Company Registration Number 3740688

STELLAR RESOURCES PLC
(formerly CSS Stellar plc)

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2012

CONTENTS

I am pleased to present the Chairman's report for the year ended 31 December 2012.

Overview

Investment in Gold Mines of Wales

In accordance with the implementation of its new Investing Policy, the Company completed an agreement to acquire 49% of the issued share capital of Gold Mines of Wales Limited ("GMOW") which, through a wholly-owned subsidiary, holds a licence to explore and sample gold and silver over about 120 square kilometres covering the Dolgellau gold belt in the County of Gwynedd in Wales.

The Dolgellau Gold Belt has been subject to multiple phases of deformation and mineralisation and contains 61 known occurrences of gold mineralisation. The Clogau Mine contains approximately 20 miles of drives and shafts, although exploration is currently focussed on the Tyn n Cornel level and 900 metres of the lower Llechfraith adit level.

GMOW holds agreements with The Crown Estates Commissioners, acting in exercise of the powers on the Crown Estate Act 1961 on behalf of her Majesty the Queen, covering the two largest mines in the region, the Clogau St David's and Gwynfynydd mines.

The consideration for the acquisition was £100,000 payable in cash and 17,432,182 new ordinary shares in the Company ("the Consideration Shares"), representing 24.9% of the then enlarged issued share capital of the Company. Based on the midmarket price of the Company's ordinary shares at the close of business on 30 November 2011, the total value of the consideration was £636,040.

Victorian Gold Limited ("the Vendor") undertook in the Acquisition Agreement to invest the cash proceeds of £100,000 in the further development of GMOW's licences. It also undertook to the Company and to Northland Capital Partners Limited not to dispose of the Consideration Shares for a period of 12 months following admission, save in certain specified circumstances, including by way of acceptance of an offer for all of the Company's issued ordinary shares.

During the year, GMOW has been undertaking further work programmes on its licence interest in the Dolgellau Gold belt and the management of GMOW has provided the Company with the following operational update.

· Recent works by GMOW have included a further sampling program; make safe works and pre-planning visits from Flintshire county council. GMOW continues to work closely with the local community and authorities in order to potentially re-open the Clogau Mine to commercial gold extraction.

· During the summer field season, GMOW has employed 5 geologists to undertake the first systematic mapping and sampling of the gold outcrops along a 27km strike length underlaying its licence interest. Working relationships between GMOW and Cardiff University Earth Science Department and SRK Cardiff are underway. SRK Cardiff is sponsoring a Graduate Geologist to complete his MSC thesis on GMOW's exploration ground.

· Sampling has been undertaken on both surface of all the historical workings and the underground workings of the large Clogau gold mine.

· These samples have been assayed at Stewart Group's Omac Laboratories in Ireland.

· Underground mapping and correlation with the historical information has indicated the existence of a significant extension of the high grade John Hughes stope, which extends from the Tyn n cornel level to the Llechfraith level in the Clogau Formation.

· Re-opening of the Clogau Gold Mine in Wales continues to access further unmined areas and provide excellent gold grades.

· Assay results were from underground grab samples taken from a wider area (400m) on the upper level from the Clogau Formation. Thirty-one samples were taken from both partly mined and unmined sections of the Clogau Gold Mine. The target areas include 'the Main Load ("ML"), Ned Pughes ("NP"), 'Old Chutes ("OS") and The John Hughes ("JH") sections of the Tyn Y Cornel section the Clogau Mine.

· Assay grades as high as 749 grams/tonnes ("g/t gold") or 24 ounces/tonne ("oz/t Au") have been recorded from unmined areas.

· 16 out of 31 samples assayed better than 31.1 g/t Au.
· 15 samples assayed better than 62.2 g/t Au.
· 10 samples assayed better than 93.3 g/t Au

The team in Wales continue to gradually re-open the underground workings at the old Clogau Gold Mine. These high grade gold samples from Clogau provide encouragement that the potential still exists to define new high grade gold mineralistion."

Despite the current environment of declining gold prices, grades of this magnitude make Stellar Resources' Welsh gold project something the board feels committed to progressing.

Corporate

In April 2012, the Company changed its name to Stellar Resources plc and executed a capital raise of £500,000, both in order to pursue its endeavours in relation to the GMOW's acquisition.

On 4 April 2012, Ed McDermott, Lincoln Moore and Charlie Wood joined the Board as Non-Executive Director, Finance Director and Executive Director respectively, and Julian Jakobi, John Webber and Simon Rhodes stepped down from the Board.

On 30 June 2012 Lincoln Moore and Charlie Wood resigned and Donald Strang was appointed as Finance director on 19 September 2012.

On 1 Novemberr 2012, the Company announced that it had signed an agreement to dispose of all its 30% interest in Hambric Sports Management, LLC ("Hambric") to concentrate on its core business in the mining and resources sector. The consideration for the disposal was a total of USD 350,000 to be paid in instalments. The first instalment of the consideration of USD 175,000 has been received by the Company with a further two instalments of USD 87,500 each due to be paid on or before 28 February 2013 and 28 February 2014 respectively.

Financial Results

Group operating loss was £0.289 million (2011 - £0.344 million). There was a net loss from discontinued operations of £nil (2011 - £0.2 million) recognised during the year. The disposal of the interest in Hambric generated a gain of £0.218 million. The net loss after tax was £0.095 million (2011: £0.547 million).

Cash and cash equivalents at 31 December 2012 amounted to £51,000 (2011: £113,000).

Outlook

Your Board is confident that the investment made by the Company since it changed its investment strategy is both encouraging and potentially very rewarding. We will look to realise this potential over the future years in addition to continuing to review further investment opportunities.

The directors would like to take this opportunity to thank our shareholders, staff and consultants for their continued support.

David Lenigas
Executive Chairman
04 June 2013

COMPANY INFORMATION

Directors	D Lenigas D Strang (appointed 19/09/12) E McDermott (appointed 04/04/12) L Moore (appointed 04/04/12 & resigned 26/07/12) C Wood (appointed 04/04/12 & resigned 30/06/12) J A R Jakobi (resigned 04/04/12) J D Webber (resigned 04/04/12) S H Rhodes (resigned 04/04/12)
Secretary	D Strang
Registered Office	Suite 3B, 38 Jermyn Street, London, SW1Y 6DN
Company Registration Number	03740688
Country of Incorporation	United Kingdom

INFORMATION ON THE BOARD OF DIRECTORS

David Lenigas, Executive Chairman

Mr Lenigas is currently the Executive Chairman of FastJet plc, Leni Gas & Oil plc; Solo Oil plc and holds directorships either as an executive director and non-executive director on numerous other public and private companies. He has a Bachelor of Applied Science (Mining Engineering) from Curtin University's Kalgoorlie School of Mines. Mr Lenigas has extensive operational and corporate experience in managing companies within the oil and gas, gold, coal and other natural resources sectors. Mr Lenigas is the Chairman of both the Audit and Remuneration committee.

Donald Strang, Executive Director

Mr. Strang is a member of the Australian Institute of Chartered Accountants and has been in business over 20 years, holding senior financial and management positions in both publicly listed and private enterprises in Australia, Europe and Africa. Mr. Strang has considerable corporate and international expertise and over the past decade has focussed on mining and exploration activities. He is currently an executive director of Polemos plc and AfriAg plc.

Edward McDermott, Non Executive Director

Mr McDermott is currently managing director of GMOW’s UK operating company and business development manager of Exchange Minerals Ltd. He was previously an executive director at AIM quoted Noricom Gold Ltd and business development manager at Leni Gas and Oil Plc and Vatakoula Gold Mines plc. He holds a Bachelor of Science Degree from the University of Bristol.

PROFESSIONAL ADVISORS

Nominated Adviser and Broker	Northland Capital Partners Limited 60 Gresham Street London EC2V 7BB
Auditor	Chapman Davis LLP 2 Chapel Court London SE1 1HH
Bankers	Bank of Scotland, Threadneedle Street, London, EC2R 8AH,
Solicitors	Kerman & Co LLP, 200 The Strand London WC2R 0ER
Registrars	Share Registrars Limited Suite E, First Floor, 9 Lion and Lamb Yard, Farnham, Surrey GU9 7LL

The Directors present their annual report and the audited Financial Statements for the year ended 31 December 2012.

Principal Activities

Stellar Resources plc (formerly CSS Stellar Plc) is the holding company for a Group of companies that have no significant trading activity and is now an investing company with a focus on minerals exploration.

Group Results

The Group results are set out on page 11 and are stated in UK sterling. The Group made an operating loss on continuing operations of £0.289 million (2011 - loss of £0.344 million). The Directors do not recommend payment of a dividend (2011 - £Nil).

The loss on operations after taxation amounted to £0.095 million (2011 - loss of £0.547 million).

Review of the Business

A review of the business for the year is set out in the Chairman's Statement.

Key Performance Indicators

Due to the current status of the Group, the Board has not identified any performance indicators as key.

Future Developments

Future Developments are outlined in the Outlook section of the Chairman's Statement.

Going Concern

The Directors have prepared cash flow forecasts and budgets that show that, for a period of at least twelve months from the date of signing these Financial Statements, the Group expects to have sufficient resources to continue its business. Accordingly, the Directors believe that it is appropriate to prepare the Financial Statements on a going concern basis.

Events After the Reporting Period

Events After the Reporting Period are outlined in Note 26 to the Financial Statements.

Directors

Details of Directors are set out on pages 2 and 3. Details of Directors' interests in share options and warrants are set out in note 22 to the Financial Statements.

Substantial Shareholding

As at 17 May 2013, the Company had been notified of the following substantial shareholdings in the ordinary share capital:

Over 3 %	
Victorian Gold Ltd	20.11%
Pershing Nominees Limited	10.61%
Lynchwood Nominees Limited	6.89%
BNY (OCS) Nominees Limited	4.11%
TD Direct Investing Nominees (Europe) Limited	3.13%
Beaufort Nominees Limited	3.01%

Corporate Governance

Audit and Remuneration Committees have been established and in each case comprise Donald Strang and David Lenigas.

The role of the Remuneration Committee is to review the performance of the executive Directors and to set the scale and structure of their remuneration, including bonus arrangements. The Remuneration Committee also administers and establishes performance targets for the Group's employee share schemes and executive incentive schemes for key management. In exercising this role, the terms of reference of the Remuneration Committee require it to comply with the Code of Best Practice published in the Combined Code.

The Audit Committee is responsible for making recommendations to the Board on the appointment of the auditors and the audit fee, and receives and reviews reports from management and the Company's auditors on the internal control systems in use throughout the Group and its accounting policies.

Suppliers' Payment Policy

It is the Group's policy to agree appropriate terms and conditions for its transactions with suppliers by means ranging from standard terms and conditions to individually negotiated contracts and to pay suppliers according to agreed terms and conditions, provided that the supplier meets those terms and conditions. The Group does not have a standard or code dealing specifically with the payment of suppliers.

Trade payables at the year end all relate to sundry administrative overheads and disclosure of the number of days purchases represented by year end payables is therefore not meaningful.

Charitable Contributions

During the year the Group made charitable donations amounting to £Nil (2011 - £Nil).

Directors' Indemnities

In accordance with the Companies (Audit Investigations and Community Enterprise) Act 2004, which came into force on 6 April 2005, the Company has indemnified the Directors against liability to third parties, and undertaken to pay Directors' legal costs as incurred, provided that they are reimbursed to the Company if the individual is convicted.

Principal risks and uncertainties

The principal risks and uncertainties facing the Group involve the ability to raise funding in order to finance the acquisition and exploitation of mining opportunities and the exposure to fluctuating commodity prices.

In addition, the amount and quality of minerals available and the related costs of extraction and production represent a significant risk to the group.

Financial risk management objectives and policies

The Group's principal financial instruments are available for sale assets, trade receivables, trade payables and cash at bank. The main purpose of these financial instruments are to fund the Group's operations.

It is, and has been throughout the period under review, the Group's policy that no trading in financial instruments shall be undertaken. The main risk arising from the Group's financial instruments is liquidity risk. The board reviews and agrees policies for managing this risk and this is summarised below.

Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of equity and its cash resources. Further details of this are provided in the principal accounting policies, headed 'going concern' and note 19 to the financial statements.

Auditors
Chapman Davis LLP, offer themselves for re-appointment as auditor in accordance with Section 489 of the Companies Act 2006

Annual General Meeting

Notice of the forthcoming Annual General Meeting will be enclosed separately.

By Order of the Board

David Lenigas
Executive Chairman
04 June 2013

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the Directors to prepare Financial Statements for each financial year. Under that law the Directors have elected to prepare the Group Financial Statements under IFRS as adopted by the EU and applicable law and have elected to prepare the parent company Financial Statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The Financial Statements are required by law to give a true and fair view of the state 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;
- state whether applicable accounting standards have been followed, subject to any material departure 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 Group will continue in business.

The Directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the Group 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 Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as each of the Directors are aware:

- there is no relevant audit information of which the Group's auditors are unaware; and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

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.

Report of the Independent Auditor to the Members of Stellar Resources plc

We have audited the Financial Statements of Stellar Resources plc for the year ended 31 December 2012 which comprise the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of financial position and parent company balance sheet, the consolidated statement of changes in equity, consolidated statement of cash flows, and the related notes. 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. The financial reporting framework that has been applied in the preparation of the parent company Financial Statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective Responsibilities of Directors and Auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 8, 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

A description of the scope of an audit of Financial Statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on Financial Statements

In our opinion:

- the Financial Statements give a true and fair view of the state of the Group's and of the parent company's affairs as at 31 December 2012 and of the Group's loss for the year then ended;

- the Group Financial Statements have been properly prepared in accordance with IFRS as adopted by the European Union;

- the parent company 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 Article 4 of the IAS Regulation.

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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

Opinion on Other Matter Prescribed by the Companies Act 2006

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

Keith Fulton (Senior Statutory Auditor)
for and on behalf of Chapman Davis LLP
Chartered Accountants and Statutory Auditors
London, United Kingdom
04 June 2013

CONSOLIDATED INCOME STATEMENT
Year ended 31 December 2012

	Notes	2012 £000	2011 £000
Revenue	2	-	57
Cost of sales		-	-
Gross profit		-	57
Share based payments		(46)	-
Other administrative costs		(243)	(401)
Total administrative costs		(289)	(401)
Operating loss	2, 3	(289)	(344)
Gain on sale of available for sale investment	6	218	-
Finance costs	7	-	-
Share of loss of associate	12	(24)	(3)
Loss before tax		(95)	(347)
Taxation	8	-	-
Net loss from continuing operations	2	(95)	(347)
Net loss from discontinued operations	2, 14	-	(200)
Net loss for the year attributable to owners of parent company	2	(95)	(547)

	Notes	2012	2011
Loss per Share	9		
Continuing Operations			
Basic and diluted loss per share (pence)		(0.11)	(1.04)
Discontinued Operations			
Basic and diluted loss per share (pence)		-	(0.60)
Total			
Basic and diluted loss per share (pence)		(0.11)	(1.64)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	**£000**	**£000**
Loss for the Year	(95)	(547)
Transfer to income statement of available for sale reserve	(152)	
Reclassification of translation reserve due to disposal	-	121
Total Comprehensive Income for the year attributable to the owners of the parent company	(247)	(426)

The Accounting Policies and Notes on pages 16 to 38 form part of these Financial Statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 31 December 2012

ASSETS	**Notes**	**2012 £000**	**2012 £000**	**2011 £000**	**2011 £000**
Non-Current Assets					
Available for sale assets	11	-		152	
Investment in Associate	12	609		633	
			609		785
Current Assets					
Trade and other receivables	15	264		80	
Cash and cash equivalents	17	51		113	
			315		193
Total Assets			924		978
EQUITY					
Equity Attributable to Equity Holders of the Parent					
Share capital	21	15,121		14,899	
Share premium account		28,837		28,578	
Share based payment reserve		46		-	
Other reserves		-		152	
Profit and loss account		(43,175)		(43,080)	
Total Equity			829		549
LIABILITIES					
Current Liabilities					
Trade and other payables	18	95		290	
Taxation		-		100	
		95		390	
Disposal Group liabilities		-		39	
Total Liabilities			95		429
Total Equity and Liabilities			924		978

These Financial Statements were approved by the Board of Directors and authorised for issue on 04 June 2013.

David Lenigas
Executive Chairman

The Accounting Policies and Notes on pages 16 to 38 form part of these Financial Statements.

STELLAR RESOURCES PLC
Company Registration Number 3740688

COMPANY BALANCE SHEET
At 31 December 2012

	Notes	2012 £000	2012 £000	2011 £000	2011 £000
Fixed Assets					
Investments in Associate	28,29		609		633
Current Assets					
Debtors	30	264		80	
Cash at bank and in hand		51		113	
		315		193	
Creditors: amounts falling due within one year	31	(95)		(378)	
Taxation		-		(100)	
		(95)		(478)	
Net current assets/(liabilities)			220		(285)
Total assets less current liabilities			829		348
Capital and Reserves					
Share capital	32		15,121		14,899
Share premium account	33		28,837		28,578
Share based payment reserve			46		-
Profit and loss account	33		(43,175)		(43,129)
Shareholders' funds			829		348

These Financial Statements were approved by the Board of Directors and authorised for issue on 04 June 2013.

David Lenigas
Executive Chairman

The Accounting Policies and Notes on pages 16 to 38 form part of these Financial Statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
At 31 December 2012

	Share capital £000	Share premium £000	Share based payment reserve £000	Other reserves £000	Retained earnings £000	Total attributable to owners of parent £000
Balance at 1 January 2012	14,899	28,578	-	152	(43,080)	549
Loss for the year	-	-	-	-	(95)	(228)
Other comprehensive income:						
Transfer to income statement	-	-	-	(152)	-	(152)
Total comprehensive income for the year	-	-	-	(152)	(95)	(247)
Proceeds from share issue	222	259	-	-	-	481
Share based payments	-	-	46	-	-	46
Transactions with owners of the company	222	259	46	-	-	527
Balance at 31 December 2012	15,121	28,837	46	-	(43,175)	829

	Share capital £000	Share premium £000	Share based payment reserve £000	Other reserves £000	Retained earnings £000	Total attributable to owners of parent £000
Balance at 1 January 2011	14,488	28,158	-	31	(42,533)	144
Loss for the year	-	-	-	-	(547)	(547)
Other comprehensive income:						
Reclassification of translation reserve due to disposal	-	-	-	121	-	121
Total comprehensive income for the year	-	-	-	121	(547)	(426)
Proceeds from share issue	236	59	-	-	-	295
Shares issued to acquire associate	175	361	-	-	-	536
Transactions with owners of the company	411	420	-	-	-	831
Balance at 31 December 2011	14,899	28,578	-	152	(43,080)	549

CONSOLIDATED STATEMENT OF CASH FLOWS
Year ended 31 December 2012

	2012 £000	2012 £000	2011 £000	2011 £000
Cash Flows from Operating Activities				
Operating Loss		(289)		(544)
Adjustments for:				
Depreciation	-		4	
Share based payment charge	46		-	
Change in trade and other receivables	(73)		534	
Change in trade and other payables	(234)		(143)	
Foreign exchange reserve realised on disposal	-		121	
Taxation (paid)	(100)		(60)	
		(361)		456
Net Cash used in Operating Activities		(650)		(88)
Cash Flows from Investing Activities				
Purchase of associate	-		(100)	
Proceeds from disposal of available for sale investment	107		-	
Net Cash used in Investing Activities		107		(100)
Cash Flows from Financing Activities				
Proceeds from share issue	481		295	
Net Cash in generated from Financing Activities		481		295
Net Change in Cash and Cash Equivalents		(62)		107
Exchange loss on cash and cash equivalents		-		-
Cash and Cash Equivalents at beginning of period		113		6
Cash and Cash Equivalents at end of period		51		113

Major non-cash transactions

On 2 December 2011, the Company issued 17,432,182 ordinary shares of 1p in part consideration for the acquisition of 49% of the issued share capital of Gold Mines of Wales Limited.

1. **Accounting Policies**

Basis of Preparation

Stellar Resources Plc (the company changed its name from CSS Stellar Plc by resolution on 9 May 2012) is a company incorporated in the United Kingdom.

The Group Financial Statements are for the year ended 31 December 2012 and have been prepared under the historical cost convention, except for revaluation of Available for Sale assets.

These consolidated Financial Statements (the "Financial Statements") have been prepared and approved by the Directors on 4 June 2013 in accordance with International Financial Reporting Standards as adopted by the EU ("adopted IFRS"), and signed on their behalf by Mr David Lenigas.

The accounting policies have been applied consistently throughout the Group for the purposes of preparation of these consolidated Financial Statements. The consolidated Financial Statements are presented in accordance with IAS 1: Presentation of Financial Statements (Revised 2007), and the financial report is presented in Pound Sterling (£) and all values are rounded to the nearest thousand pounds (£'000) unless otherwise stated

Accounting Standards in issue but not yet effective or not yet endorsed

IFRS 9	Financial Instruments (effective 1 January 2015)
IAS 27	Separate Financial Statements (effective 1 January 2013)
IAS 28	Investments in Associates and Joint Ventures (effective 1 January 2013)
IFRS 10	Consolidated Financial Statements (effective 1 January 2013)
IFRS 11	Joint Arrangements (effective 1 January 2013)
IFRS 12	Disclosure of interests in Other Entities (effective 01 January 2013)
IFRS 13	Fair Value Measurement (effective 01 January 2013)
Amendment to IAS 32	Financial Instruments Presentation (effective 1 January 2014)
Amendments to IFRS 7	Financial Instruments: Disclosures (effective 01 January 2013)
Amendments to IFRS 9	Financial Instruments (effective 01 January 2015)
Amendments to IAS 1	Presentation of Financial Statements (effective 01 July 2012)
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine (effective 01 January 2013)
Amendments to IAS 19	Employment Benefits (effective 1 January 2013)

The Directors anticipate that the adoption of these Standards and Interpretations in future periods will have no material impact on the consolidated Financial Statements of the Group. There have been no new standards adopted during the year that significantly impacted the Group.

Sources of Estimation and Key Judgements

The preparation of the Financial Statements requires the Group to make estimates, judgements and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and related disclosure of contingent assets and liabilities. The Directors base their estimates on historic experience and various other assumptions that they believe are reasonable under the circumstances, the results of which form the basis of making judgements about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

1. **Accounting Policies (continued)**

The Directors believe that the most significant areas where estimates and judgements are used are in relation to the carrying value of available sale financial assets. These judgements are explained in more detail in the accounting policies and note 11.

Basis of Consolidation

The Group Financial Statements consolidate those of the company and all of its subsidiary undertakings drawn up to 31 December 2012. 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.

Unrealised gains on transactions between the Group and its subsidiaries are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Amounts reported in the Financial Statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investment in associates includes goodwill identified on acquisition.

If the ownership interest in an associate is reduced, but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

The Group's share of post-acquisition profit or loss is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income, with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and recognises the amount adjacent to "Share of profit/(loss) of an associate" in profit or loss.

1. **Accounting Policies (continued)**
Revenue

Revenue is measured by reference to the fair value of consideration received or receivable by the Group for services provided, excluding VAT and trade discounts. Revenue is credited to the Income Statement in the period it is deemed to be earned.

Property, Plant and Equipment

Property, plant and equipment is stated at cost or valuation, net of depreciation and any provision for impairment.

Depreciation

Depreciation is calculated to write down the cost or valuation less estimated residual value of all property, plant and equipment other than freehold land by equal annual instalments over their estimated useful economic lives. The rates generally applicable are:

Office equipment - 33% per annum

Material residual value estimates are updated at least annually, whether or not the asset is revalued.

Finance Income and Costs

Finance income and costs are reported on an accruals basis.

Leased Assets

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight-line basis over the term of the lease.

Taxation

Current tax is the tax currently payable based on taxable profit for the year.

Deferred income taxes are calculated using the liability method on temporary differences. Deferred tax is generally provided on the difference between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of goodwill, nor on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Deferred tax on temporary differences associated with shares in subsidiaries and joint ventures is not provided if reversal of these temporary differences can be controlled by the Group and it is probable that reversal will not occur in the foreseeable future. In addition, tax losses available to be carried forward as well as other income tax credits to the Group are assessed for recognition as deferred tax assets.

Deferred tax liabilities are provided in full, with no discounting. Deferred tax assets are recognised to the extent that it is probable that the underlying deductible temporary differences will be able to be offset against future taxable income. Current and deferred tax assets and liabilities are calculated at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted at the balance sheet date.

Changes in deferred tax assets or liabilities are recognised as a component of tax expense in the income statement, except where they relate to items that are charged or credited directly to equity in which case the related deferred tax is also charged or credited directly to equity.

1. **Accounting Policies (continued)**
Financial Assets

Financial assets are divided into the following categories: loans and receivables and available-for-sale financial assets. Financial assets are assigned to the different categories by management on initial recognition, depending on the purpose for which they were acquired, and are recognised when the Group becomes party to contractual arrangements. Both loans and receivables and available for sale financial assets are initially recorded at fair value.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Trade, most other receivables and cash and cash equivalents fall into this category of financial assets. Loans and receivables are measured subsequent to initial recognition at amortised cost using the effective interest method, less provision for impairment. Any change in their value through impairment or reversal of impairment is recognised in the income statement.

Provision against trade receivables is made when there is objective evidence that the Group will not be able to collect all amounts due to it in accordance with the original terms of those receivables. The amount of the write-down is determined as the difference between the asset's carrying amount and the present value of estimated future cash flows.

A financial asset is derecognised only where the contractual rights to the cash flows from the asset expire or the financial asset is transferred and that transfer qualifies for derecognition. A financial asset is transferred if the contractual rights to receive the cash flows of the asset have been transferred or the Group retains the contractual rights to receive the cash flows of the asset but assumes a contractual obligation to pay the cash flows to one or more recipients. A financial asset that is transferred qualifies for derecognition if the Group transfers substantially all the risks and rewards of ownership of the asset, or if the Group neither retains nor transfers substantially all the risks and rewards of ownership but does transfer control of that asset.

Available-for-Sale Financial Assets

Available-for-sale financial assets include non-derivative financial assets that are either designated as such or do not qualify for inclusion in any of the other categories of financial assets. All financial assets within this category are measured subsequently at fair value, with changes in value recognised in other comprehensive income. Gains and losses arising from investments classified as available-for-sale are recognised in the income statement when they are sold or when the investment is impaired. In the case of impairment of available-for-sale assets, any loss previously recognised in equity is transferred to the income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement.

The available for sale asset, held by the Group which is not traded in an active market, and its fair value is therefore determined by using valuation techniques. The Group uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at each balance sheet date. The Group has used discounted cash flow analysis for this financial assets.

An assessment for impairment is undertaken at least at each Statement of Financial Position date.

1. **Accounting Policies (continued)**
Financial Liabilities

Financial liabilities are obligations to pay cash or other financial assets and are recognised when the Group becomes a party to the contractual provisions of the instrument.

All financial liabilities initially recognised at fair value less transaction costs and thereafter carried at amortised cost using the effective interest method, with interest-related charges recognised as an expense in finance cost in the income statement. A financial liability is derecognised only when the obligation is extinguished, that is, when the obligation is discharged or cancelled or expires.

Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

Discontinued Operations

A discontinued operation is a cash-generating unit, or a Group of cash-generating units, that either has been disposed of, ceased to operate, or is classified as held for sale, and:

- represents a separate major line of business that has been disposed of or ceased trading
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations or
- is a subsidiary acquired exclusively with a view to resale.

The disclosures for discontinued operations in the prior year relate to all operations that have been discontinued by the balance sheet date for the latest period presented.

Share-Based Payments

The Group operates a number of equity-settled, share-based compensation plans, under which the entity receives services from employees as consideration for equity instruments (options) of the Group. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions;
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability or sales growth targets, or remaining an employee of the entity over a specified time period; and
- including the impact of any non-vesting conditions (for example, the requirement for employees to save).

Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

1. **Accounting Policies (continued)**
Share based payments (continued)

In addition, in some circumstances, employees may provide services in advance of the grant date, and therefore the grant-date fair value is estimated for the purposes of recognising the expense during the period between service commencement period and grant date.

At the end of each reporting period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

When the options are exercised, the Company issues new shares. The proceeds received, net of any directly attributable transaction costs, are credited to share capital (nominal value) and share premium.

The grant by the Company of options over its equity instruments to the employees of subsidiary undertakings in the Group is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase in investment in subsidiary undertakings, with a corresponding credit to equity in the parent entity accounts.

Equity

Equity comprises the following:

- "Share capital" representing the nominal value of equity shares.

- "Share premium" representing the excess over nominal value of the fair value of consideration received for equity shares, net of expenses of the share issue.

- “Share based payment reserve” represents the value of equity benefits provided to employees and directors as part of their remuneration and provided to consultants and advisors hired by the Group from time to time as part of the consideration paid.

- "Other reserves" represents the differences arising from translation of investments in overseas subsidiaries up to the point of disposal, and fair value on available for sale financial assets.

- "Profit and loss reserve" representing retained profits.

1. **Accounting Policies (continued)**
Foreign Currencies

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. Non-monetary items that are measured at historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Any exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were initially recorded are recognised in the profit or loss in the period in which they arise. Exchange differences on non-monetary items are recognised in other comprehensive income to the extent that they relate to a gain or loss on that non-monetary item taken to other comprehensive income, otherwise such gains and losses are recognised in the income statement.

The assets and liabilities in the Financial Statements of foreign subsidiaries and related goodwill are translated at the rate of exchange ruling at the balance sheet date. Income and expenses are translated at the actual rate. The exchange differences arising from the retranslation of the opening net investment in subsidiaries are taken directly to the Translation reserve in equity. On disposal of a foreign operation the cumulative translation differences are transferred to the income statement as part of the gain or loss on disposal.

Items included in the Financial Statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (functional currency). The functional currencies of the Group entities are Sterling. The Company's functional currency and the Group's presentational currency is Sterling.

Going Concern

The company no longer has any significant trading businesses and is therefore deemed to be an investing company. It now has a low cost base and no borrowings. The Directors have prepared cash flow forecasts and budgets that show that for a period of at least twelve months from the date of these Financial Statements, the Group has sufficient resources to continue in business, and will seek to raise additional funds through a placing as conditions require for working capital or further investment opportunities. Accordingly, the Directors believe that it is appropriate to prepare the Financial Statements on a going concern basis.

2. **Segment Reporting**

Following the disposals and cessation of the Group's major trading businesses in 2011 the Group is now operating as a single UK based segment, represented as continuing operations in the income statement. All information regarding discontinued operations has been given in note 14. The single reporting entity's primary activity is to invest in businesses so as to generate a return for the shareholders. The revenue from this segment, generated in the UK, was £nil (2011 - £57,000). The non-current assets of the segment is £609,000 (2011 - £785,000).

3. **Operating Activities and Auditor’s Remuneration**

	2012	**2011**
	£000	**£000**
Included within results from operating activities are the following:		
Depreciation of plant, property and equipment:		
Owned assets	-	4
Operating lease rentals - land and buildings	60	44
Foreign exchange losses	-	7
Auditor's remuneration:		
Audit services:		
- Parent company and Group statutory audit	10	15
- Subsidiary statutory audits	-	8
Non-audit services:		
- Taxation compliance	1	7

4. **Information Regarding Directors and Employees**

	2012	**2011**
	£000	**£000**
Employment costs, including Directors, during the year:		
Wages and salaries	112	133
Share based payaments	46	-
	158	133
Average number of persons, including executive Directors employed	**No.**	**No.**
Sales	-	-
Administration	2	2
	2	2
Directors’ remuneration	**£000**	**£000**
Emoluments	158	133
	No.	**No.**
Number of Directors in money purchase pension schemes	-	-

4. **Information Regarding Directors and Employees (continued)**

Emoluments of the Individual Directors

2012	**Fees, salaries and taxable benefits £000**	**Share based payments £000**	**Termination payments £000**	**Total £000**
D Lenigas	36	26	-	62
D Strang	12	-	-	12
L Moore	25	-	-	25
C Wood	20	-	-	20
E Mc.Dermott	18	20	-	38
J A R Jakobi	-	-	-	-
J D Webber	-	-	-	-
S H Rhodes	-	-	-	-
	112	46	-	158
2011				
J A R Jakobi	36	-	6	42
J D Webber	39	-	-	39
S H Rhodes	19	-	5	24
D Lenigas	8	-	-	8
D Strang	20	-	-	20
	122	-	11	133

Directors’ interest in share options is set out in note 22.

5. **Key Management Personnel**

The key management personnel are considered to be the Directors. There remuneration is included in note 4 above. Included in Directors’ emoluments and employment costs are the following amounts charged by entities for the services of Directors whilst Directors of the Group:

	2012 £000	**2011 £000**
F J Associates – J A R Jakobi is a partner	-	5
	-	**5**

6. **Gain on sale of available sale investment**

Gain on sale of Hambric Sports Management LLC (See Note 11)	218	-

7. **Finance Costs**

	2012	2011
	£000	£000
Bank loans, overdrafts and other loans repayable within five years	-	-

8. **Income Tax (Credit)/Expense**

The relationship between the expected tax (credit)/expense based on the effective tax rate of the Group at 24/26% (2011 – 26.5%) and the tax (credit)/expense actually recognised in the income statement can be reconciled as follows:

	2012	**2011**
	£000	**£000**
Loss for the year before tax	(95)	(547)
Tax rate	24/26%	26.5%
Expected tax credit	(23)	(145)
Differences between capital allowances and depreciation	-	-
Expenses not deductible for tax purposes	12	145
Deferred tax asset not recognised	11	-
Actual tax expense	-	-

9. **Loss per Share**

2012	**£000**	**Weighted average No. of shares**	**Basic per share amount (pence)**
Continuing operations			
Loss after tax	(95)		
Earnings attributable to ordinary shareholders	(95)		
Weighted average number of shares		85,127,160	(0.11)
Total basic and diluted loss per share			(0.11)

9. **Loss per Share (continued)**

2011	**£000**	**Weighted average No. of shares**	**Basic per share amount (pence)**
Continuing operations			
Loss after tax	(347)		
Earnings attributable to ordinary shareholders	(347)		
Weighted average number of shares		33,448,267	(1.04)
Discontinued operations			
Loss after tax	(200)		
Earnings attributable to ordinary shareholders	(200)		
Weighted average number of shares		33,448,267	(0.60)
Total basic and diluted loss per share			(1.64)

10. **Loss Attributable to Members of the Parent Company**

As permitted by Section 406 of the Companies Act 2006, the parent company has not presented its own profit and loss account. The Company's own loss for the year after taxation amounting to £46,000 (2011 loss - £346,000) has been transferred from reserves.

11. **Available for Sale Financial Assets**

Hambric Sports Management LLC	**2012 £000**	**2011 £000**
Balance as at 1 January	152	152
Disposal proceeds due	(218)	-
Gain on sale of investment	218	-
Transfer from available for sale reserve	(152)	-
Balance as at 31 December	-	152

The investment in Hambric Sports Management LLC ("HSM") represented a 30% share of the issue share capital of that company. The minority shareholding and absence of Board representation meant that the Company was unable to influence control over HSM. HSM was involved in the management and representation of golfing professionals. In 2010, the Board took the decision to seek to dispose of this investment and began to negotiate with a number of interested parties. These negotiations concluded on 15 October 2012 and the investment was disposed of for US $350,000 to be paid as follows:

$175,000 – Received on 15 October 2012.
$87,500 – February 2013 (Received on 4 March 2013).
$87,500 – February 2014

12. **Investment in associate**

	2012	2011
	£000	£000
Investment in associate	609	633

	2012	2011
	£'000	£'000
Carrying amount at 1 January	633	-
Acquisition of associate	-	636
Share of loss	(24)	(3)
Carrying amount at 31 December	609	633

The Group's share of results of its associate, which is unlisted, and its aggregated assets and liabilities, is as follows:

Name	Country of incorporation	Assets	Liabilities	Revenues	Profit/(Loss)	% interest held
Gold Mines of Wales Limited	Jersey	£400,000	£nil	£nil	(£24,000)	49

On 2 December 2011 the Company completed an agreement to acquire 49% of the issued share capital of Gold Mines of Wales Limited which, through a wholly owned subsidiary, holds a licence to explore and sample gold and silver.

Gold Mines of Wales Limited's year end is 5 April.

The consideration for the acquisition was £100,000 payable in cash and 17,432,182 new ordinary shares in the Company. Based on the midmarket price of the Company's ordinary shares at the close of business on the 30 November 2011, the total value of the consideration was £636,000.

13. **Plant, Property and Equipment**

	Motor vehicles £000	Office equipment, furniture and fittings £000	Total £000
Cost or valuation			
At 1 January 2011	19	120	139
Disposals	(19)	(120)	(139)
At 31 December 2011	-	-	-
Disposals	-	-	-
At 31 December 2012	-	-	-
Accumulated depreciation			
At 1 January 2011	19	116	135
Charge for the year	-	4	4
Disposals	(19)	(120)	(139)
At 31 December 2011	-	-	-
Charge for the year	-	-	-
Disposals	-	-	-
At 31 December 2012	-	-	-
Net book value			
At 31 December 2012	-	-	-
At 31 December 2011	-	-	-

14. **Net Loss from Discontinued Operations**
Previous year disposals

On 1 November 2011 the Company sold its subsidiary undertaking, CSS Presenters Limited to John Webber for total consideration of £1. John Webber was a director of the Company during the year. As a consequence of this decision, revenue and expenses, gains and losses relating to these businesses have been eliminated from the Group's continuing results and presented as a single line item on the face of the income statement (see "net loss from discontinued operations").

14. **Net Loss from Discontinued Operations (continued)**

Operating activities of discontinued operations

	Sports divisions 2012 £000	Presenters division 2012 £000	Total 2012 £000	Sports divisions 2011 £000	Presenters division 2011 £000	Total 2011 £000
Revenue	-	-	-	10	15	25
Cost of sales	-	-	-		(6)	(6)
Gross profit	-	-	-	10	9	19
Impairment of goodwill	-	-	-		-	-
Recycle FX reserve	-	-	-	(121)	-	(121)
Administrative costs	-	-	-	(121)	(1)	(122)
Operating profit/(loss)	-	-	-	(232)	8	(224)
Finance income	-	-	-	-	-	-
Finance costs	-	-	-	-	-	-
Loss before tax	-	-	-	(232)	8	(224)
Income tax expense	-	-	-	-	-	
Loss for the year	-	-	-	(232)	8	(224)
Profit on disposal	-	-	-	-	24	24
Net result from discontinued operations	-	-	-	(232)	32	(200)

Cashflows generated by each disposal or cessation for the reporting periods under review can be summarised as follows:

	Sports divisions 2012 £000	Presenters division 2012 £000	Total 2012 £000	Sports divisions 2011 £000	Presenters division 2011 £000	Total 2011 £000
Operating activities	-	-	-	(8)	13	5
Investing activities	-	-	-	-	-	-
Financing activities	-	-	-	-	-	-
	-	-	-	(8)	13	5

Cumulative expense recognised in other comprehensive income relating to disposal group

	2012 £000	2011 £000
Recycle foreign exchange reserve on disposal	-	121

15. **Trade and Other Receivables**

Current assets	**2012 £000**	**2011 £000**
Trade receivables	-	30
Other receivables	139	-
Due from associate undertaking	125	-
Prepayments and accrued income	-	50
	264	80

15. **Trade and Other Receivables (continued)**

All trade receivable amounts are short term. The carrying value of trade receivables is considered as a reasonable approximation of the fair value of the receivables.

All of the Group's trade and other receivables have been reviewed for indicators of impairment. No trade receivables were found to be impaired and no provision has been recorded accordingly (2011 - £Nil)

The age of financial assets past due but not considered impaired is as follows:

	2012 £000	2011 £000
No more than 3 months	-	-
More than 3 months but less than 6 months	-	30
More than 6 months but less than 1 year	-	-
More than 1 year	-	-
	-	30

Movements on the Group provision for impairment of trade receivables is as follows:

	2012 £000	2011 £000
Provision for receivables impairment at 1 January	-	-
Receivables written off during the year as uncollectable	-	-
Unused amounts reversed	-	-
New provision in the year	-	-
Provision for receivables impairment at 31 December	-	-

The creation and release of provision for impaired receivables have been included in the income statement. The other classes within trade and other receivables do not contain impaired assets.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above. The Group does not hold any collateral as security.

16. **Deferred Tax**

The amount of unused tax losses for which no deferred tax asset is recognised in the statement of financial position is £447,000 (2011 - £205,000).

Under IAS 12, deferred tax provisions are made for the tax that would potentially be payable on the realisation of assets at book value. Other temporary differences represent deferred tax assets arising from future tax relief available to the Group from capital allowances.

17. **Cash at Bank and Cash Equivalents**

	2012 £000	2011 £000
Cash at Bank	51	113

18. **Trade and Other Payables**

	2012 £000	2011 £000
Trade payables	27	129
Accruals and deferred income	68	161
	95	290

All amounts are short term and the carrying values are considered to be a reasonable approximation of fair value.

19. **Risk Management Objectives and Policies**

Financial assets by category

The IAS 39 categories of financial asset included in the balance sheet and the headings in which they are included are as follows:

Current assets	2012 £000	2011 £000
Available for sale assets	-	152
Loans and receivables	264	80
Cash	51	113
	315	345

Financial Liabilities by Category

The IAS 39 categories of financial liability included in the balance sheet and the headings in which they are included are as follows:

Current liabilities

Financial liabilities measured at amortised cost	95	429

The Group is exposed to market risk through its use of financial instruments and specifically to credit risk, and liquidity risk which result from both its operating and investing activities. The Group's risk management is coordinated at its headquarters, in close co-operation with the board of Directors, and focuses on actively securing the Group's short to medium term cash flows by minimising the exposure to financial markets. Long term financial investments are managed to generate lasting returns. The Group does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Group is exposed to are described below.

Interest rate sensitivity

The Group is not exposed to interest rate sensitivity.

19. **Risk Management Objectives and Policies (continued)**

Credit risk analysis

The Group's exposure to credit risk is limited to the carrying amount of trade receivables. The Group continuously monitors defaults of customers and other counterparties, identified either individually or by Group, and incorporates this information into its credit risk controls. Where available at reasonable cost, external credit ratings and/or reports on customers and other counterparties are obtained and used. Group's policy is to deal only with creditworthy counterparties. Group management considers that trade receivables that are not impaired for each of the reporting dates under review are of good credit quality, including those that are past due. See note 15 for further information on impairment of financial assets that are past due.

None of the Group's financial assets are secured by collateral or other credit enhancements.

The credit risk for liquid funds and other short-term financial assets is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

Liquidity risk analysis

The Groups continued future operations depend on the ability to raise sufficient working capital through the issue of equity share capital. The Directors are confident that adequate funding will be forthcoming with which to finance operations. Controls over expenditure are carefully managed.

20. **Capital Management Policies**

The Group's capital management objectives are:

- to ensure the Group's ability to continue as a going concern; and
- to provide a return to shareholders

The Group monitors capital on the basis of the carrying amount of equity less cash and cash equivalents. Capital for the reporting periods under review is summarised as follows:

	2012 **£000**	**2011** **£000**
Total equity	829	549
Cash and cash equivalents	(51)	(113)
	778	436
Total equity	829	549
Overall financing	829	549
Capital to overall financing ratio	1.07	1.26

21. **Share Capital**

	2011	2011
Allotted, issued and fully paid		
92,230,985 ordinary shares of 1p each (2011 – 70,008,763 of 5p each)	922	700
28,976,581 deferred shares of 45p each (2011 – 28,976,581)	13,040	13,040
28,976,581 A deferred shares of 4p each (2011- 28,976,581)	1,159	1,159
	15,121	14,899

The deferred shares and A deferred shares do not carry voting rights.

On the 15 March 2011, at the Annual General Meeting the shareholders approved the sub-division of the existing ordinary shares of 5p each into new ordinary shares of 1p each and deferred shares of 4p each. The rights attached to the new ordinary shares are in all material aspects the same as the rights attaching to the existing ordinary shares.

On 15 November 2011, 23,600,000 ordinary shares of 1p each were issued fully paid for cash consideration at 1.25 pence per share to raise £295,000.

On 2 December 2011, 17,432,182 ordinary shares of 1p were issued in consideration for the acquisition of 49% of the issued share capital of Gold Mines of Wales Limited. This is in addition to £100,000 cash.

On 26 April 2012, 22,222,222 ordinary shares of 1p each were issued fully paid for cash consideration at 2.25 pence per share raising gross proceeds of £500,000.

22. **Share-based payments**

Details of share options and warrants granted to Directors over the ordinary shares are as follows:

	At 1 January 2012 No.	Issued during the year No.	Cancelled during the year No.	At 31 December 2012 No.	Exercise price £	Date from which exercisable	Expiry date
Share options							
D Lenigas	-	2,000,000	-	2,000,000	0.03	10/04/2012	10/04/2017
E McDermott	-	1,500,000	-	1,500,000	0.03	10/04/2012	10/04/2017
L Moore	-	1,500,000	(1,500,000)	-	0.03	10/04/2012	10/04/2017
C Wood	-	1,500,000	(1,500,000)	-	0.03	10/04/2012	10/04/2017
	-	6,500,000	(3,000,000)	3,500,000			
Warrants	-	-	-	-	-	-	-

The share price range during the year was £0.007 to £0.032 (2011 - £0.023 to £0.036).

The share based payment charge in the year was £nil (2011 - £Nil).

The weighted average values of options are as follows:

	2012	2011
Weighted average exercise price of options granted	3p	43p
Weighted average exercise price of options exercisable at the end of the year	3p	n/a
Weighted average option life remaining	4.27 years	n/a

For those options granted where IFRS 2 "Share-Based Payment" is applicable, the fair values were calculated using the Black-Scholes model. The inputs into the model were as follows:

	Risk free rate	Share price volatility	Expected life	Share price at date of grant
10 April 2012	2.00%	72.3%	5 years	£0.0238

Expected volatility was determined by calculating the historical volatility of the Company's share price for 12 months prior to the date of grant. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

The Group recognised total expenses of £46,000 (2011: £nil) relating to equity-settled share-based payment transactions during the period

23. **Capital Commitments**

There are no non-cancellable capital commitments as at the balance sheet date.

24. **Additional Information on Subsidiary Undertakings**

Trading Subsidiaries	**Nature of Business**	**Ownership**	**Incorporated in**
CSS International Limited	Corporate	100*	England and Wales
CSS International Holdings Limited	Holding Company	100	England and Wales
CSS Stellar Sports Limited	Non-trading	100*	England and Wales

On 14 September 2012, all subsidiary undertakings had been applied for dissolution, and all subsidiaries were officially dissolved at Companies House on 15 January 2013.

Entities marked with an asterisk (*) were directly owned by the Company.

25. **Related Party Transactions**

There were no related party transactions during the year.

26. **Events after the reporting period**

On 5 February 2013, the Company's associate, Gold Mines of Wales Ltd, successfully extended the Exclusive Option Agreement, with Crown Mineral agents, for a further 12 months expiring on 9 February 2014.

27. **Accounting Policies – Company**

The Financial Statements are prepared in accordance with applicable United Kingdom accounting standards (UK GAAP). The principal accounting policies of the Company are set out below. The policies have remained unchanged from the previous year, other than the additional policy for the new investment in associate during the year, and the Board consider them to be the most appropriate for the Company.

Basis of preparation

The Financial Statements have been prepared under the historical cost convention.

Investments

Investments held as fixed assets are stated at cost less provision for any impairment. Investments are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable. Impairments are calculated such that the carrying value of the fixed asset investment is the lower of its cost or recoverable amount. Recoverable amount is the higher of its net realisable value and its value in use.

27. **Accounting Policies – Company (continued)**

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into.

A financial liability exists where there is a contractual obligation to deliver cash or another financial asset to another entity, or to exchange financial assets or financial liabilities under potentially unfavourable conditions. In addition, contracts which result in the entity delivering a variable number of its own equity instruments are financial liabilities.

Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. The carrying amount of the liability is increased by the finance cost and reduced by payments made in respect of that liability. Finance costs are calculated so as to produce a constant rate of charge on the outstanding liability.

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Dividends and distributions relating to equity instruments are debited directly to reserves.

Deferred taxation

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those which are included in the Financial Statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

28. **Fixed Asset Investments**

	Notes	**2012 £000**	**2011 £000**
Subsidiary undertakings		-	-
Investment in associate	29	609	633

Cost	**Total £000**
At 1 January 2012	636
Additions	-
Disposals	-
At 31 December 2012	636
Provisions for impairment	
At 1 January 2012	(3)
Result of associate	(24)
Disposals	
At 31 December 2012	(27)
Net book value	
At 31 December 2012	609
At 31 December 2011	633

29. **Investment in associate**

The Company has the following significant shareholdings:

Name	Country of incorporation	Address of principal place of business	Shares held class %	Share capital and reserves	Profit/(Loss)	% interest held
Gold Mines of Wales Limited	Jersey	Jersey	49% ordinary	(£321,000)	(£24,000)	49%

On the 02 December 2011 the Company completed an agreement to acquire 49% of the issued share capital of Gold Mines of Wales Limited which, through a wholly owned subsidiary, holds a licence to explore and sample gold and silver.

The consideration for the acquisition was £100,000 payable in cash and 17,432,182 new ordinary shares in the Company. Based on the midmarket price of the Company's ordinary shares at the close of business on the 30 November 2011, the total value of the consideration is £636,040.

30. **Debtors**

	2012 £000	**2011 £000**
Trade debtors	-	30
Amounts owed by Associate undertakings	125	-
Other debtors	139	-
Prepayments and accrued income	-	50
	264	80

31. **Creditors**

	2012 £000	**2011 £000**
Trade payables	27	128
Amounts owed to group undertakings	-	89
Accruals	68	161
	95	378

32. **Called-up Share Capital**

	2012	2011
Allotted, issued and fully paid		
92,230,985 ordinary shares of 1p each (2011 – 70,008,763)	922	700
28,976,581 deferred shares of 45p each (2011 – 28,976,581)	13,040	13,040
28,976,581 A deferred shares of 4p each (2011- 28,976,581)	1,159	1,159
	15,121	14,899

The deferred shares and A deferred shares do not carry voting rights.

On the 15 March 2011, at the Annual General Meeting the shareholders approved the sub-division of the existing ordinary shares of 5p each into new ordinary shares of 1p each and deferred shares of 4p each. The rights attached to the new ordinary shares are in all material aspects the same as the rights attaching to the existing ordinary shares.

On 15 November 2011, 23,600,000 ordinary shares of 1p each were issued fully paid for cash consideration at 1.25 pence per share to raise £295,000.

On 2 December 2011, 17,432,182 ordinary shares of 1p were issued in consideration for the acquisition of 49% of the issued share capital of Gold Mines of Wales Limited. This is in addition to £100,000 cash.

On 26 April 2012, 22,222,222 ordinary shares of 1p each were issued fully paid for cash consideration at 2.25 pence per share raising gross proceeds of £500,000.

33. **Reserves**

The Company	Share premium account £000	Profit and loss account £000	Total £000
At 1 January 2012	28,578	(43,129)	(14,551)
Loss for the year	-	(46)	(46)
Issue of shares	259	-	259
At 31 December 2012	28,837	(43,175)	(14,338)

34. **Related Party Disclosures**

The Company has exemption from disclosing related party transactions with its wholly owned subsidiaries by virtue of its status as parent company of the Group. All other related party transactions have been disclosed in note 25.