

EP&F Capital Plc
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013
(Company No. 5168024)

FRIDAY



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EP&F Capital Plc

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EP&F Capital Plc

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

Lance O'Neill (Chairman)

Nigel Duxbury (Managing Director and Financial Director)

SECRETARY

Nigel Duxbury, ACA

REGISTERED OFFICE

C/o Collins & Co

2nd Floor Rear

116 College Road

Harrow

Middlesex HA1 1BQ

AUDITORS

Nexia Smith & Williamson

25 Moorgate

London EC2R 6AY

SOLICITORS

Memery Crystal

44 Southampton Buildings

London WC2A 1AP

PRINCIPAL BANKERS

Lloyds TSB Bank plc

39 Piccadilly

London W1V 0AA

REGISTRARS

Capita Registrars

The Registry

34 Beckenham Road

Kent BR3 4TU

EP&F Capital Plc

STRATEGIC REPORT

The directors present the strategic report for EP&F Capital Plc (the "Company") for the year ended 31 December 2013

PRINCIPAL ACTIVITIES

The Company was established to acquire or invest in businesses, which were considered to have the potential for the generation of significant growth and profitability in the short and medium terms

BUSINESS REVIEW


The Board of the Company continues to look to establish, acquire or invest in businesses which are considered to have the potential for the generation of significant growth and profitability in the short and medium terms. The Board is focusing on small private companies, which are looking for working capital to support their growth plans and have the potential for a listing on AIM in the short term. The Company's current income mainly relates to recharging rent, rates and service costs to other companies and investment income.

The results of the year are extremely disappointing. Unfortunately, one of our investments in an unquoted company in Australia has experienced financial difficulties and the Board feels it only appropriate to write down the value of this investment, which accounted for £248,717 of the losses for the year. Furthermore, a fall in the value of the Australian Dollar accounted for exchange losses of £64,769. Additional funds have now been raised by the company, to place it on a more sound financial footing and we are hopeful we will be able to claw back some of these losses in the future.

We are, obviously, in the circumstances conscious of our cost base and have taken action to reduce our cost base. We have terminated our office lease and in 2014 will be looking at ways of reducing our costs further and looking at other revenue generating opportunities.

As at 24 February 2014 £110,710 (31 December 2012 £169,109) of net unrealised gains on investments had not been recognised in the financial statements.

**Approved by the Board of Directors
and signed on behalf of the Board**



Nigel Duxbury
Director
2 April 2014

EP&F Capital Plc

DIRECTORS' REPORT

The directors present their report and the audited financial statements of EP&F Capital Plc (the "Company") for the year ended 31 December 2013

RESULTS AND DIVIDENDS

The loss for the year, after taxation, amounted to £475,330 (2012 £93,561 loss)

The directors do not recommend the payment of a dividend (2012 £Nil)

DIRECTORS

The directors of the Company who served during the year were

Lance O'Neill
Nigel Duxbury

FUTURE DEVOPMENTS

The Board continue to look for investment opportunities that will enhance shareholder value

RISKS

The Company's main risks are liquidity risk and credit risk

The Board ensures that prudent investment provides sufficient cash to meet working capital requirements

The Board regularly reviews the credit rating of relevant counter parties

SUPPLIER PAYMENT POLICY

It is the Company's policy to agree and clearly communicate the terms of payment as part of the commercial arrangement negotiated with suppliers and then to pay according to those terms based upon the timely receipt of an accurate invoice. Trade creditor days for the Company have been calculated at 16 days (2012 14 days). This represents the ratio expressed in days between the amounts invoiced to the Company by its suppliers in the last three months of the period and amounts due at period-end from trade creditors. The Company's financial instruments and their risk profile have been discussed in note 18.

EP&F Capital Plc

DIRECTORS' REPORT (continued)

DISCLOSURE OF INFORMATION TO THE AUDITORS

In the case of each person who was a director at the time this report was approved

- so far as that director was aware there was no relevant available information of which the Company's auditors were unaware, and
- that director had taken all steps that the director ought to have taken as a director to make himself or herself aware of any relevant audit information and to establish that the Company's auditors were aware of that information

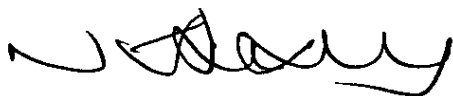
This confirmation is given and should be interpreted in accordance with the provision of s418 of the Companies Act 2006

AUDITORS

A resolution to re-appoint the auditors, Nexia Smith & Williamson, will be proposed at the next Annual General Meeting

The company's registration number is 5168024

**Approved by the Board of Directors
and signed on behalf of the Board**



**Nigel Duxbury
Secretary
2 April 2014**

Registered number 5168024

EP&F Capital Plc

STATEMENT OF DIRECTORS' RESPONSIBILITIES

DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors 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 period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments 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.

Nexia Smith & Williamson

Independent auditors' report to the shareholders of EP&F Capital plc

We have audited the financial statements of EP&F Capital Plc for the year ended 31 December 2013 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement and the related notes 1 to 19. 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 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 5, 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 Financial Reporting Council's (FRC'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 FRC's website at www.frc.org.uk/auditscopeukprivate.

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 31 December 2013 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.

Opinion on other matter prescribed by the Companies Act 2006

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

Nexia Smith & Williamson

Andrew Bond
Senior Statutory Auditor, for and on behalf of
Nexia Smith & Williamson
Statutory Auditor
Chartered Accountants

25 Moorgate
London
EC2R 6AY

2 April 2014

EP&F Capital Plc

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2013

	Note	2013 £	2012 £
Turnover from continuing operations		-	-
Cost of sales		-	-
Gross profit		-	-
Other operating income		30,895	88,992
Administrative expenses		(586,625)	(209,989)
Profit on disposal of investments		50,263	-
Operating loss	2	(505,467)	(120,997)
Interest receivable and investment income	4	30,137	27,436
Loss on ordinary activities before taxation		(475,330)	(93,561)
Tax on loss on ordinary activities	5	-	-
Retained loss on ordinary activities after taxation	12	(475,330)	(93,561)
Loss per ordinary 5p share			
Basic and diluted		(10 1)p	(1 9)p

There are no recognised gains or losses for the year, other than the loss for the year. The turnover and operating loss are attributable to continuing operations.

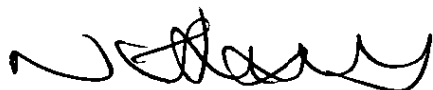
EP&F Capital Plc

BALANCE SHEET

31 DECEMBER 2013

	Note	2013 £	2012 £
Fixed assets			
Tangible fixed assets	7	565	1,761
		<u>565</u>	<u>1,761</u>
Current assets			
Current asset investments	8	302,667	487,407
Debtors	9	241,629	357,811
Cash at bank and in hand		801,799	969,714
		<u>1,346,095</u>	<u>1,814,932</u>
Creditors: amounts falling due within one year	10	<u>(19,584)</u>	<u>(14,287)</u>
Net current assets		<u>1,326,511</u>	<u>1,800,645</u>
Total assets less current liabilities		<u>1,327,076</u>	<u>1,802,406</u>
Capital and reserves			
Called up share capital	11	235,358	235,358
Profit and loss account	12	<u>1,091,718</u>	<u>1,567,048</u>
Equity shareholders' funds	12	<u>1,327,076</u>	<u>1,802,406</u>

These financial statements were approved and authorised for issue by the Board of Directors on 2 April 2014 and signed on its behalf by



Nigel Duxbury
Director

EP&F Capital Plc

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2013

	Note	2013 £	2012 £
Net cash outflow from operating activities	13	(119,179)	(190,454)
Returns on investments and servicing of finance			
Interest received and investment income		30,137	27,436
		<u>30,137</u>	<u>27,436</u>
Capital expenditure			
Purchase of tangible assets		(390)	(945)
		<u>(390)</u>	<u>(945)</u>
Management of liquid resources			
Purchase of investments		(598,888)	(19,109)
Sale of investments		520,405	-
		<u>(78,483)</u>	<u>(19,109)</u>
Decrease in cash in the period	14	<u>(167,915)</u>	<u>(183,072)</u>

EP&F Capital Plc

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

Accounting Convention

The financial statements have been prepared in accordance with applicable accounting standards under the historical cost convention. The principal accounting policies of the Company are set out below.

Turnover

Turnover represents the invoiced amounts of consulting and administrative services provided. Other operating income represents costs recharged to other companies operating from shared premises. Turnover and other operating income are recognised when services are rendered and costs incurred.

Deferred Taxation

Deferred taxation is provided in full on timing differences that 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 in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered.

Tangible Fixed assets

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided to write off the cost less estimated residual value in equal annual instalments over the estimated economic lives of the assets. The estimated useful economic lives are as follows:

Computer hardware	3 years
Software	3 years
Fixtures and fittings	3 years
Leasehold improvements	Period of lease

Current asset investments

Current asset investments are stated at the lower of cost and net realisable value. Transactions denominated in foreign currency are translated into sterling at the rates of exchange ruling at the date of the transaction. Asset and liabilities in foreign currencies are translated into sterling rates of exchange ruling at the end of the financial year. Any differences are taken to the profit and loss account in the year they arise.

EP&F Capital Plc

NOTES TO THE FINANCIAL STATEMENTS

2. OPERATING LOSS

	2013 £	2012 £
This is stated after charging:		
Auditors' remuneration - audit services	7,300	6,750
Depreciation	1,586	2,250
Operating lease rentals - land and buildings	36,203	36,203
Investment impairment	248,717	-
Foreign exchange losses	64,769	891
	<u>64,769</u>	<u>891</u>

3. DIRECTORS AND EMPLOYEES

	2013 £	2012 £
Directors Remuneration		
Salaries	60,000	60,000
	<u>60,000</u>	<u>60,000</u>

4. INTEREST RECEIVABLE AND INVESTMENT INCOME

	2013 £	2012 £
Bank interest received and investment income	30,137	27,436
	<u>30,137</u>	<u>27,436</u>

5. TAX CHARGE ON PROFIT ON ORDINARY ACTIVITIES

a) Analysis of charge in the year

	2013 £	2012 £
United Kingdom corporation tax at 20%	-	-
Deferred taxation	-	-
	<u>-</u>	<u>-</u>

EP&F Capital Plc

NOTES TO THE FINANCIAL STATEMENTS

5. TAX CHARGE ON PROFIT ON ORDINARY ACTIVITIES (continued)

b) Factors affecting tax charge for the year

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The differences are explained below.

	2013 £	2012 £
Factors affecting the tax charge for the period		
Loss on ordinary activities before tax	(475,330)	(93,561)
	2013 £	2012 £
Expected tax credit at 20% (2012 20% credit)	(95,066)	(18,712)
Effects of		
Non taxable income	-	-
Depreciation and capital allowances timing differences	-	79
Disallowed expense	-	13
Losses carried forward	95,066	18,620
	-	-

A deferred tax asset has not been recognised in respect of timing differences relating to tax losses amounting to £845,823 (2012 £370,493) and accelerated capital allowances as there is insufficient evidence that the potential asset will be recovered. The amount of the asset not recognised is £191,356 (2012 £96,290).

6. EARNINGS PER ORDINARY SHARE

The basic and diluted loss per share is calculated by dividing the loss attributed to ordinary shareholders of £475,330 (2012 £93,561 loss) by the weighted average number of shares in issue, 4,707,155 (2012 4,707,155), during the period. The diluted earnings per share calculation is identical to that used for the basic earnings per share as the exercise of the warrants would have the effect of reducing the loss per ordinary share and is therefore not considered dilutive under the terms of FRS 22 "Earnings per Share".

EP&F Capital Plc

NOTES TO THE FINANCIAL STATEMENTS

7. TANGIBLE FIXED ASSETS

	Computer hardware £	Software £	Leasehold £	Fixtures and fittings £	Total £
Cost					
At 1 January 2013	21,129	2,023	11,517	3,555	38,224
Additions	390	-	-	-	390
At 31 December 2013	21,519	2,023	11,517	3,555	38,614
Depreciation					
At 1 January 2013	19,733	1,658	11,517	3,555	36,463
Charge for the period	1,221	365	-	-	1,586
At 31 December 2013	20,954	2,023	11,517	3,555	38,049
Net book value at 31 December 2013	565	-	-	-	565
Net book value at 31 December 2012	1,396	365	-	-	1,761

8. CURRENT ASSET INVESTMENTS

	2013 £	2012 £
Quoted	274,510	145,763
Unquoted	28,157	341,644
	302,667	487,407

9. DEBTORS

	2013 £	2012 £
Other debtors	233,788	339,456
Prepayments and accrued income	7,841	18,355
	241,629	357,811

EP&F Capital Plc

NOTES TO THE FINANCIAL STATEMENTS

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2013	2012
	£	£
Trade creditors	6,607	5,429
Taxation and social security	2,127	2,096
Accruals and deferred income	10,850	6,762
	<u>19,584</u>	<u>14,287</u>

11. CALLED UP SHARE CAPITAL

	2013 Number of shares	2013 £	2012 Number of shares	2012 £
Authorised				
Ordinary shares of 5 pence	<u>200,000,000</u>	<u>10,000,000</u>	<u>200,000,000</u>	<u>10,000,000</u>
Allotted, called up and fully paid				
Ordinary shares of 5 pence	<u>4,707,155</u>	<u>235,358</u>	<u>4,707,155</u>	<u>235,358</u>

At the year end the Company had created 1,786,480 warrants to subscribe for ordinary shares in the Company at 40 pence per share, which are exercisable at any time up to 15 September 2014

12. RECONCILIATION OF SHAREHOLDERS FUNDS AND MOVEMENT ON RESERVES

	Share capital £	Profit and loss £	Total £
At 1 January 2013	235,358	1,567,048	1,802,406
Loss for the period	-	(475,330)	(475,330)
At 31 December 2013	<u>235,358</u>	<u>1,091,718</u>	<u>1,327,076</u>

EP&F Capital Plc

NOTES TO THE FINANCIAL STATEMENTS

13. RECONCILIATION OF OPERATING LOSS TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	2013	2012
	£	£
Operating loss	(505,467)	(120,997)
Depreciation	1,586	2,250
Impairment of investments	248,717	-
Foreign exchange loss on translation	64,769	-
Profit on disposal of investments	(50,263)	-
Increase/(decrease) in creditors	5,297	(96)
Decrease/(increase) in debtors	116,182	(71,611)
	<u>(119,179)</u>	<u>(190,454)</u>

14. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET CASH

	£
At 1 January 2013	969,714
Decrease in cash in the period	<u>(167,915)</u>
At 31 December 2013	<u>801,799</u>

15. LEASING COMMITMENTS

At the end of the year the Company had annual commitments under non-cancellable operating leases in respect of land and buildings as follows

	2013	2012
	£	£
Within one year	-	36,203
Within two to five years	-	36,203

16. CAPITAL COMMITMENTS

There were no capital commitments at 31 December 2013

17. CONTINGENT LIABILITIES

There were no contingent liabilities at 31 December 2013

EP&F Capital Plc

NOTES TO THE FINANCIAL STATEMENTS

18. FINANCIAL INSTRUMENTS

The Company's financial instruments comprise cash at bank and various items such as trade debtors, current asset investments, creditors and amounts owed to subsidiary undertakings that arise directly from its operations and are therefore excluded from the disclosures. The main purpose of these instruments is to provide finance for operations. The Company has not entered into derivative transactions nor does it trade financial instruments as a matter of policy.

The Company does not pay interest on any of its financial liabilities, nor is it likely to in the future.

The directors believe that the total fair value of the current asset investments is in excess of the historic costs of the investments as disclosed in note 8.

Interest rate risk profile of financial assets

The only financial assets (other than short term debtors and current asset investments) are cash at bank and in hand, which comprise inter bank sterling deposits, money at call, and one month and two month rates with interest earned at a fixed average rate of 0.25% (2012 0.6%). The directors believe the fair value of the financial instruments is not materially different to the book value.

19. RELATED PARTY TRANSACTIONS

During the year the Company recharged costs of £2,872 (2012 £5,591) to DFB (Australia) Pty Limited, a company of which Lance O'Neill is a director. At the year-end £1,457 (2012 £1,444) was outstanding.

During the year the Company recharged costs of £14,040 (2012 £22,163) to Andes Energia plc and £3,711 (2012 £10,739) to Alba Mineral Resources plc, companies of which Nigel Duxbury is a director. At the year-end £66,992 (2012 £52,952) and £Nil (2012 £76,598) were outstanding respectively.

During the year the Company recharged costs of £946 (2012 £1,809) to EP& F Capital Advisory Limited, a company of which Lance O'Neill and Nigel Duxbury are directors. At the year-end £10,694 (2012 £9,748) was outstanding.

At the year-end a loan of £108,244 (2012 £124,511) was outstanding from MediaZest plc, a company of which Lance O'Neill is a director. During the year, principal of £40,000 was repaid and loan interest charged amounted to £23,733 (2012 £22,697).

During the year the Company recharged costs of £9,326 (2012 £15,232) to MediaZest plc, a company of which Lance O'Neill is a director. At the year-end £35,685 (2012 £26,359) was outstanding.

During the year a loan due from Alba Mineral Resources plc, a company of which Nigel Duxbury is a director, was satisfied in lieu by the issue of shares in Alba Resources plc to the Company. During the year, loan interest charged amounted to £2,849 (2012 £17,129).

Nexia Smith & Williamson
25 Moorgate,
London,
EC2R 6AY

2 April 2014

Dear Sirs

This representation letter is provided in connection with your audit of the financial statements of EP & F Capital plc for the year ended 31 December 2013 for the purpose of expressing an opinion as to whether the financial statements give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice ("UK GAAP"). We confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves

Financial statements

- 1 We have fulfilled our responsibilities under the Companies Act 2006 for the preparation of the financial statements in accordance with UK GAAP, in particular the financial statements give a true and fair view in accordance therewith
- 2 Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable
- 3 We have disclosed the identity of all related parties and all related party relationships and transactions of which we are aware. Any related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of UK GAAP
- 4 All events subsequent to the date of the financial statements and for which UK GAAP require adjustment or disclosure have been adjusted or disclosed
- 5 The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole. A list of the uncorrected misstatements, other than those which are clearly trivial, is attached to this letter
- 6 The company has had at no time during the year any arrangement, transaction or agreement to provide credit facilities including loans, quasi-loans or credit transactions for directors nor to guarantee or provide security for such matters
- 7 We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud

Information provided

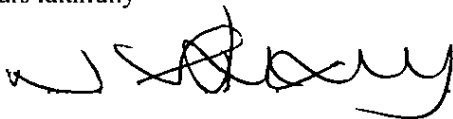
- 8 We have provided you with
 - access to all information of which we are aware that is relevant to the preparation of the financial statements such as records, documentation and other matters,
 - additional information that you have requested from us for the purpose of the audit, and
 - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence
- 9 All transactions have been recorded in the accounting records and are reflected in the financial statements

- 10 We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud
- 11 We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the entity and involves
 - Management,
 - Employees who have significant roles in internal control, or
 - Others where the fraud could have a material effect on the financial statements
- 12 We have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, or others
- 13 We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations, and accounted for and disclosed all known actual or possible litigation and claims whose effects should be considered when preparing financial statements in accordance with the applicable financial reporting framework

Specific representations

- 14 We confirm that all the debtors are fully recoverable within the next accounting period and therefore a bad debt provision is not necessary
- 15 We confirm no financial advice was provided with the trading of investments and therefore VAT registration is not necessary
- 16 We confirm there has been no movement in the Company's shareholders during 2013
- 17 We can confirm that £60,481 of previously overcharged service charge fees were repaid and recognised as an expense during the period

Yours faithfully



Director

07/04/15 Date

Signed on behalf of the board of directors

Appendix I

Uncorrected misstatements other than those which are clearly trivial

DR Impairment expense

16,423

Cr Investments

16,423

Being an adjustment to recognise impairment against quoted investments with a market value lower than the net book value