10 May 2015

Edenville Energy plc

("Edenville" or the "Company")

Results for the Year ending 31 December 2015

Edenville Energy plc (AIM: EDL), the company focussed on developing a coal-to-power project in south west Tanzania, is pleased to announce its audited results for the year ended 31 December 2015.

Highlights

- Power Plant Feasibility Study published
- Board reorganisation to reflect the future needs of the business
- Mining Licence application submitted
- Continued exploration programme to better define extensions to the Company's Rukwa coal project
- Collaboration Agreement with Runh Power of China to assist the development of the Company's coal-to-power project
- Significant progress made in all areas of the project

Post Period Highlights

- Mining Licence for Mkomolo granted on the 23 February 2016
- Registration of a new Tanzanian company, "Edenville Power TZ Ltd", to assume responsibility for the power plant portion of the project
- Site preparations starting

Rufus Short, Chairman and CEO of Edenville Energy, commented: "2015 was a year of significant progress for Edenville. The Company has significantly advanced its Rukwa Coal to Power project, with government support for our project evidenced by the recent granting of the Mining Licence. We have a clear framework for project development and the team at Edenville remain focused on achieving all milestones in parallel with the Tanzanian government's stated aim to roll out supporting power distribution infrastructure in south western Tanzania."

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The Company's full annual report and accounts will be posted to shareholders shortly, together with a notice of Annual General Meeting. A notification will be made when they are posted and until such time the Company remains in a Close Period, as defined by the AIM Rules for Companies.

Chairman & CEO's Statement

I write this now, not only as CEO, but also as acting Chairman of the Company following the recent resignation of our Chairman, Sally Schofield. Sally has contributed significantly to the Company's progress since its admission to AIM in 2010. She led the Company from early stage exploration through to the recent grant of the Mining Licence and has now decided to step aside due to personal commitments. I would like to thank Sally on behalf of everyone at Edenville for her guidance, direction and involvement during her time with the Company.

I am very grateful for the support of our shareholders throughout the year along with the effort and hard work put in by the staff and consultants of Edenville, in Tanzania the UK and elsewhere. Our main focus, the "Rukwa Coal to Power Project" progressed significantly in 2015 and has continued to make further advances in the current year. The Company is now at a stage where it can go forward through the final stages of pre-development planning.

2015 opened with the completion of Lahmeyer's Power Plant Feasibility Study giving a robust outcome for a 120MW Power Plant that has scope to expand to 300MW in line with Tanzanian government power development plans. The year drew to a close with the Mkomolo Mining Licence application entering its final stage of review, with final grant by the Tanzanian Ministry of Energy and Minerals (MEM) in February 2016. The Company has made significant progress in its discussions with Tanesco, the Tanzanian state electricity company, in order to agree a Power Purchase Agreement (PPA) and ultimately move the project from the planning stage into development and construction. These discussions cover many areas including technical, financial and environmental considerations.

2015 Review

We entered 2015 with our flagship project, the Rukwa Coal to Power Project undergoing a Feasibility Study to determine the viability of a Phase 1 120MW power plant. Ultimately the project has scope to expand to 300MW in line with the Tanzanian government's power development strategy for the Rukwa Region, which includes the development of the western spur transmission infrastructure. Robust engineering conclusions for the power plant resulted in a study that provided a basis to progress the project towards development.

Several Engineering, Procurement and Construction (EPC) groups globally expressed a keen interest in partnering with us in the project. It was clear that, whilst the project was viewed favourably, advancement in regulatory areas, such as obtaining a Mining Licence and agreeing a PPA was critical to getting the full commitment of groups wishing to finance and construct the project.

A key component identified was the requirement for a Mining Licence over the majority of the Mkomolo deposit area, which is expected to form the basis for fuel supply to the Phase 1 120MW power project and beyond.

Extensive background work and preparation was necessary to submit the application for a Mining Licence, which included a Mining Feasibility Study, Employment Plan and Corporate Social Responsibility (CSR) programme along with integration of the Environmental Impact Assessment (EIA). In late June, the Company was in a position to formally apply for the Mining Licence and the process was initiated with the MEM, with the assistance of our in-country engineering and environmental consultants, Tansheq. During this time we were also moving forward discussions with potential EPC engineering groups and partners.

In June 2015, a reorganisation of the board took place, with the Company taking into account the predicted timeframes for the project development. The reorganisation was strategic and ensured overheads were managed and allocated responsibly, reducing where possible corporate costs and redirecting available funds to Tanzania. Rakesh Patel resigned as CFO but retained the responsibility for the Company's accounts and financial management on a consultancy basis. Sally Schofield moved from an Executive Chairman role to a Non-Executive Chairman position, whilst Non Executive Director Mark Pryor took on the role of COO, focusing on Tanzania. Throughout the year we have attempted to keep costs to a minimum and the selective use of consultants has allowed the Company to rapidly progress areas such as the Mining Licence.

The second half of the year in Tanzania was dominated by the national parliamentary elections, with voting for the President and National Assembly taking place on 25 October. Prior to this, government departments such as the MEM were busy and operating with reduced personnel at times. This impacted to an extent the progress of our Mining Licence application although the majority of the work was completed by December, something we were very grateful to the MEM and other government departments for. We are also grateful for the support and continued assistance from the Tanzanian state electricity company, Tanesco. Our relationship with Tanesco is strong and we look forward to helping them to deliver their Tanzanian power development goals.

Ground magnetic survey work was expanded over the Rukwa project site in 2015 in order to further delineate boundaries and structures. This work and its results will be used along with future targeted drilling to determine geotechnical parameters for the life of mine (LOM) pit designs for the coal mine. The enhanced delineation on the coal measures will allow barren sterilised areas to be defined for power plant and mine infrastructure subsequently feeding into both technical and environmental work requirements.

In late November we entered into a Collaboration Agreement with Runh Power of China. Runh are a privately held EPC group that have completed many projects in Asia and are currently involved in power station builds in East Africa; the team at Runh have been assisting Edenville in assessing engineering options and sources of suitable project finance.

As the year drew to a close our Mining Licence application was in its final stage of processing. The Company moved forward into 2016 with the mining licence for Mkomolo being granted on the 23 February 2016. This was a major milestone and transformational event for the Company. The newly formed Tanzanian government have placed a strong emphasis on future power generation capacity and the development of coal fired power plants form part of that plan. Links between the Company and the Tanzanian government have strengthened over the year and we are pursuing all options to develop the deposit as an integrated Coal to Power project to maximise the potential for both the Company and the Tanzanian people.

Post Period Events and Outlook

Through the first quarter of 2016 we have been advancing towards the successful implementation of a framework agreement with Tanesco. Several key areas have moved forward. These include the registration of a new Tanzanian company, "Edenville Power TZ Ltd", which will assume responsibility for the power plant portion of the project. Additionally, a formal concept note has been prepared and submitted to Tanesco, which is a deliverable in the formal development plan to put in place a framework agreement. This outlines the project parameters and demonstrates the Company's options and commitment to develop the project.

There has been significant interest from groups and investors wishing to move forward with Edenville to develop the project. These discussions are ongoing and the outcome, including selection of partners and entering into commercial agreements, will be dependent amongst other things on formalisation of the framework agreement with Tanesco which the Company is currently working on.

With regards to the development of the Rukwa site we have rapidly moved forward with initial preparation works, and equipment already on site. Our first priorities will be to improve and construct suitable roads to improve access to the mine site, defining areas for mine infrastructure, along with preparation for the removal of a bulk sample of coal that can be washed for analysis, probably in South Africa.

The bulk sample results will be used in the production of a focused design of a suitable coal wash plant to provide the optimum final product in terms of both technical quality and financial value. Additionally it will give the power plant engineering team a set of parameters on which a design can be based that accounts for the Rukwa coal characteristics, thus maximising its viability as a fuel source and ensuring the power plant is optimal and appropriate for the coal deposit.

Financing

During the course of 2015 Edenville raised an aggregate of £750,000 (before expenses) by way of placings through the issue of 1,750,000,000 new ordinary shares. These funds allowed the Company to complete all the necessary work to obtain the Mining Licence in February 2016. The Company has been very conscious of the general market conditions regarding resource focused stocks over 2015 and has consistently targeted its limited capital at areas which would add value to the project and advance it through the pre-development process.

Post the period end, in March 2016, £400,000 of gross proceeds were raised through the placing of 1,333,333,333 new ordinary shares. These funds are predominantly being used to advance the mining operation in accordance with Tanzanian government requirements and to complete further work connected to moving forward the power plant project.

Impairment of Historic Licences

As the Company progresses with detailed development discussions, we continue to review our landholdings in Tanzania and take the opportunity to rationalise where appropriate. Every hectare of ground held by the company incurs a cost, both from annual license fees and associated work commitments, which can be significant. The Rukwa Coal to Power Project has clearly emerged as the single most important asset of the Company and we continue our drive to direct maximum resources, both human and financial, to our flagship project.

In order to continue our ongoing cost management process, three early-stage exploration licences (PL5790, PL5659 and PL6174), two of which were Uranium licences, were relinquished in April 2016. The licences were originally acquired for shares at the time of the Company's admission to AIM in 2010 and, after initial exploratory work, were found to contain little indication of economic mineralisation.

Relinquishment of these licenses will reduce the Company's work and licence fee commitments over the next 12 months by approximately US$250,000 and allow managerial, technical and financial resources to be focused on the development of the Rukwa Coal to Power Project.

As a result of the decision to relinquish these licence interests, an impairment charge, in accordance with the Company's accounting policies and IFRS, has beene made to the statement of comprehensive income, in the Group's financial statements for the year ending 31 December 2015, of approximately £3.6 million. At 31 December 2015, after making provision for this impairment, the Group's Net Book Value of its Exploration and Evaluation assets, including goodwill, is £5,361,277. The impairment of these licences is a non-cash impairment having been originally acquired for shares.

Corporate Social Responsibility

A programme to supply equipment to local Tanzanian schools was initiated in 2015. 100 desks were constructed and these are in the process of being distributed to relevant schools. These supplies will be supplemented by other materials requested by the schools along with assistance on maintenance of school buildings.

Throughout the year the Company has endeavoured, wherever possible, to employ local personnel to carry out work needed at the project site. The latest round of exploration work allowed us to employ local geology assistants and support staff over a period of several months. We will continue utilising local resources wherever possible.

Summary

I am very pleased with the progress the Company has made in 2015 and post the period end. The Company is at its most advanced stage to date with regards to the Rukwa Coal to Power project, with government support for our project evidenced by the recent granting of the Mining Licence. We have a clear framework for project development and the team at Edenville remain focused on achieving all milestones in parallel with the Tanzanian government's stated aim to roll out supporting power distribution infrastructure in south western Tanzania.

Like most small natural resource companies the challenge the Company continues to face is the raising of development capital. However, with the continued support of the Tanzanian authorities, along with the considerable interest shown by international groups and institutions we will endeavour to continue to source suitable capital when available for the project to continue its progress to development.

Rufus Short

Chairman and Chief Executive Officer

10 May 2016

Group Statement Of Comprehensive Income Year Ended 31 December 2015

	Note	2015 £	2014 £
Administration expenses	6	(870,399)	(895,305)
Share based payments	23	-	(147,977)
Impairment of intangible asset	14	(3,593,544)	(1,271,482)
Group operating loss		(4,463,943)	(2,314,764)
Finance income	10	20	1,037
Loss on operations before taxation		(4,463,923)	(2,313,727)
Income tax	11	639,331	234,794
Loss for the year		(3,824,592)	(2,078,933)
Other comprehensive income			
Gain on translation of overseas subsidiary		373,792	446,690
Total comprehensive loss for the year		(3,450,800)	(1,632,243)
Attributable to:			
Equity holders of the Company		(3,442,836)	(1,629,217)
Non-controlling interest		(7,964)	(3,026)
Loss per Share (pence)			
Basic and diluted loss per share	12	(0.05p)	(0.04p)

All operating income and operating gains and losses relate to continuing activities.

No separate statement of comprehensive income is provided as all income and expenditure is disclosed above.

Group Statement of Financial Position As At 31 December 2015

	Note	2015	2014
		£	£
Non-current assets			
Property, plant and equipment	13	22,292	28,676
Intangible assets	14	5,361,277	8,234,083
		5,383,569	8,262,759
Current assets			
Trade and other receivables	15	141,924	180,912
Cash and cash equivalents	16	316,652	641,830
		458,576	822,742
Current liabilities			
Trade and other payables	17	(105,092)	(88,311)
Current assets less current liabilities		353,484	734,431
Total assets less current liabilities		5,737,053	8,997,190
Non-current liabilities			
Provision for deferred tax	18	(144,490)	(746,922)
		5,592,563	8,250,268
Equity			
Called-up share capital	19	1,872,978	1,488,728
Share premium account		13,623,545	13,215,320
Share option reserve		129,610	183,713
Foreign currency translation reserve		20,098	(353,694)
Retained earnings		(10,059,286)	(6,296,761)
Attributable to the equity shareholders of the company		5,586,945	8,237,306
Non- controlling interests		5,618	12,962
Total equity		5,592,563	8,250,268

The financial statements were approved by the board of directors and authorised for issue on 10 May 2016 and signed on its behalf by:

Rufus Short

Director
Company registration number: 05292528

Group Statement of Changes in Equity Year Ended 31 December 2015

	----------Equity Interests							
	Share Capital	**Share Premium**	**Retained Earnings Account**	**Share Option Reserve**	**Foreign Currency Reserve**	**Total**	**Non-controlling interest**	**Total**
	£	**£**	**£**	**£**	**£**	**£**	**£**	**£**
At 1 January 2014	1,019,680	12,286,868	(4,224,915)	39,797	(800,384)	8,321,046	15,146	8,336,192
Issue of share capital	469,048	980,952	-	-	-	1,450,000	-	1,450,000
Cost of issue	-	(52,500)	-	-	-	(52,500)	-	(52,500)
Exercise of warrants								
Cancellation of share options	-	-	4,061	(4,061)	-	-	-	-
Share based payment charge	-	-	-	147,977	-	147,977	-	147,977
Foreign currency translation	-	-	-	-	446,690	446,690	842	447,532
Loss for the year	-	-	(2,075,907)	-	-	(2,075,907)	(3,026)	(2,078,933)
At 31 December 2014	1,488,728	13,215,320	(6,296,761)	183,713	(353,694)	8,237,306	12,962	8,250,268
Issue of share capital	350,000	400,000	-	-	-	750,000	-	750,000
Cost of issue	-	(50,000)	-	-	-	(50,000)	-	(50,000)
Exercise of warrants	34,250	58,225	-	-	-	92,475	-	92,475
Cancellation of share options	-	-	54,103	(54,103)	-	-	-	-
Foreign currency translation	-	-	-	-	373,792	373,792	620	374,412
Loss for the year	-	-	(3,816,628)	-	-	(3,816,628)	(7,964)	(3,824,592)
At 31 December 2015	1,872,978	13,623,545	(10,059,286)	129,610	20,098	5,586,945	5,618	5,592,563

Group Cash Flow Statements Year Ended 31 December 2015

	Note	Year ended 31 December 2015 £	Year ended 31 December 2014 £
Cash flows from operating activities			
Operating loss		(4,463,943)	(2,314,764)
Impairment of tangible & intangible non-current assets		3,593,544	1,271,482
Depreciation		7,430	11,475
Share based payments		-	147,977
Decrease in trade and other receivables		45,535	3,774
Increase in trade and other payables		13,692	4,677
Foreign exchange differences		(657)	19,065
Net cash outflow from operating activities		(804,399)	(856,314)
Cash flows from investing activities			
Purchase of exploration and evaluation assets		(313,958)	(204,520)
Investment in subsidiaries		-	(22)
Finance income		20	1,037
Net cash used in investing activities		(313,938)	(203,505)
Cash flows from financing activities			
Proceeds from issue of ordinary shares		842,475	1,450,000
Share issue costs		(50,000)	(52,500)
Net cash inflow from financing activities		792,475	1,397,500
Net (decrease) /increase in cash and cash equivalents		(325,862)	337,681
Cash and cash equivalents at beginning of year		641,830	303,908
Effect of foreign exchange rate changes on cash and cash equivalents		684	241
Cash and cash equivalents at end of year	16	316,652	641,830

Notes to the Group Financial Statements Year Ended 31 December 2015

1. General Information

Edenville Energy Plc is a public limited company incorporated in the United Kingdom. The address of the registered office is Aston House, Cornwall Avenue, London, N3 1LF. The company's shares are listed on AIM, a market operated by the London Stock Exchange.

The principal activity of the Group is the exploration and mining of energy commodities predominantly coal and uranium in Africa.

2. Group Accounting Policies

Basis of preparation and statement of compliance

The Group's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union, IFRIC Interpretations and the parts of the Companies Act 2006 applicable to companies reporting under IFRS. The Group's financial statements have also been prepared under the historical cost convention, as modified by the revaluation of available for sale investments.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Group's financial statements are disclosed in Note 4.

Standards and interpretations in issue but not yet effective or not yet relevant

At the date of authorisation of these financial statements the following Standards and Interpretations which have not been applied in these financial statements were in issue but not yet effective:

		Effective date (period beginning on or after)
IFRS 2	Share based payments – Amendments resulting from the annual improvements cycle 2010-2012 (definition of "vesting conditions")	1 February 2015
IFRS 3	Business combinations – Amendments resulting from the annual improvements cycle 2010-2012 (scope exception for joint ventures")	1 February 2015
IFRS 3	Business combinations – Amendments resulting from the annual improvements cycle 2011-2013 (scope exception for joint ventures")	1 January 2015
IFRS 5	Non-current assets held for sale and discontinued operations - Amendments resulting from September 2014 annual improvements to IFRSs	1 January 2016
IFRS 7	Financial instruments disclosure - Amendments resulting from September 2014 annual improvements to IFRSs	1 January 2016
IFRS 8	Operating segments - Amendments resulting from the annual improvements cycle 2010-2012 (aggregation of segments, reconciliation of segment assets)	1 February 2015

IFRS 9	Financial instruments – incorporating requirements for classification and measurement, impairment, general hedge accounting and de-recognition.	1 January 2018
IFRS 10	Consolidated financial statements – Amendments regarding the application of consolidation exception.	1 January 2016
IFRS 12	Disclosure of interests in other entities - Amendments regarding the application of consolidation exception	1 January 2016
IFRS 13	Fair value measurement - Amendments resulting from the annual improvements cycle 2011-2013 (scope of the portfolio exception)	1 January 2015
IAS 1	Presentation of financial Statements – Amendments resulting from the disclosure initiative	1 January 2016
IAS 7	Statement of cash flows – Amendments resulting from the disclosure initiative	1 January 2017
IAS 12	Income taxes – Amendments regrading recognition of deferred tax assets for unrealised losses	1 January 2017
IAS 16	Property, plant and equipment – Amendments resulting from the annual improvements cycle 2010-2012 (proportionate restatement of accumulated depreciation on revaluation)	1 February 2015
IAS 16	Property, plant and equipment – clarification of acceptable methods of depreciation and amortisation and amendments bringing bearer plants into the scope of IAS 16	1 January 2016
IAS 16	Property, plant and equipment – Amendments bringing bearer plants into scope of IAS 16	1 January 2016
IAS 19	Employee benefits – Amendment to clarify the requirements that relate to how contributions from employees or third parties that are linked to service should be attributed to periods of service	1 February 2015
IAS 19	Employee benefits – Amendment resulting from September 2014 Annual Improvements to IFRSs	1 January 2016
IAS 24	Related party disclosures –Amendments resulting from annual improvements 2010-2012 cycle (management entities)	1 February 2015
IAS 27	Separate financial statements – Amendments reinstating the equity method as an accounting option for investments in subsidiaries, joint ventures and associates in an entity’s separate financial statements	1 January 2016

IAS 28	Investments in associates and joint ventures – Amendments regarding the application of the consolidation exception	1 January 2016
IAS 38	Intangible assets – Amendments resulting from annual improvements 2010-2012 cycle (proportionate restatement of accumulated depreciation and revaluation)	1 February 2015
IAS 38	Intangible assets – Amendments regarding the clarification of acceptable methods of depreciation and amortisation	1 January 2016

The Directors anticipate that the adoption of these Standards and Interpretations in future periods will have no material impact on the Group's financial statements.

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

Assumptions about the number of options that are expected to vest include consideration of non-market vesting conditions. 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. 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 the income statement, with a corresponding adjustment to equity.

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

Basis of consolidation

The Group's financial statements consolidate the financial statements of Edenville Energy Plc and all its subsidiary undertakings (GOA Tanzania Limited, Edenville International (Seychelles) Limited and Edenville International (Tanzania) Limited) made up to 31 December 2015. Profits and losses on intra-group transactions are eliminated on consolidation.

Subsidiaries are all entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

Business combinations

The Group adopts the acquisition method in accounting for the acquisition of subsidiaries. On acquisition the cost is measured at the fair value of the assets given, plus equity instruments issued and liabilities incurred or assumed at the date of exchange. The assets acquired and liabilities and contingent liabilities assumed in a business combination are measured at their fair value at the date of acquisition. Any excess of the fair value of the consideration over the fair value of the identifiable net assets acquired is recorded as goodwill.

Any deficiency of the fair value of the consideration below the fair value of identifiable net assets acquired is credited to the income statement in the period of the acquisition.

The results of subsidiary undertakings acquired or disposed of during the year are included in the group statement of comprehensive income statement from the effective date of acquisition or up to the effective date of disposal.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the group. Inter-company transactions and balances between group companies are eliminated.

Revenue recognition

Revenue from the sale of energy commodities is recognised upon delivery of goods to the customers. Interest income is recognised on a proportional basis taking into account the effective interest rates applicable to the financial assets.

All revenue is stated net of the amount of sales tax.

Currently the group does not generate any revenue.

Presentational and functional currency

This financial information is presented in pounds sterling, which is the Group's functional currency.

In preparing the financial statements of individual entities, transaction in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the balance sheet date.

For the purposes of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in pounds sterling using exchange rates prevailing at the balance sheet date. Income and expense items are translated at the average exchange rate for the period. Exchange differences arising, if any, are classified as equity and transferred to the Group's foreign currency translation reserve. Such translation differences are recognised in the income statement in the period in which the foreign operation is disposed of.

Financial assets

Financial assets comprise investments, cash and cash equivalents and receivables. Unless otherwise indicated, the carrying amounts of the Group's financial assets are a reasonable approximation of their fair values.

Recognition and measurement

Investments are initially recognised at fair value plus transactions costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognised when rights to receive cash flows from investments have expired or the group has transferred substantially all the risks and rewards of ownership. Available for sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost.

Equity investments available for sale

Equity investments available for sale are non-derivatives that are either designated in this category or not classified in any of the other categories. Equity investments available for sale do not have a quoted market price in an active market. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date. Investments are initially classified at fair value. Gains and losses arising from changes in fair value are recognised directly in equity, until the security is disposed of or is determined to be impaired. The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. If any such evidence exists the cumulative loss, measured as the difference between the acquisition cost and the current fair value, less any impairment loss previously recognised in statement of comprehensive income, is removed from equity and recognised in the statement of comprehensive income.

Where the fair value cannot be reliably measured as a result of a lack of an active market and/or reliable estimates could not be made the equity investments are measured at cost.

Trade and other receivables

Provision for impairment of 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 the difference between the receivables carrying amount and the present value of the estimated future cash flows.

An assessment for impairment is undertaken at least annually.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand, demand deposits and other short term highly liquid investments that are readily convertible to a known amount of cash and are subject to insignificant risk of changes in value.

Property, plant and equipment

Property, plant and equipment are stated at cost on acquisition less accumulated depreciation and accumulated impairment losses.

Depreciation is provided on all property, plant and equipment categories at rates calculated to write off the cost, less estimated residual value on a reducing balance basis over their expected useful economic life. The depreciation rates are as follows:

	Basis of depreciation
Fixtures and fittings	25% reducing balance
Office equipment	25% reducing balance
Motor Vehicles	25% reducing balance

Costs capitalised include the purchase price of an asset and any costs directly attributable to bringing it into working condition for its intended use.

Financial liabilities

Financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial liabilities comprise only trade and other payables.

All financial liabilities are recorded at amortised cost, using the effective interest method, with interest-related charges being recognised as an expense under finance costs in the Income Statement.

A financial liability is derecognised only when the obligation is extinguished, that is, when the obligation is discharged, is cancelled, or expires.

Finance costs

Finance costs of debt, including premiums payable on settlement and direct issue costs are charged to the income statement on an accruals basis over the term of the instrument, using the effective interest method.

Income taxation

The taxation charge represents the sum of current tax and deferred tax.

The tax currently payable is based on the taxable profit for the period using the tax rates that have been enacted or substantially enacted by the balance sheet date. Taxable profit differs from the net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

Deferred taxation

Deferred tax is recognised, using the liability method, in respect of temporary differences between the carrying amount of the Group's assets and liabilities and their tax base. Deferred tax liabilities are offset against deferred tax assets within the same taxable entity or qualifying local tax group. Any remaining deferred tax asset is recognised only when, on the basis of all available evidence, it can be regarded as probable that there will be suitable taxable profits, within the same jurisdiction, in the foreseeable future against which the deductible temporary difference can be utilised. Deferred tax is determined using tax rates that are expected to apply in the periods in which the asset is realised or liability settled, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is recognised in the income statement, except when the tax relates to items charged or credited directly in equity, in which case the tax is also recognised in equity.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as deduction, net of tax, from the proceeds.

Exploration and evaluation assets

Capitalisation

Certain costs (other than payments to acquire the legal right to explore and costs which are directly attributable to those payments) incurred prior to acquiring the rights to explore are charged directly to the income statement. All costs incurred after the rights to explore an area have been obtained, such as geological and geophysical costs and other direct costs of exploration and appraisal are accumulated and capitalised as intangible exploration and evaluation ("E&E") assets. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the areas or where activities in the areas have not yet reached a stage which permits reasonable assessment of the existence of economically recoverable reserves.

E&E costs are not amortised prior to the conclusion of appraisal activities.

At completion of appraisal activities, if technical feasibility is demonstrated and commercial reserves are discovered, then, following development sanction, the carrying value of the relevant E&E asset will be reclassified as a development and production ("D&P") asset, but only after the carrying value of the relevant E&E asset has been assessed for impairment, and where appropriate, its carrying value adjusted. If after completion of appraisal activities in the area, it is not possible to determine technical feasibility and commercial viability or if the legal right to explore expires or if the Company decides not to continue exploration and evaluation activity, then the costs of such unsuccessful exploration and evaluation are written off to the income statement in the period the relevant events occur.

Impairment

Management consider on a regular basis the geological resources and exploration and evaluation results of each licence and based on their analysis may relinquish or abandon a particular licence area. When this occurs the costs related to the relinquished area are written off to the income statement.

Where the licences will be retained an impairment review is performed when facts and circumstances indicate that the carrying value of E&E assets may exceed its recoverable amount.

For E&E assets when there are such indications, an impairment test is carried out by grouping the E&E assets with the D&P assets belonging to the same geographic segment to form the Cash Generating Unit ("CGU") for impairment testing. The equivalent combined carrying value of the CGU is compared against the CGU's recoverable amount and any resulting

Impairment loss is written off to the income statement. The recoverable amount of the CGU is determined as the higher of its fair value less costs to sell and its value in use.

Goodwill

At the date of acquisition of a subsidiary undertaking, fair values are attributed to the acquired identifiable assets, liabilities and contingent liabilities. Goodwill represents the difference between the fair value of the purchase consideration and the acquired interest in the fair value of those net assets.

Goodwill is initially recognised at fair value. Any negative goodwill is credited to the income statement in the year of acquisition. If an undertaking is subsequently sold, the amount of goodwill carried on the balance sheet at the date of disposal is charged to the income statement in the period of disposal as part of the gain or loss on disposal.

Goodwill is associated with exploration and evaluation assets, the impairment of which is discussed in the accounting policy note for exploration and evaluation assets.

Going concern

At 31 December 2015, the Group had cash balances totalling £316,652 and in March 2016 the Company placed 1,333,333,333 new ordinary shares of 0.02p each for a placing price of 0.03p, providing the Company with £400,000 additional funds. In addition, subscribers to the placing were issued with 666,666,666 warrants exercisable for 18 months from Admission at 0.04p per warrant into an equivalent number of ordinary shares in the Company.

Based on the current working capital forecast, the Group is likely to need additional funds within twelve months of the date of approval of these financial statements in order to maintain its proposed work programme and levels of expenditure. The ability of the Group to raise additional funds is dependent upon investor appetite. A large element of the expenditure on the licences is discretionary and both head office costs and Tanzanian administration costs can be reduced if the additional funds cannot be raised and the Group therefore continues to adopt the going concern basis in preparing its consolidated financial statements.

3. Financial risk management

Fair value estimation

The carrying value less impairment provision of trade receivables and payables is assumed to approximate their fair values, due to their short-term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the group for similar financial instruments

4. Critical accounting estimates and areas of judgement

The Group makes estimates and assumptions concerning the future, which by definition will seldom result in actual results that match the accounting estimate. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are those in relation to:

- the impairment of intangible exploration and evaluation assets;
- the fair value of intangible assets acquired on the acquisition of Edenville International Limited.
- Share based payments

Impairment – intangible exploration and evaluation assets

The Group is required to perform an impairment review, for each CGU to which the asset relates, when facts and circumstances suggest that the carrying amount of the asset may exceed its recoverable amount. The recoverable amount is based upon the Directors' judgements and are dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development and future profitable production or proceeds from the disposal until the technical feasibility and commercial viability of extracting a mineral resource becomes demonstrable, at which point the value is estimated based upon the present value of the discounted future cash flows.

Fair value of intangible assets

The Company holds Tanzanian prospecting licences through its subsidiary, Edenville International (Tanzania) Limited. The value of these intangible exploration assets acquired represents the fair value of the consideration paid by Edenville Energy plc at the time of the acquisition of Edenville International Limited.

The outcome of ongoing exploration and evaluation, and therefore whether the carrying value of exploration and evaluation assets will ultimately be recovered, is inherently uncertain. The directors have assessed the value of exploration and evaluation expenditure carried as intangible assets. In their opinion there has been no impairment loss to intangible exploration and evaluation assets in the period, other than the amounts charged to the income statement.

Share based payments

The estimate of share based payments costs requires management to select an appropriate valuation model and make decisions about various inputs into the model including the volatility of its own share price, the probable life of the options and the risk free interest rate.

Deferred Taxation

The deferred taxation liability is based on the fair value adjustment to the cost of the prospecting licences held by the Company's subsidiary, Edenville International (Tanzania) Limited on the date of acquisition.

The outcome of on going exploration and evaluation, and therefore whether the carrying value of exploration and evaluation assets will ultimately be recovered, is inherently uncertain. The directors have assessed the value of exploration and evaluation expenditure carried as intangible assets. In their opinion there has been no change to the fair value of the prospecting licenses originally acquired. Any change in the value of these prospecting licences will result in a change in the deferred tax liability.

5. Segmental information

The Board considers the business to have two reportable segments being Coal and Uranium exploration projects.

Other represents unallocated expenses and assets held by the head office. Unallocated assets primarily consist of cash and cash equivalents.

	Exploration Projects			
2015	**Coal**	**Uranium**	**Other**	**Total**
Consolidated Income Statement	**£**	**£**	**£**	**£**
Impairment of intangible assets	(688,740)	(2,904,804)	-	(3,593,544)
Other expenses	(130,430)	-	(739,969)	(870,399)
Group operating loss	(819,170)	(2,904,804)	(739,969)	(4,463,943)
Finance income	-	-	20	20
Loss on operations before taxation	(819,170)	(2,904,804)	(739,949)	(4,463,923)
Income tax	109,636	529,695	-	639,331
Loss for the year	(709,534)	(2,375,109)	(739,949)	3,824,592
2014				
Consolidated Income Statement				
Impairment of intangible assets	-	(1,271,482)	-	(1,271,482)
Share based payments	-	-	(147,977)	(147,977)
Other expenses	(52,337)	(63,958)	(779,010)	(895,305)
Group operating loss	(52,337)	(1,335,440)	(926,987)	(2,314,764)
Finance income	-	-	1,037	1,037
Loss on operations before taxation	(52,337)	(1,335,440)	(925,950)	(2,313,727)
Income tax	-	234,794	-	234,794
Loss for the year	(52,337)	(1,100,646)	(925,950)	(2,078,933)

By Business Segment	Carrying value of segment assets		Additions to non-current assets and intangibles		Total liabilities	
	£	£	£	£	£	£
Coal	5,527,042	5,072,495	302,468	193,910	214,734	269,932
Uranium	-	3,355,496	11,489	10,610	-	523,101
Other	315,103	657,510	-	-	34,848	42,200
	5,842,145	9,085,501	313,958	204,520	249,582	835,233

By Geographical Area						
	£	£	£	£	£	£
Africa (Tanzania)	5,527,042	8,427,991	313,958	204,520	214,734	793,033
Europe	315,103	657,510	-	-	34,848	42,200
	5,842,145	9,085,501	313,958	204,520	249,582	835,233

6. Administrative Expenses

	2015	2014
	£	£
Staff costs	417,339	397,244
Other expenses	453,060	498,061
	870,399	895,305
Share based payment charge	-	147,977
	870,399	1,043,282

7. Auditors' remuneration

	2015	2014
	£	£
Fees payable to the Company's auditor for the audit of the parent company and consolidated accounts	20,000	22,500

8. Employees

	2015	2014
	£	£
Wages and salaries	386,909	365,981
Social security costs	30,430	31,263
Share based payment charge	-	147,977
	417,339	545,221

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

	2015	2014
Administration	10	8

9. Directors' remuneration

	2015	2014
	£	£
Emoluments	335,306	365,981
Compensation for loss of office	51,000	-
Share based payment charge	-	147,977

	386,306	513,958

The highest paid director received remuneration of £130,000 (2014: £129,910).

10. Finance income

	2015 £	2014 £
Interest income on short-term bank deposits	20	9
Other interest receivable	-	1,028
	20	1,037

11. Income tax expense

	2015 £	2014 £
Current tax:		
Current tax on loss for the year	-	-
Total current tax	-	-
Deferred tax		
On write off/impairment on intangible assets	639,331	234,794
Tax charge for the year	639,331	234,794

No corporation tax charge arises in respect of the year due to the trading losses incurred. The Group has Corporation Tax losses available to be carried forward and used against trading profits arising in future periods of £4,053,465 (2014: £3,319,816).

A deferred tax asset of £728,612 (2014: £662,465) calculated at 18% (2014: 20%) has not been recognised in respect of the tax losses carried forward due to the uncertainty that profits will arise against which the losses can be offset.

The tax assessed for the year differs from the standard rate of corporation tax in the UK as follows:

	2015 £	2014 £

Loss on ordinary activities before tax	(4,463,923)	(2,313,727)
Expected tax credit at standard rate of UK Corporation Tax		
20% (2014: 20%)	(892,785)	(462,745)
Disallowable expenditure	745,680	307,947
Depreciation in excess of capital allowances	375	500
Tax losses carried forward	146,730	154,298
Tax charge for the year	-	-

12. Earnings per share

The basic loss per share is calculated by dividing the loss attributable to equity shareholders by the weighted average number of shares in issue.

The loss attributable to equity shareholders and weighted average number of ordinary shares for the purposes of calculating diluted earnings per ordinary share are identical to those used for basic earnings per ordinary share. This is because the exercise of warrants would have the effect of reducing the loss per ordinary share and is therefore anti-dilutive.

	2015	**2014**
	£	**£**
Net loss for the year attributable to ordinary shareholders	(3,824,592)	(2,078,933)
Weighted average number of shares in issue	7,930,181,098	5,344,172,342
Basic and diluted loss per share	(0.05p)	(0.04p)

13. Property, plant and equipment

	Plant and machinery	**Fixtures, fittings and equipment**	**Motor vehicles**	**Total**
	£	**£**	**£**	**£**
Cost				
As at 1 January 2014	7,471	6,651	76,856	90,978
Foreign Exchange Adjustment	-	138	3,334	3,472
As at 31 December 2014	7,471	6,789	80,190	94,450
Depreciation				
As at 1 January 2014	4,845	5,188	42,407	52,440
Charge for the year	656	365	10,454	11,475

Foreign exchange adjustment	-	138	1,721	1,859
As at 31 December 2014	5,501	5,691	54,582	65,774
Net book value				
As at 31 December 2014	1,970	1,098	25,608	28,676

	Plant and machinery £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
Cost				
As at 1 January 2015	7,471	6,789	80,190	94,450
Foreign exchange adjustment	-	130	3,137	3,267
As at 31 December 2015	7,471	6,919	83,327	97,717
Depreciation				
As at 1 January 2015	5,501	5,691	54,582	65,774
Charge for the year	492	274	6,664	7,430
Foreign exchange adjustment	-	130	2,091	2,221
As at 31 December 2015	5,993	6,095	63,337	75,425
Net book value				
As at 31 December 2015	1,478	824	19,990	22,292

14. Intangible assets

	Evaluation and Exploration Assets Tanzanian Licences £	Goodwill £	Total £
Cost or valuation			
As at 1 January 2014	9,281,826	1,234,517	10,516,343
Additions	204,520	-	204,520
Foreign exchange adjustment	403,780	68,416	472,196
Written off	(2,958,976)	-	(2,958,976)
At 31 December 2014	6,931,150	1,302,933	8,234,083
Accumulated amortisation and impairment			
As at 1 January 2014	1,687,494	-	1,687,494

Charge for the year	1,271,482	-	1,271,482
Written off	(2,958,976)	-	(2,958,976)
	-	-	-
Net book value			
As at 31 December 2014	6,931,150	1,302,933	8,234,083

	Evaluation and Exploration Assets Tanzanian Licences £	Goodwill £	Total £
Cost or valuation			
As at 1 January 2015	6,931,150	1,302,933	8,234,083
Additions	313,958	-	313,958
Foreign exchange adjustment	342,412	64,368	406,780
Written off	(3,593,544)	-	(3,593,544)
At 31 December 2015	3,993,976	1,367,301	5,361,277
Accumulated amortisation and impairment			
As at 1 January 2015	-	-	-
Charge for the year	-	-	-
	-	-	-
Net book value			
As at 31 December 2015	3,993,976	1,367,301	5,361,277

Tanzanian Licences and Goodwill

The Tanzanian licenses initially comprised six prospecting licences acquired on the acquisition of Edenville International (Tanzania) Limited in 2010. The Licenses are, located in a region displaying viable prospects for both uranium and coal and occur in a country where the government's policy for development of the mineral sector aims at attracting and enabling the private sector to take the lead in exploration mining, development, mineral beneficiation and marketing. The value of the assets obtained on acquisition represents the fair value of the consideration paid to the vendors. The area covered by these original 6 licences has since decreased as the licence renewal process has focused on smaller areas with the best drill results.

Edenville International (Tanzania) Limited has since acquired additional licences. Goodwill arose as a result of the valuation placed on the six Tanzanian licences acquired on the acquisition of Edenville (Tanzania) Limited. The allocation of the Goodwill was based on the valuation of the Group's licences.

In 2015 as the Group focused firmly on the development of the Rukwa Coal to Power Project the directors have looked at rationalisation of other licences which will allow available funds to be focussed on the development of the Group's core asset at Rukwa.

Three exploration licences in Tanzania have consequently been relinquished. These licences are numbered PL5790, PL5659 and PL6174. The licences were originally acquired for shares at the time of the Company's admission to AIM in 2010. They were found after investigation to contain little indication of economic mineralisation.

The Directors have considered the status of the remaining projects at the year end and do not consider there are any facts or circumstances that would require an impairment review to be performed.

15. Trade and other receivables

	2015	2014
	£	£
Receivables	4,000	700
VAT receivable	132,652	170,860
Prepayments	5,272	9,352
	141,924	180,912

There was no provision for impairment of receivables at 31 December 2015 (2014: £nil).

16. Cash and cash equivalents

Cash and cash equivalents include the following for the purposes of the cash flow statement:

	2015	2014
	£	£
Cash at bank and in hand	316,652	641,830

17. Trade and other payables

	2015	2014
	£	£
Trade and other payables	19,428	18,001
Accruals and deferred income	85,664	70,310
	105,092	88,311

18. Deferred Taxation

A deferred tax liability of £144,490 (2014: £746,922) calculated at 30% (2014: 30%) has been provided in respect of the potential tax liability arising on licenses acquired on the acquisition of Edenville International (Tanzania) Limited. The deferred tax liability relate to a fair value adjustment made to the original six

Tanzanian prospecting licences. During the year, three of these licences was written off, having already written off two previously, resulting in the fair value adjustment relating to this licence. As a consequence the deferred tax liability was reduced by £639,331.

	2015	2014
	£	£
Provision brought forward	746,922	930,167
Foreign exchange movement	36,899	51,549
Released in the year	(639,331)	(234,794)
Provision carried forward	144,490	746,922

19. Called-up share capital

	2015	2014
	No	No
Issued and fully paid		
Ordinary shares of 0.02p each	9,108,171,206	7,186,921,205
Deferred shares of 0.08p each	64,179,632	64,179,932
	9,172,350,838	7,251,101,137

	2015	2014
	£	£
Issued and fully paid		
Ordinary shares of 0.02p each	1,821,634	1,437,384
Deferred shares of 0.08p each	51,344	51,344
	1,872,978	1,488,728

On 23 April 2015 the Company issued 625,000,000 new ordinary shares of 0.02p each for a consideration of 0.04p per share.

On 9 June 2015 the Company issued 12,500,000 new ordinary shares of 0.02p each for a consideration of 0.054p per share.

On 1 July 2015 the Company issued 20,000,000 new ordinary shares of 0.02p each for a consideration of 0.054p per share.

On 2 July 2015 the Company issued 59,722,222 new ordinary shares of 0.02p each for a consideration of 0.054p per share.

On 16 July 2015 the Company issued 16,527,778 new ordinary shares of 0.02p each for a consideration of 0.054p per share.

On 14 August 2015 the Company issued 500,000,000 new ordinary shares of 0.02p each for a consideration of 0.05p per share.

On 2 September 2015 the Company issued 62,500,000 new ordinary shares of 0.02p each for a consideration of 0.054p per share.

On 7 December 2015 the Company issued 625,000,000 new ordinary shares of 0.02p each for a consideration of 0.04p per share.

The rights attaching to the deferred shares are as follows:

a) no dividend or other distribution shall be paid or made in respect of the deferred shares;

b) the holders of deferred shares shall not be entitled to receive notice of, or to attend and vote at any general meeting of the Company;

c) on a return of capital, whether on a winding-up or otherwise, the holders of deferred shares shall be entitled to receive only the amount credited as paid up on each share, but only after the holders of each ordinary share have received the amount paid up or credited as paid up on each share, together with a payment of £10,000 per share;

d) the Company may transfer the shares without making any payment to the holders thereof, to such persons as the Company may determine, and acquire the same in accordance with the provisions of the Companies Acts at a price of 0.08p each.

20. Capital and reserves attributable to shareholders

Capital and reserves attributable to shareholders	**2015**	**2014**
	£	**£**
Share capital	1,872,978	1,488,728
Share premium	13,623,545	13,215,320
Other reserves	149,708	(169,981)
Retained deficit	(10,059,286)	(6,296,761)
Total equity	5,586,945	8,237,306

21. Capital management policy

The Group's policy on capital management is to maintain a low level of gearing. The group funds its operation through equity funding.

The Group defines the capital it manages as equity shareholders' funds less cash and cash equivalents.

The Group objectives when managing its capital are:

- To safeguard the group's ability to continue as a going concern.
- To provide adequate resources to fund its exploration activities with a view to providing returns to its investors.
- To maintain sufficient financial resources to mitigate against risk and unforeseen events.

The group's cash reserves are reported to the board and closely monitored against the planned work program and annual budget. Where additional cash resources are required the following factors are taken into account:

- the size and nature of the requirement.
- preferred sources of finance.
- market conditions.
- opportunities to collaborate with third parties to reduce the cash requirement.

22. Financial instruments

The Board of Directors determine, as required, the degree to which it is appropriate to use financial instruments to mitigate risk with the main risk affecting such instruments being foreign exchange risk, which is discussed below.

Categories of financial instruments	**2015**	**2014**
	£	**£**
Financial assets		
Receivables at amortised cost including cash and cash equivalents:		
Cash and cash equivalents	316,652	641,830
Trade and other receivables	141,924	180,912
Total	458,576	822,742
Financial liabilities		
Financial liabilities at amortised cost:		
Trade and other payables	105,092	88,311
Net	353,484	734,431

Cash and cash equivalents

This comprises cash held by the Group and short-term deposits. The carrying amount of these assets approximates to their fair value.

General risk management principles

The Directors have an overall responsibility for the establishment of the Group's risk management framework. A formal risk assessment and management framework for assessing, monitoring and managing the strategic, operational and financial risks of the Group is in place to ensure appropriate risk management of its operations.

The following represent the key financial risks that the Group faces:

Interest rate risk

The Group is not exposed to significant interest rate risks as it does not have any interest bearing liabilities and its only interest-bearing asset is cash invested on a short-term basis which attracts interest at the bank's variable interest rate.

Credit risk

Credit risk arises principally from the Group's trade receivables and investments in cash deposits. It is the risk that the counterparty fails to discharge its obligation in respect of the instrument.

The Group holds its cash balances with reputable financial institutions with strong credit ratings. There were no amounts past due at the balance sheet date.

The maximum exposure to credit risk in respect of the above at 31 December 2015 is the carrying value of financial assets recorded in the financial statements.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as and when they fall due.

Liquidity risk is managed through an assessment of short, medium and long-term cash flow forecasts to ensure the adequacy of working capital.

The Group's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due. To achieve this aim, it seeks to maintain cash balances to meet expected requirements for a period of one year.

Currency Risk

The Group is exposed to currency risk as the assets of its subsidiaries are denominated in US Dollars. The Group's policy is, where possible, to allow group entities to settle liabilities denominated in their functional currency (primarily US Dollars) with cash. The Company transfers amounts in sterling or US dollars to its subsidiaries to fund its operations. Where this is not possible the parent company settles the liability on behalf of its subsidiaries and will therefore be exposed to currency risk.

The Group has no formal policy is respect of foreign exchange risk; however, it reviews its currency exposure on a regular basis. Currency exposures relating to monetary assets held by foreign operations are included in the Group's income statement. The Group also manages its currency exposure by retaining the majority of its cash balances in sterling, being a relatively stable currency.

The effect of a 10% rise or fall in the US dollar/Sterling exchange rate would result in an increase or decrease in the net assets of the group of £528,623.

Fair value of financial assets and liabilities

Fair value is the amount at which a financial instrument could be exchanged in an arm's length transaction between informed and willing parties, other than a forced or liquidation sale and excludes accrued interest.

Where available, market values have been used to determine fair values. Where market values are not available, fair values have been calculated by discounting expected cash flows at prevailing interest rates and by applying year end exchange rates.

The Directors consider that there is no significant difference between the book value and fair value of the Group's financial assets and liabilities.

23. Equity settled share-based payments

The following options over ordinary shares have been granted by the Company:

Date	Exercise price	Exercise period	Number of options/warrants
21 October 2013	0.25p	9 Years	226,586,603

At the date of grant, the options were valued using the Black-Scholes option pricing model. The fair value per option granted and the assumptions used in the calculation were as follows:

The options granted on 21 October 2013 are exercisable from 21 October 2014. The options are valid for a period of 10 years from the date of grant. There are no vesting conditions.

Date of grant	21.10.13
Expected volatility	85%
Expected life	4 years
Risk-free interest rate	1.23%
Fair value per option	0.09p

The charge to the income statement for share based payments for the year ended 31 December 2015 was £Nil (2014: £147,977).

Movements in the number of options and warrants outstanding and their related weighted average exercise prices are as follows:

	2015		2014	
	Number of options	Weighted average exercise price per share	Number of options	Weighted average exercise price per share
		pence		pence
At 1 January	203,465,521	0.25	226,586,603	0.25
Cancelled	(60,114,813)	(0.25)	(23,121,082)	(0.25)
At 31 December	143,350,708	0.25	203,465,521	0.25

The average volatility is used in determining the share based payment expense to be recognised in the year. This was calculated by reference to the standard deviation of the Company share price. All of the above options are equity settled.

The weighted average remaining contractual life of options as at 31 December 2015 was 7.81 years (2014: 8.81 years)

During the year the Company granted 500,000,000 warrants exercisable from 3 August 2015 for a period of 12 months at 0.0675p.

24. Reserves

The following describes the nature and purpose of each reserve:

Share Capital	represents the nominal value of equity shares
Share Premium	amount subscribed for share capital in excess of the nominal value
Share Option Reserve	fair value of the employee equity settled share option scheme as accrued at the balance sheet date.
Foreign Currency Translation Reserve	gains/losses arising on retranslating the net assets of overseas operations into pounds sterling
Retained Earnings	Cumulative net gains and losses less distributions made

25. Related party transactions

Rakesh Patel, who resigned on 3 June 2015, is a partner in Adler Shine LLP. During the year the Company paid £7,000 (2014: £30,300) to Adler Shine LLP for accounting services provided in the year to Mr Patel's resignation date.

During the year the Company paid £28,750 (2014: £35,175) for engineering services to Sunjem Consulting Limited, which is controlled by the director Mark Pryor.

During the year the Directors Rufus Short, Sally Schofield and Rakesh Patel were each paid £nil (2014: £5,000) in respect of the share issues.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling activities of the Company, and are all directors of the Company. For details of their compensation please refer to the Remuneration report.

26. Events after the reporting date

In March 2016 the Company placed 1,333,333,333 new ordinary shares of 0.02p each for a placing price of 0.03p, providing the Company with £400,000 additional funds. In addition, subscribers to the placing were issued with 666,666,666 warrants exercisable for 18 months from Admission at 0.04p per warrant into an equivalent number of ordinary shares in the Company.

27. Ultimate Controlling Party

The Group considers that there is no ultimate controlling party.