

RESOURCE RESERVE RECOVERY PLC
(Formerly VSA CAPITAL GROUP PLC)

REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 March 2017

RESOURCE RESERVE RECOVERY PLC

COMPANY INFORMATION

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

RESOURCE RESERVE RECOVERY PLC

STRATEGIC REPORT

For The Year Ended 31 March 2017

Principal activity

The company's principal activity is a 'Crowdfunding Company Shell Generator'.

Review of the Business

The Company generates 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 loss of £4,216 (2016 - loss of £1,082,788 (which includes an exceptional item of £1,081,996)).

This has been a rather frustrating period for the company. RRR was intended to become a platform to offer companies seeking an IPO an opportunity to expand their shareholder base and create liquidity and access capital from RRR shareholders. In some ways RRR has done what it said it would do; preserve capital and distribute shares as dividend, but in other ways it hasn't. Although capital has been preserved, the lack of IPO's in the market has meant that share distributions have been limited. We had hoped that an element of crowdfunding could be developed through the shareholder base but this also has proven to be a difficult concept in reality.

The one distribution we did do for 200 shareholders was Golden Rock Global plc and it proved to be very successful with the share price rising almost 200% immediately and even today is still up in excess of 100%. However one distribution annually to only 200 shareholders is not the excitement we had hoped for and not what we expected.

This means we have now done two distributions in two years. Whilst we would expect this rate to continue, it is not the best way forward and so the Board is now considering whether it can do anything more productive for shareholders as well as maintaining its ability to provide a spread of shareholders for a Company at IPO.

The Board proposes to broaden the company's activities with a view to generating increased returns. The Board believes that in the current environment, although the Company only has a limited amount of capital, it can use that to participate in deals, preferably in the form of preferred equity or debt, where the Directors, working alongside VSA Capital Limited, can use their knowledge of capital markets, and junior resources in particular, to generate superior returns. The directors have also been approached by partners with significantly more capital who are interested in being co investors alongside RRR and so would give much more clout and credibility to RRR. None of these investments will be intended to be long term and the ability to continue its core business of distribution will remain.

This new additional activity is intended to commence after the AGM of RRR

Principal risks and uncertainties

The main risk is the speed with which the new business can be developed.

Dividends

No dividends will be distributed for the year ending 31 March 2017.

RESOURCE RESERVE RECOVERY PLC

STRATEGIC REPORT

For The Year Ended 31 March 2016

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

Andrew Monk
CEO

A handwritten signature in black ink, appearing to be 'Andrew Monk', written over a horizontal line.

14 July 2017

RESOURCE RESERVE RECOVERY PLC

DIRECTORS' REPORT

For The Year Ended 31 March 2017

The Directors present their report and the audited financial statements of the Company for the year ended 31 March 2017.

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 2017	31 March 2016
J S Berger (resigned 4 July 2017)	4,750,307	4,747,500
A A Monk	11,899,070	11,898,300
A J Raca	733,332	733,332

In addition, AA 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 and in accordance with United Kingdom Generally Accepted Accounting Practice.

Company law requires the Directors to prepare financial statements for each financial year. 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 Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- 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 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 Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for the prevention and detection of fraud and other irregularities.

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

Strategic Report

Information required to be included in the Directors' Report has been set out instead in the Strategic Report. This includes principal risks and uncertainties and future developments contained in the review of the business.

Creditors payment policy

The Company is responsible for agreeing the terms and conditions under which business transactions with its suppliers are conducted. Creditor days for the Company have been calculated at 90 days (2016: 90 days).

RESOURCE RESERVE RECOVERY PLC

DIRECTORS' REPORT

For The Year Ended 31 March 2017

Statement of Disclosure to Auditors

The directors, who were members of the Board at the time of approving the Directors' Report, are listed on page 2 and confirm that:

- to the best of each director's knowledge and belief, there is no relevant audit information (information needed by the company's auditors in connection with preparing their report) of which the Company'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 Company'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



Andrew Raca
Director
14 July 2017

REPORT OF THE INDEPENDENT AUDITORS

To the shareholders of Resource Reserve Recovery plc

FOR THE YEAR ENDED 31 March 2017

We have audited the financial statements of Resource Reserve Recovery plc for the year ended 31 March 2017 which comprise the Statement of Comprehensive Income, the Balance Sheet, Statement of Changes in Equity, the Cash Flow Statement and the related notes. These financial statements have been prepared under the accounting policies set out therein. The financial reporting framework that has been applied in preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's 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 Company as at 31 March 2017 and of the Company's profit for the year then ended;
- the 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-

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report and the Strategic 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.

REPORT OF THE INDEPENDENT AUDITORS

To the shareholders of Resource Reserve Recovery plc

FOR THE YEAR ENDED 31 March 2017

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 Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the company's 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

14 July 2017

RESOURCE RESERVE RECOVERY PLC
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 March 2017

	Notes	2017	2016
		£	£
Turnover	3	10,314	9,000
Cost of sales		(10,000)	-
Gross profit		314	9,000
Administrative expenses		(4,559)	(1,091,818)
Operating (Loss) / Profit	7	(4,245)	(1,082,818)
Interest receivable	9	29	30
Finance costs and similar charges		-	-
(Loss) / Profit on ordinary activities before taxation		(4,216)	(1,082,788)
Tax on loss on ordinary activities	10	-	-
(Loss) / Profit for the year	15	(4,216)	(1,082,788)
Other Comprehensive Income		-	-
Total Comprehensive Income		(4,216)	(1,082,788)
Earnings per share			
Basic Earnings per share from continuing operations		(0.01p)	(0.11p)
Diluted Earnings per share from continuing operations		(0.01p)	(0.09p)

The statement of comprehensive income has been prepared on the basis that all operations in the year ended 31 March 2017 are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

There were no acquisitions or discontinued operations during the current financial year.

RESOURCE RESERVE RECOVERY PLC
BALANCE SHEET (Company registration number 04918684)
FOR THE YEAR ENDED 31 March 2017

	Notes	£	2017 £	£	2016 £
FIXED ASSETS					
Investments	5		-		-
CURRENT ASSETS					
Investments	6	314		-	
Debtors	11	68		195	
Cash at bank		77,475		84,366	
		<u>77,857</u>		<u>84,561</u>	
CREDITORS					
Amounts falling due within one year	12	(274)		(2,762)	
NET CURRENT ASSETS			<u>77,583</u>	<u></u>	<u>81,799</u>
NET ASSETS			<u>77,583</u>		<u>81,799</u>
CAPITAL AND RESERVES					
Called up share capital	13		135,739		135,739
Share premium			48,080		48,080
Share based payments reserve	14		45,780		45,780
Deferred Shares	13		475,290		475,290
Profit and loss account			(627,306)		(623,090)
SHAREHOLDERS' FUNDS	15		<u>77,583</u>		<u>81,799</u>

The financial statements were approved by the Board of Directors on 14 July 2017 and were signed on its behalf by:

Andrew Monk
Director



RESOURCE RESERVE RECOVERY PLC**NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended 31 March 2017**

	Share Capital	Share Premium	Deferred shares	Share based payments reserve	Retained Earnings	Total
	£	£	£	£	£	£
At 31 March 2016	135,739	48,080	475,290	45,780	(623,090)	81,799
Total comprehensive income	-	-	-	-	(4,216)	(4,216)
At 31 March 2017	135,739	48,080	475,290	45,780	(627,306)	77,583

RESOURCE RESERVE RECOVERY PLC

NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended 31 March 2017

		2017 £	2016 £
Cash flows from operating activities			
Cash generated from operations	1	(6,606)	12,180
Net cash from operating activities		(6,606)	12,180
Cash flows from investing activities			
Interest received		29	30
Investing activities		(314)	
		(285)	
Cash flows from financing activities			
Proceeds from issue of ordinary shares		-	60,099
Net cash from financing activities		-	60,099
(Decrease)/increase in cash and cash equivalents		(6,891)	72,309
Cash and cash equivalents at beginning of year	2	84,366	12,057
Cash and cash equivalents at end of year	2	77,475	84,366

1. RECONCILIATION OF PROFIT BEFORE INCOME TAX TO CASH GENERATED FROM OPERATIONS

	2017 £	2016 £
Profit before income tax	(4,245)	(1,082,818)
Depreciation charges	-	-
Write-down of value of investment	-	1,081,996
Current asset investments	-	-
Decrease/(increase) in trade and other receivables	127	43,065
(Decrease)/increase in trade and other payables	(2,488)	(30,063)
Movement in share based payment reserve	-	-
Cash generated from operations	(6,606)	12,180

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

	31.03.2017 £	31.03.2016 £
Year ended 31 March 2017 – cash and cash equivalents	77,857	84,366
	31.03.2016 £	31.03.2015 £
Year ended 31 March 2016 – cash and cash equivalents	84,366	12,057

RESOURCE RESERVE RECOVERY PLC

NOTES TO THE FINANCIAL STATEMENTS For The Year Ended 31 March 2017

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.

2. Going Concern

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

3. Significant Accounting Policies

Basis of accounting

The financial statements are prepared under the historical cost convention.

These financial statements have been prepared in compliance with FRS 102 - The Financial Reporting Standard applicable in the UK and Republic of Ireland and the Companies Act 2006.

Resource Reserve Recovery plc is a publically limited company (formerly listed on the AIM), limited by shares, incorporated in the UK and registered in England (registered number 04918684).

Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable in the ordinary course of the Company's activities. Revenue is shown net of VAT, returns, rebates and discounts. Stage of completion is determined either on completion of deals or in the period in which the services are provided in the case of retained work.

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

Investments

Current asset investments are measured at fair value through Profit and Loss.

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

RESOURCE RESERVE RECOVERY PLC

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 31 March 2017

- 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.

Share based payments

Certain employees and Directors of the Company 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.

Exceptional items

It is the Company's policy to show items that it considers being of a significant nature separately on the face of the income statement. The Company 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 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.

RESOURCE RESERVE RECOVERY PLC

NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended 31 March 2017

5. Fixed Asset Investments

Investment in subsidiary

	£
COST	
At 1 April 2016	1,011,096
Acquired in the year	-
Disposals	-
At 31 March 2017	<u>1,011,096</u>
IMPAIRMENT	
At 1 April 2016	1,011,096
Impairment in the year	-
Disposals	-
At 31 March 2017	<u>1,011,096</u>
NET BOOK VALUE	
At 31 March 2017	<u>-</u>
At 31 March 2016	<u>-</u>

The investment is in deferred shares in VSA Capital Limited. The deferred shares have no voting rights.

RRR has a 100% holding in MMM Acquisitions Limited, a dormant company.

Both companies are incorporated in the United Kingdom.

6. Current Asset Investments

Fair Value	2017	2016
	£	£
At 1 April	-	76,000
Acquired in the year	314	-
Disposals	-	(76,000)
At 31 March	<u>314</u>	<u>-</u>

7. Operating Profit/(Loss)

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

	2017	2016
	£	£
Share based payments reserve expense	-	-
Auditors' remuneration		
Fees paid to the Company's auditors for the audit	-	1,500

RESOURCE RESERVE RECOVERY PLC

NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended 31 March 2017

8. Directors and Employees

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 2017 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
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

9. Finance Income

	2017 £	2016 £
Bank interest receivable	29	30

10. Taxation

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the year ended 31 March 2017 or for the period ended 31 March 2016.

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:

	2017 £	2016 £
Profit/(loss) on ordinary activities before tax	(4,216)	(1,082,818)
Profit/(loss) on ordinary activities multiplied by the Standard rate of corporation tax in the UK of 20% (2016: 20%)	843	216,564
Effects of:		
Depreciation / profit on disposal / capital allowances	-	-
Expenditure disallowed	-	-
Impairment of goodwill	-	-
Tax losses arising in the year	(843)	(216,564)
Prior Year tax losses utilised	-	-
Tax Charge	-	-

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.

RESOURCE RESERVE RECOVERY PLC

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 31 March 2017

11. Debtors

	2017 £	2016 £
Other debtors	68	195
	<u>68</u>	<u>195</u>

There are no debtors that are receivable after more than one year (2016: nil).

12. Creditors: Amounts Falling Due Within One Year

	2017 £	2016 £
Trade creditors	274	2,762
Accruals and deferred income	-	-
	<u>274</u>	<u>2,762</u>

13. 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 2016 (nominal value 0.2p per Ordinary share)	67,869,433	135,739	475,290
Issued in the year	-	-	-
At 31 March 2017 (nominal value 0.2p per Ordinary share)	<u>67,869,433</u>	<u>135,739</u>	<u>475,290</u>

The total nominal value of the Ordinary and Deferred Shares at 31 March 2017 was therefore £611,029 (2016: £611,029).

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 £1,000,000 has been repaid per ordinary share.

14. Share Based Payments

There were no changes to the Share Based Payments reserve.

RESOURCE RESERVE RECOVERY PLC

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 31 March 2017

15. Reconciliation of Movement in Shareholders' Funds

	2017	2016
	£	£
Profit / (loss) for the financial year	(4,216)	(1,082,788)
Share capital issued	-	60,099
Increase in share based payments reserve	-	-
Net increase / (reduction) to shareholders' funds	<u>(4,216)</u>	<u>(1,022,689)</u>
Opening shareholders' funds	81,799	1,104,488
Closing shareholders' funds	<u>77,583</u>	<u>81,799</u>

RESOURCE RESERVE RECOVERY PLC

NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended 31 March 2017

DETAILED PROFIT & LOSS ACCOUNT

	2017	2016
	£	£
Corporate Broking	10,314	9,000
Cost of Sales	(10,000)	-
Gross Profit	<u>314</u>	<u>9,000</u>
Marketing	-	2,000
Professional fees	2,769	6,125
Increase in share based payments reserve	-	-
Office Expenses	1,790	1,697
Bad Debt	-	-
Interest receivable	(29)	(30)
Impairment on fixed asset investments	-	1,081,996
Gains on Investments (unrealised)	-	-
Total Administrative Expenses	<u>4,530</u>	<u>1,091,788</u>
PROFIT / (LOSS) FOR THE YEAR	<u>(4,216)</u>	<u>(1,082,788)</u>