

Hot Rocks Investments plc: FINAL RESULTS
FOR THE PERIOD ENDED 31 MARCH 2017
DGAP

Hot Rocks Investments plc (HRIP)
Hot Rocks Investments plc: FINAL
RESULTS FOR THE PERIOD ENDED 31
MARCH 2017

07-Sep-2017 / 10:54 GMT/BST

Dissemination of a Regulatory
Announcement, transmitted by EQS Group.
The issuer is solely responsible for the
content of this announcement.

7 September 2017

HOT ROCKS INVESTMENTS PLC

("Hot Rocks" or the "Company")

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UDITED FINAL

RESULTS

FOR THE PERIOD ENDED 3

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MARCH 2017

CHAIRMAN'S STATEMENT

I hereby present the financial results for the Company for the year ended 31 March 2017. The Company is an active investor primarily in junior natural resources companies and during the year we have seen a recovery across much of our portfolio.

The Company made a pre-tax loss of £
16,191

for the year, compared to a pre-tax profit of £8,129 in the prior year. The Company will not be paying a dividend at this stage (2016: £Nil).

Cash and cash equivalents as at the year end of 31 March 2017 were £12,216 (2016 : £13,705).

During the year our investee company Goldcrest Resources plc was refinanced and acquired interests in oil and gas opportunities in Georgia

. The company name has been changed to Block Energy plc and it will seek admission to AIM in due course.

A prior year adjustment was recorded as a result of the late provision of information pertaining to a share consolidation by an investee during the year ended 31 March 2014.

Our main recoveries have been in the TSXV-traded Medgold Resources and private coal exploration company Minergy Limited which has floated a company in which it holds a 40% interest on the Botswana Stock Exchange.

We hold stakes in the following entities:

- Block Energy plc (NEX: BLOK)
- Brazil Tungsten Holdings Limited
- Copper
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- Bay
- plc
- Elephant Oil Limited
- Impact Oil & Gas Limited
- Mafula Energy Limited
- MedGold Resources Corp (TSXV:MED)
- Minergy Limited

- New Horizon Oil & Gas Limited
- Rift Resources Limited
- Royal Road Minerals (previous Tigris Resources) (TSXV:RYY)
- Upland Resources Limited
- (AIM:UPL)

The Board of Directors will continue to introduce further equity positions to the Company to enable additional diversification of the portfolio.

It is anticipated that these will continue to be primarily within the natural resources sector.

Brian Rowbotham

Non-Executive Chairman

6th

September

2017

The Directors of the issuer are responsible for the content of this announcement.

For further information please contact:

Hot Rocks Investments plc

Gavin Burnell: 020 7382 8417

Peterhouse Corporate Finance Limited

Guy Miller: 020 7220 9796

HOT ROCKS INVESTMENTS PLC

**STATEMENT
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**YEAR ENDED 31 MARCH
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HOT ROCKS INVESTMENTS PLC

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

th

September

2017

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HOT ROCKS INVESTMENTS PLC

STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 31 MARCH

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HOT ROCKS INVESTMENTS PLC

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HOT ROCKS INVESTMENTS PLC

ACCOUNTING POLICIES

**YEAR ENDED 31 MARCH
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General Information

Hot Rocks Investments Plc is a limited company incorporated and domiciled in the United Kingdom. Its registered office is disclosed on page 2 and details of its principal activities on page 4.

The company has classified itself as an investment entity.

Summary of Significant Accounting Policies

The principal Accounting Policies applied in the preparation of these Financial Statements are set out below. These Policies have been consistently applied to all the periods presented, unless otherwise stated.

Basis of Preparation of Financial Statements

The Financial Statements have been prepared

d in accordance with
International Financial Reporting Standards
as adopted by the European Union
(IFRS
as adopted by the EU
)

,
IFRIC interpretations

and
those
parts of
the
Companies Act 2006
applicable to companies reporting under
IFRS. The Financial Statements have also
been prepared under the historical cost
convention
, as modified by the revaluation of
available-for-sale
financial assets.

The preparation of
F
inancial
S
tatemnts in conformity with IFRS
s

requires the use of certain critical accounting
estimates. It also requires management to
exercise its judgement in the process of
applying the Company's Accounting Policies.
The areas involving a higher degree of
judgement or complexity, or areas where
assumptions and estimates are significant to
the Financial Statements, are disclosed later in
these accounting policies.

The Financial S
tatemnts are presented in sterling (£),
rounded to the nearest pound.

Changes in accounting policies and disclosures

a)

New and amended standards and interpretations

adopted by the C

ompany

There have been no
new standards and amendments to standards
and interpretations effective for
the financial year
beginning on 1
April
201
6

that

are material to the Company and therefore
applied in preparing these Financial
Statements

HOT ROCKS INVESTMENTS PLC

ACCOUNTING POLICIES

YEAR ENDED 31 MARCH 201

7

Changes in accounting policies and disclosures (continued)

b

)

*New and amended standards and
interpretations*

*issued but not yet effective and not early
adopted*

The standards and interpretations that are
issued, but not yet effective, up to the date of
issuance of the Financial Statements, that
could potentially impact the Financial
Statements, are disclosed below. The
Directors are assessing the possible impact of

the following standards on the Company's
Financial Statements:

Standard

Effective Date

IAS 7 (Amendments)

Results
of the Disclosure Initiative

*

1

January 2017

IAS 12 (Amendments)

Recognition of Deferred tax
assets for Unrealised Losses

*

1

January 2017

IFRS 2 (Amendments)

Measurement of Share Based

*

1

January 2018

Payment Transactions

IFRS

9

(Amendments)

Financial Instruments

*1

January 2018

IFRS

15

Revenue from Contracts with Customers

1 January 2018

IFRS 16

Leases

1

January 2019

Annual Im
provements

2014

-

2016 Cycle

*

1

January 2017

/

1 January 2018

*

Subject to EU endorsement

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company.

Segmental Reporting

The Company has only one operating segment
being the investment in companies

,

or

assets,

in the natural resource sector

.

Operating segments are reported in a manner consistent with the internal reporting provided to the

Chief Operating Decision

-

Maker

("CODM")

. The

CODM

, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

Therefore the

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tatements of the

single

segment is the same as that set out in the

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Comprehensive I

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Foreign Currency Translation

(a)

Functional and

P

resentation

C

urrency

Items included in the Financial Statements of the Company are measured using the currency of the primary economic environment in which the entity operates ("functional currency").

The Financial Statements are presented in Pounds Sterling (£), which is the Company's functional and presentation currency.

(b)

Transactions and Balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions, or valuation where items are re-

measured.

Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies, are recognised in profit or loss.

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Financial Instruments

Financial assets and financial liabilities are recognised when the

Company

becomes a party to the contractual provisions of the instruments and on a trade date basis. A financial asset is derecognised when the

Company

's contractual rights to future cash flows from the financial asset expire or when the

Company

transfers the contractual rights to future cash flows to a third party. A financial liability is derecognised only when the liability is extinguished.

(a)

Available for

Sale

Investments

Available-for-sale investments are those non-derivative financial assets that are designated as available for sale or are not classified as loans and receivables. After initial recognition, available for sale financial assets are measured at fair value with gains or losses being recognised as a separate component of equity until the investment is derecognised or until the investment is determined to be impaired at which time the cumulative gain or loss previously reported in equity is included in the statement of comprehensive income.

The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the closure of business on the statement of financial position date.

For investments where there is no active market, fair value is determined using valuation techniques.

(b)

Trade and other receivables

Trade and other
receivables

are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in the statement of

comprehensive income when there is objective evidence that the asset is impaired.

(c)

Cash and cash equivalents

The
Company

considers all highly liquid investments which are readily convertible into known amounts of cash and have a maturity of three months or less when acquired to be cash equivalents. At the reporting date management believes that the carrying amount of cash and cash equivalents approximates fair value because of the short maturity of these financial instruments.

Cash and cash equivalents comprise cash at bank and in hand and short term deposits with an original maturity of three months or less, all of which are available for use by the company unless otherwise stated. Cash and cash equivalents are measured at fair value, based on the relevant exchange rates at the reporting date.

(d)

Financial liabilities and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

The
Company's financial liabilities include trade and other payables

. All financial liabilities, except for derivatives, are recognised initially at their fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial liability and subsequently measured at amortised cost

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7

Share C apital

Ordinary shares are recorded at nominal value and proceeds received in excess of nominal value of shares issued, if any, are accounted for as share premium. Both ordinary shares and share premium are classified as equity. Costs incurred directly to the issue of shares are accounted for as a deduction from share premium, otherwise they are charged to the Income Statement.

Share Based Payments

The Company operates a number of equity-settled, share-based schemes, under which it receives services from employees or third party suppliers as consideration for equity instruments (options and warrants) of the Company. The Company may also issue warrants to share subscribers as part of a share placing. The fair value of the equity-settled share based payments is recognised, if material, as an expense in the income statement or charged to equity depending on the nature of the service provided or instrument issued. The total amount to be expensed or charged is

determined by reference to the fair value of the options granted:

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

In the case of warrants the amount charged to the share premium account is determined by reference to the fair value of the services received if available. If the fair value of the services received is not determinable, the warrants are valued by reference to the fair value of the warrants granted as described previously.

Non-market vesting conditions are included in assumptions about the number of options or warrants that are expected to vest. The total expense or charge 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 Company 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 or equity as appropriate, with a corresponding adjustment to a separate reserve in equity.

When the options are exercised, the Company issues new shares. The proceeds received,

net of any directly attributable transaction costs, are credited to share capital (nominal value) and share premium.

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Critical Accounting Estimates and Assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. 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:

(i)

Available For

Sale

Investments

Available for sale financial assets have a carrying value of £

836,126

at 31 March 2017 following an impairment charge of £

15,962

(2016: £

Nil

) and additional equity share acquisitions and disposals in the period.

The Company follows the guidance of IAS 39 to determine when an available-for-sale equity investment is impaired.

This involves a review of the fair value of its equity investments at each statement of financial position date.

This requires management to make an estimate of the fair value of the securities in the absence of an active market. Uncertainty also exists due to the early stage of development of certain of the investments. Further details are given in Note

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This determination requires significant judgement. In making this judgement, the Company evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost; and the financial health of the short-term business outlook for the investee, including factors such as industry and sector performance and operational and financing cash flow.

Management has concluded that an impairment charge should be recognised in respect of

the carrying value of available for sale financial assets based on its valuation of the equity instruments held. The impairment review

carried out in the previous year concluded that no impairment was necessary.

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