

ZIMNRG PLC
FINANCIAL STATEMENTS
28 FEBRUARY 2015

EDWARDS VEEDER (UK) LIMITED
Chartered Accountants & Statutory Auditor
Block E, Brunswick Square
Union Street
Oldham
OL1 1DE

ZIMNRG PLC
FINANCIAL STATEMENTS
YEAR ENDED 28 FEBRUARY 2015

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ZIMNRG PLC

OFFICERS AND PROFESSIONAL ADVISERS

The board of directors	J.C.W. De Thierry - Chairman C.P. Latilla-Campbell C. Schaffalitzky de Muckadell
Company secretary	City Group Plc
Registered office	6 Middle Street London EC1A 7JA
Auditor	Edwards Veeder (UK) Limited Chartered Accountants & Statutory Auditor Block E, Brunswick Square Union Street Oldham OL1 1DE
Bankers	Lloyds TSB Bank plc 39 Threadneedle Street London EC2R 8PT
Solicitors	Edwin Coe 2 Stone Buildings Lincoln's Inn London WC2A 2TH

ZIMNRG PLC
STRATEGIC REPORT
YEAR ENDED 28 FEBRUARY 2015

BUSINESS REVIEW

The principal activity of the company during the year was that of investment holding company.

The results for the year are again a reflection of the minimal cost of keeping your company administered whilst continuing searching for suitable opportunities. The actual costs were £41,073 (2014: £45,948) alleviated by currency gains of £12,485 (2014: currency losses of £22,111). Your Directors have maintained most funds in US dollars as that is the currency they anticipate any deal is likely to be conducted in.

Your directors have continued to investigate potential investments. It was decided that the project under consideration at the end of the last financial year was not in the interest of the Company. Encouragingly the Directors have three different possibilities under various stages of investigation and will inform the shareholders of any relevant developments if and when this may be appropriate.

Please note that your Directors will continue to waive their fees until a suitable investment opportunity is identified.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties facing the company are general and economic risks, specifically currency exchange and liquidity risk. Currency exchange risk is managed by holding funds in US dollars, and monitoring closely exchange fluctuations which could affect those funds. Liquidity risk is managed by the control of expenditure, but is ultimately dependent on the success of any future viable investment projects.

Signed by order of the directors

City Group Plc
Company Secretary

Approved by the directors on

ZIMNRG PLC
DIRECTORS' REPORT
YEAR ENDED 28 FEBRUARY 2015

The directors present their report and the financial statements of the company for the year ended 28 February 2015.

RESULTS AND DIVIDENDS

The loss for the year amounted to £28,588. The directors have not recommended a dividend.

FINANCIAL INSTRUMENTS

Details of the company's financial risk management objectives and policies are included in note 7 to the accounts.

THE DIRECTORS AND THEIR INTERESTS IN THE SHARES OF THE COMPANY

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows:

	Ordinary Shares of £0.005 each	
	At 28 February 2015	At 1 March 2014
J.C.W. De Thierry	2,300,000	2,300,000
C.P. Latilla-Campbell	4,190,442	4,190,442
C. Schaffalitzky de Muckadell	100,000	100,000

SUBSTANTIAL INTERESTS

At the date of the report the Company had been notified that, other than directors, the following were interested in 3% or more of the issued share capital of the Company:

	No. Ordinary Shares	%
Somers Investments Limited	14,250,000	29.48
Credit Suisse Client Nominees (UK) Limited	7,500,000	15.52
Alan Mason	3,293,484	6.81
Loeb Aron & Co. Limited	1,500,000	3.10

Somers Investments Limited is controlled by a discretionary trust, of which C.P. Latilla-Campbell is a potential beneficiary.

DIRECTORS' RESPONSIBILITIES

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that year.

ZIMNRG PLC

DIRECTORS' REPORT *(continued)*

YEAR ENDED 28 FEBRUARY 2015

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STRATEGIC REPORT

In accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 the information required by Schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 has been included in the company's Strategic Report.

AUDITOR

Edwards Veeder (UK) Limited are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

Each of the persons who is a director at the date of approval of this report confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- each director has taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Registered office:
6 Middle Street
London
EC1A 7JA

Signed by order of the directors

City Group Plc
Company Secretary

Approved by the directors on

ZIMNRG PLC

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ZIMNRG PLC

YEAR ENDED 28 FEBRUARY 2015

We have audited the financial statements of ZimNRG PLC for the year ended 28 February 2015. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's shareholders, 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 shareholders 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 shareholders 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 pages 3 to 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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 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 annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 28 February 2015 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

ZIMNRG PLC

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ZIMNRG PLC *(continued)*

YEAR ENDED 28 FEBRUARY 2015

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion:

- the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006; and
- the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements and the part of the Directors' Remuneration Report to be audited 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.

Block E, Brunswick Square
Union Street
Oldham
OL1 1DE

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MR ANDREW BASGER (Senior
Statutory Auditor)
For and on behalf of
EDWARDS VEEDER (UK) LIMITED
Chartered Accountants
& Statutory Auditor

ZIMNRG PLC
PROFIT AND LOSS ACCOUNT
YEAR ENDED 28 FEBRUARY 2015

	Note	2015 £	2014 £
TURNOVER		–	–
Administrative expenses		28,588	68,059
Other operating income		–	(1,463)
OPERATING LOSS	1	(28,588)	(66,596)
Profit on disposal of current asset investments		–	1,476
		(28,588)	(65,120)
Interest receivable		–	151
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(28,588)	(64,969)
Tax on loss on ordinary activities		–	–
LOSS FOR THE FINANCIAL YEAR		(28,588)	(64,969)
Balance brought forward		(725,369)	(660,400)
Balance carried forward		(753,957)	(725,369)
Earnings per share (pence)			
Basic	3	(0.06)	(0.13)
Diluted	3	(0.05)	(0.12)

All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the results for the year as set out above.

The accounting policies and notes on pages 11 to 16 form part of these financial statements.

ZIMNRG PLC
BALANCE SHEET
28 FEBRUARY 2015

	Note	2015 £	£	2014 £
CURRENT ASSETS				
Debtors	4	17,043		15,999
Cash at bank and in hand		147,128		176,777
		<u>164,171</u>		<u>192,776</u>
CREDITORS: Amounts falling due within one year				
	5	<u>9,208</u>		<u>9,225</u>
NET CURRENT ASSETS			154,963	183,551
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>154,963</u>	<u>183,551</u>
CAPITAL AND RESERVES				
Called-up equity share capital	9		241,660	241,660
Share premium account	10		667,260	667,260
Profit and loss account			<u>(753,957)</u>	<u>(725,369)</u>
SHAREHOLDERS' FUNDS			<u>154,963</u>	<u>183,551</u>

These accounts were approved by the directors and authorised for issue on, and are signed on their behalf by:

.....
C.P. Latilla-Campbell

Company Registration Number: 05714562

The accounting policies and notes on pages 11 to 16 form part of these financial statements.

ZIMNRG PLC
CASH FLOW STATEMENT
YEAR ENDED 28 FEBRUARY 2015

	2015		2014
	£	£	£
NET CASH OUTFLOW FROM OPERATING ACTIVITIES		(40,904)	(46,417)
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received	—		151
NET CASH INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		—	151
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT			
Disposal of current asset investments	—		149,530
Payment to acquire other current asset investments	—		(5,064)
NET CASH INFLOW FOR CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT		—	144,466
(DECREASE)/INCREASE IN CASH		(40,904)	<u>98,200</u>

RECONCILIATION OF OPERATING LOSS TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	2015		2014
	£		£
Operating loss	(28,588)		(66,596)
Decrease in debtors	186		1,415
Decrease in creditors	(17)		(307)
(Gain)/loss on foreign currency retranslation	(12,485)		16,835
Fair value adjustment of current asset investments	—		62
Exchange gain on valuation of current asset investments	—		2,174
Net cash outflow from operating activities	(40,904)		<u>(46,417)</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2015		2014
	£		£
(Decrease)/Increase in cash in the period	(40,904)		98,200
Translation differences	11,255		(16,835)
Movement in net funds in the period	(29,649)		<u>81,365</u>
Net funds at 1 March 2014	176,777		95,412
Net funds at 28 February 2015	147,128		<u>176,777</u>

The accounting policies and notes on pages 11 to 16 form part of these financial statements.

ZIMNRG PLC
CASH FLOW STATEMENT
YEAR ENDED 28 FEBRUARY 2015

ANALYSIS OF CHANGES IN NET FUNDS

	At 1 Mar 2014 £	Cash flows £	Exchange movement £	At 28 Feb 2015 £
Net cash:				
Cash in hand and at bank	<u>176,777</u>	<u>(40,904)</u>	<u>11,255</u>	<u>147,128</u>
Net funds	<u><u>176,777</u></u>	<u><u>(40,904)</u></u>	<u><u>11,255</u></u>	<u><u>147,128</u></u>

The accounting policies and notes on pages 11 to 16 form part of these financial statements.

ZIMNRG PLC
ACCOUNTING POLICIES
YEAR ENDED 28 FEBRUARY 2015

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of financial instruments and in accordance with applicable accounting standards.

Investments

Fixed asset investments are initially recorded at cost. Investments are reviewed annually for impairment and if any permanent diminution in value is recognised, then are written down to net realisable value.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Foreign currencies

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured at historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items and on the retranslation of monetary items are taken to the profit and loss account. Exchange differences arising on non-monetary items, carried at fair value, are included in the profit and loss account, except for the differences arising on the retranslation of non-monetary items in respect of which gains and losses are recorded in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity.

ZIMNRG PLC

ACCOUNTING POLICIES *(continued)*

YEAR ENDED 28 FEBRUARY 2015

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

Investments

All investments are initially recorded at cost, being the fair value of the consideration given and including acquisition costs associated with the investment. All purchases and sales of investments are recognised using trade date accounting.

After initial recognition, investments, which are classified as held for trading and available-for-sale, are measured at fair value. Gains or losses on investments held for trading are recognised in the profit and loss account. Gains or losses on available-for-sale investments are recognised as a separate component of equity until the investment is disposed of or until its value is impaired, at which time the cumulative gain or loss previously reported in equity is included in the profit and loss account.

Investments are fair valued using quoted market prices, independent appraisals, discounted cash flow analysis or other appropriate valuation models at the balance sheet date.

Cash and cash equivalents

Cash and cash equivalents are included in the balance sheet at cost. Cash and cash equivalents comprise cash at bank and cash in hand and short term deposits with an original maturity of 3 months or less.

ZIMNRG PLC

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 28 FEBRUARY 2015

1. OPERATING LOSS

Operating loss is stated after charging/(crediting):

	2015	2014
	£	£
Directors' remuneration	–	–
Net (profit)/loss on foreign currency translation	(12,485)	22,111
Auditor's remuneration - audit of the financial statements	6,700	7,016
Auditor's remuneration - other fees	–	600
	<u>–</u>	<u>600</u>
	2015	2014
	£	£
Auditor's remuneration - audit of the financial statements	6,700	7,016
	<u>6,700</u>	<u>7,016</u>
Auditor's remuneration - other fees:		
- Taxation services	–	600
	<u>–</u>	<u>600</u>

2. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year amounted to:

	2015	2014
	No	No
Number of management staff	3	3
	<u>3</u>	<u>3</u>

No salaries or wages have been paid to employees, including the directors, during the year.

3. EARNINGS PER SHARE

The basic earnings per ordinary share is calculated by dividing profit for the year less non-equity dividends and other appropriations in respect of non-equity shares by the weighted average number of equity shares outstanding during the year.

The diluted earnings per ordinary share is calculated by dividing profit for the year less non-equity dividends and other appropriations in respect of non-equity shares by the weighted average number of equity shares outstanding during the year (after adjusting both figures for the effect of dilutive potential ordinary shares).

ZIMNRG PLC

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 28 FEBRUARY 2015

3. EARNINGS PER SHARE *(continued)*

The calculation of basic and diluted earnings per ordinary share is based upon the following data:

Earnings

	2015	2014
	£	£
Earnings for the purposes of basic earnings per share	(28,588)	(64,969)
Earnings for the purposes of diluted earnings per share	<u>(28,588)</u>	<u>(64,969)</u>

Number of shares

	2015	2014
	No	No
Basic weighted average number of shares	48,332,003	48,332,003
Dilutive potential ordinary shares:		
Share options granted	4,000,000	4,000,000
Weighted average number of shares for the purposes of diluted earnings per share	<u>52,332,003</u>	<u>52,332,003</u>

There have been no other transactions involving ordinary shares or potential ordinary shares since the reporting date and before the completion of these financial statements.

4. DEBTORS

	2015	2014
	£	£
Other debtors	15,790	14,563
Prepayments and accrued income	1,253	1,436
	<u>17,043</u>	<u>15,999</u>

5. CREDITORS: Amounts falling due within one year

	2015	2014
	£	£
Trade creditors	1,437	1,554
Accruals and deferred income	7,771	7,671
	<u>9,208</u>	<u>9,225</u>

ZIMNRG PLC

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 28 FEBRUARY 2015

6. DEFERRED TAXATION

No provision has been made in the financial statements and the amounts unprovided at the end of the year are as follows:

	2015	2014
	£	£
Tax losses available	<u>128,070</u>	<u>122,403</u>

7. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The company's financial instruments comprise cash held in current accounts and fixed short term deposits.

The main purpose of financial instruments is to raise finance for the operations of the company's business.

The main risk arising from the company's financial instruments are interest rate, currency exchange rate and liquidity risk.

Liquidity risk

Funds are intended to finance the future development and growth of the company and the effective management of these funds is based upon policies determined by the Board. Funds are invested through the use of short-term deposits.

Currency risk

The Board control currency risk by holding funds in US dollars and closely monitoring exchange rates.

Fair values of financial assets and liabilities

The fair value of the company's financial instruments was not materially different from the year end book value.

8. RELATED PARTY TRANSACTIONS

There is no individual with ultimate overall control of the company.

C. Latilla-Campbell is a director and shareholder of this company and also a director and sole shareholder of London Finance & Investment Corporation Limited. Accountancy charges incurred by this company amounting to £5,250 (2014 - £4,200) represent proportional recharges in respect of the time spent on ZimNRG business by the LFIC company accountant. At the year end trade creditors included an amount of £250 (2014 - £200) outstanding to LFIC.

ZIMNRG PLC
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 28 FEBRUARY 2015

9. SHARE CAPITAL

Authorised share capital:

	2015	2014
	£	£
150,000,000 Ordinary shares of £0.005 each	<u>750,000</u>	<u>750,000</u>

Allotted, called up and fully paid:

	2015		2014	
	No	£	No	£
Ordinary shares of £0.005 each	<u>48,332,003</u>	<u>241,660</u>	<u>48,332,003</u>	<u>241,660</u>

At the year end there were 4,000,000 (2014 - 4,000,000) exercisable share options held by directors at an exercise price of £0.02.

10. SHARE PREMIUM ACCOUNT

There was no movement on the share premium account during the financial year.

11. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2015	2014
	£	£
Loss for the financial year	(28,588)	(64,969)
Opening shareholders' funds	<u>183,551</u>	<u>248,520</u>
Closing shareholders' funds	<u>154,963</u>	<u>183,551</u>