5414325

African Consolidated Resources plc

Annual Report and Financial Statements

for the 13 month period ended 31 March 2009

Contents

Company information

Directors	Andrew Noel Cranswick – Chief Executive Officer Roy Clifford Tucker – Group Finance Director Herbert Stuart Bottomley – Non-Executive Director Michael Wallis Kellow – Technical Director
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Registered number	05414325

Chief Executive Officer's report

Introduction

I doubt that many resource companies exist in an environment where the market considers geology and economics of projects barely relevant, overshadowed by an overriding focus on national politics. Of course there is a positive side to such a market obsession, being the ability to quietly progress ambitious scales of exploration in a bountiful geological terrain, at low costs and with little competition to speak of. Such has been the nature of our operations and the nature of global abstinence from the Zimbabwean mineral exploration opportunity that we are continually amazed by the untouched and unstudied deposits that we stumble across. This report must therefore accept this unavoidable political scenery as its backdrop, observe what it has meant and reflect on where Zimbabwe is headed as a nation and therefore we as a company, while paying due attention to alarming global economics.

Strategy and Politics

Before I review our many and varied projects, a reminder of our past strategy is in order to place the current state of affairs and the future vision into perspective. This will be especially useful for new entrants to our share register which has changed somewhat in the past year. Most junior explorers get their teeth into one or two projects and advance them as far as possible for as small an outlay as possible. Blue-sky prospects are set aside and ignored with a faint hope of one day returning to develop them further. Given the level of inherent actual risk, with due recognition of the market's perception of higher risk associated with investment in Zimbabwe, our strategy was necessarily different to the traditional one.

ACR has used its Zimbabwean management structure and in-country know-how to assess large areas of the highly prospective region for economic mineral deposits. Like any modern exploration company a standard methodology is followed. Targeting includes the latest techniques in broad geochemistry, geophysics and satellite imaging. Identified targets are narrowed down to the next level with more detailed work in all the spheres as well as on-ground truthing and mapping. Third stage targets attract more detailed mapping to qualify as definite assets. Development work on each asset is thorough and includes detailed geochemistry, detailed mapping, and low-level airborne magnetic + radiometrics and in some cases IP and electromagnetic work. Exploratory drilling will follow dependent upon results. In a few cases further drilling will be undertaken to partly define JORC compliant resources.

Up to this point all is familiar, but from here, in the high-risk domain of the recent past, our strategy diverged from the standard. Progressing deposits to a pre-feasibility is a costly affair. The next step to feasibility more so. To expend shareholder funds to that stage requires a lower risk factor than that in play in the recent past. Consequently, in this high-risk, low-cost, environment with limited competition, we concentrated more on spreading the net wide and developing more and varied projects. This might in other environments have been a questionable game plan, but it was part of our stated intent from the outset. Our successes to date speak for themselves and the diversity in our mineral portfolio has provided a much-needed resilience to our underlying asset value in this recessionary vortex.

My Board and I believe that the Zimbabwe political landscape is now changing and the forthcoming evolution of our strategy will reflect new realities. This is tempered with the new realities of the world in recession, and that factor too is a part of the equation as described below.

Zimbabwe has seen turbulent times, especially in the past eighteen months. In the past six months extraordinary progress has been made to stabilise the national politics and the economy of the country. Inflation has been dealt the fatal blow that came with dollarization – ranging from immeasurable figures loosely estimated in the billions of percentiles to what is now registered at approximately 1 to 4 % depending on criteria. Scarcely a week goes by without a Zimbabwe-focused investment conference in South Africa, Harare or London. It is increasingly difficult to find a seat on the 7 daily airline flights from Johannesburg to Harare. It is the world's newest hard-currency economy. We have been inundated with approaches from international companies looking for an entrance to the Zimbabwe mineral opportunity. Taxes on mining companies have been slashed, royalties rationalised and gold sales deregulated. We have switched from the world's fastest shrinking economy to one of the few with a projected GDP growth. These are extraordinary times. Bitter party rivals joke over tea and coffee in Parliament before resuming lively and productive debates. Bi-partisan parliamentary committees have reinvented themselves and appear to have a common purpose of national success. The IMF and World Bank have engaged and are mapping ways to normalise Zimbabwe's status. Although the country is by no means yet out of the woods I am cautiously optimistic that we may be approaching a prosperous and peaceful future.

In this transition that we find ourselves, I reiterate that our thinking is evolving to keep pace with these exciting developments. As such we have begun to advance plans towards profitable gold production to fund resource definition and feasibility studies on further gold projects. We have opened up discussions on strategic partnerships as described below and hope to bring news in this regard to the market during 2009.

Global Economics and Impact on ACR

Following the global economic downturn and after the market bottomed, we went to the market for an additional capital raising and the issue was oversubscribed. We resisted the temptation to accept too great a dilution and this judgement proved correct as the share price has recovered along with the overarching indices.

More importantly, the dawn of the new reality of a global cash crunch is that the market will down-value exploration properties and that new capital comes at a heavy price to existing shareholders. Clearly, companies such as ours need a revenue stream to fund exploration. Couple our measured tailings resource and the recent deregulation of gold sales in Zimbabwe, and we did not have far to look for a solution.

Project Synopses

Gold

As mentioned above, the Zimbabwe Government has deregulated gold sales and recently fixed gold royalties at 3% and corporate tax for miners at 15%. This is a good environment for gold production. Note that ACR's metal mining strategy remains the definition of large ore bodies, progress to pre-feasibility study or bankable feasibility study (BFS), and then seal a partnership with mid-tier or major mining companies leading to subsequent large scale production. In the first such cycle this would normally require continuous capital raisings to achieve BFS. However, depressed share prices due to the world market and local political climate would, in this traditional model, imply significant dilution to existing ACR shareholders. Fortunately there is an alternative and that is to advance to modest-volume, low-cost, high-return production to fund the remainder of the first of these cycles.

Discussions with an operator to produce gold from the Pickstone sulphide concentrate dump are at an advanced stage and await finalisation of metallurgical testing. The operator is expected to furnish the plant, guarantee performance on percentage extraction and charge a toll-fee per tonne. ACR is hopeful of finalising an agreement in Q3 2009 and entering production and profitable cash flow in the first half of 2010. In addition, scoping studies are underway on the Peerless trend for a medium size open cast operation on the Peerless oxides. Use will be made of existing infrastructure including CIP tanks capable of processing 62,000 tonnes of ore per month. Further progress reports on this facet will be made public in due course.

Proceeds from the above production will be used to advance the Concession Hill, Giant Mine, One-Step and Blue Rock gold deposits towards a pre-feasibility stage whereupon partners will be sought to complete BFS and capitalise large-scale plants to production.

Exploration on the Chakari-North greenstone belt has yielded several exciting geo-chemical anomalies that will be followed up with a view to defining potential drill targets. This is a previously unexplored stretch of greenstone belt, which lies on the well mineralised Lily Shear zone.

Diamonds

The Marange diamond field has been topical in the world news of late and operations on the ground there by the Army and others have led to a recent visit by the Kimberley Process review team. It would appear that this has resulted in dissatisfaction with the status-quo. ACR has stressed to the Kimberley Process team that tenure needs to be resolved for formal mining and thereby Kimberley Process compliance can be achieved. ACR management and staff are attempting to work with all elements of the Zimbabwean Government to resolve the current title impasse and thereby avoid an outright ban on Zimbabwean diamonds. ACR is ready and willing to enter production on its mining claims in the area as soon as control of these is returned to the company. ACR has offered the Zimbabwean Government equity partnership in this venture and awaits a response. The Board remains hopeful that good sense will prevail and the deposit can be exploited for the good of all Zimbabweans.

Exploration on diamonds elsewhere in Zimbabwe continues following up information derived from the extensive diamond database acquired in September 2008.

Platinum

ACR intends to complete limited drilling on the newly discovered Northern facies of the Snakes Head PGM deposit within the Great Dyke. Early mapping results indicate that this may be a high-grade platinum zone. Discussions have commenced with a possible partner to earn in on exploration spending to complete further drilling.

Phosphate

While industrial metals are subject to the vagaries of world economic cycles, earth's rapidly growing population still needs to eat. Current economic phosphate Reserves of 15 billion tonnes are estimated to last about 90 years at current use rates (Scientific American, June 2009). However consumption is likely to increase as population increases, and new demand from bio-fuel agriculture is likely to add substantial further demand pressure on phosphate supply. There is no replacement for phosphate in crop growth. Eighty three percent of the world's reserves are concentrated in just four countries; Morocco (40%), US, China and South Africa. The USA, the largest consumer by far, is a net importer as its production does not meet its agricultural requirements.

Rock phosphate is used in the manufacture of fertiliser and so is directly linked to the production of food and bio-fuels. Although now well below their peak, prices have risen sharply in the past 18 months.

ACR recently started a resource estimation process over part of the Chishanya carbonatite complex under licence to ACR in south-eastern Zimbabwe. As recently announced a detailed soil geochemistry programme was followed by a surface outcrop sampling programme that has to date defined an arc of apatite mineralisation some 10 hectares in surface expression. In-house X-ray Fluorescence (XRF) analysis grades the apatite between 5% and 19% phosphate (expressed in the form P_2O_5 – Phosphorous Pentoxide) with an average grade of 11%. The body appears to rise vertically through a steep hill of 85 metres in height and it is expected that it would continue to depth well below the hill. Should the width and grades prove consistent, a significant tonnage of ore would be inferred. The Company intends to have independent assays conducted as check samples and, subject to results, will plan a drilling programme in order to arrive at an estimate of economically mineable tonnage. Thereafter the Company may opt to define a JORC-compliant resource on the deposit. The site is close to main road (25km), water (1km) and electricity (10km).

Should economic volumes and grade achieve a critical mass, ACR intend to advance the project to production as a priority. This will involve scoping the economics of building a flotation plant on site to produce a > 35% rock phosphate concentrate.

Nickel & Copper

ACR holds two important nickel projects – the Horseshoe laterite project and the Perseverance sulphide project.

Preliminary metallurgical test trials have indicated that the laterite deposit is amenable to atmospheric leaching with nickel extractions of >90% achieved in less than 40 days. Head grades averaged 0.88% Ni with no beneficiation. Based on initial pit sampling results ACR estimates this resource to contain over 20 million tonnes of saprolitic laterite grading from 0.5 to 5%, averaging 1% Ni. The site is within 120 kilometres of Harare, is 20kms from wide, good condition bitumen road, 5kms from electricity supply and has nearby water sources. The ore is at surface and consists mostly of a two-metre deep layer over a range of hills, reducing the complexity and cost of mining, with the possibility of gravity assisted delivery of ore to plant at the foot of the hills. Several local sources of sulphuric acid are potentially available including a large pyrite deposit held by ACR in Zimbabwe as well as a more proximal resource of pyrite in friendly hands. Preliminary discussions have commenced in this regard.

While several drill targets have already been defined along 30% of the strike of the Perseverance ultramafic sill near Chakari in the northern midlands of Zimbabwe, there remains a likelihood that further targets will be identified along the remaining strike using geochemistry and electro-magnetic survey techniques. Due to the dramatic drop in nickel prices over the past 12 to 18 months, ACR has postponed drilling and any large expenditure here with work confined to mapping and some trench sampling. The Board remains highly optimistic on this prospect and intends to advance it more aggressively once the nickel prices have recovered and stabilised sufficiently.

A further prospect (Ni, Cu & PGM's) was defined in 2008 and claims have been pegged along what is thought to be the northern extent of the Tati Nickel belt which extends into Zimbabwe from Botswana. Mapping and geochemistry will be undertaken on this prospect during the course of 2009.

A hill containing wide surface expressions of copper oxides has been identified and acquired north of Harare in a proterozoic basin (Makonde) that is similar in geology to the Zambian and Congolese copper belts. Major historical copper mines occur along strike to the north. Surface samples indicate grades of 1% to 9% Cu. Interpretation by suitable experts is encouraging and ACR intends to complete several exploration holes to define grade, width and likely extent of the deposit.

Zambia & Mozambique

Three large scale prospecting licenses have been granted to ACR in Zambia – variously prospective for copper, gold, diamond and phosphate mineralisation. First pass evaluation will provide indications of prospectivity, and thereafter partnership offers will be invited and evaluated. In Mozambique, an MOU has been finalised with local partners and first pass targeting is complete. Should sufficient time and funding become available, this exercise will progress to the next phase.

I must stress however that, given the climate of change and progress in Zimbabwe coupled with the desire not to dilute our capital base unnecessarily, the Board has logically decided that for at least the short to medium term future, most of our effort and cash should be focused on maximising our established advantage on the ground in Zimbabwe.

Conclusion

ACR was incorporated for the primary purpose of gaining first-mover advantage in Zimbabwe. This we have achieved. With the ambition and breadth of scope in exploration undertaken during troubled times in both this extraordinary country and this extraordinary decade, we never pretended the road would be one easily travelled. Indeed we have been through some trying and painful times. Yet all the while we have never lost focus on the target, never been distracted from our goal by any one crisis, regardless of its magnitude, and most importantly of all we have never become disheartened and disillusioned by seemingly insurmountable obstacles to progress. I believe the Board, management team and staff have shown courage under fire and outstanding skill in managing the assets of, and the risks to, this Company. I therefore use this opportunity to congratulate them and ask them to see us through these final miles with the same professionalism and determination.

Finally, as a corporate and personal citizen, I would also like to congratulate the diametrically opposed political parties of Zimbabwe for achieving the Government of National Unity. Regardless of wrongs and rights, acts of compromise from strongly defended positions of ideology and power should be respected and admired. Evolution of political change is always preferable to revolution, but somehow is actually more difficult. The protagonists have come together for the national good and, however imperfect it may appear, I hope that this becomes increasingly supported, guided and rewarded by the international community.

Andrew N Cranswick
CEO - ***African Consolidated Resources PLC***

The technical information contained in this report has been reviewed by Mr. Michael Kellow (the Company's Technical Director). Michael Kellow (BSc) is a member of the Australian Institute of Geoscientists (AIG) and a full-time employee of African Consolidated Resources Plc. Mr Kellow has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australian Code for Reporting of Exploration Results, Mineral Resource and Ore Reserves' (JORC Code) and the AIM Guidance Note for Mining, Oil and Gas Companies. Michael Kellow consents to the publication of this report.

Report of the directors

for the 13 month period ended 31 March 2009

The directors present their report together with the audited financial statements for the 13 month period ended 31 March 2009.

Results and dividends

The group income statement is set out on page 10 and shows the loss for the period.

The directors do not recommend the payment of a dividend.

Principal activities, review of business and future developments

The Group is engaged in the exploration for and development of mineral projects in Sub-Saharan Africa. Since incorporation the Group has built an interesting portfolio of projects in Zimbabwe.

The directors consider the Group's key performance indicators to be the rate of utilization of the Group's cash resources and the on-going evaluation of its exploration assets. These are detailed below.

Cash Resources

As can be seen from the balance sheet, cash resources for the group at 31 March 2009 were approximately £1.5 million (2008: £4.1 million). During the period the cash outflows from operations were £1,018,726 (2008: £831,354) and from i nvesting activities was £2,231,850 (2008: £928,028). There was expenditure of some £2.2million on capital assets the major part of which consisted of deferred exploration costs. The net monthly cash expenditure in the year to March 2009 was approximately £226,000. This figure reflects some reduction achieved in overheads and the fact that recent exploration emphasis has been on relatively low cost geochemical and geophysical work.

On the basis of a monthly cash overhead cost of £130,000, the cash balance of the Group at the beginning of June 2009, following the post balance sheet fundraising event (refer below), allows significant head room for discretionary expenditure on exploration in the coming year.

Evaluation of Exploration Areas

The Group has licences or claims over a significant number of discrete areas of exploration. It is the Group's policy for the Board to review progress every quarter on each area in order to approve the timing and amount of further expenditure or to decide that no further expenditure is warranted. If no further expenditure is warranted for any area then the related costs will be written off. The board measures progression in each of its claim areas based on a number of factors including specific technical results, international commodity markets, claim holding costs and economic considerations

Risks

The principal risks and uncertainties facing the Group are the normal ones inherent in carrying out exploration. Exploration for natural resources is speculative and involves significant risk. Drilling and operating risks include geological, geotechnical, seismic factors, industrial and mechanical incidents, technical failures, labour disputes and environmental hazards. In addition the Group faces particular country risks due to the fact that almost all of its operations are currently in Zimbabwe where there is political and economic uncertainty. These country risks are further addressed in Note 1 to the Financial Statements.

Financial instruments

Details of the use of financial instruments by the Company and its subsidiary undertakings are contained in note 20 of the financial statements.

Charitable and political contributions

During the year the Group made charitable contributions of £22,230 (2008 - £23,497).
The Group made no political contributions during the current period or prior year.

Policy and practice on the payment of creditors

The Group's policy is to settle terms of payment with suppliers when agreeing terms of business, to ensure that suppliers are aware of the terms of payment and to abide by them. It is usual for suppliers to be paid within 30 days of receipt of invoice.

The number of average days purchases of the Company represented by trade creditors at 31 March 2009 was 19 days (2008 - 57 days).

Directors

The directors who served during the year and up to the date hereof were as follows:-

	Date of Appointment	Date of Resignation
Stuart Bottomley	27.05.05	-
Andrew Cranswick	12.04.05	-
Michael Kellow	22.03.06	-
Roy Tucker	05.04.05	-
Ian Fisher	12.04.05	31.03.08

Directors' interests

The interests in the shares of the Company of the Directors who served during the year were as follows:-

	Ordinary Shares held at 31 March 2009 of 1p each	Share Options held at 31 March 2009	Ordinary Shares held at 29 February 2008 of 1p each	Share Options held at 29 February 2008
Stuart Bottomley	1,376,000	4,650,000	1,376,480	3,650,000
Andrew Cranswick	7,450,000	9,115,000	5,400,000	7,115,000
Michael Kellow	-	5,150,000	-	4,150,000
Roy Tucker	1,122,223	6,695,000	1,122,223	4,695,000

Subsequent to period end on 29 April 2009 the following directors aquired ordinary shares in the company.

	Ordinary Shares
Andrew Cranswick	1,470,727
Michael Kellow	200,000
Roy Tucker	363,636

Report of the directors for the 13 month period ended 31 March 2009 ***(Continued)***

All the interests were beneficial and no director has any interest in the shares of any of the subsidiary companies.

Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the Company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

BDO Stoy Hayward LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

Post balance sheet events

The Company raised £2,311,212 before expenses through an equity placement in April 2009.

There were no other material post balance sheet events.

By order of the Board

Roy C Tucker

Roy Tucker
Secretary

30 July 2009

Statement of directors' responsibilities

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company, for safeguarding the assets of the company, for taking reasonable steps for the prevention and detection of fraud and other irregularities and for the preparation of a Directors' Report which complies with the requirements of the Companies Act 1985 and 2006.

The directors are responsible for preparing the annual report and the financial statements in accordance with the Companies Act 1985. The directors are also required to prepare financial statements for the group in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs) and the rules of the London Stock Exchange for companies trading securities on the Alternative Investment Market. The directors have chosen to prepare financial statements for the company in accordance with IFRSs.

International Accounting Standard 1 requires that financial statements present fairly for each financial year the company's financial position, financial performance and cash flows. This requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the International Accounting Standards Board's 'Framework for the preparation and presentation of financial statements'. In virtually all circumstances, a fair presentation will be achieved by compliance with all applicable IFRSs. A fair presentation also requires the Directors to:

- consistently select and apply appropriate accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information; and
- provide additional disclosures when compliance with the specific requirements in IFRSs is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance.

Financial statements are published on the group's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the group's website is the responsibility of the directors. The directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

African Consolidated Resources plc

Report of the independent auditors

To the shareholders of African Consolidated Resources plc

We have audited the group and parent company financial statements (the "financial statements") of African Consolidated Resources plc for the 13 month period ended 31 March 2009 which comprise the group income statement, the group and parent company balance sheets, the group and parent company cash flow statements, the group and parent company statements of change in equity and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the 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 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 financial statements give a true and fair view and have been properly prepared in accordance with the Companies Act 1985 and whether the information given in the directors' report is consistent with those financial statements. We also 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 financial statements. The other information comprises only the Directors' Report, the Chief Executive Officer's Report and the Statement of Directors' Responsibilities. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

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 financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's and company's circumstances, consistently applied and adequately disclosed.

African Consolidated Resources plc

Report of the independent auditors (continued)

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 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 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 March 2009 and of its loss for the period then ended;

- the parent company financial statements give a true and fair view, in accordance with IFRSs as adopted by the European Union as applied in accordance with the provisions of the Companies Act 1985, of the state of the parent company's affairs as at 31 March 2009;

- the 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 financial statements.

Emphasis of Matter - political and economic instability in Zimbabwe

In forming our opinion, which is not qualified, we have considered the directors' assessment of the political and economic instability in Zimbabwe and the impact on the Group and Company (see basis of preparation in note 1). Current political and economic uncertainty gives rise to a significant uncertainty over the ability of the Group and Company to realise the value of the Group's assets and the Company's investment in Zimbabwe for the benefit of the Company's shareholders. The financial statements do not include the adjustments that would result if the current political and economic position in Zimbabwe changed for the worse and the Group was unable to realise the aforementioned assets.

BDO Stoy Hayward LLP

BDO STOY HAYWARD LLP
Chartered Accountants
and Registered Auditors
London

30 July 2009

Group income statement
for the 13 month period ended 31 March 2009

	Notes	2009 Group £	2008 Group £
Revenue		-	-
Share options expenses	22	(585,258)	(244,458)
Other administrative expenses		(831,093)	(908,403)
Administrative expenses		(1,416,351)	(1,152,861)
Operating loss	3	(1,416,351)	(1,152,861)
Finance income	5	113,635	160,813
Loss before and after taxation		(1,302,716)	(992,048)
Loss attributable to the equity holders of the parent company		(1,302,716)	(992,048)
Loss per share – basic and diluted	9	(0.58) pence	(0.48) pence

All amounts above relate to continuing operations.

The accompanying accounting policies and notes on pages 18 - 38 form an integral part of these financial statements.

Group Statement of Changes in Equity
for the 13 month period ended 31 March 2009

Group	Share capital account	Share premium account	Share option reserve	Available for sale reserve	Retained earnings/ (losses)	Total
	£	£	£	£	£	£
At 28 February 2007	**1,899,941**	**6,434,653**	**487,194**	**(10,866)**	**(2,047,976)**	**6,762,946**
Available for sale investments – valuation gains	-	-	-	16,157	-	**16,157**
Net income recognised directly in equity	-	-	-	16,157	-	**16,157**
Loss for the year	-	-	-	-	(992,048)	**(992,048)**
Total recognised income and expense for the year	-	-	-	16,157	(992,048)	**(975,891)**
Share options expenses	-	-	244,458	-	-	**244,458**
Issue of share capital (net of issue costs of £135,000)	310,345	4,054,655	-	-	-	**4,365,000**
At 29 February 2008	**2,210,286**	**10,489,308**	**731,652**	**5,291**	**(3,040,024)**	**10,396,513**
Available for sale investments – valuation losses	-	-	-	(25,908)	-	**(25,908)**
Net income recognised directly in equity	-	-	-	(25,908)	-	**(25,908)**
Loss for the period	-	-	-	-	(1,302,716)	**(1,302,716)**
Total recognised income and expense for the period	-	-	-	(25,908)	(1,302,716)	**(1,328,624)**
Share options expenses	-	-	585,258	-	-	**585,258**
Share options exercised	-	-	(11,778)	-	11,778	-
Issue of share capital	29,745	276,713	-	-	-	**306,458**
At 31 March 2009	**2,240,031**	**10,766,021**	**1,305,132**	**(20,617)**	**(4,330,962)**	**9,959,605**

The accompanying accounting policies and notes on pages 18 to 38 form an integral part of these financial statements.

Company Statement of Changes in Equity
for the 13 month period ended 31 March 2009

Company	Share capital account	Share premium account	Share option reserve	Retained earnings/ (losses)	Total
	£	£	£	£	£
At 28 February 2007	**1,899,941**	**6,434,653**	**487,194**	**(1,881,743)**	**6,940,045**
Loss for the year	-	-	-	(534,321)	**(534,321)**
Total recognised income and expense for the year	-	-	-	(534,321)	**(534,321)**
Share options expenses	-	-	244,458	-	**244,458**
Issue of share capital (net of issue costs of £135,000)	310,345	4,054,655	-	-	**4,365,000**
At 29 February 2008	**2,210,286**	**10,489,308**	**731,652**	**(2,416,064)**	**11,015,182**
Loss for the period	-	-	-	(868,646)	**(868,646)**
Total recognised income and expense for the period	-	-	-		**(868,646)**
Share options expenses	-	-	585,258	-	**585,258**
Share options exercised	-	-	(11,778)	11,778	**-**
Issue of share capital	29,745	276,713	-	-	**306,458**
At 31 March 2009	**2,240,031**	**10,766,021**	**1,305,132**	**(3,272,932)**	**11,038,252**

The accompanying accounting policies and notes on pages 18-38 form an integral part of these financial statements.

Group and Company balance sheets

As at 31 March 2009

	Note	31 March 2009 Group £	29 February 2008 Group £	31 March 2009 Company £	29 February 2008 Company £
Assets					
Non-current assets					
Intangible assets	11	8,046,114	5,841,604	1,094,172	528,924
Property, plant and equipment	12	454,383	403,419	43,972	33,382
Available for sale investments	13	16,786	34,655	394	394
Investment in subsidiaries	14	-	-	653	653
Advance to group companies	15	-	-	8,669,075	6,403,447
		8,517,283	6,279,678	9,808,266	6,966,800
Current assets					
Inventory	16	15,387	25,499	-	-
Receivables	17	82,944	162,945	55,881	142,050
Available for sale investments	18	3,999	37,038	-	-
Cash and cash equivalents	20	1,511,177	4,142,105	1,286,897	4,133,774
Total current assets		1,613,507	4,367,587	1,342,778	4,275,824
Total Assets		**10,130,790**	**10,647,265**	**11,151,044**	**11,242,624**
Equity and Liabilities					
Capital and reserves attributable to equity holders of the company					
Called-up share capital	21	2,240,031	2,210,286	2,240,031	2,210,286
Share premium account	21	10,766,021	10,489,308	10,766,021	10,489,308
Available for sale reserve	23	(20,617)	5,291	-	-
Share option reserve	23	1,305,132	731,652	1,305,132	731,652
Retained earnings	23	(4,330,962)	(3,040,024)	(3,272,932)	(2,416,064)
Total equity		9,959,605	10,396,513	11,038,252	11,015,182
Current liabilities					
Trade and other payables	19	171,185	250,752	112,792	227,442
Total current liabilities		171,185	250,752	112,792	227,442
Total Equity and Liabilities		**10,130,790**	**10,647,265**	**11,151,044**	**11,242,624**

The accompanying accounting policies and notes on pages 18 to 38 form an integral part of these financial statements.

The accounts on pages 13 to 38 were approved and authorised for issue by the Board of Directors on 30 July **2009** and were signed on its behalf by:

Roy C Tucker
Director

Roy C Tucker

Group and Company cash flow statements

for the 13 month period ended 31 March 2009

	2009 Group £	2008 Group £	2009 Company £	2008 Company £
CASH FLOW FROM OPERATING ACTIVITES				
Loss for the period	(1,302,716)	(992,048)	(868,646)	(534,321)
Adjustments for:				
Depreciation	178,513	116,861	21,634	15,755
Write-off of deferred expenditure/intangible assets	-	31,984	-	30,254
Exchange gain on cash and cash equivalents	(313,190)	(21,939)	(261,301)	(28,009)
Finance income	(113,635)	(160,813)	(428,472)	(160,797)
Profit on sale of available for sale investments	(20,657)	2,186	-	-
Profit on sale of property, plant and equipment	(42,845)	(353)	(2,535)	-
Share option charges	585,258	244,458	585,258	244,458
	273,444	212,384	(85,416)	101,661
Changes in working capital:				
Increase in advance to group companies	-	-	(2,098,246)	(1,127,870)
Decrease/(Increase) in receivables	80,001	(78,313)	86,169	(67,602)
Decrease in inventories	10,112	7,109	-	-
(Decrease)/Increase in payables	(79,567)	19,514	(114,650)	60,256
	10,546	(51,690)	(2,126,727)	(1,135,216)
Cash generated from operations	(1,018,726)	(831,354)	(3,080,789)	(1,567,876)
Investing activities:				
Payments to acquire intangible assets	(2,204,510)	(911,438)	(732,630)	(342,820)
Payments to acquire property, plant and equipment	(266,701)	(152,248)	(34,840)	(11,918)
Payments to acquire available for sale investments	-	(59,432)	-	-
Payments to acquire investment in subsidiaries	-	-	-	(650)
Proceeds on disposal of property, plant and equipment	80,069	5,070	5,151	-
Proceeds on disposal of available for sale investments	45,657	29,207	-	-
Interest received	113,635	160,813	428,472	160,797
	(2,231,850)	(928,028)	(333,847)	(194,591)
Financing Activities:				
Proceeds from the issue of ordinary shares, net of issue costs	306,458	4,365,000	306,458	4,365,000
(Decrease)/Increase in cash and cash equivalents	(2,944,118)	2,605,618	(3,108,178)	2,602,533
Cash and cash equivalents at beginning of period	4,142,105	1,514,548	4,133,774	1,503,232
Exchange gain on cash and cash equivalents	313,190	21,939	261,301	28,009
Cash and cash equivalents at end of period	**1,511,177**	**4,142,105**	**1,286,897**	**4,133,774**

The accompanying notes and accounting policies on pages 18 to 38 form an integral part of these financial statements.

Statement of accounting policies
for the 13 month period ended 31 March 2009

1 Accounting Policies

Basis of preparation
The principal accounting policies adopted in the preparation of the financial information are set out below. The policies have been consistently applied throughout the current period and prior year presented, unless otherwise stated. These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs and IFRIC interpretations) issued by the International Accounting Standards Board (IASB) as adopted by the European Union and with those parts of the Companies Act 1985 applicable to companies preparing their accounts under IFRS.

The company changed its financial year end for administration purposes from 28 February to 31 March giving rise to a 13 month period. As a result comparatives for the income statement and cash flow movements are not directly comparable.

In the preparation of the financial statements the directors have considered the current political and economic uncertainty in Zimbabwe and the impact on the Group and Company.

The presidential election run off in June 2008, followed by the formation of a Government of National Unity, together with soaring inflation in 2008 and early 2009, high unemployment and collapse of the value of the Zimbabwean dollar, and the strong opposition to change in the country has attracted global criticism. There has been earlier press speculation that mining assets could be nationalised, although this has been refuted more recently by the new Prime Minister. There have been no such actions to date that the Directors are aware of. The longer term policy of the government in this regard remains under debate within parliamentary committees.

The foreign currency regulations as determined by the Government and Reserve Bank of Zimbabwe, were materially amended in February 2009, to allow for the legalisation of a multi-currency system. Certain related legislation is still in the process of being fully amended. The new minister of finance presented his mid year fiscal policy review in July 2009, in which favourable investor policies were mentioned. They await appropriate enactment.

The directors have further considered the quality of the assets held by the Company through its investment in its subsidiary undertakings in Zimbabwe. They have concluded that whilst the current political and economic uncertainty gives rise to uncertainty over the ability of the Group and Company to realise the value of the Group's assets and the Company's investment in Zimbabwe for the benefit of the Company's shareholders, the directors remain confident that in the longer term, it will not materially impact the company's ability to realise the value of its investments for its shareholders.

Change in Accounting Policy

New standards, amendments to published standards and interpretations to existing standards effective on 1 March 2008 adopted by the Group.

New and revised standards effective for 31 March 2009 period-ends	Standard	Effective for annual periods beginning on or after
Interpretations	*IFRIC 11 – IFRS 2 Group and Treasury Share Transactions*	1 March 2007
	IFRIC 12 - Service Concession Arrangements	1 January 2008
	IFRIC 13 - Customer Loyalty Programmes	1 July 2008

	IFRIC 14 - IAS 19 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interpretation	1 January 2008
	IFRIC 16 - Hedges of a Net Investment in a Foreign Operation	1 October 2008

New standards, amendments to published standards and interpretations to existing standards in issue at 31 March 2009 but not yet effective, that will be applicable to the Company in the future.

New and revised standards issued but not effective for 31 March 2009 period-ends	Standard	Effective for annual periods beginning on or after
New Standard	*IFRS 8 – Operating Segments*	1 January 2009
Amendment	*IFRS 1 – First time adoption of International Financial Reporting Standards**	1 January 2009
	IFRS 1 and IAS 27 – Cost of an Investment in a subsidiary, jointly controlled entity or associate	1 January 2009
	*IFRS 7 – Improving disclosures about financial instruments**	1 January 2009
	Improvements to IFRSs (2009)	1 January 2009
	*IAS 39 – Financial instruments : Recognition and Measurement : Eligible Hedged Items**	1 July 2009
	*Improvements to IFRSs (2010)**	1 January 2010
	*IFRS 2 – Group cash settled share based payment transactions**	1 January 2010
	IFRS 3 – Business Combinations	1 July 2009
	IFRS 2 – Share-based Payment – Vesting Conditions and Cancellations	1 January 2009
	IAS 1 – Presentation of Financial Statements – A revised Approach	1 January 2009
	IAS 23 – Borrowing Costs	1 January 2009
	IAS 27 – Consolidated and Separate Financial Statements	1 July 2009
	IAS 32 and 1 - Puttable Financial Instruments and Obligations Arising on Liquidation	1 January 2009
Interpretations	*IFRIC 15* - Agreements for the Construction of Real Estate*	1 January 2009
	*IFRIC 17 – Distribution of non-cash assets to owners**	1 July 2009
	*IFRIC 18 – Transfer of assets from customers**	1 July 2009

Items marked* had not yet been endorsed by European Union at the date that these financial statements were approved and authorised for issue by the Board. The standards listed above are not yet effective and are not expected to have a significant impact on the Group.

The preparation of the group financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities in the next financial year are discussed below:

a) Useful lives of property, plant & equipment

Property, plant and equipment are depreciated over their useful economic lives. Useful economic lives are based on management's estimates of the period that the assets will be in operational use, which are periodically reviewed for continued appropriateness. Due to the long life of certain assets, changes to estimates used can result in significant variations in the carrying value. More details, including carrying values, are included in note 12 to the financial statements.

b) Impairment of intangibles

The Group is required to test, on an annual basis, whether deferred exploration costs, mining options and licence acquisition costs have suffered any impairment. The recoverable amounts are determined based on an assessment of the economically recoverable mineral reserves, the ability of the group to obtain the necessary financing to complete the development of the reserves and future profitable production or proceeds from the disposition of recoverable reserves. Actual outcomes may vary. More details, including carrying values, are included in note 11 to the financial statements.

c) Share based payments

The Group operates an equity settled share based remuneration scheme for key employees. Employee services received, and the corresponding increase in equity, are measured by reference to the fair value of equity instruments at the date of grant. The fair value of the share options is estimated by using the Black Scholes model on the date of grant based on certain assumptions. Those assumptions are described in note 22 and include, among others, the expected volatility and expected life of the options.

Basis of consolidation
Where the Company has the power, either directly or indirectly, to govern the financial and operating policies of another entity or business so as to obtain benefits from its activities, it is classified as a subsidiary. The financial information presents the results of the Company and its subsidiaries (the "Group") as if they formed a single entity. Inter-company transactions and balances between Group companies are therefore eliminated in full.

Business combinations
The financial information incorporate the results of business combinations using the purchase method. In the consolidated balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the group income statement from the date on which control is obtained. The licences acquired have been valued at their fair value using appropriate valuation techniques and posted to intangible assets.

Revenue
The Group and Company had no turnover during the period.

Foreign currency
The functional currency of the Company and all of its subsidiaries, is Pounds Sterling, which is the currency of the primary economic environment in which the Company and all of its subsidiaries operate. The Zimbabwean subsidiaries retain ledgers in the functional currency and where transactions are denominated in Zimbabwe Dollars, United States Dollars or South African Rands they are translated at the best rate achievable given all relevant circumstances at the time.
Transactions entered into by the Group entities in a currency other than the currency of the primary economic environment in which it operates (the "functional currency") are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the balance sheet date. Exchange differences arising on the retranslation of unsettled monetary assets and liabilities are similarly recognised immediately in the income statement,

except for foreign currency borrowings qualifying as a hedge of a net investment in a foreign operation.

Provision for abandonment costs

Provision for abandonment costs are recognised at the commencement of mining. The amount recognised is the present value of the estimated future expenditure determined in accordance with local conditions and requirements. The present value is calculated by discounting the future cash flows at a pre tax rate that reflects current market assessments of the time value of money at that time. A corresponding property, plant and equipment asset of an amount equivalent to the provision is also created. This is subsequently depreciated as part of the capital costs of production. Any change in the present value of the estimated expenditure is reflected as an adjustment to the provision and the property, plant and equipment assets.

Share-based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to the income statement over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the income statement over the remaining vesting period.

Where equity instruments are granted to persons other than employees, the income statement is charged with the fair value of goods and services received, except where it is in respect to costs associated with the issue of shares, in which case, it is charged to the share premium account.

Tax

The major components of income tax on the profit or loss include current and deferred tax.

Current tax is based on the profit or loss adjusted for items that are non-assessable or disallowed and is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Income tax is charged or credited to the income statement, except when the tax relates to items credited or charged directly to equity, in which case the tax is also dealt with in equity.

Deferred tax

Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability in the balance sheet differs to its tax base, except for differences arising on:

- The initial recognition of goodwill;
- Goodwill for which amortisation is not tax deductible:
- The initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting or taxable profit; and
- Investments in subsidiaries and jointly controlled entities where the group is able to control the timing of the reversal of the difference and it is probable that the differences will not reverse in the foreseeable future.

Recognition of deferred tax assets is restricted to those instances where it is probable that taxable profit will be available against which the difference can be utilised.

The amount of the asset or liability is determined using tax rates that have been enacted or substantively enacted by the balance sheet date and are expected to apply when deferred tax liabilities/(assets) are settled/(recovered). Deferred tax balances are not discounted.

Deferred development and exploration costs

In accordance with the full cost method, all costs associated with mining property development and investment are capitalized on a project-by-project basis pending determination of the feasibility of the project. Costs incurred include appropriate technical and administrative expenses but not general overheads. If a mining property development project is successful, the related expenditures will be amortised over the estimated life of the commercial ore reserves on a unit of production basis. Where a licence is relinquished, a project is abandoned, or is considered to be of no further commercial value to the Group, the related costs will be written off.

Unevaluated mining properties are assessed at each year end and where there are indications of impairment these costs are written off to the income statement. The recoverability of deferred mining property costs and interests is dependent upon the discovery of economically recoverable reserves, the ability of the Group to obtain necessary financing to complete the development of reserves and future profitable production or proceeds from the disposition of recoverable reserves.

If commercial reserves are developed, the related deferred development and exploration costs are then reclassified as development and production assets within property, plant and equipment.

Proved mining properties

Depletion and amortisation of the full-cost pools is computed using the units-of-production method based on proved reserves as determined annually by management.

Mineral rights

Mineral rights are recorded at cost less amortisation and provision for diminution in value. Amortisation will be over the estimated life of the commercial ore reserves on a unit of production basis.

Licences for the exploration of natural resources will be amortised over the lower of the life of the licence and the estimated life of the commercial ore reserves on a unit of production basis.

Property, plant and equipment

Items of property, plant and equipment are initially recognised at cost and are subsequently carried at depreciated cost. As well as the purchase price, cost includes directly attributable costs and the estimated present value of any future costs of dismantling and removing items. The corresponding liability is recognised within provisions.

Depreciation is provided on all other items of property and equipment is to write off the carrying value of items over their expected useful economic lives. It is applied at the following rates:

Plant and machinery –	25% per annum, straight line
Fixtures and fittings –	25% per annum, straight line
Computer equipment –	33% per annum, straight line
Motor vehicles –	20% per annum, straight line

The depreciation on assets utilised directly for exploration activities is capitalised as deferred exploration costs. Depreciation in respect of all other assets is charged to administrative expenses in the income statement.

Financial assets

The Group's financial assets consist of cash and cash equivalents, trade and other receivables and available for sale investments. The Group's accounting policy for each category of financial asset is as follows:

Loans and receivables: These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the Group will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For receivables, which are reported net, such provisions are recorded in a separate allowance account with the loss being recognised within administrative expenses in the income statement. On confirmation that the receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

The Group's loans and receivables comprise other receivables and cash and cash equivalents in the balance sheet.

There is no significant difference between the carrying value and fair value of receivables.

Available for sale: Non-derivative financial assets not included in the categories above are classified as available-for-sale and comprise the Group's strategic investments in entities not qualifying as subsidiaries, associates or jointly controlled entities. They are carried at fair value with changes in fair value recognised directly in equity. Where a decline in the fair value of an available-for-sale financial asset constitutes evidence of impairment, for example if the decline is significant or prolonged, the amount of the loss is removed from equity and recognised in the income statement.

Financial liabilities

The Group's financial liabilities consist of trade and other payables, which are initially recognised at fair value and subsequently carried at amortised cost, using the effective interest method.

Inventories

Inventories are initially recognised at cost, and subsequently at the lower of cost and net realisable value. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Weighted average cost is used to determine the cost of ordinarily inter-changeable items.

Cash and cash equivalents

Cash comprises cash in hand and balances with banks. Cash equivalents are short term, highly liquid accounts that are readily converted to known amounts of cash. They include short term bank deposits originally purchased with maturities of less than three months.

Leased assets

Where assets are financed by leasing agreements that do not give rights approximating ownership, these are treated as operating leases. The annual rentals are charged to the income statement on a straight line basis over the term of the lease.

Pension costs

Contributions to defined contribution pension schemes are charged to the income statement in the year to which they relate.

Notes to financial statements

for the 13 month period ended 31 March 2009

2 *Segmental analysis*

The Group operates in one business segment, the exploration for mineral assets. African Consolidated Resources plc has interests in one geographical segment being Southern Africa, primarily Zimbabwe.

3 Group loss from operations

	2009 Group £	2008 Group £
Operating loss is stated after charging/(crediting):		
Auditors' remuneration – audit (Company £33,500 (2008 - £28,000))	41,030	32,208
Depreciation	178,513	116,861
Office lease	43,679	15,185
Foreign exchange gains	(354,630)	(14,975)
Employee share option expense	576,751	244,458
Employee pension costs	8,438	7,650
Wages and salaries	216,629	206,342
Profit on disposal of property, plant and equipment	(42,845)	(352)
(Profit)/Loss on disposal of financial assets	(20,657)	2,186

4 Auditors' remuneration

For auditing of accounts of the Company pursuant to legislation.	33,500	28,000
For auditing of accounts of the subsidiaries pursuant to legislation.	7,530	4,208
	41,030	32,208

5 Finance income

Interest received on bank deposits	113,635	160,813

6 Taxation

	2009 Group £	2008 Group £
There is no tax charge arising for the Group for the period. The tax assessed for the period is lower than the standard rate of corporation tax in the UK. The differences are explained		
Loss before taxation	(1,302,716)	(992,048)
Loss before taxation at the standard rate of corporation tax in the UK of 28% (2008 : 30%)	(364,760)	(297,614)
Expenses disallowed for tax (principally depreciation, share issue expenses and share option expenses)	211,473	109,010
Loss carried forward	153,287	188,604
Tax charge for the period	-	-

Factors that may affect future tax charges:

At the 31 March 2009, the Company had UK tax losses of approximately £1,320,000 (2008- £1,170,000) carried forward which can be utilised against future profits. However these losses are only recoverable against future profits, the timing of which is uncertain and as a result no deferred tax asset is being recognised in respect of these losses.

7 Employees

Staff costs (including directors) consist of:	Group 2009 £	Group 2008 £	Company 2009 £	Company 2008 £
Wages and Salaries - management	187,399	186,636	177,188	178,440
Wages and Salaries – other	29,230	19,706	-	-
	216,629	206,342	177,188	178,440
Consultancy fees	366,448	452,416	359,379	345,716
Social Security costs	4,505	1,782	2,182	1,756
Healthcare costs	4,845	3,222	4,845	3,222
Pension costs	8,438	7,650	8,438	7,650
	600,865	671,412	552,032	536,784

The average number of employees (including directors) during the year was as follows:

	Group 2009 Number	Group 2008 Number	Company 2009 Number	Company 2008 Number
Management	7	7	7	6
Other operations	48	44	-	-
	55	51	7	6

8 Directors' remuneration

	2009	2008
	£	£
Directors' emoluments	177,188	178,440
Company contributions to pension schemes	8,438	7,650
Healthcare costs	4,845	3,222
Amounts paid to third parties in respect of directors' services	141,146	137,409
Directors' remuneration	331,617	326,721
Share based payment charges	439,299	168,407
Key management remuneration	770,916	495,128

The directors' remuneration represents the emoluments paid to key management.
Out of the share based payment charge (see note 3) of £585,258 (2008 : £244,458) , £439,299 (2008 : £168,407) relates to directors.
Emoluments paid to the highest paid director, including amounts paid to third parties in respect of directors services is £98,541 (2008 - £89,292).
One director (2008 : one) accrued benefits under a defined contribution scheme during the year.
One director (2008 : nil) exercised 1,000,000 share options during the year (refer note 22). The gain on exercise of options amounted to £25,000.

9 Loss per share

		2009	2008
		Group	Group
Loss per Ordinary Share has been calculated using the weighted average number of Ordinary Shares in issue during the relevant financial period.			
The weighted average number of Ordinary Shares in issue for the period is.		222,816,217	208,614,788
Losses for the Group for the period are	(£)	(1,302,716)	(992,048)
Loss per share basic and diluted		(0.58p)	(0.48p)

The effect of all potentially dilutive share options is anti-dilutive. Details of the share options which may dilute the loss per share are disclosed in note 22 in the financial statements

10 Loss for the financial period

The Company has taken advantage of the exemption allowed under Section 230 of the Companies Act 1985 and has not presented its own income statement in these financial statements. The Group loss for the period includes a loss after taxation of £868,646 (2008 - £534,321), which is dealt with in the financial statements of the parent company.

11 Intangible assets

Group	Deferred exploration costs	Mining options	Licence acquisition costs	Total
	£	£	£	£
Cost at 29 February 2008	3,771,763	17,550	2,052,291	5,841,604
Additions during the period	1,936,663	-	267,847	2,204,510
Reclassification during the period	-	(17,550)	17,550	-
Disposals during the period	-	-	-	-
Cost at 31 March 2009	**5,708,426**	-	**2,337,688**	**8,046,114**

Group				
Cost at 28 February 2007	2,882,595	47,661	2,031,894	4,962,150
Additions during the year	891,041	-	20,397	911,438
Disposals during the year	(1,873)	(30,111)	-	(31,984)
Cost at 29 February 2008	**3,771,763**	**17,550**	**2,052,291**	**5,841,604**

Company				
Cost at 29 February 2008	453,275	17,550	58,099	528,924
Additions during the period	548,118	-	184,512	732,630
Reclassification during the period	-	(17,550)	17,550	-
Disposals during the period	(167,382)	-	-	(167,382)
Cost at 31 March 2009	**834,011**	-	**260,161**	**1,094,172**

Company				
Cost at 28 February 2007	110,598	47,661	58,099	216,358
Additions during the year	342,820	-	-	342,820
Disposals during the year	(143)	(30,111)	-	(30,254)
Cost at 29 February 2008	**453,275**	**17,550**	**58,099**	**528,924**

12 Property, plant and equipment Group	Plant and machinery	Fixtures, fittings and equipment	Computer assets	Motor vehicles	Total
	£	£	£	£	£
Cost at 29 February 2008	246,276	32,968	42,325	267,964	589,533
Additions during the period	108,655	10,554	19,154	128,338	266,701
Disposals during the period	(25,877)	-	-	(41,962)	(67,839)
Cost at 31 March 2009	**329,054**	**43,522**	**61,479**	**354,340**	**788,395**
Depreciation at 29 February 2008	66,658	9,880	23,419	86,157	186,114
Charge for the period	78,337	11,016	16,722	72,438	178,513
Disposals during the period	(7,547)	-	-	(23,068)	(30,615)
Depreciation at 31 March 2009	**137,448**	**20,896**	**40,141**	**135,527**	**334,012**
Net book amount at 31 March 2009	**191,606**	**22,626**	**21,338**	**218,813**	**454,383**
Group					
Net book amount at 28 February 2007	168,699	14,893	20,597	168,560	372,749
Additions during the year	64,890	14,227	10,844	62,287	152,248
Disposals during the year	(2,176)	-	-	(3,441)	(5,617)
Charge for the year	(51,795)	(6,032)	(12,535)	(45,599)	(115,961)
Net book amount at 29 February 2008	**179,618**	**23,088**	**18,906**	**181,807**	**403,419**
Company					
Cost at 29 February 2008	12,902	8,107	30,182	15,070	66,261
Additions during the period	25,446	1,690	4,704	3,000	34,840
Disposals during the period	-	-	-	(5,233)	(5,233)
Cost at 31 March 2009	**38,348**	**9,797**	**34,886**	**12,837**	**95,868**
Depreciation at 29 February 2008	6,713	2,309	19,286	4,571	32,879
Charge for the period	7,503	2,419	8,931	2,781	21,634
Disposals during the period	-	-	-	(2,617)	(2,617)
Depreciation at 31 March 2009	**14,216**	**4,728**	**28,217**	**4,735**	**51,896**
Net book amount at 31 March 2009	**24,132**	**5,069**	**6,669**	**8,102**	**43,972**
Company					
Net book amount at 28 February 2007	7,723	2,719	16,369	10,408	37,219
Additions during the year	1,419	4,154	3,608	2,737	11,918
Charge for the year	(2,953)	(1,075)	(9,081)	(2,646)	(15,755)
Net book amount at 29 February 2008	**6,189**	**5,798**	**10,896**	**10,499**	**33,382**

13 Available for sale investments (Non current)	2009 Group £	2008 Group £	2009 Company £	2008 Company £
Fair value at the beginning of the period	34,655	6,606	394	394
Movement in fair value	(17,869)	28,049	-	-
Fair value at the end of the period	**16,786**	**34,655**	**394**	**394**

The available for sale investments represents investments in quoted companies. The fair value of available for sale investments is based on the quoted market price of those investments. The face value of the Company's available for sale investments is not materially different to the market value at either the current or previous year end.

14 Investment in subsidiaries	2009 Company £	2008 Company £
Cost at the beginning of the period	653	3
Additions during the period	-	650
Cost at the end of the period	**653**	**653**

The principal subsidiaries of African Consolidated Resources plc, all of which are included in these consolidated Annual Financial Statements are as follows:

	Company	Country of registration	Class	Proportion held by group 2009	Proportion held by group 2008	Nature of business
	Millwall International Investments Limited	BVI	Ordinary	100%	100%	Mining exploration and development
	Mimic Mining UK Limited	United Kingdom	Ordinary	100%	100%	Holding company
	African Consolidated Resources (Zambia) Limited	Zambia	Ordinary	100%	100%	Mining exploration and development
**	African Consolidated Resources (PTC) Limited	BVI	Ordinary	100%	100%	Nominee company
	Moorestown Limited	BVI	Ordinary	100%	100%	Mining exploration and development
	Canape Investments (Private) Limited	Zimbabwe	Ordinary	100%	100%	Mining exploration and development
*	Breckridge Investments (Private) Limited	Zimbabwe	Ordinary	100%	100%	Mining exploration and development
*	Lescaut Investments (Private) Limited	Zimbabwe	Ordinary	100%	100%	Mining exploration and development.

* Indirectly held
** Previously Touzel Holdings Limited

15 Advance to Group Companies

	2009 Group £	2008 Group £	2009 Company £	2008 Company £
Advance to Group Companies	-	-	8,669,075	6,403,447

16 Inventory

	2009 Group £	2008 Group £	2009 Company £	2008 Company £
Material and supplies	15,387	25,499	-	-

There is no material difference between the replacement cost of stocks and the amount stated above.
The amount of inventory recognized as an expense during the year was £164,800 (2008 - £140,900)

17 Receivables

	2009 Group £	2008 Group £	2009 Company £	2008 Company £
Other receivables	82,944	162,945	55,881	142,050

All amounts fall due for payment within one year.
Advances to Group companies are repayable on demand, subject to relevant exchange control approvals being obtained.

18 Available for sale investments

(Current)

	2009 Group £	2008 Group £	2009 Company £	2008 Company £
Fair value at the beginning of the period	37,038	20,891	-	-
Additions during the period	-	59,432	-	-
Disposals	(25,000)	(31,393)	-	-
Movement in fair value	(8,039)	(11,892)	-	-
Fair value at the end of the period	3,999	37,038	-	-

Available for sale investments comprise shares in quoted companies. The face value of the Group's available for sale investments was not materially different to the market value at the previous year end.

19 Trade and other payables

	2009 Group £	2008 Group £	2009 Company £	2008 Company £
Trade payables	11,723	38,739	7,474	33,480
Other payables	11,861	110,124	-	92,172
Other taxes and social security taxes	11,921	2,090	4,083	1,991
Accrued expenses	135,680	99,799	101,235	99,799
	171,185	250,752	112,792	227,442

All amounts fall due for payment within one year.

20 Financial instruments – risk management

Significant accounting policies
Details of the significant accounting policies in respect of financial instruments are disclosed in Note 1 to the financial statements. The Group's financial instruments, comprise available for sale investments (notes 13 and 18), cash and items arising directly from its operations such as trade receivables and trade payables.

Financial risk management
The Board seeks to minimise its exposure to financial risk by reviewing and agreeing policies for managing each financial risk and monitoring them on a regular basis. No formal policies have been put in place in order to hedge the Group and Company's activities to the exposure to currency risk or interest risk, however this will be considered periodically by the Board. No derivatives or hedges were entered into during the period.

The Group and Company is exposed through its operations to the following financial risks:

- Credit risk
- Cash flow interest rate risk
- Foreign currency risk
- Liquidity risk

The policy for each of the above risks is described in more detail below.

The principal financial instruments used by the Group, from which financial instruments risk arises are as follow:

- Trade and other receivables
- Cash and cash equivalents
- Trade and other payables
- Available for sale investments

The fair value of all financial assets and financial liabilities is not materially different to the book value.

Credit risk
Financial assets which potentially subject the Group and the Company to concentrations of credit risk consist principally of cash, short term deposits and trade receivables. Cash balances are all held at recognised financial institutions. Trade receivables are presented net of allowances for doubtful receivables. Trade receivables currently form an insignificant part of the Group's and the Company's business and therefore the credit risk associated with them is also insignificant to the Group and the Company as a whole.

The Company has a credit risk in respect to inter-company loans to subsidiaries. The recoverability of these balances in dependent on the commercial viability of the exploration activities undertaken by the respective subsidiary companies. The credit risk of these loans is managed as the directors constantly monitor and assess the viability and quality of the respective subsidiary's investments in intangible mining assets.

Intercompany loan amounts between the holding company and its Zimbabwean subsidiary Canape Investments, are subject to credit risk in so far as the Zimbabwe's exchange control regulations, which change from time to time, prevent timeous settlement.

Maximum exposure to credit risk
The Group's maximum exposure to credit risk by class of financial instrument is shown in the table below:

	2009 Carrying value £	2009 Maximum exposure £	2008 Carrying value £	2008 Maximum exposure £
Cash and cash equivalents	1,511,177	1,511,177	4,142,105	4,142,105
Trade and other receivables	82,944	82,944	162,945	162,945

The Company's maximum exposure to credit risk by class of financial instrument is shown in the table below :

	2009 Carrying value	2009 Maximum exposure	2008 Carrying value	2008 Maximum exposure
	£	£	£	£
Cash and cash equivalents	1,286,897	1,286,897	4,133,774	4,133,774
Trade and other receivables	55,811	55,811	142,050	142,050
Advances to Group Companies	8,669,075	8,669,075	6,403,447	6,403,447

Cash flow interest rate risk

The Group has adopted a non speculative policy on managing interest rate risk. Only approved financial institutions with sound capital bases are used to borrow funds and to invest surplus finds in. The Group and the Company had no borrowing facilities at either the current period end or previous year end.

The Group and the Company seeks to obtain a favourable interest rate on its cash balances through the use of bank deposits. At the period end the Group had a cash balance of £1,511,177 (2008: £4,142,105) which was made up as follows:

	2009 Group	2008 Group
	£	£
British pounds	773,028	2,964,011
United States dollars	727,680	1,172,601
Zimbabwean dollars	3,606	5,373
Zambian Kwacha	6,863	120
	1,511,177	**4,142,105**

Included within the above are amounts of £101,553 and US$972,777 (2008 £144,625 and US$1,821,306) held within fixed and floating rate deposit accounts. Interest rates are 2% to 5% based on bank interest rates.

The Group received interest for the period on bank deposits of £113,635 (2008: £160,813).

The effect of a 10% reduction in interest rates during the period would, all other variables held constant, have resulted in reduced interest income of £11,363 (2008 – £16,081). Conversely the effect of a 10% increase in interest rates during the period would, on the same basis, have increased interest income by £11,363 (2008 – £16,081).

At the period end, the Company had a cash balance of £1,286,897 (2008 : £4,133,774) which was made up as follows:

	2009 Company	2008 Company
	£	£
Pounds Sterling	773,028	2,964,011
United States dollars	513,869	1,169,763
	1,286,897	**4,133,774**

The Group and the Company has no interest bearing debts at either the current period end or previous year end.

Liquidity risk
Borrowing facilities are negotiated with approved financial institutions at acceptable interest rates. All assets and liabilities are at fixed and floating interest rate. The Group and the Company seeks to manage its financial risk to ensure that sufficient liquidity is available to meet the foreseeable needs both in the short and long term.

Foreign currency risk
Foreign exchange risk is inherent in the Group's and the Company's activities and is accepted as such. The majority of African Consolidated Resources Plc's expenses are denominated in Pounds Sterling.

At 31 March 2009 and 28 February 2008, the currency exposure of the Group was as follows:

	UK Sterling	US Dollars	Other Currencies
At 31 March 2009	£	£	£
Cash and cash equivalents	773,028	727,680	10,469
Trade and other receivables	66,763	12,224	3,957
Trade and other payables	(96,185)	(75,000)	-
Available for sale investments	-	20,785	-
Net assets	**743,606**	**685,689**	**14,426**
At 29 February 2008			
Cash and cash equivalents	2,964,011	1,172,601	5,493
Trade and other receivables	136,339	22,424	4,182
Trade and other payables	(164,590)	(64,727)	(21,435)
Available for sale investments	-	-	71,693
Net assets	**2,935,760**	**1,130,298**	**59,933**

The effect of a 10% strengthening of Sterling against the US dollar at the balance sheet date, all other variables held constant, would have resulted in increasing post tax losses by £68,582 (2008 : £105,471). Conversely the effect of a 10% weakening of Sterling against the US dollar at the balance sheet date, all other variables held constant, would have resulted in decreasing post tax losses by £68,582 (2008 : £128,191).

At 31 March 2009 and 28 February 2008, the currency exposure of the Company was as follows :

At 31 March 2009	**UK Sterling £**	**US Dollars £**
Cash and cash equivalents	773,028	513,869
Trade and other receivables	55,175	706
Advances to Group companies	8,669,075	-
Trade and other payables	(79,105)	(33,687)
	9,418,173	**480,888**
At 29 February 2008		
Cash and cash equivalents	2,964,011	1,169,763
Trade and other receivables	142,050	-
Advances to Group companies	6,403,447	-
Trade and other payables	(162,715)	(64,727)
	9,346,793	**1,105,036**

Capital

The objective of the directors is to maximise shareholder returns and minimise risks by keeping a reasonable balance between debt and equity. To date the Company and Group has minimised risk by being purely equity financed. The capital employed by the Group and Company is comprised of equity attributable to shareholders.

21 Share capital

	Number of shares	**Nominal value £**	**Share premium £**
Authorised			
Ordinary shares of £0.01 each	1,000,000,000	10,000,000	-
Issued			
Called up, allotted and fully paid			
As at 28 February 2007	189,994,098	1,899,941	6,434,653
Issued during the year	31,034,482	310,345	4,054,655
As at 29 February 2008	221,028,580	2,210,286	10,489,308
Issued during the period	2,974,549	29,745	276,713
As at 31 March 2009	224,003,129	2,240,031	10,766,021

22 Share based payments

Share options Exercise price	Outstanding at 29 February 2008	Exercised during last 13 months	Lapsed during last 13 months	Granted during last 13 months	Outstanding at 31 March 2009	Final exercise date
4.5p	2,500,000	-	-	-	2,500,000	Dec 2010
4.5p	1,111,111	-	-	-	1,111,111	June 2010
4.5p	11,000,000	(1,000,000)	-	-	10,000,000	June 2011
7.0p	1,500,000	-	(1,500,000)	-	-	March 2009
7.0p	37,500	-	-	-	37,500	June 2011
12.0p	666,667	-	-	-	666,667	June 2009
12.0p	5,500,000	-	-	-	5,500,000	June 2011
12.0p	1,965,000	-	-	-	1,965,000	Dec 2010
14.5p	1,945,000	-	-	-	1,945,000	June 2011
15.0p	5,500,002	-	-	-	5,500,002	June 2011
18.0p	5,499,998	-	-	-	5,499,998	June 2011
14.5p	-	-	-	2,040,000	2,040,000	June 2011
18.0p	-	-	-	8,000,000	8,000,000	June 2011
	37,225,278	**(1,000,000)**	**(1,500,000)**	**10,040,000**	**44,765,278**	

No share options were exercised, lapsed or cancelled in the previous year.

All share options have been valued using the Black Scholes method on valuing options from the date of grant.

Of the 44,765,278 options outstanding at 31 March 2009. 10,040,000 are not yet exercisable at 31 March 2009.

The Company operates an unapproved share option plan for directors, senior management and staff consultants. Details of the valuation basis and the grant and vesting dates are contained below.

Fair value of options - Employees

Inputs to the valuation model

The fair values of awards granted under the Employee Share Option Plan have been calculated using the Black Scholes pricing model that takes into account factors specific to share incentive plans such as the vesting periods of the Plan, the expected dividend yield of ACR's shares and the estimated volatility of those shares.

Based on the above assumptions, the fair values of the options granted are estimated to be:

	12p options	**14.5p options**	**18p options**	**14.5p options**
Grant date	March 2007	Jan 2008	April 2008	July 2008
Vesting periods	Dec 2007-Dec 2010	Dec 2008- June 2011	April 2009-June 2011	July 2009- June 2011
Share price at date of grant	7.7p	14.5p	19p	13p
Exercise price	12p	14.5p	18p	14.5p
Volatility	50%	50%	41%	42%
Option life	3 years	2.5 years	2.25 years	2 years
Dividend yield	Nil	Nil	Nil	Nil
Risk free investment rate	4.86%	4.86%	3.8%	5.13%
Fair value	1.3p	4.5p	5.92p	3.47p

Volatility has been based on the volatility of comparable listed companies in the mining, oil and gas sector, based on historical share price information.

Expense arising from share-based payments

Based on the above fair values and ACR's expectations of employee turnover, the expense arising from equity-settled share options and share awards made to employees was £585,258(2008 : £244,458).

The Company had also granted share options to Geoinformatics Limited and Williams de Broe plc in respect of geological and financial consultancy services provided to the company, these options lapsed on 31 March 2009.

23 Reserves

Details of the nature and purpose of each reserve within owners' equity are provided below:
The share premium account holds the balance of consideration received net of fund raising costs in excess of the par value of the shares.
The share options reserve represents the accumulated balance of share benefit charges recognised in respect of share options granted by the company.
The available for sale reserve holds the gains/(losses) arising on recognising financial assets classified as available for sale at fair value.
The retained earnings reserve represents the cumulative net gains and losses recognised in the Group income statement.

24 Related party transactions

Group

There were no related party transactions during the period in the Group other than directors and key management emoluments which are disclosed in note 8 and the following :

- ◊ Andrew Cranswick holds a 50% (2008 : 25%) equity stake in FG Investments (Private) Limited from which Canape Investments (Private) Limited incurred £18,264 (2008 : £8,832) rental expense in the current financial period.
- ◊ Canape Investments (Private) Limited purchased three commercial vehicles for £29,789 (2008: £38,606) from Andrew Cranswick.
- ◊ Andrew Cranswick and Michael Kellow each hold a 20% equity stake in Aeromags.com from which African Consolidated Resources plc incurred £35,793 (2008 : £Nil) aeromagnetic survey expense in the current financial period.

Company

The Company emoluments to directors and key management are disclosed in note 8 to the financial statements.

At the period end, the Company had an outstanding loan to Canape Investments (Private) Limited (a wholly owned subsidiary) of £4,322,211 (2008: £3,237,224). During the period, interest of £154,992 (2008: £114,820) was accrued on this loan. This is included in the balance payable by Canape Investments (Private) Limited at the period end.

At the period end, the Company had an outstanding loan to Millwall International Investments Limited (a wholly owned subsidiary) of £3,438,113 (2008: £2,900,574). During the period, interest of £130,370 (2008: £110,205) was accrued on this loan. This is included in the balance payable by Millwall International Investments Limited at the period end.

At the period end, the Company had an outstanding loan to Mimic Mining (UK) Limited (a wholly owned subsidiary) of £347,307 (2008 : £252,742). During the period, interest of £13,619 (2008: £Nil) was accrued on this loan. This is included in the balance payable by Mimic Mining (UK) Limited at the period end.

At the period end, the Company had an outstanding loan to African Consolidated Resources (Mauritius) Limited (a wholly owned subsidiary) of £125,944 (2008 : £Nil). This is included in the balance payable by African Consolidated Resources (Mauritius) Limited at the period end.

At the period end, the Company had an outstanding loan to Moorestown Limited (a wholly owned subsidiary) of £374,035 (2008 : £Nil). During the period, interest of £8,090 (2008: £Nil) was accrued on this loan. This is included in the balance payable by Moorestown Limited at the period end.

At the period end, the Company had an outstanding loan to African Consolidated Resources (Zambia) Limited (a wholly owned subsidiary) of £61,463 (2008: £12,905).

At the period end, the Company had an outstanding loan to ACR Nominees Limited (a wholly owned subsidiary) of £2 (2008: £2).

These receivables totalled £8,669,075 (2008: £6,403,447) at the period end.

The Company also charged a management fee to Canape Investments (Private) Limited of £10,833 (2008: £10,000) during the period.

25 Contingent liabilities and capital commitments

There is a contingent liability, which in the opinion of the directors is not likely to exceed £63,650, in respect of the Giant acquisition made in the period to 28 February 2006 relating to resource ounces still in the process of being quantified.

26 Litigation

Amongst intangible assets for the Group is included £389,045 (2008: £256,314) representing costs of title acquisition and of exploration over a diamond deposit near Marange. On 28 September 2006, the Group received notification from the Zimbabwe Minister of Mines that he intended to challenge the group's legal title with respect to Marange. The Group has initiated proceedings in the Zimbabwe High Court in order to confirm this title. Counsel has advised that in his opinion the Group's title is good and therefore no provision against loss of this asset has been made.

Further to this pending High Court action, the Group has in addition applied to the Zimbabwe High Court on an urgent basis to stop the on-going mining activities of the ZMDC (Zimbabwe Mining Development Company) a government parastatal, at Marange. The initial application was dismissed. The Group is to appeal this decision in the Supreme Court of Zimbabwe.

There is no other litigation involving any group company.

27 Post balance sheet event

The Company raised £2,311,212 before expenses through an equity placement in April 2009.

There were no other material post balance sheet events.