Gemstones of Africa Group Plc

(Formerley TV Commerce Holdings Plc)

Annual Report & Accounts

For the year ended 31 December 2008

Annual Report and Financial Statements

for the year ended 31 December 2008

Contents

Company Information

Directors	**Simon Rollason** (Non Executive Chairman) **John David Hargreaves** (Managing Director) **Rakesh Ramesh Patel** (Non Executive Director) **Nicholas John Eastwood** (Non Executive Director)
Company Secretary	**David Venus and Company LLP**
Registered Office	Aston House Cornwall Avenue London Greater London N3 1LF
Company Number	05292528
Nominated Adviser and Broker	**Daniel Stewart & Company** Becket House 36 Old Jewry London EC2R 8DD
Bankers	**Barclays Bank Plc** 9 High Street Stony Stratford Milton Keynes MK11 1HR
Auditors	**HW Fisher & Company** Acre House 11-15 William Road London NW1 3ER
Solicitors	**Harbottle & Lewis** Hanover House 14 Hanover Square London W1S 1HP
Registrars	**Capita Registrars Limited** The Registry 34 Beckenham Road Beckenham Kent BR3 4TU

Chairman's Statement

I am pleased to report on the Company's accounts for the year ended 31st December 2008.

Overview

The year under review has been one of complete transition from a trading business into an investing company.

On 29 January 2008, in the Company's half-yearly report the background to the closure of TV Commerce Limited due to an unexpected change in the regulations governing the telecommunication and media sector was explained. Since that date, the Board has taken steps to maximise value for shareholders.

Following the AGM held on 10 August 2007, the company applied to the courts for a capital reorganisation within the Company. This was approved on 23 January 2008. On 12 March 2008, the Company announced the payment of 0.6231p per share, in aggregate £399,903 to shareholders in relation to the capital reduction. The Company's shares were suspended from trading on AIM on 26 June 2008. Following a capital reorganisation and fundraising of £250,000 in September 2008, and a change in the company's activity to that of an investing company, the company's shares were readmitted to trading on AIM on 30 September 2008. On 9 December 2008, the Company raised £350,000 from the placing of shares to Allianz Insurers Plc.

On 23 January 2009, the Company changed its name to Gemstones of Africa Group plc to reflect its investing strategy.

Results and Financial Position

The Group's results for the year ended 31 December 2008 show a loss on ordinary activities before taxation of £88,940 (2007: loss £100,360) on a turnover of £nil (2007: £199,724). The results for the year derives from interest received less administrative costs of running the Group and include profits of £6,293 in respect of the subsidiary disposed of during the year. Further details are contained in note 11 of the notes to the Group Financial Statements.

Net assets as at 31 December 2008 were £489,746, compared with £392,154 at the end of 2007, of which the Group had cash resources of £491,421 at 31 December 2008.

The Company did not pay or propose a dividend during the year.

Change of Board and Investing Strategy

On 31 October 2008, the Company disposed of its wholly-owned subsidiary, TV Commerce Limited (TVC) to Vince Stanzione, a director of that company, for a consideration of £1. The activities of TVC were closed on 28 February 2007. At the date of disposal, TVC had net liabilities of £11,973, removal of which improves the Group's consolidated balance sheet. The Group Income Statement for the year includes profits of £6,293 in respect of TVC, being profits up to the date of disposal.

On 3 November 2008, the previous directors all resigned and a board comprising of David Hargreaves, Rakesh Patel and Nicholas Eastwood were appointed in their place to pursue the Company's strategy of investing, participating in joint ventures or acquiring one or more companies or businesses, in the natural resource sector in Africa (and other geographical areas where considered appropriate). There are particularly good geological prospects in Tanzania which GOA intends to develop and promote to the highest ethical and fair trade standards.

On 13 March 2009, the Company entered into a collaboration and option agreement leading to a joint venture agreement on a group of emerald mining licences in Tanzania, Africa, with Obtala Resources Plc and Obtala's subsidiary Mindex Invest Limited. Under the terms of the option agreement the company acquired an initial twelve and a half per cent beneficial interest in the licences in exchange for issuing common shares the equivalent of five per cent of the company's share capital to Obtala (option 1), totalling 71,428,571 shares. This equity, which equates to a value of £446,428 (based on the closing price on 12 March 2009 of 0.625p per Ordinary Shares), is placed in Obtala treasury. If within 24 months of acquiring the initial interest, the company has incurred exploration costs of not less than US$75,000, then the Company has a right to a further twelve and a half percent beneficial interest in the licences (totalling twenty five per cent).

On 5 June 2009, the company signed an option agreement with Javan Investments Company Limited, a private Tanzanian registered company for two prospecting licences in Tanzania. Under the terms of the option agreement Gemstones of Africa acquired an initial 25% interest in both licences for a cash consideration of US$15,000 per licence.

We are excited by the prospects for these licences. They occur in known, gem bearing ground in a country which has demonstrated a commercial approach to foreign investment and offers reasonable infrastructure. We will update shareholders with development milestones as appropriate.

On 1 June 2009, I was appointed as Non-Executive Chairman. I replaced David Hargreaves as Chairman, and David continues with the company as Managing Director.

The Directors believe that the natural resource sector is capable of delivering attractive levels of investment return and that there are a number of companies in this sector that would benefit from greater access to capital, quoted company profile and support.

When an acquisition has been identified, the Directors will mandate an independent and suitably qualified person with relevant experience to perform due diligence on any potential acquisition.

The Directors intend to pursue such investment opportunities and intend to fund them by using a combination of cash, the issue by the Company of new securities and possibly through debt finance as the Directors consider appropriate.

Prospects

Further announcements will be made as and when necessary.

S. Rollason
Chairman

29 June 2009

Report of the Directors

The Directors present their Report, together with the Group and Company Financial Statements and Auditors' Reports, for the year ended 31 December 2008.

Principal Activities and Business Review

The Group's results for the year are set out in the Group Income Statement in the Financial Statements. On 28 February 2007, the Board announced its decision in relation to the closure of TV Commerce Limited (TVC), the Group's main trading subsidiary, since which time the Company has not traded. TVC was disposed during the year. The Company's other subsidiary, The Advert Channel Limited, was also dissolved on 5 February 2008 and Gemstones of Africa Limited was incorporated on 25 November 2008. On 31 December 2008, the Company changed its name from TV Commerce Holdings Plc to Gemstones of Africa Group Plc.

Strategy

As outlined in the Chairman's statement, the Company's strategy is that of investing in or, participating in joint ventures, with companies or businesses in, the natural resources sector in Africa.

Principal Risks and Uncertainties

Unless it can satisfy AIM that it has implemented its investing policy the Company will be required by AIM Rule 15 to complete a reverse takeover (as defined by the AIM Rules) by 30 September 2009. Despite its recent investments AIM are yet to provide this confirmation.

The principal risk is that further funds are not raised when required to exploit investment opportunities as they arise. A future risk is that the investments made do not yield material returns.

As the Group has only recently changed its strategy, appropriate key performances indicators are being developed to monitor and communicate the progress being made on the exploration licences. These indicators reflect the exploration milestones typically included in the licence agreements and are therefore tailored specifically to each exploration project

Results

The Group's loss for the year is £88,940 (2007: £100,360), including a profit of £6,293 from its discontinued operations.

Directors

N.J. Eastwood (appointed 3 November 2008)
R.R. Patel (appointed 3 November 2008)
J.D. Hargreaves (Managing Director) (appointed 3 November 2008)
S. Rollason (Non-Executive Chairman) (appointed 1 June 2009)
A. Mintern (Non-Executive Chairman) (resigned 3 November 2008)
V. Stanzione (Managing Director) (resigned 3 November 2008)

Post Balance Sheet Events

Post Balance Sheet Events are discussed under Changes of Board and Investing Strategy in the Chairman's Statement.

Environmental Matters

The Group aims to protect and preserve the environment and is committed to energy efficient operations. Wherever possible, waste materials are recycled and re-used. Paper and cardboard waste is separated for recycling and processes are continually examined to look for efficient, but environmentally-friendly, alternatives.

Employees

The Group is an equal opportunities employer. Applications for employment are always fully considered irrespective of gender, ethnic origin, race, religion or sexual orientation. It is also the Group's policy to give full and fair consideration to the employment of applicants who are disabled, bearing in mind the aptitude and abilities of each person in relation to the requirements of the job.

Policy and Practice on Payment of Creditors

The Group's policy for all suppliers is to fix terms of payment when agreeing the terms of each business transaction, to ensure the supplier is aware of those terms and to abide by the agreed terms of payment. The creditor payment days outstanding for the Group at 31 December 2008 were 39 days (2007: 3 days).

International Financial Reporting Standards

The Directors implemented International Financial Reporting Standards in respect of the Group Financial Statements for the first time in 2007, as requested by the Alternative Investment Market.

The Company's Financial Statements continue to be prepared under UK GAAP. Therefore the Company's Financial Statements and the associated notes, together with the Auditor's Report on these Financial Statements, are presented separately from the Group, starting on page 26.

Financial Risk Management

Financial Instruments are not material, for assessing the Group and Company's assets, liabilities, financial position or performance.

Provision of Information to Auditors

So far as each of the Directors is aware at the time the report is approved:

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

Auditors

H.W. Fisher & Company replaced Littlejohn as auditors. H.W. Fisher & Company has expressed their willingness to continue in office as auditors and a resolution to re-appoint them will be proposed at the next Annual General meeting.

This report was approved by the board on 29 June 2009 and signed on its behalf.

J. D. Hargreaves
Director

Statement of Directors' Responsibilities

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

Company law requires the Directors to prepare Financial Statements for each financial year. Under that law the Directors have prepared the Group Financial Statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and Company Financial Statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom accounting standards and applicable law). The Financial Statements are required by law to give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that year. In preparing these Financial Statements the Directors are required to:

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

The Directors confirm that they have complied with the above requirements in preparing the Financial Statements.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and the Group, and enable them to ensure that the Financial Statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and the Group, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Remuneration Report

The Remuneration Committee comprises the Company's Non-Executive directors, Simon Rollason, Rakesh Patel and Nicholas Eastwood. The Committee is, within agreed terms of reference, responsible for making recommendations to the Directors on matters relating to the Group's remuneration structure, including pension rights, the policy on compensation of Executive Directors and their terms of employment, with the objective of attracting, motivating and retaining high quality individuals who will contribute fully to the success of the Group's businesses.

Remuneration Policy

Salaries are reviewed annually on the basis of market comparisons with positions of similar responsibility and scope in comparable industries. The Committee takes into account both Group and personal performance in reviewing Directors' salaries.

Non-Executive Directors' Remuneration

Fees for Non-Executive Directors are determined by the Board on the basis of market comparisons with positions of similar responsibility and scope in companies of a similar size in comparable industries. Non-Executive Directors do not have service contracts, are not eligible for pension scheme membership and do not participate in any of the Group's bonus schemes.

Directors' Remuneration

Details of remuneration of the Directors of the Company who served in the year ended 31 December 2008 are set out below:

Name	Fees and Other Remuneration £	Taxable Benefits £	Pension Contributions £	2008 Total £	2007 Total £
Executive					
David Hargreaves	6,250	–	–	6,250	–
Chelsea Baker (resigned 1 March 2007)	–	–	–	–	53,750
Non-Executive					
Rakesh Patel	5,833	–	–	5,833	–
Nicholas Eastwood	1,667	–	–	1,667	–
Andrew Mintern (resigned 3 November 2008)	2,000	–	–	2,000	20,000
	15,750	–	–	15,750	73,750

Service Agreements

The Committee has adopted current best practice in respect of service agreements issued on all new appointments. Executive Directors are employed under six month rolling service contracts.

Share Options

None of the directors or employees of the Company have any share options.

Corporate Governance

Compliance with the FRC Code

Under the AIM Rules, the Company is not required to comply with the FRC Code. Nevertheless the Company has taken steps to comply with the Code in so far as it can be applied practically, given the size of the Company and the nature of its operations.

The Company has complied with the provisions set out in Section 1 of the FRC Code as annexed to the Listing Rules of the Financial Services Authority since its admission to the Alternative Investment Market of the London Stock Exchange in August 2003, to the extent that they are practical for a Group of its size and resources. The Directors consider that the Group is not of a size to warrant the need for a separate nominations committee or internal audit function.

Board of Directors

The Board consists of one Executive and three Non-Executive Directors. The Non-Executive Directors are considered to be independent according to the requirements of the Code.

The Board meets not less than four times a year and has formally adopted a schedule of matters which are required to be brought to it for decision, which ensures that it maintains full and effective control over appropriate strategic, financial, operational and compliance issues. Directors receive an information pack in the week before each Board meeting, which contains background information on the agenda items.

Board Committees

There are two Board Committees, namely the Audit and Remuneration Committee consisting solely of the Non-Executive Directors.

The Audit Committee meets at least once a year and is chaired by Simon Rollason. The Company's external auditors and the Executive Director normally attend part of these meetings. The Committee is responsible for reviewing the accounting policies, internal control assessment and the financial information contained in the Annual and Interim Reports. It provides an opportunity for the Non-Executive Director to make independent judgements and contributions thus furthering the effectiveness of the Group's internal financial controls.

The Remuneration Committee is chaired by Simon Rollason and sets the remuneration of the Company's Executive Directors. It also reviews the Company's employment strategy generally. Executive Directors may be invited to attend Committee meetings but will not be present during any discussion of their own pay arrangements.

Internal Control

The Board is ultimately responsible for the Group's system of internal control and for reviewing its effectiveness.

A comprehensive budgetary process is completed once a year and is reviewed and approved by the Board. The Group's results as compared to the budget and prior year are reported to the Board on a regular basis.

Independent Auditors' Report – Group

to the members of Gemstones of Africa Group Plc

We have audited the Group Financial Statements (the "Financial Statements") of Gemstones of Africa Group Plc for the year ended 31 December 2008 which comprise the Group Balance Sheet, the Group Income Statement, and the Group Statements of Changes in Shareholders' Equity, the Group Cash Flow Statement, the accounting policies and the related notes. These Group Financial Statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's shareholders, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of Directors and Auditors

The Directors' responsibilities for preparing the Annual Report and the Group Financial Statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the Group Financial Statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the Group Financial Statements give a true and fair view and whether the Group Financial Statements have been properly prepared in accordance with Companies Act 1985. We also report to you whether, in our opinion, the information given in the Directors' Report is consistent with the Group Financial Statements.

In addition we report to you if, in our opinion, the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read other information contained in the Annual Report and consider whether it is consistent with the audited Group Financial Statements. The other information comprises only the Directors' Report, the Chairman's Statement, the Corporate Governance Report and the Remuneration Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the Group Financial Statements. Our responsibilities do not extend to any other information.

Basis of Audit Opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the Group Financial Statements. It also includes an assessment of the significant estimates and judgments made by the Directors in the preparation of the Group Financial Statements, and of whether the accounting policies are appropriate to the Group's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Group Financial Statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the Group Financial Statements.

Opinion

In our opinion:

- the Group Financial Statements give a true and fair view, in accordance with IFRSs as adopted by the European Union, of the state of the Group's affairs as at 31 December 2008 and of the Group's loss for the year then ended;
- the Group Financial Statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the Group Financial Statements.

H.W. Fisher & Company
Chartered Accountants
and Registered Auditor
London

29 June 2009

Group Income Statement

for the year ended 31 December 2008

	Note	2008 £	2007 £
Turnover	3	–	199,724
Cost of Sales		–	(114,576)
Gross Profit		–	85,148
Administration expenses	4	(126,356)	(238,006)
Other income	8	33,526	38,436
Group Operating Loss		(92,830)	(114,422)
Finance income	9	4,072	14,555
Finance costs	9	(182)	(493)
Finance income – net	9	3,890	14,062
Loss on Operations before Taxation		(88,940)	(100,360)
Corporation tax expense	10	–	–
Loss for the year		(88,940)	(100,360)
Comprising:			
Loss for the year from continuing operations		(95,233)	(159,218)
Profit for the year from discontinued operations	11	6,293	58,858
Loss for the year		(88,940)	(100,360)
Attributable to:			
Equity holders of the Company		(88,940)	(100,360)
Earnings per Share for Profit from Operations			
Attributable to the Equity Holders of the Company during the year			
Basic and Diluted	12	(0.02p)	(0.16p)

The notes on pages 15 to 25 form part of these Group Financial Statements

Group Balance Sheet

at 31 December 2008

	Note	2008 £	2007 £
Current Assets			
Trade and other receivables	13	16,390	–
Cash and cash equivalents	14	491,421	438,247
		507,811	438,247
Assets of disposal group classified as held-for-sale	15	–	2,888
Total Assets		507,811	441,135
Current Liabilities			
Trade and other payables	16	18,065	32,491
Liabilities of disposal group classified as held-for-sale	15	–	16,490
Total Liabilities		18,065	48,981
Net Assets		489,746	392,154
Capital and Reserves attributable to Equity holders of the Company			
Called-up share capital	17	315,847	641,796
Share premium account		301,327	624,066
Merger reserve		–	66,351
Share option reserve		33,441	–
Retained earnings		(160,869)	(940,059)
		489,746	392,154

The Group Financial Statements were approved and authorised for issue by the Board of Directors on 29 June 2009 and were signed on its behalf by:

J. D. Hargreaves
Director

The notes on pages 15 to 25 form part of these Group Financial Statements

Group Statement of Changes in Equity

for the year ended 31 December 2008

	Share Capital £	Share Premium £	Retained Earnings Account £	Share Option Reserve £	Merger Reserve £	Total £
At 1 January 2007	641,796	624,066	(839,699)	–	66,351	492,514
Loss for the year	–	–	(100,360)	–	–	(100,360)
At 31 December 2007	641,796	624,066	(940,059)	–	66,351	392,154
Cancellation of deferred shares	(177,713)	–	177,713	–	–	–
Cancellation of share premium	–	(624,066)	624,066	–	–	–
Capital reduction	(399,903)	–	–	–	–	(399,903)
Proceed from shares issued	251,667	348,333	–	–	–	600,000
Cost of shares issued	–	(47,006)	–	–	–	(47,006)
On closure of subsidiary	–	–	66,351	–	(66,351)	–
Share option reserve	–	–	–	33,441	–	33,441
Loss for the year	–	–	(88,940)	–	–	(88,940)
At 31 December 2008	315,847	301,327	(160,869)	33,441	–	489,746

The notes on pages 15 to 25 form part of these Group Financial Statements

Group Cash Flow Statement

for the year ended 31 December 2008

	Note	2008 £	2007 £
Cash flows from operating activities			
Operating loss		(92,830)	(114,422)
Profit on disposal of subsidiary		11,974	–
Gain on disposal of equipment		–	(38,436)
Share based payments		33,441	–
(Increase)/decrease in trade and other receivables		(10,439)	423,706
Decrease in trade and other payables		(45,954)	(156,909)
Cash generated from operations		(103,808)	113,939
Finance income		4,072	14,555
Finance costs		(182)	(493)
Net cash inflow from operating activities		(99,918)	128,001
Cash flows from financing activities			
Proceeds from issue of shares		600,000	–
Capital reduction		(399,903)	–
Share issue costs		(47,006)	–
		153,091	–
Cash flows from investing activities			
Proceeds from sale of equipment		–	48,936
Proceeds from disposal group classified as held-for-sale		1	
Net cash from/used in investing activities		1	48,936
Net Increase in cash and cash equivalents		53,174	176,937
Cash and cash equivalents at beginning of year		438,247	261,310
Cash and cash equivalents at end of year	14	491,421	438,247

The notes on pages 15 to 25 form part of these Group Financial Statements

Notes to the Group Financial Statements

for the year ended 31 December 2008

Group Accounting Policies

Basis of Preparation of Group Financial Statements

TV Commerce Holdings Limited was incorporated on 22 November 2007 in England and Wales under the Companies Act 1985. On 18 January 2005, TV Commerce Holdings Limited re-registered as TV Commerce Holdings Plc and on 23 January 2009 it changed its name to Gemstones of Africa Group Plc ("the Company").

The registered number of the Company is 5292528.

The address of its registered office is Aston House, Cornwall Avenue, London, N3 1LF.

The Group Financial Statements have been prepared in accordance with EU-endorsed International Financial Reporting Standards (IFRS), IFRIC Interpretations and the parts of the Companies Act 1985 applicable to companies reporting under IFRS. The Group Financial Statements have also been prepared under the historical cost convention.

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 Financial Statements are disclosed in Note 2.

The Company's Financial Statements continue to be prepared under UK GAAP. Therefore the Company's Financial Statements and the associated notes, together with the Auditor's Report on these Financial Statements, are presented separately from the Group, starting on page 26.

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:

International Accounting Standards (IAS/IFRSs)

IFRS 2	Amendment to Share-based Payments: Vesting Conditions and Cancellations
IFRS 3	Business Combinations (revised 2008)
IFRS 5	Non-Current Assets Held for Sale and Discontinued Operations (revised May 2008)
IFRS 8	Operating Segments
IAS 1	Presentation of Financial Statements (revised 2007 and 2008)
IAS 23	Borrowing Costs (revised 2007 and 2008)
IAS 27	Consolidated and Separate Financial Statements (revised 2008)
IAS 32	Financial Instruments: Presentation (revised 2008)
IAS 36	Impairment of Assets
IAS 39	Financial Instruments: Recognition and Measurement (revised 2008)

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

FRS20 "Share – based payments" requires that the fair value of options awarded to employees is charged to the profit and loss account over the period during which the employees become unconditionally entitled to the options.

Group Accounting Policies continued

Basis of Consolidation

The Group Financial Statements consolidate the Financial Statements of Gemstones of Africa Group Plc (formerly TV Commerce Holdings Plc) and all its subsidiary undertakings made up to 31 December 2008 accounted for under merger accounting. Profits and losses on intra-group transactions are eliminated on consolidation. A separate profit and loss for the parent company, Gemstones of Africa Group Plc, has been omitted under the provisions of s408 of the Companies Act 2006.

The subsidiary TV Commerce Limited is fully consolidated from the start of the year to its date of cessation.

Segmental Reporting

The Group does not have separately identifiable business or geographical segments which are material to disclose.

Presentational and Functional Currency

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

Financial Assets

Financial assets comprise only cash and receivables. Receivables are measured after initial recognition at amortised cost, using the effective interest method, less provision for impairment. Any change in their value impairment or reversal of impairment is recognised in the Income Statement.

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 in hand.

Disposal Group Held for Sale

A disposal group is a group of assets and liabilities whose carrying amount wl be recovered principally through a sale transaction, not through continuing use. A disposal group held-for-sale is measured at the lower of its carrying amount immediately prior to its classification as held-for-sale and its fair value less costs to sell.

Discontinued Operations

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

- represents a separate major line of business or geographical area of operations;
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- is a subsidiary acquired exclusively with a view to resale

The disclosures for prior periods have been re-presented to show the results of discontinued operations separately from continuing operations. A more detailed breakdown of assets, liabilities, turnover and expenses relating to discontinued operations is shown in note 11 to the accounts.

Group Accounting Policies continued

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.

Revenue Recognition

Revenue comprises the fair value of the consideration received or receivable by the Group for goods supplied and services provided in the ordinary course of the Group's activities, excluding VAT and trade discounts. Revenue is recognised upon the performance of services or the transfer of risk to the customer.

1 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.

2 Critical Accounting Estimates and Judgements

The Company and Group are not trading and there are no critical accounting estimates and judgements made.

3 Turnover

All the Group's turnover arose from the Group's main activities, which are based in the United Kingdom and relate to the Group's principal activity.

4 Expenses by Nature

	2008 £	2007 £
Staff costs	15,750	78,526
Other expenses	70,848	93,699
Total Administrative Expenses on Continuing Operations	86,598	172,225
Total Administrative Expenses of Discontinued Operations	39,758	65,781
	126,356	238,006

5 Auditors' Remuneration

	2008 £	2007 £
Fees payable to the Company's auditor for the audit of the annual Parent Company and consolidated accounts	5,500	2,000
Fees payable to the Company's auditor and its associates for other services provided to the Company and is subsidiaries:		
Tax services	1,500	2,500
All other services	–	3,000

6 Employees

	2008 £	2007 £
Staff Costs (including Directors)		
Wages and salaries	15,750	73,750
Social security costs	–	4,776
	15,750	78,526

Average Number of Employees (including Directors)	No.	No.
Administration	3	2

Notes to the Group Financial Statements

continued

7 Directors' Remuneration

	2008 £	2007 £
Emoluments	15,750	43,750
Compensation for loss of office	–	30,000
	15,750	73,750

8 Other Income

	2008 £	2007 £
Profit on disposal of equipment	–	38,436
Profit on disposal of subsidiary	11,974	–
Loan waiver	21,552	–
	33,526	38,436

The proceeds received from disposal of the subsidiary were £1. The net liability of the subsidiary at that date were £11,973 giving rise to a profit on disposal of £11,974.

9 Finance Income and Costs

	2008 £	2007 £
Finance income – interest income on short-term bank deposits	4,072	14,555
Finance costs – interest expense	(182)	(493)
	3,890	14,062

10 Taxation

No UK Corporation Tax charge arises in respect of the year due to the trading losses incurred. The Group has UK Corporation Tax losses available to be carried forward and used against trading profits arising in future periods of £435,010 (2007: £832,878).

A deferred tax asset has not been recognised in respect of the tax losses carried forward as it is unlikely 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:

	2008 £	2007 £
Loss on ordinary activities before tax	(88,940)	(100,360)
Expected tax charge/(credit) at effective rate/(standard rate) of UK Corporation Tax 20.75% (2007: 19%)	(18,455)	(19,068)
Tax losses carried forward	18,455	19,068
Tax charge for the year	–	–

The standard rate of UK corporation tax will be reduced from 20% to 21% from April 2008. This has no effect on the Group Financial Statements.

11 Analysis of the result of discontinued operations, and the result recognised

	2008 £	2007 £
Discontinued operations		
Turnover	–	199,724
Cost of Sales	–	(114,576)
Gross profit	–	85,148
Administration expenses	(39,758)	(65,781)
Other income	46,135	38,436
Discontinued operating profit	6,377	57,803
Finance income	–	1,505
Finance costs	(84)	(450)
Finance income – net	(84)	1,055
Profit on discontinued operations before taxation	6,293	58,858
Corporation tax expense	–	–
Profit for the year from discontinued operations	6,293	58,858

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. As the Group is loss making, there was no dilutive effect from the share options outstanding during the year.

	2008 £	2007 £
Net profit/loss for the period attributable to ordinary shareholders	(88,940)	(100,360)
The weighted average number of shares in the period were:		
Basic and Dilutive Ordinary Shares	367,353,448	64,179,632
Basic loss per share	(0.02p)	(0.16p)

There was a share cancellation after the year end as explained in Note 17, which reduced the share capital without a corresponding change in resources. The weighted average number of shares includes the effect of this cancellation as required by IAS 33, and is therefore not based on the number of shares outstanding at year end.

13 Debtors

	2008 £	2007 £
Other receivables	16,390	–

There was no provision of impairment of receivables at 31 December 2008 (31 December 2007: £nil).

14 Cash and Cash Equivalents

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

	2008 £	2007 £
Cash at bank and in hand	491,421	438,247

15 Disposal Group Held for Sale

The assets and liabilities relating to the Group and Company have been presented as held for sale following the approval of the Group's management and shareholders on 10 August 2007.

Assets Classified as held for Sale	2008 £	2007 £
Disposal group held for sale:		
Other receivables	–	2,888

Liabilities Directly Associated with Assets Classified as Held for Sale	2008 £	2007 £
Disposal group held for sale:		
Trade and other payables	–	16,490

16 Trade and Other Payables

	2008 £	2007 £
Trade payables	9,963	500
Accruals and deferred income	8,102	24,122
Other taxation and social security	–	7,869
	18,065	32,491

17 Called-Up Share Capital

	2008 No	2007 No
Authorised share capital		
Ordinary shares of 0.02p each (2007 1p each)	2,743,281,472	125,000,000
Deferred shares of 0.08p (2007 1p each)	64,179,932	1,125,000,000
	2,807,461,404	1,250,000,000

	2008 £	2007 £
Ordinary shares of 0.02p each (2007 1p each)	548,656	125,000
Deferred shares of 0.08p (2007 1p each)	51,344	1,125,000
	600,000	1,250,000

	2008 No	2007 No
Allotted, called up and fully paid		
Ordinary shares of 0.02p each (2007 1p each)	1,322,512,965	64,179,932
Deferred shares of 0.08p each (2007 1p each)	64,179,932	577,616,688
	1,386,692,897	641,796,620

	2008 £	2007 £
Ordinary shares of 0.02p each (2007 1p each)	264,503	64,180
Deferred shares of 0.08p each (2007 1p each)	51,344	577,616
	315,847	641,796

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.

On 23 January 2008, the courts approved a capital reorganisation within the Company. This reduced the authorised share capital of the Company from £1,250,000 divided into 125,000,000 Ordinary Shares of 0.1p each and 1,125,000,000 Deferred Shares of 0.1p each to £125,000 divided into 125,000,000 Ordinary Shares of 0.1p each and cancelled the share premium account of the Company.

On 17 March 2008, £399,903.29 was returned to shareholders via a payment of 0.6231p per share in relation to the capital reduction. The deferred shares were also cancelled and extinguished.

As a result the issued share capital decreased from £641,796 divided into 64,179,932 Ordinary Shares of 0.1p each and 577,616,688 Deferred Shares of 0.1p to £64,180 divided into 64,179,932 Ordinary shares of 0.1p each.

17 Called-Up Share Capital continued

On 30 September 2008 the Company held an extraordinary general meeting and it was resolved that the authorised Share Capital of the Company were increased from £125,000 to £600,000 by creation of 2,375,000,000 New Ordinary Shares, each such new Ordinary Share ranking pari passu and forming one uniform class of shares with the New Ordinary Shares of 0.02p created.

On 30 September 2008 each of the 64,179,932 existing issued ordinary shares of 0.1p in the capital of the Company were sub-divided and converted into one New Ordinary Share and one Deferred Share, each New Ordinary Shares of 0.02p and Deferred Share of 0.08p having rights and being subject to the restrictions set out in the articles of association of the Company as amended. And each of the 60,820,368 unissued Existing Ordinary Shares were sub-divided and converted into five New Ordinary Shares of 0.02p each and such shares (when issued) to rank pari passu and form one uniform class of shares with the New Ordinary Shares created.

On 30 September 2008 the share capital of the Company of £600,000 divided into 2,743,281,472 New Ordinary Shares of 0.02p each and 64,179,932 Deferred Shares of 0.08p each

On 30 September 2008: 1,000,000,000 shares were subscribed at 0.02p which equates to £200,000 share capital. On 6 October 2008: 200,000,000 subscriptions were made at 0.025p which equates to £50,000 made up of £40,000 share capital and £10,000 share premium. On 6 December 2008: 58,333,333 shares were subscribed at 0.60p which equates to £350,000 made up of £11,667 share capital and £338,333 share premium.

18 Capital Management Policy

The Group is actively seeking investment opportunities in the natural resources sector in Africa with a particular focus on gemstones.

19 Financial Instruments

The Group manages its capital to ensure its ability to continue as a going concern and to maintain an optimal capital structure to reduce the cost of capital. The capital structure of the Group comprises equity attributable to equity holders of the Company consisting of issued ordinary share capital, reserves and retained earnings as disclosed in the Group Statement of Changes in Equity and cash and cash equivalents as disclosed in Note 14.

The Group maintains or adjusts its capital structure through the payment of dividends to shareholders, issue of new shares and buy-back of existing shares.

Categories of financial instruments	**2008 £**	**2007 £**
Financial assets		
Receivables at amortised cost including cash and cash equivalents:		
Cash and cash equivalents	491,421	438,247
Receivables	16,390	–
Assets of disposal group classified as held for sale	–	2,888
Total	507,811	441,135
Financial liabilities		
Financial liabilities at amortised cost:		
Trade and other payables	18,065	32,491
Liabilities of disposal group classified as held for sale	–	16,490
Net	489,746	392,154

19 Financial Instruments continued

Cash and cash equivalents

This comprises cash held by the Group and short-term deposits. The carrying amount of these assets approximates 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. A 50 basis point increase/decrease in the interest rate of interest bearing financial assets would lead to a £2,000 increase/decrease in the Group's retained losses.

Credit risk

Credit risk is the risk that the counterparty will default on its contractual obligations, resulting in financial loss. Credit risk arises from cash and cash equivalents and credit exposures on outstanding receivables and committed transactions.

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 2008 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.

Fair value of financial assets and liabilities

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

20 Equity-settled share-based payments

The following options over ordinary shares were granted in the year:

Date	Exercise price	Exercise period	Number of options
30 September 2008	0.02p	5 Years	500,000,000

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:

Date of grant	30 September 2008
Expected volatility	54%
Expected life	1 year
Risk-free interest rate	2.88%
Expected dividend yield	–
Possibility of ceasing employment before vesting	–
Fair value per option	0.012p

The charge to the income statement for share based payments during the year ended 31 December 2008 was £33,441.

21 Events after the Balance Sheet Date

On 23 January 2009, the Company changed its name from TV Commerce Holdings Plc to Gemstones of Africa Group Plc.

On 13 March 2009, the Company entered into collaboration and option agreement leading to a joint venture agreement on a group of emerald mining licences in Tanzania, Africa, with Obtala Resources Plc and Obtala's subsidiary Mindex Invest Limited. Under the terms of the option agreement the Company will acquire the sole right and option to purchase initial twelve and a half per cent beneficial interest in the licences in exchange for issuing common shares the equivalent of five per cent of the Company's share capital to Obtala (option 1), totalling 71,428,571 shares. This equity, which equates to a value of £446,428 (based on the closing price on 12 March 2009 of 0.625p per Ordinary Shares), is placed in Obtala treasury.

On 27 May 2009, the Company signed an option agreement with Javad Investments Company Limited, a private Tanzanian registered Company for two prospecting licences in Tanzania. Under the terms of the option agreement Gemstones of Africa will acquire an initial 25% interest in both licences for a cash consideration payment of US$15,000 per licence.

22 Related Party Transactions

During the year Mr. V. A. Stanzione, a former director and majority shareholder, signed a loan waiver Agreement for £35,000 against an amount of £21,552, due to him at 31 December 2008 which was waived.

23 Ultimate Controlling Party

The Group considers its ultimate controlling party to be Christopher Potts and Robert Quested.

Independent Auditors' Report – Company

to the members of Gemstones of Africa Group Plc

We have audited the Company Financial Statements (the "Financial Statements") of Gemstones of Africa Group Plc for the year ended 31 December 2008 which comprise the Company Balance Sheet and the related notes. These Financial Statements have been prepared under the accounting policies set out therein, which indicates that the financial statements have not been prepared on a going concern basis.

This report is made solely to the Company's Shareholders, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of Directors and Auditors

The Directors' responsibilities for preparing the Company Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the Company Financial Statements in accordance with relevant legal and regulatory requirements with International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the Company Financial Statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the Company Financial Statements.

In addition we report to you if, in our opinion, the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read other information contained in the Annual Report and consider whether it is consistent with the audited Company Financial Statements. This other information comprises only the Directors' Report, the Chairman's Statement, the Remuneration Report and the Corporate Governance Statement. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the Company Financial Statements. Our responsibilities do not extend to any other information

Basis of Audit Opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the Company Financial Statements. It also includes an assessment of the significant estimates and judgments made by the Directors in the preparation of the Company Financial Statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Company Financial Statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the Company Financial Statements.

Opinion

In our opinion:

- the Company Financial Statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Company's affairs;
- the Company Financial Statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the Company Financial Statements.

HW Fisher & Company
Chartered Accountants
and Registered Auditors
London

29 June 2009

Company Balance Sheet

at 31 December 2008

	Note	2008 £	2007 £
Current Assets			
Other debtors	4	16,390	–
Investments	3	100	2
Cash at bank and in hand		491,421	431,039
Total assets		507,911	431,041
Creditors: amounts falling due within one year			
Trade and other creditors	5	18,062	32,491
		18,062	32,491
Net Assets		489,849	398,550
Capitals and Reserves			
Called-up share capital	6	315,847	641,796
Share premium account	7	301,327	624,066
Share option reserve		33,441	–
Profit and loss account	7	(160,766)	(867,312)
Shareholder's funds	8	489,849	398,550

The Company Financial Statements were approved and authorised for issued by the Board of Directors on 29 June 2009, and were signed on its behalf by:

J.D. Hargreaves
Director

The notes on pages 28 to 31 form part of these Company Financial Statements.

Notes to the Company Financial Statements

for the year ended 31 December 2008

1 Accounting Policies

Basic of Preparation of Company Financial Statements

The Company Financial Statements are prepared under the historical cost convention and in accordance with applicable accounting standards. The Company has elected to take the exemption under section 408 of the Companies Act 2006 from presenting the Parent Company Income Statement.

Investments

Investments are stated at cost less any provision for permanent diminution in value.

2 Staff Costs

Staff costs, including Directors' emoluments, were as follows:

	2008 £	2007 £
Wages and salaries	15,750	73,750
Social security costs	–	4,776
	15,750	78,526

The average number of persons employed by the Company, including Directors, during the year was:

	2008	2007
Administration	3	2

Directors' Remuneration

The aggregate Directors' emoluments, including compensation for loss of office, in the year were £15,750 (2007: £73,750).

3 Investments

Company	Investment in subsidiaries £
Cost	
At 1 January 2008	2
Additions	100
Disposal	(2)
At 31 December 2008	100

As at 31 December 2008, the Company owned the entire ordinary share capital of its subsidiary undertaking, Gemstones of Africa Limited. The shares in The Advert Channel Limited and TV Commerce Limited were disposed of during the year.

Subsidiary	Country of Registration	Holding	Proportion of voting Rights held	Nature of Business
Gemstones of Africa Limited	England and Wales	Ordinary Shares	100%	Dormant

4 Debtors

	2008 £	2007 £
Other debtors	16,390	–

5 Creditors: amounts falling due within one year

	2008 £	2007 £
Trade creditors	9,963	500
Amounts owed to Group undertakings	–	1
Other taxes and social security	–	4,204
Other creditors	–	3,664
Accruals and deferred income	8,099	24,122
	18,062	32,491

6 Called Up Share Capital

	2008 No	2007 No
Authorised share capital		
Ordinary shares of 0.02p each (2007 1p each)	2,743,281,472	125,000,000
Deferred shares of 0.08p each (2007 1p each)	64,179,932	1,125,000,000
	2,807,461,404	1,250,000,000

	2008 £	2007 £
Ordinary shares of 0.02p each (2007 1p each)	548,656	125,000
Deferred shares of 0.08p each (2007 1p each)	51,344	1,125,000
	600,000	1,250,000

	2008 No	2007 No
Allotted, called up and fully paid		
Ordinary shares of 0.02p each (2007 1p each)	1,322,512,965	64,179,932
Deferred shares of 0.08p each (2007 1p each)	64,179,932	577,616,688
	1,386,692,897	641,796,620

	2008 £	2007 £
Ordinary shares of 0.02p each (2007 1p each)	264,503	64,180
Deferred shares of 0.08p each (2007 1p each)	51,344	577,616
	315,847	641,796

The only rights attached 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 such 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.

6 Called Up Share Capital continued

On 23 January 2008, the courts approved a capital reorganisation within the Company. This reduced the authorised share capital of the Company from £1,250,000 divided into 125,000,000 Ordinary Shares of 0.1p each and 1,125,000,000 Deferred Shares of 0.1p each to £125,000 divided into 125,000,000 Ordinary Shares of 0.1p each and cancelled the share premium account of the Company.

On 17 March 2008, £399,903.29 was returned to shareholders via a payment of 0.6231p per share in relation to the capital reduction. The deferred shares were also cancelled and extinguished.

As a result the issued share capital decreased from £641,796 divided into 64,179,932 Ordinary Shares of 0.1p each and 577,616,688 Deferred Shares of 0.1p to £64,180 divided into 64,179,932 Ordinary shares of 0.1p each.

On 30 September 2008 the Company held an extraordinary general meeting and it was resolved that the authorised Share Capital of the Company were increased from £125,000 to £600,000 by creation of 2,375,000,000 New Ordinary Shares, each such new Ordinary Share ranking pari passu and forming one uniform class of shares with the New Ordinary Shares of 0.02p created.

On 30 September 2008 each of the 64,179,932 existing issued ordinary shares of 0.1p in the capital of the Company were sub-divided and converted into one New Ordinary Share and one Deferred Share, each New Ordinary Shares and Deferred Share of 0.08p having rights and being subject to the restrictions set out in the articles of association of the Company as amended. And each of the 60,820,368 unissued Existing Ordinary Shares were sub-divided and converted into five New Ordinary Shares of 0.02p each and such shares (when issued) to rank pari passu and form one uniform class of shares with the New Ordinary Shares created.

On 30 September 2008 the share capital of the Company of £600,000 divided into 2,743,281,472 New Ordinary Shares of 0.02p each and 64,179,932 Deferred Shares of 0.08p each

On 30 September 2008: 1,000,000,000 shares were subscribed at 0.02p which equates to £200,000 share capital. On 6 October 2008: 200,000,000 subscriptions were made at 0.025p which equates to £50,000 made up of £40,000 share capital and £10,000 share premium. On 6 December 2008: 58,333,333 shares were subscribed at 0.60p which equates to £350,000 made up of £11,667 share capital and £338,333 share premium.

7 Reserves

	Share Capital £	Share Premium £	Retained Earnings Account £	Share Option Reserve £	Total £
At 1 January 2008	641,796	624,066	(867,312)	–	398,550
Cancellation of deferred shares	(177,713)	–	177,713	–	–
Cancellation of share premium	–	(624,066)	624,066	–	–
Capital reduction	(399,903)	–	–	–	(399,903)
Proceed from shares issued	251,667	348,333	–	–	600,000
Cost on shares issued	–	(47,006)	–	–	(47,006)
Share option reserve	–	–	–	33,441	33,441
Loss for the year	–	–	(95,233)	–	(95,233)
At 31 December 2008	315,847	301,327	(160,766)	33,441	489,849

As permitted by Section 230 of the Companies Act 1985, the profit and loss account of the Company is not presented as part of these Financial Statements. The Consolidated loss after tax for the year includes a loss of £95,233 (2007: £93,966) in respect of the Company.

8 Reconciliation of Movement in Shareholders' Funds

	2008 £	2007 £
At 1 January 2008	398,550	492,515
Share capital	(325,949)	–
Share premium	(322,739)	–
Share option reserve	33,441	–
Retained profit/(loss) for the year	706,546	(93,965)
At 31 December 2008	489,849	398,550

9 Events after the Balance Sheet Date

On 23 January 2009, the Company changed its name from TV Commerce Holdings Plc to Gemstones of Africa Group Plc

On 13 March 2009, the Company entered into collaboration and option agreement leading to a joint venture agreement on a group of emerald mining licences in Tanzania, Africa, with Obtala Resources Plc and Obtala's subsidiary Mindex Invest Limited. Under the terms of the option agreement the Company will acquire the sole right and option to purchase initial twelve and a half per cent beneficial interest in the licences in exchange for issuing common shares the equivalent of five per cent of the Company's share capital to Obtala (option 1), totalling 71,428,571 shares. This equity, which equates to a value of £446,428 (based on the closing price on 12 March 2009 of 0.625p per Ordinary Shares), is placed in Obtala treasury.

On 27 May 2009, the Company signed an option agreement with Javad Investments Company Limited, a private Tanzanian registered Company for two prospecting licences in Tanzania. Under the terms of the option agreement Gemstones of Africa will acquire an initial 25% interest in both licences for a cash consideration payment of US$15,000 per licence.

10 Related Party Transactions

During the year Mr. V. A. Stanzione, a former director and shareholder, signed a loan waiver Agreement for £35,000, against an amount of £21,552 due to him at 31 December 2008 which was waived.

The Company is exempt from the requirement to disclose related party transactions with other group companies under Financial Reporting Standard 8.

11 Ultimate Controlling Party

The Company considers its ultimate controlling party to be Christopher Potts and Robert Quested.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the 2009 Annual General Meeting of Gemstones of Africa Group Plc (the 'Company') will be held at Acre House, 11-15 William Road, London, NW1 3ER on 12 August 2009 at 10.00 am to consider and, if deemed fit, to approve the following resolutions, of which 1 to 7 (inclusive) will be proposed as ordinary resolutions and 8 and 9 (inclusive) will be proposed as special resolutions:

Ordinary Business

1. To receive the accounts of the Company for the year ended 31 December 2008 together with the reports thereon of the directors and the auditors of the Company.
2. To reappoint Nicholas Eastwood as a director who is retiring in accordance with article 96 of the Company's articles of association (the 'articles') and, being eligible, offers himself for re-appointment.
3. To reappoint David Hargreaves as a director who is retiring in accordance with article 96 of the Company's articles and, being eligible, offers himself for re-appointment.
4. To reappoint Rakesh Patel as a director who is retiring in accordance with article 96 of the Company's articles and, being eligible, offers himself for re-appointment.
5. To reappoint Simon Rollason as a director who is retiring in accordance with article 96 of the Company's articles and, being eligible, offers himself for re-appointment.

Special Business

6. Special Notice having been received by the Company on 20 June 2009 to appoint HW Fisher & Company as auditors of the Company in accordance with Section 489 of the Companies Act 2006, until the conclusion of the next general meeting of the Company at which audited accounts are laid before members and to authorise the directors to determine their remuneration.
7. That the directors of the Company be and they are hereby authorised generally and unconditionally pursuant to and in accordance with section 80 of the Companies Act 1985 ('the 1985 Act') to exercise all the powers of the Company to allot relevant securities (within the meaning of section 80(2) of the 1985 Act), other than the issue of Warrants pursuant to the Subscription Warrant Instrument dated 10 September 2008, up to an aggregate nominal amount of £200,000 provided that this authority shall expire on whichever is earlier of the date of the Company's next Annual General Meeting (and at the conclusion thereof) or 15 months from the date on which this resolution is passed save that the Company may, pursuant to this authority, make offers or agreements before the expiry of this authority which would or might require relevant securities to be allotted after such expiry and the directors may allot relevant securities in pursuance of such offers or agreements as if the authority conferred by this resolution had not expired.
8. That:
   (a) the directors be and they are hereby empowered pursuant to section 95(1) of the 1985 Act to allot equity securities (within the meaning of section 94(2) of the 1985 Act) for cash pursuant to the authority conferred by resolution 7 above as if section 89(1) of the 1985 Act did not apply to such allotment, provided that this power shall be limited to the allotment of equity securities:
      (i) in connection with an offer of equity securities by way of rights to the holders of ordinary shares in proportion (as nearly as may be) to their respective holdings of ordinary shares on a record date fixed by the directors but subject to such exclusions or other arrangements as the directors may consider necessary or expedient to deal with problems under the laws of any territory or the requirements of any regulatory body or any stock exchange in any territory or in connection with fractional entitlements or otherwise howsoever; or
      (ii) the issue of Warrants pursuant to the Subscription Warrant Instrument dated 10 September 2008; or
      (ii) (other than pursuant to paragraph (i) and (ii) above) having (in the case of relevant shares (as defined in section 94(5) of the 1985 Act)) a nominal amount or (in the case of any other equity securities) giving the right to subscribe for or convert into relevant shares having a nominal amount, not exceeding in aggregate £200,000;

The power conferred by paragraph (a) above shall expire on whichever is earlier of the date of the Company's next Annual General Meeting (and at the conclusion thereof) or 15 months from the date on which this resolution is passed save that the Company may, before the expiry of such power, make offers or agreements which would or might require equity securities to be allotted in pursuance of such offers or agreements as if the power conferred hereby had not expired.

9. That the articles of association of the Company be altered by the addition of new articles 122 to 124 and the re-numbering of the subsequent articles:

"CONFLICTS OF INTEREST REQUIRING BOARD AUTHORISATION

122. In accordance with these articles and subject to the relevant provisions of s.175 of the Companies Act 2006, the Board may, provided the quorum and voting requirements set out below are satisfied, authorise any matter that would otherwise involve a director breaching his duty under the Companies Act 2006 to avoid conflicts of interest.

123. Any director (including the director concerned) may propose that the director concerned be authorised in relation to any matter the subject of such a conflict. Such proposal and any authority given by the Board shall be effected in the same way that any other matter may be proposed to and resolved upon by the Board under the provisions of these articles, except that the director concerned and any other director with a similar interest:

shall not count towards the quorum at the meeting at which the conflict is considered;

may, if the other members of the Board so decide, be excluded from any Board meeting while the conflict is under consideration; and

shall not vote on any resolution authorising the conflict except that, if he does vote, the resolution shall still be valid if it would have been agreed to if his vote had not been counted.

124. Where the Board gives authority in relation to such a conflict:

the Board may (whether at the time of giving the authority or at any time or times subsequently) impose such terms upon the director concerned and any other director with a similar interest as it may determine, including, without limitation, the exclusion of that director and any other director with a similar interest from the receipt of information, or participation in discussion (whether at meetings of the Board or otherwise) related to the conflict;

the director concerned and any other director with a similar interest will be obliged to conduct himself in accordance with any terms imposed by the Board from time to time in relation to the conflict;

any authority given by the Board in relation to the a conflict may also provide that where the director concerned and any other director with a similar interest obtains information that is confidential to a third party, the director will not be obliged to disclose that information to the Company, or to use the information in relation to the Company's affairs, where to do so would amount to a breach of that confidence;

the terms of authority shall be recorded in writing (but the authority shall be effective whether or not the terms are so recorded); and

the Board may withdraw such authority at any time."

BY ORDER OF THE BOARD

David Venus & Company LLP
Secretary

Registered Office:
Aston House, Cornwall Avenue, London N3 1LF

Date: 29 June 2009

Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint more than one proxy, to exercise all or any of his rights to attend, speak and vote in his place on a show of hands or on a poll provided that each proxy is appointed to a different share or shares, or to a different £10.00 or multiple of £10.00 of stock. Such proxy need not be a member of the Company.
2. To be valid, the completed and signed form of proxy must be returned to the Company's registrars Capita Registrars at Capita Registrars(Proxies), The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU not less than 48 hours before the time fixed for the meeting. Lodging a form of proxy does not preclude a member from attending and voting at the meeting.
3. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that only those shareholders of the Company on the register at 6.00pm on the 10 August 2009 shall be entitled to attend or vote at the meeting in respect of shares registered in their name at the time. Changes to the register after that time will be disregarded in determining the rights of any person to attend or vote at the meeting.

Explanatory notes on the resolutions

Resolution 1

The directors must present to members the accounts and the reports of the directors and auditors in respect of each financial year.

Resolution 2 to 5

In accordance with article 96 of the Company's articles of association any director so appointed by the Board shall retire and offer themselves for re-appointment at the AGM following their appointment.

Resolution 6

Special Notice having been received by the Company on 20 June 2009 HW Fisher & Company are being proposed as the auditors of the Company until the conclusion the next general meeting at which accounts are presented. The directors are to be given authority to fix their remuneration.

Resolution 7

The Company's power to issue additional securities is exercised by the directors. The directors must be authorised by ordinary resolution of the shareholders to exercise that power.

Resolution 8

Under the Company's articles of association any new shares to be issued must first be offered to existing shareholders in proportion to the number of shares already held by them. The shareholders may by special resolution waive this right and permit the directors to issue additional shares without first offering them to existing shareholders. Authority is being sought to allow the directors to issue up to an additional nominal amount of £200,000 and is in addition to the authority granted in respect of the issue of Warrants pursuant to the Subscription Warrant Agreement dated 10 September 2008. This authority will lapse on whichever is earlier of the date of the Company's next Annual General Meeting (and at the conclusion thereof) or 15 months from the date on which this resolution is passed.

Resolution 9

On 1 October 2008 s175 of the Companies Act 2006 relating to directors' interests came into force. This section initiates changes which require a public company to have relevant authority contained within their articles of association in order to be able to approve directors' conflicts of interests.

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Form of Proxy

for use at the Annual General Meeting

I/We, ____________________

of ____________________

being a member of Gemstones of Africa Group plc hereby appoint the Chairman of the meeting or ____________________

of ____________________

as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on 12 August 2009 at 10.00 am and at any adjournment thereof.

☐ Please tick here if this proxy appointment is one of multiple appointments being made. Please refer to Explanatory Note 2.

Please indicate with an 'X' in the space below how you wish your votes to be cast.

Resolutions	For	Against	Discretionary	Vote Withheld
ORDINARY BUSINESS				
1 To receive the report and accounts for the year ended 31 December 2008	☐	☐	☐	☐
2 To re-elect Mr N Eastwood as a director	☐	☐	☐	☐
3 To re-elect Mr D Hargreaves as a director	☐	☐	☐	☐
4 To re-elect Mr R Patel as a director	☐	☐	☐	☐
5 To re-elect Mr S Rollason as a director	☐	☐	☐	☐
SPECIAL BUSINESS				
6 Special Notice having been received by the Company to appoint HW Fisher & Company as auditors	☐	☐	☐	☐
7 To renew the directors' authority to allot securities up to £200,000	☐	☐	☐	☐
8 To waive shareholders' rights of pre-emption on allotment of securities up to £200,000	☐	☐	☐	☐
9 To amend the Articles of Association to include provisions required under section 175 of the Companies Act 2006	☐	☐	☐	☐

Signature or common seal ____________________ Signed this __________ day of ____________ 2009
(please refer to Explanatory Note 3). (Any one joint holder may sign)

Explanatory Notes:

1. Every shareholder has the right to appoint some other person(s) of their choice who need not be a shareholder as his proxy, to exercise all or any of his rights, to attend, speak and vote on their behalf at the meeting. To appoint a person other than the Chairman please insert the name of your chosen proxy holder in the space provided. Unless you authorise your proxy to act in respect of your full voting entitlement (or if this proxy form has been issued in respect of a designated account for a shareholder, the full voting entitlement for that designated account), please specify next to their name the number of shares in relation to which they are authorised.
2. To appoint more than one proxy, you should photocopy this form and specify next to the proxy holder's name the number of shares in relation to which they are authorised to act. Please also indicate by ticking the box provided if the proxy instruction is one of multiple instructions being given. All forms must be signed and should be returned together in the same envelope.
3. To be valid this proxy form must, in the case of an individual, be signed by the holder or his/her attorney, or, in the case of a corporation, be either given under its common seal or signed on its behalf by an attorney or duly authorised officer, and lodged with the Company's Registrars, Capita Registrars at Capita Registrars(Proxies), The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU not less than 48 hours before the time appointed for the meeting. Any Power of Attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.
4. The 'Vote Withheld' box is provided to enable you to abstain on any particular resolution. However, it should be noted that a vote withheld is not a vote in law and will not be counted in the calculation of the proportion of votes 'for' and 'against' a resolution.
5. Only those shareholders registered on the register of members of the Company at 6pm on 10 August 2009 shall be entitled to attend or vote at the meeting in respect of the number of shares registered in their name at that time. Changes to the entries on the register of members thereafter will be disregarded in determining the rights of any person to attend or vote at the meeting.
6. In the case of joint shareholders, the signature of one holder on a proxy card will be accepted and the vote of the senior holder who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose seniority shall be determined by the order in which the names stand in the register of members of the Company.
7. If in respect of any resolution you have not indicated as to how your proxy should vote, your proxy will have discretion to vote on that resolution, in respect of your total holding, as they see fit. Your proxy will also have the discretion to vote as they see fit on any other business which may properly come before the meeting, including amendments to resolutions, and at any adjournment of the meeting.
8. The completion and return of this form will not preclude a member from attending the meeting and voting in person.

THIRD FOLD AND TUCK IN

FIRST FOLD

AFFIX
STAMP
HERE

Capita Registrars
(Proxies)
PO Box 25
Beckenham
Kent
BR3 4TU

SECOND FOLD

GEMSTONES OF AFRICA

Aston House
Cornwall Avenue
London N3 1LF