# RESOURCE RESERVE RECOVERY PLC
## (Formerly VSA CAPITAL GROUP PLC)

**REPORT AND ACCOUNTS**

**FOR THE YEAR ENDED 31 March 2015**

Company Registration No. 04918684

**RESOURCE RESERVE RECOVERY PLC**

**CONTENTS**

## COMPANY INFORMATION

| | |
|---|---|
| Directors | Andrew Monk<br>Jonathan Berger<br>Andrew Raca |
| Secretary | Philip Speer |
| Company Number | 04918684 |
| Registered Office | 16 Union Road<br>Cambridge, CB2 1HE |
| Auditors | Hilden Park Accountants Limited<br>Hilden Park House<br>79 Tonbridge Road<br>Hildenborough<br>Kent TN11 9BH |
| Registrar | Neville Registrars Ltd<br>Neville House<br>18 Laurel Lane<br>Halesowen<br>B63 3DA |
| Legal Advisers | Thomson Webb & Corfield<br>16 Union Road<br>Cambridge, CB2 1HE |
| Bankers | NatWest Bank Plc<br>PO Box 2354<br>65 Piccadilly<br>London, W1A 2PP |
| Head Office | Fourth Floor, New Liverpool House<br>15-17 Eldon Street<br>London EC2M 7LD |

**CHIEF EXECUTIVE OFFICERS STATEMENT**
**For The Year Ended 31 March 2015**

The year saw a much better performance for the group, without which the Company would have had to have considered its future, and I am pleased to report a profit of £488,618 (2014: Loss of £525,178). This has been achieved despite the continued slump in resource stocks and commodity prices and in particular the oil price. Without the dedication of certain staff members and their commitment to ensuring the future of the Company this could not have been achieved.

With this backdrop the decision was made that it was no longer viable to run the VSA Capital business with 1,200 shareholders and so we took the steps to re-structure the group, passing a resolution to dividend in specie the operating company, which was then followed by a share consolidation. The company, was then left as a “shell company” and renamed Resource Reserve Recovery Plc “RRR”. The changes took effect following Court approval on 29 April 2015.

RRR now has potentially an exciting future which I hope may reward shareholders significantly better than if we had done nothing. RRR will be turned into a “crowdfunding shell generator”. This space is still uncharted territory and so we cannot know how successful we can be but initial indications have given us confidence that this may be a valuable business model.

**Andrew Monk**
**Chairman & Chief Executive Officer**
**23 July 2015**

## STRATEGIC REPORT
**For The Year Ended 31 March 2015**

### Principal activity

The principal activity of the Company was that of a holding company for VSA Capital Limited and MMM Acquisitions Limited (formerly Third Quad Securities Limited). The principal activities of the individual subsidiary companies are listed in note 13 to the accounts.

With the re-structuring, the company's principal activity has changed to a 'Crowdfunding Company Shell Generator'.

### Review of the Business

During the year, the Group, via its subsidiary VSA Capital Limited, provided corporate finance, broking, research, sales and capital-raising capabilities to companies in the natural resources sectors; Oil & Gas, Mining, Renewable Energy, Agriculture and Timber. VSA Capital Limited is authorised and regulated by the FCA and advises companies listed in London (AIM and the Main Market), Canada (TSX) and Australia (ASX), operating principally in the corporate and institutional sectors. VSA Capital Limited operates on a success fee and retainer fee basis, the latter under medium term agreements which maintain an income stream.

### Review of the Strategy

The Group strategy was to develop its client base and enhance the delivery of corporate finance, broking, research and sales services.

With the restructuring, the intention is to generate revenue from the provision of shell companies that can then be utilised for a wide variety of new projects and businesses.

### Review of the Year

Resource Reserve Recovery plc (RRR) has reported a profit of £488,618 (2014 – Loss of £525,178). Progress was made, increasing revenues by 58%, while containing the cost base. Nevertheless, the poor results in the first quarter of 2015 meant that the significant improvement seen in the first 9 months of the financial year could not be sustained into the last part of the year. The main reason was the continuing tough market conditions.

### Principal risks and uncertainties

The risk management strategy operated during the year by the directors is outlined in note 24.

With the restructuring the company's risk profile is substantially reduced. The main risk will be the speed with which the new business can be developed.

### Results and dividends

The results for the year and financial position of the Company and the Group are as shown in the annexed financial statements.

No dividends will be distributed for the year ending 31 March 2015.

### Restructuring, Change of Name and Post balance sheet events

The Company issued a Circular on 3 February 2015 setting out proposals for a corporate restructuring. These proposals were approved at the annual general meeting on 19 February 2015 and implemented following FCA and Court approval on 29 April 2015. As part of the restructuring, the company changed its name on 27 May 2015 from VSA Capital Group plc to Resource Reserve Recovery plc ('RRR') and made a special dividend in specie, comprising one ordinary share of VSA Capital Limited for each ordinary share held in Resource Reserve Recovery plc. This resulted in the separation of VSA Capital Limited from the Resource Reserve Recovery plc group.

**Going Concern**
After making appropriate enquiries, the Directors consider, at the time of approving the financial statements, the company has the resources and the pipeline of business to continue in operational existence for the foreseeable future. As a result of this view, the going concern basis has been adopted in preparing the financial statements.

On behalf of the Board

Jonathan Berger
Director

23 July 2015

## DIRECTORS' REPORT
**For The Year Ended 31 March 2015**

The Directors present their report and the audited financial statements of the Company and the Group for the year ended 31 March 2015.

### Directors

The following Directors have held office during the year. Their beneficial interests in the issued share capital of the Company at that date were as follows:

| | 31 March 2015 | 31 March 2014 |
|---|---|---|
| G F Casey (resigned 15 May 2015) | 7,050,000 | 6,950,000 |
| J S Berger | 4,747,500 | 4,647,500 |
| A A Monk | 11,898,300 | 11,798,300 |
| A J Raca (appointed 23 October 2014) | 733,332 | 633,332 |

In addition, A A Monk has warrants over 312,500 of the Company's ordinary shares.

### Directors' Responsibilities for the Financial Statements

The Directors are responsible for preparing 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 prepare Group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and have chosen to prepare the financial statements for the Company in accordance with UK Generally Accepted Accounting Practice. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of affairs of the Group and Company 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 judgements and estimates that are reasonable and prudent;
- for the Group financial statements state whether they have been prepared in accordance with IFRSs as adopted by the EU subject to any material departures disclosed and explained in the financial statements;
- for the Company financial statements state 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 the going concern basis unless it is inappropriate to presume that the Company and the Group will continue in business.

The Directors are responsible for keeping proper accounting records that are sufficient to show and explain the company's transactions and which disclose with reasonable accuracy at any time the financial position of the Group and the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006 and, as regards the Group Financial Statements, Article 4 of the IAS Regulations. They are also responsible for safeguarding the assets of the Group and the Company and hence for the prevention and detection of fraud and other irregularities. They are further responsible for ensuring that the report of the Directors and other information included in the Annual report and financial statements is prepared in accordance with applicable law in the United Kingdom.

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.

Each of the Directors, whose names are listed above, confirms that, to the best of their knowledge:

- the Group financial statements, which have been prepared in accordance with IFRSs as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit / loss of the Group; and
- the Strategic Report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal risks and uncertainties that it faces.

**Substantial shareholders**

At 21 July 2015 the Company had been notified of the following interests in its share capital pursuant to the Disclosure and Transparency Rules:

| | No. of Shares | % of issued share capital | Registration |
|---|---|---|---|
| **Andrew Monk** | | | |
| | 11,899,070 | 17.74% | Fitel Nominees Limited |
| **Gavin Casey** | | | |
| | 7,050,000 | 10.51% | Rock (Nominees) Limited |
| **Jonathan Berger** | | | |
| | 4,748,557 | 7.08% | BWC Limited PS |
| **Coach House Holdings** | | | |
| | 3,774,999 | 5.63% | HSBC Global Custody Nominee (UK) Ltd |
| **John McCartney** | | | |
| | 3,562,500 | 5.31% | Pershing Nominees Limited |
| **Downing LLP** | | | |
| | 2,333,333 | 3.48% | Brooks MacDonald Nominees Limited |
| **Maven Partners** | | | |
| | 2,062,620 | 3.08% | Chase Nominees Limited |

**Creditors payment policy**

Group operating companies are responsible for agreeing the terms and conditions under which business transactions with their suppliers are conducted. Creditor days for the Group have been calculated at 84 days (2014: 64 days).

**Environment**

The Group recognises the importance of its environmental responsibilities and is required to comply with all relevant environmental legislation. The Group ensures that it keeps up to date with requirements of the latest applicable legislation.

**Staff Policy**

The Group's employment policies are designed to ensure that they meet the statutory, social and market practices in the UK where the Group operates. The Group's employees are regularly informed of the Group's financial position and the market conditions in which it operates. This is achieved through briefings with managers and staff and through the use of the Group intranet.

**Employment of disabled persons**

Full and fair consideration is given to applications for employment made by disabled persons having regard to their particular aptitudes and abilities. Appropriate training is arranged for disabled persons, including retraining for alternative work of employees who become disabled, to promote their career development within the organisation.

**Political and charitable donations**
The Group made charitable donations during the year of £3,000 (2014: £nil). The Group made no political donations during the year (2014 - £nil).

**Annual General Meeting**
The Annual General Meeting of the Company will be held at Fourth Floor, New Liverpool House, 15-17 Eldon Street, London EC2M 7LD on 24 September 2015 at 11.00am.

**Directors' statement as to disclosure of information to the Group's auditors**
The directors, who were members of the Board at the time of approving the Directors' Report, are listed on page 6 and confirm that:

- to the best of each director's knowledge and belief, there is no relevant audit information relevant to the preparation of their report of which the Group's auditors are unaware; and
- each director has taken all steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the Group's auditors are aware of that information.

**Auditors**
Hilden Park Accountants Limited has expressed its willingness to continue in office and a resolution to re-appoint them will be proposed at the Annual General Meeting.

By Order of the Board

Philip Speer
Company Secretary
23 July 2015

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RESOURCE RESERVE RECOVERY PLC

We have audited the Group financial statements of Resource Reserve Recovery plc for the year ended 31 March 2015 which comprise the Group Consolidated Statement of Comprehensive Income, the Group consolidated statement of the Financial Position, the Group Cash Flow Statement, the Group Statement of Changes in Equity and the related notes. These Group financial statements have been prepared under the accounting policies set out therein. The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union as applied in accordance with the provisions of the Companies Act 2006. We have audited the parent company financial statements which comprise the holding company Balance Sheet, the holding company Cash Flow Statement and the related notes. These parent company financial statements have been prepared under the accounting policies set out therein. The financial reporting framework that has been applied in preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) as applied in accordance with the provisions of the Companies Act 2006.

This report is made solely to the Group'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, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

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

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

- the financial statements give a true and fair view of the state of affairs of the Group and the parent company as at 31 March 2015 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company's financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006; and, as regards the group financial statements, Article 4 of the IAS Regulation.

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RESOURCE RESERVE RECOVERY PLC

**Opinion on other matter prescribed by the Companies Act 2006**
In our opinion the information given in the Directors' Report and the Corporate Governance Report for the financial year for which the financial statements are prepared is consistent with the financial statements and has been properly prepared in accordance with the Companies Act 2006.

**Emphasis of Matter**
In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in the Going Concern note in the financial statements (referred to in note 2 of the consolidated financial statements) concerning the uncertainty arising from the loss for the year. If the company were not to complete any substantial deals before December 2015, the company would be unlikely to be able to continue to trade. The accounts do not include any adjustments that would result from the company being unable to continue to trade.

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

Andrew Appleton (Senior Statutory Auditor)
**For and on behalf of Hilden Park Accountants Limited (Statutory Auditors)**
Hilden Park House
79 Tonbridge Road
Hildenborough
Kent
TN11 9BH

23 July 2015

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

**For The Year Ended 31 March 2015**

| | Notes | 2015 £ | 2014 £ |
|---|---|---|---|
| **Continuing operations** | | | |
| Revenue | 5 | 2,313,895 | 1,463,627 |
| Cost of sales | | (102,465) | (57,545) |
| **GROSS PROFIT** | | 2,211,430 | 1,406,082 |
| Other operating income | | 248,237 | 38,503 |
| Other gains and losses | | - | 28,373 |
| Administrative expenses | | (1,996,215) | (1,964,246) |
| **Operating profit/(loss) from continuing operations** | 6 | 463,452 | (491,288) |
| Finance income | 8 | 971 | 1,465 |
| Finance costs and similar charges | 9 | 24,195 | (35,355) |
| Profit / (loss) for the year from continuing operations | | 488,618 | (525,178) |
| Corporation Tax | 10 | - | - |
| Profit / (loss) after Tax | | 488,618 | (525,178) |
| Total other comprehensive income | | - | - |
| Comprehensive income for the year | | 488,618 | (525,178) |
| **Earnings per share** | 11 | | |
| Basic earnings per share from continuing operations | | 0.79p | (1.05p) |
| Diluted earnings per share from continuing operations | | 0.67p | (0.96p) |

**GROUP STATEMENT OF CHANGES IN EQUITY**
**For The Year Ended 31 March 2015**

| | Note | Share capital | Share premium | Share Based Payments Reserve | Retained Earnings | Total |
|---|---|---|---|---|---|---|
| Equity as at 1 April 2014 | | 599,010 | 1,234,203 | 27,335 | (1,481,200) | 379,348 |
| Profit for the year | | - | - | - | 488,618 | 488,618 |
| Increase in share based payments reserve | 23 | - | - | 18,445 | - | 18,445 |
| **Equity as at 31 March 2015** | | 599,010 | 1,234,203 | 45,780 | (992,582) | 886,411 |

The notes on pages 15 to 31 form part of these financial statements.

## GROUP CONSOLIDATED STATEMENT OF THE FINANCIAL POSITION
**31 March 2015**

**COMPANY REGISTRATION NO: 04918684**

| | Note | 2015<br>£ | 2014<br>£ |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Goodwill | 12 | - | - |
| Property, plant and equipment | 14 | 99,627 | 148,580 |
| **Total non-current assets** | | 99,627 | 148,580 |
| **Current Assets** | | | |
| Investments | 15 | 228,781 | 227,819 |
| Trade and other receivables | 16 | 379,118 | 315,961 |
| Cash and cash equivalents | 17 | 734,560 | 133,049 |
| **Total current assets** | | 1,342,459 | 676,829 |
| **TOTAL ASSETS** | | 1,442,086 | 825,409 |
| **EQUITY & LIABILITIES** | | | |
| **Capital and reserves attributable to equity holders** | | | |
| Share capital | 21 | 599,010 | 599,010 |
| Share premium account | 22 | 1,234,203 | 1,234,203 |
| Share based payments reserve | 23 | 45,780 | 27,335 |
| Retained earnings | | (992,582) | (1,481,200) |
| **Total equity** | | 886,411 | 379,348 |
| **Non-current liabilities** | 19 | | |
| Borrowings | | - | - |
| **Current liabilities** | | | |
| Trade and other payables | 18 | 555,675 | 446,061 |
| | | 555,675 | 446,061 |
| **Total liabilities** | | 555,675 | 446,061 |
| **TOTAL EQUITY & LIABILITIES** | | 1,442,086 | 825,409 |

The notes on pages 15 to 31 form part of these financial statements.

The financial statements were approved and authorised for issue by the Board of Directors on 23 July 2015 and were signed on its behalf by:

AA Monk – Director Jonathan Berger - Director

**GROUP CASH FLOW STATEMENT**
**For The Year Ended 31 March 2015**

| | Note | 2015 | 2014 |
|---|---|---|---|
| | | £ | £ |
| **Cash flows from operating activities** | | | |
| Operating profit / (loss) | | **463,452** | **(491,288)** |
| **Adjustments for:** | | | |
| Add: Depreciation of property, plant and equipment | 14 | **48,953** | **60,179** |
| Add: Share based payments expense | | **18,445** | |
| Less: Profit on Sale of Property | | | **(28,373)** |
| Movement in share based payment reserve | | **-** | **-** |
| **Changes in working capital:** | | | |
| Current asset investments | | **(962)** | **(162,618)** |
| Trade and other receivables | | **(63,157)** | **125,196** |
| Trade and other payables | | **109,614** | **(5,851)** |
| Net cash flows (used in) / generated by operating activities | | **576,345** | **(502,755)** |
| **Cash flows from investing activities** | | | |
| Interest received | 8 | **971** | **1,465** |
| Purchases of property, plant and equipment | 14 | **-** | **-** |
| Disposal of Property | | **-** | **340,000** |
| **Net cash flows used in investing activities** | | **971** | **341,465** |
| **Cash flows from financing activities** | | | |
| Finance costs and similar charges | 9 | **24,195** | **(35,355)** |
| Proceeds from issue of ordinary shares | | **-** | **114,958** |
| (Decrease)/increase in borrowings | | **-** | **(350,000)** |
| **Net (outflow) / cash raised from financing activities** | | **24,195** | **(270,397)** |
| Net (decrease) / increase in cash and cash equivalents | | **601,511** | **(431,687)** |
| Cash and cash equivalents at beginning of year | | **133,049** | **564,736** |
| **Cash and cash equivalents at end of year** | 17 | **734,560** | **133,049** |

The notes on pages 15 to 31 form part of these financial statements.

## 1. General Information

RRR is an unlisted public limited company.

Prior to the restructuring and dividend in specie, its principal subsidiary was VSA Capital Limited. VSA Capital Limited is a member of the London Stock Exchange and is incorporated and domiciled in the United Kingdom under the Companies Act 2006.

The address of the registered office is on page 3.

The consolidated financial statements of the Company for the year ended 31 March 2015 comprise the Company and its subsidiaries (together referred to as the "Group").

The nature of the Group's operations and its principal activities are set out in the Directors' Report on page 7.

These accounts are presented in pounds sterling because that is the currency of the primary economic environment in which the Group operates.

The consolidated financial statements were approved by the Directors on 23 July 2015.

### Statement of compliance

The Group's consolidated financial statements have been prepared and approved by the Directors in accordance with International Financial Reporting Standards as endorsed for use in the EU (Endorsed IFRS). The Company has elected to prepare its parent company financial statements in accordance with UK Generally Accepted Accounting Practice (GAAP). These are presented on pages 34 to 40.

### New and Amended Standards Adopted by the Group

There are no IFRSs or IFRIC interpretations that are effective for the first time for the financial year beginning on or after 1 April 2014 that would be expected to have a material impact on the Group.

### Standards, Interpretations and Amendments to Published Standards which Are Not Yet Effective

The following new standards, amendments to standards and interpretations have been issued, but are not effective for the financial year beginning 1 April 2015 and have not been early adopted:



Continued

| Reference | Title | Summary | Application date of standard | Application date of Group |
|---|---|---|---|---|
| Amendments to IAS 19 | Defined Benefit Plans: Employee Contributions | Clarifies that the treatment of contributions when they are independent of the number of years of service | Periods commencing on or after 1 July 2014 | 1 April 2015 |
| IFRS 9 | Financial Instruments | Revised standard for accounting for financial instruments | Periods commencing on or after 1 January 2015 | 1 April 2015 |
| IAS 36 | Impairment of assets | Limited scope amendments to disclosure requirements | Periods commencing on or after 1 January 2014 | 1 April 2015 |
| IAS 39 | Hedge accounting and novation of derivatives | Provides relief from discontinuing hedge accounting when novation of a hedging instrument to a central counterparty meets specified criteria | Periods commencing on or after 1 January 2014 | 1 April 2015 |
| IFRS 21 | Accounting for levies imposed by governments | Clarifies that the obligating event giving rise to a liability to pay a levy is the activity described in legislation that triggers payment of the levy | Periods commencing on or after 1 January 2014 | 1 April 2015 |
| IFRS 10, IFRS 12, IAS 27 | Exception from consolidation for "investment entities" | Amendments have been made to define an "investment entity" and to introduce an exception from consolidation and the required disclosures | Periods commencing on or after 1 January 2014 | 1 April 2015 |
| IAS 32 | Financial instruments: Presentation | Clarifies the requirements for offsetting of financial assets and financial liabilities | Periods commencing on or after 1 January 2014 | 1 April 2015 |
| IFRS 14 | Regulatory deferral accounts | Aims to enhance the comparability of financial reporting by entities subject to rate-regulations | Periods commencing on or after 1 January 2016 | 1 April 2016 |
| IFRS 15 | Revenue from contracts with customers | Specifies how and when to recognise revenue from contracts as well as requiring more informative and relevant disclosures | Periods commencing on or after 1 January 2017 | 1 April 2017 |
| IFRIC 21 | Levies | Provides guidance on when to recognise a liability for government levies | Periods commencing on or after 1 January 2014 | 1 April 2014 |

The Directors anticipate that the adoption of these Standards and Interpretations in future years will have no material impact on the accounts of the Group.



Continued

**2. Going Concern**

The Group made a profit for the year of £488,618 (2014: loss of £525,178). After making appropriate enquiries, the Directors consider, at the time of approving the financial statements, the Group has the resources and the pipeline of business to continue in operational existence for the foreseeable future. As a result of this view, the going concern basis has been adopted in preparing the financial statements.

**3. Significant Accounting Policies**

**Basis of preparation**

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Group's financial statements with the exception of certain policies subject to the transitional arrangements of Endorsed IFRS, as detailed above.

**Basis of consolidation**

The Group financial statements consolidate those of the Company and of its subsidiary undertakings for the year ended 31 March 2015.

Subsidiaries are consolidated from the date at which control is obtained by the Group, and cease to be consolidated from the date at which the Group no longer retains control. Subsidiaries are entities over which the Group has the power to control the financial and operating policies so as to obtain benefits from its activities. The Group obtains and exercises control through voting rights.

All inter-company balances and transactions between the Group and its subsidiaries are eliminated in full. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company.

**Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable in the ordinary course of the Group's activities. Revenue is shown net of VAT, returns, rebates and discounts and after eliminating sales within the Group. The following specific recognition criteria must also be met before revenue is recognised:

Corporate finance advisory fees are recognised when the relevant transaction is completed and retainer fees are recognised over the length of time of the agreement. Stockbroking commissions and other fees are recognised when receivable in accordance with the date of the underlying transaction. Other income includes dividends on available-for-sale investments.

Interest is recognised on a time-proportion basis using the effective interest method.

**Goodwill**

Goodwill represents the excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired and is capitalised and reviewed annually for impairment. Goodwill is carried at cost less accumulated impairment losses. Any excess of the Group's interest in the net fair value of the identifiable net assets acquired over cost is recognised immediately after acquisition in the income statement. Goodwill is recognised as an asset and is reviewed for impairment at least annually. As at the acquisition date any goodwill acquired is allocated to each of the cash-generating units expected to benefit from the business combination's synergies. Impairment is assessed by comparing the goodwill with the discounted cash flows projected for the acquired cash-generating unit (CGU) using a discount rate that management estimate to be the risk adjusted weighted average cost of capital for that entity. Negative goodwill is written off immediately.

**Investment Property**

The investment property is held at cost less depreciation / impairment and is included within the fixed assets note in the financial statements.



Continued

**Property, plant and equipment**
Property, plant and equipment are stated at cost or valuation, net of depreciation and any provision for impairment. Depreciation, down to residual value, is calculated on a straight-line basis over the estimated useful life of the asset as follows:

| | |
|---|---|
| Property | over 75 years - no depreciation is provided in respect of freehold land but it is reviewed annually for impairment |
| Plant and machinery | 20% - 25% |
| Fixtures and fittings | 20% - 33% |

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the income statement in the year in which the item is de-recognised.

**Impairment of non-current assets**
All non-current assets are assessed annually for indications of impairment. Where such indicators exist, the recoverable amount is measured and any impairment loss is charged to the income statement.

**Leases**
The economic ownership of a leased asset is deemed to have been transferred to the Group if the Group bears substantially all the risks and rewards related to the ownership of the leased asset. The related asset is recognised at the time of inception of the lease at the fair value of the leased asset or, if lower, the present value of the minimum lease payments plus incidental payments if any, to be borne by the lessee. A corresponding amount is recognised as a finance lease liability. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the income statement over the period of the lease.

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognised as an expense in the income statement over the period of the lease.

**Investments**
Investments are held at cost less provision for any impairment in value. The carrying value of investments is reviewed at least annually for indicators of impairment.

**Taxation**
Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the tax authorities, based on tax rates and laws that are enacted by the balance sheet date. Income tax is recognised in the income statement unless it relates to items that are credited or charged to equity in which case it is also charged or credited to equity.

Deferred income tax is provided on all temporary differences at the balance sheet date between tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, with the following exceptions:

- where the temporary difference arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss;
- in respect of taxable temporary differences associated with investments in subsidiaries, where the timing reversal of temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future; and
- deferred income tax assets are recognised only to the extent that it is probable that taxable profits will be available against which deductible temporary differences, carried forward tax credits or tax losses can be utilised.

Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised, based on tax rates and laws enacted or substantially enacted at the balance sheet date.



Continued

**Share based payments**
Certain employees and Directors of the Group receive equity settled remuneration in the form of Company share options. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense to the income statement on a straight line basis over the vesting period and a corresponding amount is reflected in the profit and loss reserves in shareholders' equity adjusted at each balance sheet date to take into account actual and expected level of vesting. The charge is calculated as being the fair value of the shares or the right to the shares at the date of grant. Fair value is measured using a modified Black-Scholes option pricing model and is based on a reasonable expectation of the extent to which performance criteria will be met.

**Financial assets**
The Group's financial assets fall into the categories discussed below, with the allocation depending to an extent on the purpose for which the asset was acquired. Unless otherwise indicated, the carrying amounts of the Group's financial assets are a reasonable approximation of their fair values.

**Trade and other receivables**
Trade receivables are recognised and carried at original invoice amount less an allowance for any uncollectible amounts. Allowance is made when collection of the full amount is no longer possible. Bad debts are written off when identified. The Group's trade and other receivables are non-interest bearing.

**Cash and cash equivalents**
Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

**Financial liabilities**
The Group's financial liabilities fall into the categories discussed below.

**Trade and other payables**
Trade payables and other short-term monetary liabilities are recognised at fair value. Due to the short term nature of the liabilities, there are no significant differences between the carrying value and their fair values.

**Borrowings**
Borrowings are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method.

**Share capital**
Financial instruments issued by the Group are treated as equity only to the extent that they do not meet the definition of a financial liability. The Group's ordinary shares are classified as equity instruments.

For the purposes of capital management, the Group considers its capital to comprise its ordinary share capital, share premium, share based payments reserve and retained earnings.

The Group is subject to the Companies Act requirement for public limited companies to have £50,000 of capital at nominal value and the minimum regulatory capital requirements for its FCA regulated subsidiary, VSA Capital Limited.

**Foreign currencies**
The functional and presentation currency of RRR is pounds sterling (£). The Group conducts the majority of its business in sterling. Transactions denominated in foreign currencies are translated into the functional currency at the rate ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated at the rates ruling at that date. These translation differences are dealt with in the income statement.



Continued

**Pension costs**
Contributions payable are charged to the income statement in the year they were payable.

**Exceptional items**
It is the Group's policy to show items that it considers being of a significant nature separately on the face of the income statement. The Group defines the term exceptional as items that are material in respect of their size and nature

## 4. Accounting Estimates and Judgements

The preparation of accounts in conformity with IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results may ultimately differ from those estimates. The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

**Valuation of trade receivables**
In assessing the recoverability of trade receivables the Company uses historic performances to estimate likely future cash flows from contractual debt. Assumptions are required to be made about indicators of recoverability and any required provisions.

**Impairment of goodwill**
Determining whether goodwill is impaired requires an estimation of the value in use of the cash generating units to which goodwill has been allocated. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash generating unit and a suitable discount rate in order to calculate the net present value.

## 5. Segmental Reporting

The profit for the year of £488,618 (2013: loss of £525,178) can be allocated to continuing activities as shown below.

| | 2015 | | | 2014 | | |
|---|---|---|---|---|---|---|
| | Financial Services | Plc Unallocated | Total | Financial Services | Plc Unallocated | Total |
| | £ | £ | £ | £ | £ | £ |
| Rendering of services | 2,313,895 | - | 2,313,895 | 1,463,627 | - | 1,463,627 |
| Other Operating Income | 248,237 | | 248,237 | 3,218 | 35,285 | 38,503 |
| Profit / loss on fixed assets | - | | - | | 28,373 | 28,373 |
| Interest | 917 | 54 | 971 | 327 | 1,138 | 1,465 |
| Total revenue | 2,563,049 | 54 | 2,563,103 | 1,467,172 | 64,796 | 1,531,968 |
| Cost of sales | (102,465) | - | (102,465) | (57,545) | - | (57.545) |
| Administrative expenses | (1,890,166) | (56,954) | (1,947,120) | (1,918,876) | (69,863) | (1,988,739) |
| Unrealised investment gain | (6,142) | 6,000 | (142) | 18,672 | 66,000 | 84,672 |
| Depreciation | (48,953) | - | (48,953) | (51,383) | (8,796) | (60,179) |
| Finance costs & exchange | 24,195 | - | 24,195 | (12,599) | (22,756) | (35,355) |
| Profit/(loss) for the year | 539,518 | (50,900) | 488,618 | (554,559) | 29,381 | (525,178) |



Continued

All sales were to third party customers. A geographical breakdown of the Group's continuing activities can be analysed as follows:

| | 2015 | 2014 |
|---|---|---|
| | £ | £ |
| UK & EC | 820,680 | 579,160 |
| North America | 124,985 | 412,899 |
| Rest of the World | 1,368,230 | 471,568 |
| | 2,313,895 | 1,463,627 |

**Segmental assets**

| | 2015 | | | 2014 | | |
|---|---|---|---|---|---|---|
| | **Financial Services** | **Plc Unallocated** | **Total** | **Financial Services** | **Plc Unallocated** | **Total** |
| **Assets** | | | | | | |
| Non-Current | 99,627 | - | 99,627 | 148,580 | - | 148,580 |
| Current | 205,146 | 1,137,313 | 1,342,459 | (382,384) | 1,059,213 | 676,829 |
| Total Assets | 304,773 | 1,137,313 | 1,442,086 | (233,804) | 1,059,213 | 825,409 |
| **Liabilities** | | | | | | |
| Non-Current | - | - | - | - | - | - |
| Current | 522,850 | 32,825 | 555,675 | 403,791 | 42,270 | 446,061 |
| | 522,850 | 32,825 | 555,675 | 403,791 | 42,270 | 446,061 |
| **Net Assets/Liabilities** | (218,077) | 1,104,488 | 886,411 | (637,595) | 1,016,943 | 379,348 |

## 6. Operating Profit/(Loss)

The operating profit/(loss) is stated after charging/(crediting):

| | 2015 | 2014 |
|---|---|---|
| | £ | £ |
| Staff costs (note 7) | 1,355,429 | 1,373,538 |
| Depreciation | 48,953 | 60,179 |
| Foreign exchange (gain) / loss | (24,195) | 9,890 |
| Share based payments reserve expense | 18,445 | - |
| Operating leases – land and buildings | 119,011 | 119,011 |
| Fees paid to the Company's auditors for the audit of | | |
| - the Company's annual accounts | 8,000 | 8,000 |
| the subsidiaries' annual accounts | 3,250 | 3,250 |
| Fees paid to the Company's auditors for tax compliance work | 3,750 | 3,750 |

All of the above costs are included within administration costs in the income statement



Continued

## 7. Directors and Employees

Staff costs for the year, including Executive Directors, amounted to:

| | 2015 | 2014 |
|---|---|---|
| | £ | £ |
| Wages and salaries | 1,198,564 | 1,171,808 |
| Social security costs | 126,865 | 134,689 |
| Pension costs | 30,000 | 67,041 |
| | 1,355,429 | 1,373,538 |

The average number of employees of the Group during the year was as follows:

| | 2015 | 2014 |
|---|---|---|
| Administration | 2 | 1 |
| Directors | 4 | 3 |
| Operations | 14 | 18 |
| | 20 | 22 |

**Directors' service agreements**
Each of the Executive Directors has a service agreement, subject to termination notice of twelve months by the company and three months by the director.

**Pensions**
Pension contributions are paid on a money purchase basis to the personal pension schemes of the Executive Directors. These arrangements are continually reviewed to ensure that they are appropriate.

**Non-Executive Directors**
The fees of non-Executive Directors are set by the Board.

**Directors' Remuneration (Audited)**

| | 2015 | | | | 2014 | | | |
|---|---|---|---|---|---|---|---|---|
| | Salary & Fees | Pension | Benefits | Total | Salary & Fees | Pension | Benefits | Total |
| | | £ | £ | £ | | £ | £ | £ |
| **Executives** | | | | | | | | |
| Andrew Monk | 100,000 | 10,000 | 2,679 | 112,679 | 78,333 | 30,221 | 1,638 | 110,192 |
| Jonathan Berger | 80,000 | 20,000 | 2,453 | 102,453 | 78,333 | 30,383 | 1,490 | 110,206 |
| Andrew Raca | 130,000 | - | 1,931 | 131,931 | - | - | - | - |
| **Non-Executives** | | | | | | | | |
| Gavin Casey | - | - | - | - | 16,667 | - | - | 16,667 |
| **Total** | 310,000 | 30,000 | 7,063 | 347,063 | 173,333 | 60,604 | 3,128 | 237,065 |



Continued

## 7. Directors and Employees (continued)

**Share options**

The Company believes that share ownership by Executive Directors and senior executives strengthens the links between their personal interest and those of investors.

At 31 March 2015 there were outstanding options due to the Directors as follows:

| | Number of shares | Granted Date | Exercise Price | Exercise period |
|---|---|---|---|---|
| Andrew Monk | 4,000,000 | 01.06.2014 | 1.5p | 01.06.2014 to 01.06.2024 |
| Gavin Casey | 2,000,000 | 01.06.2014 | 1.5p | 01.06.2014 to 01.06.2024 |
| Jonathan Berger | 2,000,000 | 01.06.2014 | 1.5p | 01.06.2014 to 01.06.2024 |
| Andrew Raca | 2,000,000 | 01.06.2014 | 1.5p | 01.06.2014 to 01.06.2024 |

## 8. Finance Income

| | 2015 £ | 2014 £ |
|---|---|---|
| Bank interest receivable | 971 | 1,465 |

## 9. Finance Costs

| | 2015 £ | 2014 £ |
|---|---|---|
| Other interest | - | 25,465 |
| Foreign exchange (gain)/loss | (24,195) | 9,890 |
| | (24,195) | 35,355 |



Continued

## 10. Taxation

**Analysis of the tax charge**

No liability to UK corporation tax arose on ordinary activities for the year ended 31 March 2015 or for the period ended 31 March 2014.

**Factors affecting the tax charge**
The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

| | 2015<br>£ | 2014<br>£ |
|---|---|---|
| Profit/(loss) on ordinary activities before tax | **488,618** | **(525,178)** |
| Profit/(loss) on ordinary activities multiplied by the Standard rate of corporation tax in the UK of 20% (2014: 20%) | **97,724** | **(105,036)** |
| Effects of: | | |
| Depreciation / profit on disposal / capital allowances | **4,175** | **(511)** |
| Expenditure disallowed | **10,787** | **2,967** |
| Impairment of goodwill | **-** | **-** |
| Tax losses arising in the year | **-** | **102,580** |
| Losses brought forward now utilised | **(112,686)** | **-** |
| Tax Charge | **-** | **-** |

Consolidated tax losses carried forward at 31 March 2015 were approximately £4,500,000 (2014: £5,000,000). Due to the uncertainty of the timing of taxable profits in the future, a deferred tax asset in respect of the tax losses has not been included in the accounts.

## 11. Earnings per Share

The basic earnings per share is calculated by dividing the profit after taxation by the weighted average number of shares in issue.

| | 2015 number | 2014 number |
|---|---|---|
| The weighted average number of shares were: | | |
| Basic weighted average number of shares | **61,859,436** | **50,489,617** |

Details of potential dilutive ordinary shares are set out below:

| | 2015 number | 2014 number |
|---|---|---|
| Employee share options – old options (note 24) | **-** | **3,528,000** |
| Employee share options – new options (note 24) | **10,900,000** | **-** |
| Warrants attached to 08.12.11 placing (expires 09.01.17) | **427,000** | **427,000** |



Continued

## 12. Intangible Assets

| | Goodwill £ | Total £ |
|---|---|---|
| **Cost** | | |
| At 1 April 2014 | 183,003 | 183,003 |
| Additions | - | - |
| Disposal of subsidiaries | - | - |
| **As at 31 March 2015** | **183,003** | **183,003** |
| **Accumulated amortisation and impairment** | | |
| At 1 April 2014 | 183,003 | 183,003 |
| Amortisation released on disposal | - | - |
| Impairment | - | - |
| **As at 31 March 2015** | **183,003** | **183,003** |
| **Net carrying amount as at 31 March 2015** | - | - |
| Net carrying amount as at 31 March 2014 | - | - |

**Impairment of goodwill**

Goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Directors have considered the carrying value of the goodwill at 31 March 2015, which related to the purchase of VSA Capital Limited where the Directors have considered the projected cash flows in conjunction with the investment undertaken. A full impairment provision was made during the period ended 31 March 2011.

The recoverable amount of a Cash Generating Unit (CGU) is determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by management covering a five year period. The growth rates and margins used to estimate the future performance are based on past performance and the experience of growth rates. For this review goodwill was allocated to individual CGUs on the basis of the Group's operations. The carrying value of goodwill by each CGU is as follows:

| | 2015 £ | 2014 £ |
|---|---|---|
| VSA Capital Limited business (acquired on 12 August 2010) | - | - |
| | - | - |

The key assumptions in the 2014 and 2015 impairment reviews were as follows:

- Gross profit margin – 50%
- Rate of increase in turnover – none

## 13. Investment in Subsidiaries

Prior to the restructuring and dividend in specie, RRR (formerly VSA Capital Group plc) owned 100% of the Ordinary £1 shares and had 100% of the voting rights of its subsidiary, VSA Capital Limited. VSA Capital Limited's principal activity is that of Corporate Finance advisors.

RRR owns the Ordinary £1 shares and 100% of the voting rights of its subsidiary, MMM Acquisitions Limited (formerly Third Quad Securities Limited) which is a dormant company.

Both subsidiary undertakings' are registered in England & Wales.



Continued

## 14. Property, Plant and Equipment

| | Plant & Machinery | Fixtures & Fittings | Total |
|---|---|---|---|
| | £ | £ | £ |
| **COST** | | | |
| 1 April 2014 | 32,060 | 254,711 | 286,771 |
| Additions | - | - | - |
| Disposals | - | - | - |
| **At 31 March 2015** | **32,060** | **254,711** | **286,771** |
| **DEPRECIATION** | | | |
| 1 April 2014 | 11,210 | 126,981 | 138,191 |
| Charge for the year | 6,725 | 42,228 | 48,953 |
| Disposals | - | - | - |
| **At 31 March 2015** | **17,935** | **169,209** | **187,144** |
| **NET BOOK VALUE** | | | |
| **At 31 March 2015** | **14,125** | **85,502** | **99,627** |
| At 31 March 2014 | 20,850 | 127,730 | 148,580 |

## 15. Current asset investments

| | 2015 | 2014 |
|---|---|---|
| | £ | £ |
| Market valuation of listed investments | **228,781** | **227,819** |
| Listed investments, cost | **137,188** | **159,818** |

These investments have been designated as 'Fair value through Profit and Loss.' The listed value of the current asset investments at 31 March 2015 was £226,756 (2014: £240,965). As a substantial part of the current asset investments relates to the establishment of an investment vehicle, which is in the early stages of development, the directors' market valuation (based on the most recent transaction price) has been recorded.

## 16. Trade and other Receivables

| | 2015 | 2014 |
|---|---|---|
| | £ | £ |
| **Current** | | |
| Trade receivables | **171,909** | **174,766** |
| Provision for impairment of receivables | **(20,000)** | **(20,000)** |
| Net trade receivables | **151,909** | **154,766** |
| Other receivables | **133,135** | **120,889** |
| Prepayments | **94,074** | **40,306** |
| | **379,118** | **315,961** |
| **Non-current** | | |
| Other receivables | **-** | **-** |



Continued

## 17. Cash and Cash equivalents

| | 2015 | 2014 |
|---|---|---|
| | £ | £ |
| Cash at bank and in hand | 734,560 | 133,049 |

## 18. Trade and other Payables

| | 2015 | 2014 |
|---|---|---|
| | £ | £ |
| Trade payables | 211,797 | 147,537 |
| Social security | 33,709 | 25,484 |
| Accruals and deferred income | 310,169 | 273,040 |
| | 555,675 | 446,061 |

## 19. Borrowings

| | 2015 | 2014 |
|---|---|---|
| | £ | £ |
| **Current and Non Current** | | |
| Total borrowings | - | - |

## 20. Lease Commitments

| The following operating lease payments are committed to be paid: | 2015 | 2014 |
|---|---|---|
| | £ | £ |
| Within one year | 155,232 | 155,232 |
| Between two and five years | 194,040 | 349,272 |
| | 349,272 | 504,504 |

The above amounts relate to the rent of offices.



Continued

## 21. Called Up Share Capital

**Allotted, issued and fully paid**
Movements in the Ordinary and Deferred Shares during the year were as follows:

| | Number | Nominal Value of Ordinary Shares | Nominal Value of Deferred Shares |
|---|---|---|---|
| At 1 April 2014 (nominal value 0.2p per Ordinary share) | **61,859,436** | **123,719** | **475,291** |
| Issued in the year | - | - | - |
| At 31 March 2015 (nominal value 0.2p per Ordinary share) | **61,859,436** | **123,719** | **475,291** |

The total nominal value of the Ordinary and Deferred Shares at 31 March 2015 was therefore £599,010 (2014: £599,010).

The deferred shares do not carry any voting rights or the right to receive dividends or have the right to participate in any return of capital by the Company, such as liquidation, except after £20,000,000 has been repaid per ordinary share.

**Warrants**

The Company has outstanding warrants over 427,000 ordinary shares - Placing of new ordinary shares 8 December 2011 (expire – 9 January 2017).

## 22. Reserves

The following describes the nature and purpose of each reserve within equity:

Share premium - has arisen on the issue of shares by the Company at a premium to their nominal value.

Share based payments – this represents the total expenses recognised for equity settled share-based payments.

Retained earnings – this represents profits and/or losses made by the group that have not been distributed to shareholders.

Restructuring was completed following the passing of the resolutions, set out in the Circular dated 3 February 2015, at the annual general meeting on 19 February 2015, the FCA approval and the Court approved cancellation of the Share Premium Account on 29 April 2015.



Continued

## 23. Share Based Payments

Until 14 February 2011 the Group operated a scheme approved under the Enterprise Management Incentive Scheme for selected employees and Executive Directors. Eligibility under the Enterprise Management Incentive Scheme ended with the sale of the Group's former software subsidiaries. The scheme's periods are ten years with vesting occurring after the first two or three years and settlement in equity. The schemes do not have performance conditions attached however the options lapse when employees leave the Group.

The expense recognised for equity settled share-based payments in respect of employee services received during the year to 31 March 2015 was £18,445 (2014: £nil).

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options during the year.

| | 2015 Number of options | 2015 WAEP | 2014 Number of options | 2014 WAEP |
|---|---|---|---|---|
| Post Consolidation (20:1) | **3,528,000** | **9.06p** | **4,966,000** | **8.57p** |
| Granted | **10,900,000** | **1.50p** | **-** | **-** |
| Lapsed / Cancelled | **(3,528,000)** | **9.06p** | **(1,438,000)** | **7.36p** |
| Outstanding at the end of the year | **10,900,000** | **1.50p** | **3,528,000** | **9.06p** |

The 3,528,000 options with WAEP of 9.06p that were in place at 1 April 2014 were cancelled on 1 June 2014. There were 10,900,000 options issued on 1 June 2014. The weighted average fair value of the options granted as at 31 March 2015 was £45,780.

The number of options exercisable at 31 March 2015 was 10,900,000 (2014: 3,528,000) with WAEP of 1.5p (2014: 9.06p).

The weighted average remaining contractual life for the share options outstanding at the year end is 9.25 years (2014: 7.50 years).

The exercise prices for the options outstanding at the end of the year were 1.5p (2014: 5.01p to 22.33p).

The fair value of the equity-settled share options granted as at the date of the grant was calculated using a modified Black-Scholes model taking into account the terms and conditions upon which the options were granted. The following table lists the inputs into the model used for the periods ended 31 March 2015 and 31 March 2014:

| | | | |
|---|---|---|---|
| Option price | 1.5p | 2014: | 5p-9p |
| Expected volatility | 40% | 2014: | 65%-80% |
| Expected life | 3 years | 2014: | 4.0-6.5 years |
| Dividend yield | 0% | 2014: | 0% |
| Risk-free discount rate | 3.77% | 2014: | 3.77% |
| Fair value of option | 0.42p | 2014: | 0.001p, 0.002p, 0.002p |
| Share price at grant | 0.25p | 2014: | 5.9p, 3.0p, 3.0p |

Expected volatility is based entirely on historical volatility levels.



Continued…

## 24. Risk Management

The Group's objective is to minimise its financial risk by ensuring that it has adequate controls, reporting and funding arrangements in place to cover any unexpected working capital requirements.

The Group maintains a system of daily cash balance reporting and prepares comprehensive monthly management accounts including cash flow forecasting to measure and assess financial risk. This management information is reviewed at each Board meeting and appropriate actions are taken where required.

The Group finances its operations by raising finance through equity. No speculative treasury transactions are undertaken and, during the last two years, no derivative contracts have been entered into. Financial assets and liabilities include those assets and liabilities of a financial nature, namely cash, investments, short term receivables/payables and borrowings.

**Financial assets** – the Group's financial assets and their maturity profile are:

| | 2015 | 2014 |
|---|---|---|
| Trade and other receivables | 379,118 | 315,961 |
| Cash and cash equivalents | 734,560 | 133,049 |
| | 1,113,678 | 449,010 |
| **Maturing** | | |
| One year or less or on demand | 1,113,678 | 449,010 |
| Between two and five years | - | - |
| | 1,113,678 | 449,010 |

**Financial liabilities** – the Group's financial liabilities and their maturity profile are:

| | 2015 | 2014 |
|---|---|---|
| Trade and other payables | 555,675 | 446,061 |
| Vendor loan – fixed rate | - | - |
| | 555,675 | 446,061 |

Trade and other payables are due within one year. An analysis of the maturity of the Group debt is given in note 18.

**Liquidity risk**
Liquidity risk is the risk that the Group will have insufficient resources to meet its financial obligations as they fall due. The Group seeks to manage financial risk to ensure sufficient liquidity is available to meet foreseeable needs and to invest cash safely and profitably.

**Interest rates**
In the year ended 31 March 2015 the Group did not have any exposure due to changing interest rates.

**Currency risk**
The Group is exposed to both transaction and translation risk. Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the foreign exchange rate ruling at that date. Foreign exchange differences arising on such translations are recognised in the consolidated statement of comprehensive income. The Group does, when necessary, enter into foreign currency forward contracts to hedge against exposure from currency fluctuations.



Continued…

The only currency amounts owed to/by the Group are as follows:

| | |
|---|---|
| Trade receivables | US$30,000 (2014:US$30,000) |
| Trade payables | US$20,300 (2014: US$29,300) |

During the year there was a foreign currency exchange gain of £24,195 (2014 – loss of £9,890).

**Credit risk**
Credit risk is the risk of financial loss where counterparties are not able to meet their obligations. The Group considers that the trade receivables which are stated net of applicable provisions represent the total amount exposed to credit risk. £nil (2014: £nil) of trade receivables are overdue but have not been impaired.

**Market risk**
The Group's listed investments are subject to movements in market prices.

## 25. Related Party Transactions

There is no single controlling party. Significant shareholders and Directors' remuneration are disclosed in the Directors' Report. Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note.

Andrew Monk, a director, is also a director of Anglo African Agriculture Plc, in which RRR has invested £54,000 (2014 - £54,000) and this is included in current asset investments.



Continued…

## HOLDING COMPANY BALANCE SHEET
(presented under UK GAAP)
31 March 2015

| **COMPANY REGISTRATION NO: 04918684** | Notes | **£** | **2015** **£** | £ | **2014** £ |
|---|---|---|---|---|---|
| FIXED ASSETS | | | | | |
| Investments | 3 | | **-** | | **-** |
| CURRENT ASSETS | | | | | |
| Investments | 4 | **76,000** | | **70,000** | |
| Debtors | 5 | **1,049,256** | | **863,029** | |
| Cash at bank | | **12,057** | | **126,184** | |
| | | **1,137,313** | | **1,059,213** | |
| CREDITORS | | | | | |
| Amounts falling due within one year | 6 | **(32,825)** | | **(42,270)** | |
| NET CURRENT ASSETS | | | **1,104,488** | | **1,016,943** |
| NET ASSETS | | | **1,104,488** | | **1,016,943** |
| CAPITAL AND RESERVES | | | | | |
| Called up share capital | 7 | | **599,010** | | **599,010** |
| Share premium | 9 | | **1,234,203** | | **1,234,203** |
| Share based payments reserve | 9 | | **45,780** | | **27,335** |
| Profit and loss account | 9 | | **(774,505)** | | **(843,605)** |
| SHAREHOLDERS' FUNDS | 10 | | **1,104,488** | | **1,016,943** |

The financial statements were approved by the Board of Directors on 23 July 2015 and were signed on its behalf by:

Jonathan Berger – Director



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## HOLDING COMPANY CASH FLOW STATEMENT
**For The Year Ended 31 March 2015**

| | Note | 2015 | 2014 |
|---|---|---|---|
| | | £ | £ |
| **Cash flows from operating activities** | | | |
| Operating profit | | 69,046 | 170,999 |
| Depreciation of property, plant and equipment | 3 | - | 8,797 |
| Profit on sale of Property | | - | (28,373) |
| Movement in share based payment reserve | 8 | 18,445 | - |
| Changes in working capital: | | | |
| Current asset investments | | (6,000) | (66,000) |
| Debtors | | (186,226) | (508,874) |
| Creditors | | (9,446) | (137,739) |
| **Cash flows generated from/(used in) operating activities** | | (114,181) | (561,190) |
| **Cash flows from investing activities** | | | |
| Interest received | | 54 | 1,138 |
| Disposal of Property | | - | 340,000 |
| Net cash flows used in investing activities | | 54 | 341,138 |
| **Cash flows from financing activities** | | | |
| Interest paid | | - | (22,756) |
| Proceeds from issue of ordinary shares | | - | 114,958 |
| Decrease in borrowings | | - | (230,000) |
| **Net cash flows from financing activities** | | - | (137,798) |
| Net (decrease) / increase in cash at bank | | (114,127) | (357,850) |
| Cash at bank at beginning of year | | 126,184 | 484,034 |
| **Cash at bank at end of year** | | 12,057 | 126,184 |

The notes on pages 34 to 37 form part of these financial statements.



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## 1. Accounting Policies

**Basis of accounting / preparation**
The holding Company financial statements have been prepared under the historical cost convention and on a going concern basis and in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

**Investment Property**
The Investment Property is stated at cost or valuation, net of depreciation and any provision for impairment. Depreciation, down to residual value, is calculated on a straight-line basis over the estimated useful life of the asset over 75 years.

**Taxation**
The charge for taxation is based on the result for the year and takes into account deferred taxation. Provision is made for material deferred taxation, in respect of all timing differences that have originated but not reversed at the balance sheet date. Deferred tax assets are recognised only to the extent that the Directors consider that it is more likely than not, that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

**Goodwill**
Goodwill arising from the purchase of subsidiary undertakings represents the excess of the fair value of the purchase consideration over the fair value of the net assets acquired.

The goodwill arising on acquisitions is capitalised as an intangible asset. The goodwill is amortised on a straight line basis from the time of acquisition over its useful economic life. The economic life is normally presumed to be a maximum of 20 years. Impairment reviews are performed to ensure the carrying value of the goodwill is fairly presented and provision made as required.

If an undertaking is subsequently divested, the appropriate unamortised goodwill is dealt with through the profit and loss account in the period of disposal as part of the gain or loss on divestment.

**Fixed asset investments**
Investments in subsidiary undertakings and associates are stated at cost less amounts written off.

**Current asset investments**
Current asset investments are held at cost less provision for any impairment in value. The carrying value of such investments is reviewed at least annually for indicators of impairment.

## 2. Information Regarding Directors and Employees

Staff costs of the Company during the year in respect of employees and Directors were nil (2014: nil). The Directors remuneration and staff costs, including contributions to the Executive Directors' personal defined contribution pension schemes are recorded in the subsidiary company, VSA Capital Limited. These are set out in the Report on Remuneration.



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## 3. Fixed Asset Investments

**Investments in subsidiaries**

| | £ |
|---|---|
| **COST** | |
| At 1 April 2014 | 1,128,677 |
| Acquired in the year | - |
| Disposals | - |
| **At 31 March 2015** | **1,128,677** |
| **IMPAIRMENT** | |
| At 1 April 2014 | 1,128,677 |
| Impairment in the year | - |
| Disposals | - |
| **At 31 March 2015** | **1,128,677** |
| **NET BOOK VALUE** | |
| **At 31 March 2015** | - |
| At 31 March 2014 | - |

Prior to the restructuring and dividend in specie, RRR had a 100% holding in VSA Capital Limited.

RRR has a 100% holding in MMM Acquisitions Limited (formerly Third Quad Securities Limited).

Both companies are incorporated in the United Kingdom and they are included in the consolidated accounts of RRR.

## 4. Current Asset Investments

| **Fair Value** | **2015** | **2014** |
|---|---|---|
| | **£** | **£** |
| At 1 April | 70,000 | 4,000 |
| Acquired in the year | - | - |
| Revalue to fair value through profit or loss | 6,000 | 66,000 |
| **At 31 March** | **76,000** | **70,000** |

## 5. Debtors

| | **2015** | **2014** |
|---|---|---|
| | **£** | **£** |
| Trade debtors | **-** | **2,106** |
| Other debtors | | **5,119** |
| Prepayments and accrued income | **1,290** | **500** |
| Amounts due from Group undertakings | **1,047,966** | **855,304** |
| | **1,049,256** | **863,029** |

There are no debtors that are receivable after more than one year (2014: nil).

## 6. Creditors: Amounts Falling Due Within One Year

| | 2015 £ | 2014 £ |
|---|---|---|
| Trade creditors | 15,095 | 26,361 |
| Other creditors | - | - |
| Accruals and deferred income | 17,730 | 15,910 |
| | 32,825 | 42,271 |

## 7. Called Up Share Capital

**Allotted, issued and fully paid**
Movements in the Ordinary and Deferred Shares during the year were as follows:

| | Number | Nominal Value of Ordinary Shares £ | Nominal Value of Deferred Shares £ |
|---|---|---|---|
| At 1 April 2014 (nominal value 0.2p per Ordinary share) | 61,859,436 | 123,719 | 475,291 |
| Issued in the year | - | - | - |
| **At 31 March 2015 (nominal value 0.2p per Ordinary share)** | **61,859,436** | **123,719** | **475,291** |

The total nominal value of the Ordinary and Deferred Shares at 31 March 2015 was therefore £599,010 (2014: £599,010).

The deferred shares do not carry any voting rights or the right to receive dividends or have the right to participate in any return of capital by the Company, such as liquidation, except after £20,000,000 has been repaid per ordinary share.

**Warrants**

The Company has outstanding warrants over 427,000 ordinary shares - Placing of new ordinary shares 8 December 2011 (expire – 9 January 2017).

## 8. Share Based Payments

All the Group's share options are in the holding Company and there were no changes as a result of reporting the Group's results under IFRS. The share based payments information is therefore the same as in note 23 to the Group accounts.

## 9. Statement of Movements in Reserves

| | **Share Premium Account £** | **Share Based Payment Reserve £** | **Profit & Loss Account £** |
|---|---|---|---|
| At 1 April 2014 | 1,234,203 | 27,335 | (843,605) |
| Shares issued | - | - | - |
| Profit for the year | - | - | 69,100 |
| Increase in share based payments reserve | - | 18,445 | - |
| **Carried forward at 31 March 2015** | **1,234,203** | **45,780** | **(774,505)** |

## 10. Reconciliation of Movement in Shareholders' Funds

| | 2015 | 2014 |
|---|---|---|
| | £ | £ |
| Profit for the financial year | 69,100 | 149,382 |
| Share capital issued | - | 114,958 |
| Increase in share based payments reserve | 18,445 | - |
| Net increase /(reduction) to shareholders' funds | 87,545 | 264,340 |
| Opening shareholders' funds | 1,016,943 | 752,603 |
| Closing shareholders' funds | 1,104,488 | 1,016,943 |

## 11. Profit of Parent Company

As permitted by Section 408 of the Companies Act 2006, the profit and loss account of the parent company is not presented as part of these financial statements. The parent company's profit for the financial period after taxation was £69,100 (2014: £149,382).

## 12. Going Concern

After making appropriate enquiries and following the re-structuring, the Directors consider, at the time of approving the financial statements, the Group has the resources and the pipeline of business to continue in operational existence for the foreseeable future. As a result of this view, the going concern basis has been adopted in preparing the financial statements.

These financial statements do not include any adjustments that would arise if the Company was unable to continue to trade.

## DETAILED PROFIT & LOSS ACCOUNT – COMPANY ONLY

| | 2015 | 2014 |
|---|---|---|
| | £ | £ |
| **Management Charges** | **120,000** | **120,000** |
| Income from Investments | - | 35,285 |
| **Total Income** | **120,000** | **155,285** |
| | | |
| Premises expenses | | 1,795 |
| Travel & subsistence | | 368 |
| Professional fees | 34,548 | 64,372 |
| Increase in share based payments reserve | 18,445 | |
| Office Expenses | 3,466 | 3,329 |
| Profit on disposal of fixed assets | | (28,374) |
| Bad Debt | 495 | |
| Interest payable / (receivable) | (54) | 21,617 |
| Depreciation | | 8,797 |
| Gains on Investments (unrealised) | (6,000) | (66,000) |
| Total Administrative Expenses | 50,900 | 5,904 |
| | | |
| **PROFIT / (LOSS) FOR THE YEAR** | **69,100** | **149,381** |

## The Charity Fund

Supported by the members of staff and the business, the company has created a small fund to make charitable donations. As part of the re-structuring the charity fund was transferred to VSA Capital Limited.

Our employees recognise that they are in a privileged position and do not want to forget that there are others in the world who are less fortunate than themselves. This is particularly relevant to the business where, in our dealings in the natural resources markets, projects are often found in the poorest parts of emerging markets. The fund is small reflecting the current size of our business but it provides a useful reminder to us all. A committee has been formed to allocate any money, and the current members are Andrew Monk (CEO) and Paul Renken (Geologist).

The committee has selected one main project to support - the Kusasa Project in Franschhoek, South Africa - but there is also an informal system of matching staff personal donations, encouraging staff to support charities of their choice with a donation and then to apply for a matching donation from the fund. Other significant beneficiaries of this system of matching donations have included Centre 70 (London Legal support), the Microloan Foundation, Help for Heroes, NSPCC, Frontline Emergency equipment trust, Childreach International, Leonard Cheshire, and Railway Children

**Kusasa Project**
As noted above, the main initiative supported by VSA Capital is the Kusasa Project which is based in Franschhoek about one hour outside Cape Town, South Africa. There was an ideal opportunity to take corporate clients and companies to visit this Project whilst the VSA Capital team was at the Indaba Mining Conference in Cape Town in February of this year.

The goals of the project are to offer the children educational opportunities and also personal interaction and sporting facilities and to remove them from an environment which disappoints them and offers little opportunity to break out of a cycle of poverty.

Andrew Monk
Paul Renken


This page does not form part of the audited financial statements.