals	-	(392)	-	(1,112)	-	(1,504)
Foreign currency exchange difference	-	-	-	-	-	-
At end of year	-	-	-	-	-	-
Depreciation						
At beginning of year	-	43	-	619	-	662
Charge for the year	-	3	-	227	-	230
Eliminated by disposals	-	(46)	-	(846)	-	(892)
At end of year	-	-	-	-	-	-
Net book value						
At end of year	-	-	-	-	-	-

There are no restrictions on title and no assets above have been pledged as security. In addition, there were no contractual commitments for the acquisition of property or other assets.

12. PROPERTY, PLANT AND EQUIPMENT (continued)

COMPANY

	Freehold land and buildings		Plant and equipment		Total	
	2016 £000	2015 £000	2016 £000	2015 £000	2016 £000	2015 £000
Cost						
At beginning of year	-	120	-	853	-	973
Additions	-	-	-	228	-	228
Disposals	-	(120)	-	(1,081)	-	(1,201)
At end of year	-	-	-	-	-	-
Depreciation						
At beginning of year	-	43	-	586	-	629
Charge for year	-	3	-	229	-	232
Eliminated on disposal	-	(46)	-	(815)	-	(861)
At end of year	-	-	-	-	-	-
Net book value						
At end of year	-	-	-	-	-	-

GROUP AND COMPANY

The aggregate amounts at which freehold land and buildings would have been shown in the financial statements had they not been revalued is the same as historical cost.

The freehold land and buildings which were owned by the company are located in Crediton, Devon and were revalued on the basis of market value and rental value. The valuation report, dated 20 September 2004, quotes a market value that agreed to the original cost of £120,000. The directors did not consider this valuation to be materially different as at 31 December 2014 and therefore that the carrying cost was not materially different from the fair value. The asset was fully disposed with the subsidiaries in the prior year.

13. INVESTMENTS

An investment was made on 7 December 2015 where 50,000,000 0.1p placing shares were purchased in Glenwick Plc for £50,000. This gives rise to a 3.63% holding in the company this was disposed of 8 January 2016.

An investment was made on 1 March 2016 where 49% of N4 Pharma Limited was purchased.

The directors are of the opinion that there is no impairment adjustment required in respect of the investments in N4 Pharma Limited, on the assumption that N4 Pharma will have sufficient resources to complete their R&D activities. In the event that N4 Pharma is unable to achieve its financial forecasts, adjustments will have to be made to the statement of financial position of the group and company to reduce the value of the asset to its recoverable amounts, to provide for future liabilities that might arise and to reclassify non-current assets as current assets.

The directors have taken the view that N4 Pharma Limited will not be deemed an associate company for the purposes of equity accounting.

14. INVESTMENTS IN SUBSIDIARY UNDERTAKINGS

COMPANY

	2016 £000	2015 £000
Cost		
At beginning of year	-	2,918
Disposals	-	(2,918)
At end of year	-	-
Impairment		
At beginning of year	-	2,626
Disposals	-	(2,626)
At end of year	-	-
Net book value		
At end of year	-	-
At beginning of year	-	292

15. INVESTMENTS IN SUBSIDIARY UNDERTAKINGS COMPANY(continued)

The principal subsidiary undertakings were all wholly owned by the company until the disposal in 2015, were consolidated and included the following:

Subsidiary undertakings	Principal activity	Class of share
Incorporated in England and Wales:		
UTN Solutions (North) Limited	Merchandising of electric bicycles and other products	Ordinary
Cognito Software Limited	Marketing and support of computer application software	Ordinary
Incorporated in Italy:		
Tre-Sol Italia srl	Development of solar power park	Ordinary

The following undertakings, which are all wholly owned by Tre-Sol Italia srl and incorporated in Italy, are consolidated and include the following

Ultima Italia srl	Development of solar power park	Ordinary
Harlicon srl	Development of solar power park	Ordinary
Leccesolar srl	Development of solar power park	Ordinary

The company disposed of all subsidiary undertakings on 14 October 2015.

16. INVENTORY

	GROUP		COMPANY	
	2016	2015	2016	2015
	£000	£000	£000	£000
Investments	232	-	232	-

Inventories comprise of investments made.

It is the opinion of the directors that no impairment to the carrying amount of inventory investments is considered necessary.

17. TRADE AND OTHER RECEIVABLES

	GROUP		COMPANY	
	2016	2015	2016	2015
	£000	£000	£000	£000
Non Current Assets				
Other receivables (see note 26)	215	-	215	-
Trade receivables – net	-	-	-	-
Amounts owed by Group undertakings	-	-	-	-
Owed by related party (see note 26)	-	-	-	-
Other receivables	195	1	195	1
Tax recoverable	-	9	-	9
Prepayments and accrued income	2	11	2	11
	412	21	412	21

The directors do not consider there to be any material difference between the fair values of trade and other receivables and the amounts shown above. The trade and other receivables of the company and the Group are all denominated in pounds sterling. The Group's main credit risk relates to trade receivables. No collateral is held as security against these receivables and the carrying value approximates to the fair value.

Long term other receivables relates to the loan to N4 Pharma Limited.

Trade receivables that are less than three months past due are not considered impaired. As of 31 December 2016, trade receivables of £Nil (2015: £Nil) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these trade receivables is as follows:

	GROUP		COMPANY	
	2016	2015	2016	2015
	£000	£000	£000	£000
Up to 3 months	-	-	-	-
Over 3 months	-	-	-	-
	-	-	-	-

18. CASH AND CASH EQUIVALENTS

	GROUP		COMPANY	
	2016	2015	2016	2015
	£000	£000	£000	£000
Cash at bank and on hand	172	587	172	587
Short-term bank deposits	-	-	-	-
	172	587	172	587

19. TRADE AND OTHER PAYABLES

	GROUP		COMPANY	
	2016	2015	2016	2015
	£000	£000	£000	£000
Bank overdraft	-	-	-	-
Trade payables	-	-	-	-
Amounts due to Group undertakings	-	-	-	-
Owed to related party (see note 24)	-	-	-	-
	-	-	-	-

The directors consider that the carrying value of trade and other payables approximates to their fair value.

20. FINANCIAL INSTRUMENTS

The Group's financial instruments, from which financial instrument risk arises, comprise cash and cash equivalents, trade receivables and trade payables that arise directly from its operations. The main financial instrument risks arising from and impacted by, the financial assets and liabilities of the Group are credit risk, cash flow interest rate risk and liquidity risk. The Board reviews and agrees policies for managing these risks and they are summarised below.

The Group does not hold any derivative financial instruments. The Group's financial assets and liabilities are measured at amortised cost.

A debenture is in place for National Westminster Bank PLC on all monies due from the company to the chargee on any account whatsoever secured on a fixed and floating charges over the undertaking and all property and assets present and future including goodwill uncalled capital buildings fixtures plant and machinery.

The principal financial assets of the Group are trade receivables and cash at bank. Cash is held in sterling only in either a current account or on short-term deposit. The amounts being as follows:

20. FINANCIAL INSTRUMENTS (continued)

Financial assets by category

GROUP

2016	**Loans and receivables £000**	**Non-financial Assets £000**	**Balance sheet £000**
Non current assets			
Other receivables	215		215
Current Assets			
Cash at bank	172	-	172
Trade and other receivables	195	-	195
Prepayments	2	-	2
Tax recovery	-	-	-
	584	-	584

2015			
Cash at bank	587	-	587
Trade and other receivables	-	-	-
Prepayments	-	11	11
Tax recovery	10	-	10
	597	11	608

Trade receivables arise directly from the Group's operations and do not carry any interest. All cash balances attract interest at floating rates that vary with United Kingdom bank base rates. The Group does not have any undrawn borrowing facilities.

COMPANY

2016	**Loans and receivables £000**	**Non-financial Assets £000**	**Balance sheet £000**
Non current assets			
Other receivables	215		215
Current Assets			
Cash at bank	172	-	172
Trade and other receivables	195	-	195
Amounts owed by Group undertaking	-	-	-
Prepayments	2	-	2
	584	-	584

2015			
Cash at bank	587	-	587
Trade and other receivables	-	-	-
Amounts owed by Group undertaking	-	11	11
Prepayments	10	-	10
	597	11	608

20. FINANCIAL INSTRUMENTS (continued)

GROUP

2016	Other financial liabilities £000	Non-financial liabilities £000	Balance sheet £000
Bank overdraft	-	-	-
Trade payables	-	-	-
Owed to related party	-	-	-
VAT and tax payable	-	-	-
Accruals and deferred income	-	77	77
	-	77	77
2015			
Bank overdraft	-	-	-
Trade payables	-	-	-
Owed to related party	-	-	-
VAT and tax payable	-	-	-
Accruals and deferred income	-	17	17
	-	17	17

COMPANY

2016			
Bank overdraft	-	-	-
Trade payables	-	-	-
Amounts due to group undertakings	-	-	-
Owed to related party	-	-	-
VAT and tax payable	-	-	-
Accruals	-	77	77
	-	77	77
2015			
Bank overdraft	-	-	-
Trade payables	-	-	-
Amounts due to group undertakings	-	-	-
Owed to related party	-	-	-
VAT and tax payable	-	-	-
Accruals	-	17	17
	-	17	17

20. FINANCIAL INSTRUMENTS (continued)

Credit risk
The Group's credit risk is primarily attributable to its trade receivables. Exposures to credit risk are minimised by employing effective credit management policies and procedures. Only customers known to the Group are granted credit terms. Annual fees for software licences and support agreements are payable in advance and require a uniquely numbered "valid licence key" to operate.

Cash flow interest rate risk
The Group is cash positive and places its balance on short-term deposits with National Westminster Bank Plc. Variable rate interest receivable is based on United Kingdom bank base rates and therefore changes in interest rates may affect the return on cash balances. No interest is received on any of the Group's other assets or receivables. The Group does not have any loans, bank borrowings or other interest bearing payables.

Liquidity risk
It is the Group's policy to maintain sufficient cash resources to meet its short-term liabilities.

Price risk
The Group does not hold any listed security investments and therefore has no exposure to securities price risk.

Fair values
The Directors consider that there is no material difference between the book value and the fair value of the financial instruments at 31 December 2016 and 31 December 2015.

Capital risk management
The Group considers its capital to comprise its ordinary and deferred share capital, share premium account and accumulated retained losses.

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group considers equity funding as the most appropriate form of capital for the Group, but keeps this under review taking into account the risks, costs and benefits to equity shareholders of introducing debt.

21. DEFERRED TAX ASSET

The Company has estimated tax losses of £4,755,000 as at 31 December 2016 (2015: £4,733,000) which have not been recognised for deferred tax purposes as these are recognised only to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

22. CALLED UP SHARE CAPITAL

	2016 £000	2015 £000
Allotted, called up and fully paid		
181,956,558 ordinary shares of 0.01p each	182	138
137,674,431 deferred shares of 4p each	5,507	5,507
279,176,540 placing shares of 0.099p each	2,764	2,764
	8,453	8,409

On the 1 March 2016, the Company issued 24,272,807 ordinary shares of 0.1p at a price of 1p to N Theobald in relation to a share for share exchange relating to the acquisition of N4 Pharma (refer to note 13).

The Company had also issued 15,000,000 and 4,051,815 ordinary shares of 0.1p for the price of 1p and 0.7p respectively on 13 June 2016 and 23 June 2016 .

The deferred shares have no right to dividends nor do the holders thereof have the right to receive notice of or to attend or vote at any General Meeting of the company. On a return of capital on a winding up of the company, the holders of the deferred shares shall only be entitled to receive the amount paid up on such shares after the holders of the ordinary shares have received the sum of £1,000,000 for each ordinary share held by them.

Ultima Networks Plc 2004 Share Option Scheme
The scheme was approved by the AGM held on 28 May 2004. No options to subscribe for ordinary shares of 1p each have been granted under this scheme.

Ultima Networks Plc 2012 Share Option Scheme
The scheme was approved by the AGM held on 26 June 2012, being the Ultima Networks Plc 2012 Share Option Scheme, but no options to subscribe for ordinary shares of 1p each have been granted to date.

Executive Share Option Schemes
Options to subscribe for ordinary shares of 1p each are exercisable in accordance with the 1994 Microvitec Inland Revenue Approved Executive Share Option Scheme. During the year ended 31 December 2014, no options were granted, no options were exercised and no options lapsed.

23. CAPITAL COMMITMENTS

	GROUP		COMPANY	
	2016 £000	2015 £000	2016 £000	2015 £000
Contracted capital expenditure	-	-	-	-

24. FUTURE OPERATING LEASE COMMITMENT

There are no operating lease commitments at the balance sheet date. (2015: £Nil)

25. PENSIONS

The Group did not contribute to personal pension schemes (defined contribution). No contributions were paid in respect of the directors. No amounts were accrued or prepaid at the year end (2015: £Nil)

26. RELATED PARTY TRANSACTION

Gavin Burnell and Luke Cairns were granted 10,804,840 and 2,701,210 share options respectively on 14 October 2015. No director has granted or exercised any share options during this or the previous year nor did any lapse.

Gavin Burnell owed the Company £37,299 (2015: £Nil) at the year end. This amount was repaid in full within 9 months of the year end.

During the year the Group made purchases from Akhter Group Limited totalling £Nil (2015: £43,000 of this amount, £Nil (2015: £Nil) was payable to Akhter Group Limited as at 31 December 2016. The purchases can be analysed as follows:

Group company	2016 £000	2015 £000	Description of purchases
Ultima Networks	-	-	Executive management services and project costs
UTN Solutions (North)	-	43	Rent and carriage costs
Cognito Software	-	-	Pensions and carriage costs
Total	-	43	

Last year the Group made sales to Akhter Group Limited totalling £Nil (2015: £144,000) of this amount, £Nil (2015: £Nil) was payable by Akhter Group Limited as at 31 December 2016.

A loan of £209,000 was made to N4 Pharma Limited a company which an interest of 49% is held. The loan is due to be repaid on 1 March 2020 unless repaid earlier at the mutual agreement of both parties and accrues interest at 5% per annum. Interest of £5,949 has been rolled up into the loan.

Onzima purchased 2,727,273 shares in Lionsgold Limited previously named Kolar Gold Limited on 12 July 2016 a company which Luke Cairns is a director..

SHARE BASED PAYMENT CHARGES

The Company had granted Ordinary Share options to its directors during the previous year that may be exercised within ten years in whole or in part from the date of the grant at an exercise price of 0.7p per share. No additional options have been granted in the year.

The Black Scholes method was used to calculate the fair value of options at the date of grant.

SHARE BASED PAYMENT CHARGES (continued)

The table below lists the inputs to the model used for the options granted during the year:

Weighted average share price at date of grant	0.9 pence
Weighted average exercise price	0.7 pence
Expected volatility	50%
Risk free rate	1%

A total share based payment charge of £Nil was expensed in 2016 (2015: £30,812) in respect of the options granted to the directors.

The share options held as at 31 December 2016 are set out in the table below:

	Granted during the period	Exercised during the period	Outstanding at 31 December 2016	Option Price	Exercisable on or before
G Burnell	10,804,840	—	10,804,840	0.7p	25 Oct 2025
L Cairns	2,701,210	—	2,701,210	0.7p	25 Oct 2025
Total Options	13,506,050	—	13,506,050		

Note: A detailed breakdown of directors' options is set out in the Report on Directors' Remuneration.

Additionally, the company has issued 4,051,805 warrants to its brokers, Peterhouse Corporate Finance, for the subscription of Ordinary Shares which may be exercised at any time up to 22 August 2019 at a price of 0.7p per share. This was fully excised on 23 June 2016.

27. CONTINGENT LIABILITY

The Company had no contingent liabilities.

28. CONTROLLING PARTY

In the opinion of the directors, there is no ultimate controlling party.

29. PROVISIONS

No provisions have been made in these accounts. There is no deferred tax in the current year.

30. SUBSEQUENT EVENTS

On 17 January 2017, the Company announced that it had agreed in principle terms conditionally to acquire the 51 per cent. of the issued shares of N4 Pharma which it did not already own. The consideration for the Proposed Acquisition will be satisfied by the issue of 36,409,210 new ordinary shares of 0.1p each in the capital of Onzima. It is intended that at the same time the Company will seek to raise approximately £3.0 million by way of a placing of new Ordinary Shares plus an open offer of up to £1.0 million to fund development of additional patented reformulations of a wider range of generic drugs, to undertake clinical trials for the Company's reformulation of sildenafil and for working capital purposes. A further loan of £100,000 has been made subject to an annual rate of interest of 5%.

The Proposed Acquisition will be classified as a reverse takeover under the AIM Rules for Companies and, as a result, is subject to the publication of an admission document in respect of the Company as enlarged by N4 Pharma setting out full details of the Proposed Acquisition and convening a general meeting of the Company where shareholders' approval will be sought for, among other things, the Proposed Acquisition, the share reorganisation, and to change the Company's name to N4 Pharma plc.