

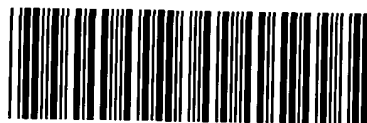
Company Registration No. **08550334** (England and Wales)

**VERADAMAS PLC**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2016**

THURSDAY



\*L69MDQ0Y\*

LD4

29/06/2017

#9

COMPANIES HOUSE

## Company information

---

<b>Directors</b>	David M. Faktor Lee Gaik Im
<b>Secretary</b>	Bernard Sumner
<b>Company Number</b>	08550334
<b>Registered office</b>	16 Charles Street London W1J 5DS
<b>Statutory Auditor</b>	Adler Shine LLP Chartered Accountants and Statutory Auditor Aston House Cornwall Avenue London N3 1LF
<b>Bankers</b>	HSBC Bank plc Level 33 8 Canada Square London E14 5HQ

## **CONTENTS**

---

	<b>Page</b>
<b>STRATEGIC REPORT</b>	<b>3</b>
<b>DIRECTORS' REPORT</b>	<b>4</b>
<b>STATEMENT OF DIRECTORS' RESPONSIBILITIES</b>	<b>6</b>
<b>INDEPENDENT AUDITORS' REPORT</b>	<b>7</b>
<b>STATEMENT OF INCOME AND RETAINED EARNINGS</b>	<b>9</b>
<b>STATEMENT OF FINANCIAL POSITION</b>	<b>10</b>
<b>CASH FLOW STATEMENT</b>	<b>11</b>
<b>NOTES TO THE FINANCIAL STATEMENTS</b>	<b>12</b>

## **VERADAMAS PLC**

### **STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2016**

---

The Directors present their strategic report on the Company for the year ended 31 December 2016.

#### **Business Review**

The principal activities of the Company are trading in steel products and in raw materials for the production of steel, mining and processing of raw materials and project finance and development. There have not been any significant changes in the Company's principal activities in the year under review.

The Company is in the process of establishing a capital structure and finance facilities that best fit its business activities and as such has limited trading activity during the year under review. The Company has concentrated its efforts on its low risk consultancy business during the year providing a service to select clients whilst continuing to focus on longer term project development which has resulted in some income in this period and will hopefully bring a significant benefit to the Company in subsequent reporting periods.

#### **Principal risks and uncertainties**

The Company is exposed to credit risk, liquidity risk, capital risk management and other risks arising in the business it conducts. The risk management policies employed by the Company to manage these risks are discussed below:

##### **Credit risk**

Credit risk arises when a failure by counterparties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the reporting date. The Company has no significant concentration of credit risk. The Company has policies in place to ensure that sales of services are made to customers with an appropriate credit history with appropriate security in place and monitors on a continuous basis the ageing profile of its receivables.

##### **Liquidity risk**

Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability, but can also increase the risk of losses. The Company has procedures in place with the object of minimising such losses such as maintaining sufficient cash and other highly liquid current assets and by having available an adequate amount of credit facilities.

##### **Capital risk**

The Company manages its capital risk to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance.

##### **Other risks**

The Company is exposed to movements in foreign currency exchange rates as some transactions are made in currencies other than its functional currency. The Company plans to use foreign exchange forward contracts to manage this risk on a transaction by transaction basis.

On behalf of the board



David M. Faktor  
Director  
23 June 2017

## **VERADAMAS PLC**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2016**

---

The Directors present their report and financial statements of the Company for the year ended 31 December 2016. They are prepared in accordance with applicable law and regulations. The directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland. The directors are satisfied that the Strategic report, Directors' report and financial statements give a true and fair view of the state of affairs of the Company and of the loss of the Company for that period.

#### **Principal Activities**

Veradamas Plc is a public company incorporated under the Companies Act 2006 and domiciled in the United Kingdom. The principal activities of the Company are trading in steel products and in raw materials for the production of steel, mining and processing of raw materials and project finance and development.

#### **Results**

The loss for the period to 31 December 2016 amounted to £1,285,081.

#### **Taxation Status**

In the opinion of the directors the Company is a close company within the meaning of the Corporation Taxes Act 2010.

#### **Environment**

The Company recognises its environmental responsibilities, monitors its impact on the environment and designs and implements policies to reduce any damage that might be caused by the Company's activities.

#### **Employees**

The number of employees and related costs can be found in note 5 to the financial statements on page 13.

#### **Future developments**

Information about the future plans of the Company are covered in the Strategic Report.

#### **Dividends**

The directors do not recommend the payment of a dividend.

#### **Post balance sheet events**

Subsequent to the year end, the head count within the business was reduced significantly.

#### **Going concern**

The major part of the company's working capital requirements are provided by a loan from a potential investor in lieu of equity. It is anticipated that this loan will be converted to equity in due course.

Support has also been provided by way of loans from two directors and a company fully owned by one of the directors who has indicated that this support will continue for the foreseeable future.

The directors having considered the above and made due enquiries, continue to adopt the going concern basis in preparing the financial statements which assumes the company will continue in operation for the foreseeable future.

#### **Share capital**

Details of Ordinary Share capital during the period are set out in note 11.

#### **Financial Instruments**

Details of the use of financial instruments by the Company are contained in note 15.

**VERADAMAS PLC**

**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2016**

---

**Directors**

The directors who held office throughout the year were:

D M Faktor  
Lee Gaik Im

**Donations**

There were no charitable or political donations during the current period.

**Disclosure of information to auditors**

Each of the Directors has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditors are unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditors are aware of such information.

**Auditors**

A resolution proposing the reappointment of Adler Shine LLP as auditors will be put to the members.

On behalf of the board



David M. Faktor  
Director  
13 June 2017

## **VERADAMAS PLC**

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR THE YEAR ENDED 31 DECEMBER 2016**

---

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102, the financial reporting standard applicable in the UK and Republic of Ireland. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the income statement of the company for that period.

In preparing those financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors confirm that they have complied with these requirements and, having a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, continue to adopt the going concern basis in preparing the accounts.

**VERADAMAS PLC  
INDEPENDENT AUDITORS' REPORT  
TO THE SHAREHOLDERS OF VERADAMAS PLC  
FOR THE YEAR ENDED 31 DECEMBER 2016**

---

We have been engaged to audit the financial statements of Veradamas Plc for the year ended 31 December 2016 which comprise the Profit and Loss Account, Balance Sheet, Cash Flow Statement and related notes. The financial reporting framework that has been applied in their preparation is applicable law and UK Generally Accepted Accounting Principles (UK GAAP), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of directors and auditors**

As explained more fully in the Statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Strategic Report and Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implication for our report.

**Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with UK GAAP; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Emphasis of matter**

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosures made in note 2.2 relating to going concern and in note 10 to the financial statements concerning amounts received from third parties. The directors are in discussions with the third parties about whether the amounts received represent loans, consultancy fees or consideration for equity. The outcome of the discussions are uncertain and once determined it could have a material impact on the presentation of the balance sheet. As stated in note 2.2, the Company is reliant on the financial support of its shareholder, Mr D Faktor. Mr Faktor has expressed his



**VERADAMAS PLC  
INDEPENDENT AUDITORS' REPORT  
TO THE SHAREHOLDERS OF VERADAMAS PLC  
FOR THE YEAR ENDED 31 DECEMBER 2016**

---

willingness to continue to provide financial support for the foreseeable future but this represents a material uncertainty which may cast doubt upon the ability of the company to continue as a going concern.

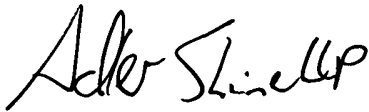
**Opinion on other matters prescribed by the Companies Act 2006**

In our opinion the information given in the Strategic Report and the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations required for our audit.



Christopher Taylor (Senior Statutory Auditor)

For and on behalf of  
**Adler Shine LLP**

Chartered Accountants  
Statutory Auditor  
Aston House  
Cornwall Avenue  
London N3 1LF

23 June 2017

**VERADAMAS PLC**

**STATEMENT OF INCOME AND RETAINED EARNINGS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Note	Year ended 31 December 2016 £	Year ended 31 December 2015 £
Turnover		514,351	607,724
Cost of sales		(66,450)	(204,431)
<b>Gross profit</b>		<u>447,901</u>	<u>403,293</u>
Administrative expenses		(1,732,902)	(1,494,854)
<b>Operating loss</b>	4	<u>(1,285,001)</u>	<u>(1,091,561)</u>
Finance income		-	9,274
Interest payable and similar charges		(80)	-
<b>Loss on ordinary activities before taxation</b>		<u>(1,285,081)</u>	<u>(1,082,287)</u>
Tax on loss on ordinary activities	6	-	-
<b>Loss for the period and total comprehensive loss for the period</b>		<u>(1,285,081)</u>	<u>(1,082,287)</u>
<b>Loss per share (pence)</b>			
- Basic & diluted		<u>£25.70</u>	<u>£21.65</u>

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

There were no recognised gains and losses in the current or proceeding year other than those included in the profit and loss account.

	Year ended 31 December 2016 £	Year ended 31 December 2015 £
Retained earnings as at 1 January	(2,464,397)	(1,382,110)
Loss for the year	(1,285,081)	(1,082,287)
Retained earnings as at 31 December	<u>(3,749,478)</u>	<u>(2,464,397)</u>

The notes on pages 12 to 18 form an integral part of the financial statements.

**VERADAMAS PLC**

**STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2016**

		As at 31 December 2016	As at 31 December 2015
		£	£
	Note		
<b>Fixed assets</b>			
Tangible assets	7	4,281	8,562
Investment	8	-	1
		<u>4,281</u>	<u>8,563</u>
<b>Current assets</b>			
Debtors	9	214,910	174,694
Cash at bank and in hand		31,260	15,092
		<u>246,170</u>	<u>189,786</u>
<b>Creditors – amounts falling due within one year</b>	10	(3,949,929)	(2,612,746)
		<u>(3,703,759)</u>	<u>(2,422,960)</u>
<b>Net Current Liabilities</b>			
		<u>(3,703,759)</u>	<u>(2,422,960)</u>
<b>NET LIABILITIES</b>		<u>(3,699,478)</u>	<u>(2,414,397)</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	11	50,000	50,000
Profit and loss account		(3,749,478)	(2,464,397)
		<u>(3,699,478)</u>	<u>(2,414,397)</u>
<b>TOTAL SHAREHOLDERS' FUNDS</b>		<u>(3,699,478)</u>	<u>(2,414,397)</u>

The financial statements were approved by the board of directors and authorised for issue on **23** June 2017 and signed on its behalf by:

  
David M. Faktor  
Director

COMPANY REGISTRATION NUMBER: 08550334

The notes on pages 12 to 18 form an integral part of the financial statements.

**VERADAMAS PLC**

**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Notes	Year ended 31 December 2016	Year ended 31 December 2015
		£	£
<b>Cash flows from operating activities</b>			
Cash generated from operations	13	16,248	(838,582)
<b>Net cash inflow from operating activities</b>		<u>16,247</u>	<u>(838,582)</u>
<b>Returns on investment and servicing of finance</b>			
Interest received		-	9,274
<b>Net cash inflow from returns on investment and servicing of finance</b>		<u>-</u>	<u>9,274</u>
<b>Capital expenditure and financial investment</b>			
Purchase of tangible fixed asset		-	-
Interest paid		(80)	-
<b>Net cash outflow from capital expenditure and financial investment</b>		<u>(80)</u>	<u>-</u>
<b>Net increase in cash and cash equivalents</b>		16,168	(829,308)
Cash and cash equivalents at beginning of period		15,092	844,400
<b>Cash and cash equivalents at end of period</b>		<u>31,260</u>	<u>15,092</u>

The notes on pages 12 to 18 form an integral part of the financial statements.

## VERADAMAS PLC

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

---

#### 1. GENERAL INFORMATION

Veradamas plc is a public liability company incorporated in England and Wales, registration no. 08550334. The registered office is 16 Charles Street, London, W1J 5DS. The principal activity is that of trading in steel products and in raw materials for the production of steel, mining and processing of raw materials and project finance and development.

#### 2. ACCOUNTING POLICIES

##### 2.1 Basis of preparation

The financial statements have been prepared on a going concern basis under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the financial reporting standard applicable in the UK and the Republic Of Ireland and the Companies Act 2006.

The following principal accounting standards have been applied:

##### 2.2 Going concern

As at the period end the company had cash balances of £31,260 but net current liabilities of £3,703,759. The Directors are in discussions with third parties about whether certain liabilities totalling £2,681,924 represent loans, consultancy fees or consideration for equity. The outcome of the discussions are uncertain and once determined it could have a material impact on the liabilities disclosed in the balance sheet. The Company is reliant on the financial support of its shareholder, Mr D Faktor. Mr Faktor has expressed his willingness to continue to provide financial support for the foreseeable future and it is for this reason the financial statements have been prepared on a going concern basis.

##### 2.3 Turnover

Turnover represents the invoiced amount of goods sold and services provided to third parties net of value added tax and trade discounts.

##### 2.4 Pensions

The principal pension arrangement is a defined contribution money purchase scheme. Contributions are charged to the profit and loss account as they are payable.

##### 2.5 Financial instruments

Financial instruments are recognised on the balance sheet at fair value when the Company becomes a party to the contractual provisions of the instrument.

##### 2.6 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at tax rates expected to be effective at the time the timing differences are expected to reverse. Deferred tax assets and liabilities are not discounted.

## VERADAMAS PLC

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

---

#### 2.7 Foreign Currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains or losses are recognised in the profit and loss account.

#### 2.8 Depreciation

Depreciation is provided to write off the cost, less estimated residual values, of all tangible fixed assets evenly over their expected useful lives. It is calculated on a 25% straight line basis.

### 3. SEGMENTAL REPORTING

The Company's loss for the period was derived wholly from activities undertaken in the United Kingdom.

### 4. OPERATING LOSS

The operating loss is stated after charging

	2016	2015
	£	£
Auditors remuneration – audit services	3,600	3,120
	<hr/>	<hr/>

### 5. EMPLOYEES

The total employment costs of all employees (including Directors) were as follows:

	2016	2015
	£	£
Wages and salaries	911,100	911,100
Social security costs	114,423	115,250
Pension costs (note 12)	84,680	84,680
	<hr/>	<hr/>
	1,110,203	1,111,030
	<hr/>	<hr/>

The average monthly number of employees (including Directors) during the year was:

	2016	2015
	Number	Number
Management and Administration	8	8
	<hr/>	<hr/>

**VERADAMAS PLC**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

**Directors' Remuneration**

The directors' aggregate remuneration and that of the highest paid director in respect of qualifying services was:

	2016 £	2015 £
Aggregate remuneration	300,000	300,000
Pension contributions	30,000	30,000
	<u>330,000</u>	<u>330,000</u>

1 director (2015 – 1) was accruing benefits under the company's defined contribution pension scheme.

**6. TAXATION**

No corporation tax charge arises in respect of the period due to the trading losses incurred. The Company has corporation tax losses available to carry forward and use against trading profits arising in future periods of £3,681,120 (2015: £2,402,576).

	2016 £	2015 £
<b>Current tax charge</b>	-	-
Loss on ordinary activities before taxation	(1,285,081)	(1,082,287)
Loss on ordinary activities before taxation multiplied by average standard rate of corporation tax of 20% (2015: 20%)	(257,016)	(216,457)
Effects of:		
Permanent differences	2,257	2,751
Tax losses carried forward	254,759	213,706
<b>Current tax charge</b>	-	-

A deferred tax asset of £626,518 (2015: £430,923) has not been recognised due to the uncertainty regarding the availability of future profits against which the losses of the Company could be offset.

# **VERADAMAS PLC**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016**

### **7. FIXED ASSETS**

<b>Cost</b>	<b>£</b>
As at 31 December 2015	17,123
Additions	-
As at 31 December 2016	17,123
<b>Depreciation</b>	
As at 31 December 2015	8,561
Charge for year	4,281
As at 31 December 2016	12,842
<b>Net book value</b>	
As at 31 December 2015	8,562
As at 31 December 2016	4,281

### **8. INVESTMENTS**

The Company disposed of its one ordinary share of £1 at par in Veradamas Norway Investments Plc (formerly Albore Plc) which equates to a 50% shareholding on 5 October 2016 to Mr David Faktor. Veradamas Norway Investments Plc is registered in England & Wales and has not commenced trading.

### **9. DEBTORS**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Trade debtors	278,163	183,318
Less: Provisions	(263,001)	(183,318)
	15,162	-
Other debtors	-	-
Prepayments and accrued income	55,262	30,208
	55,262	30,208
<b>Debtors: amounts falling due in more than one year</b>		
Other debtors	144,486	144,486
	214,910	174,694



**VERADAMAS PLC**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

**10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2016 £	2015 £
Other taxes and social security costs	77,580	38,718
Other creditors	3,758,998	2,500,390
Accruals and deferred income	113,351	73,638
	<u>3,949,929</u>	<u>2,612,746</u>

Included in other creditors are amounts totalling £2,681,924 (2015: £2,225,835) due to third parties. The directors are in discussions with the third parties about whether the amounts received represent loans, consultancy fees or consideration for equity. The outcome of the discussions are uncertain and once determined it could have a material impact on the presentation of the balance sheet.

**11. SHARE CAPITAL**

	2016 £	2015 £
<b>Authorised</b>		
50,000 Ordinary shares of £1 each	50,000	50,000
	<u>50,000</u>	<u>50,000</u>
<b>Allotted and called up</b>		
50,000 Ordinary shares of £1 each	50,000	50,000
	<u>50,000</u>	<u>50,000</u>

**12. PENSION COSTS**

The pension cost charge represents contributions paid by the Company to the defined contribution scheme and amounted to £84,680 (2015: £84,680).

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

	2016 £	2015 £
Operating loss	(1,285,001)	(1,091,561)
Depreciation	4,281	4,280
(Increase)/decrease in debtors	(40,216)	531,641
Increase/(decrease) in creditors within one year	1,337,184	(282,942)
<b>Net cash inflow/(outflow) from operating activities</b>	<u>16,248</u>	<u>(838,582)</u>

**VERADAMAS PLC****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016****14. OPERATING LEASE COMMITMENTS**

At 31 December 2016 the company had total future minimum lease payments under non-cancellable operating leases as follows:

<b>Expiry date:</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Within 1 year	89,006	144,486
Between 2 and 5 years	-	89,006
	<u>89,006</u>	<u>233,492</u>

**15. FINANCIAL INSTRUMENTS**

The Company's financial instruments comprise cash and cash equivalents and various other items, such as, trade debtors and creditors, which arise directly from its operations. It is, and has been throughout the period under review, the Company's policy to ensure that there is no trading in financial instruments. The main purpose of these financial instruments is to finance the Company's operations.

**Categories of Financial Instruments**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
<b>Financial Assets</b>		
Cash and cash equivalents	31,260	15,092
Trade and other debtors	214,910	174,694
	<u>246,170</u>	<u>189,786</u>
<b>Financial Liabilities</b>		
Trade and other creditors	(3,840,816)	(2,574,028)
Borrowings	-	-
<b>Net current (liabilities)</b>	<u>(3,594,646)</u>	<u>(2,384,242)</u>

**Financial Assets and Liabilities**

Financial assets and financial liabilities are recognised on the Company's balance sheet when the Company becomes party to the contractual provisions of the instrument.

**Financial Risk Factors**

The Company's overall risk management programme focuses on maintaining sufficient funds to carry out its trade. The Company has no borrowing and therefore have no interest rate risk exposure.

**Fair Values of Financial Assets and Liabilities**

The Directors consider that the fair value of the Company's financial assets and liabilities are not considered to be materially different from their book values.

**VERADAMAS PLC****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016****16. RELATED PARTY TRANSACTIONS**

The following transactions were carried out with related parties:

	2016 £	2015 £
Amount due to director – Lee Gaik Im	(334,753)	-
Amount due to director – D M Faktor	(289,605)	(124,150)
Amount due from director - loan	12,500	12,500
Amount due from shareholders – unpaid share capital	37,500	37,500

The loans to and from the directors are interest free and have no specified repayment date.

During the year the company made and received loans from parties over which the director David Faktor has either control or significant influence over:

	2016 £	2015 £
AGM Opportunities Limited	6,600	6,600
Faktor Consulting Ltd	(152,977)	(181,990)
Grail Resources Plc	6,632	6,632

A provision is held against the balances owed from AGM Opportunities Limited and Grail Resources Plc.

During the year, sales of £221,555 (2015: £nil) were made at normal market prices to Asia Power Ltd, a company controlled by D M Faktor.

**17. ULTIMATE CONTROLLING PARTY**

The company is ultimately controlled by Mr D. M. Faktor who has an interest of 100% of the issued share capital of Veradamas Plc.

**18. POST BALANCE SHEET EVENTS**

Subsequent to the year end, the head count within the business was reduced significantly.