

COMPANY REGISTRATION NUMBER WK-143629

FORBES VENTURES PLC

ANNUAL REPORT

31 DECEMBER 2016

FORBES VENTURES PLC
FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2016

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**FORBES VENTURES PLC
OFFICERS AND PROFESSIONAL ADVISORS
FOR THE YEAR ENDED 31 DECEMBER 2016**

Company registration number	WK-143629
The board of directors	Mr P Moss Mr M Karani Mr C Bateman
Registered office	190 Elgin Avenue George Town Grand Cayman KY1-9005 Cayman Islands
Auditor	Welbeck Associates Chartered Accountants & Registered Auditors 30 Percy Street London W1T 2DB

**FORBES VENTURES PLC
CHAIRMAN'S STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2016**

Dear Shareholder,

I am pleased to present you with Forbes Ventures audited results for the year ended 31st December 2016.

2016 commenced with completion of the sale of the Talas Mining assets in Kyrgyzstan and turning the Company into an "AIM Rule 15 cash shell". This process was largely completed by the end of June 2016 and the Board spent much of the second half of the year assessing potential Reverse Takeover candidates. In October, Peterhouse Corporate Finance Limited made an investment in the Company and took an active role in assisting the Board in the process of finding a new asset to inject into the Company.

From a listing perspective, the Board took the precautionary step of procuring a secondary listing on London's NEX Exchange Growth Market in November 2016. We were aware that the Company was facing a time constraint as an AIM shell and had a limited amount of time to complete a Reverse Takeover by the deadline imposed by the AIM Rules. We wanted to make sure that there was some liquidity for shareholders as we took the appropriate time to identify an asset portfolio that would be attractive to institutional investors.

Post-Balance Sheet Events

In January 2017 Gravity Investment Group Limited ("Gravity"), made a GBP 530,000 investment in the Company for 176,666,666 new ordinary shares of 0.1 pence each in the Company to Gravity at a price of 0.3 pence per share.

We have cut the running costs of the Company and the Board is seeking value enhancing opportunities which will benefit the Company in the long term. The Directors look forward to updating shareholders in due course.

Yours faithfully,
Peter B. Moss Jr.
Chairman
22 September 2017

**FORBES VENTURES PLC
STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2016**

REPORTING PERIOD HIGHLIGHTS

The sale of Talas Mining interests for cash consideration of \$6 million was completed on 31 May 2016.

Forbes Ventures became an “AIM Rule 15 cash shell” for purpose of the AIM Rules.

On 24 June 2016, the Company redeemed US \$3.25 million unsecured convertible loan notes from the proceeds of the sale of the Talas Mining interests.

On 6 October 2016, Peterhouse Corporate Finance Limited subscribed for 2 million shares in the Company for a cash consideration of GBP £100,000. Through Peterhouse, an Asian Investment Group placed GBP 650,000 in escrow towards potentially taking a stake in the Company and reversing assets into the shell. Ultimately, this particular proposal was unsuccessful and the funds returned when the Company agreed an investment from Gravity Investment Group Limited.

On 17 October 2016, Allen Wang, Non-Executive Board Director, resigned and was replaced by Manish Karani.

The Company arranged a secondary listing on London’s NEX Exchange, which commenced trading 17 November 2016.

At the Company’s Annual General Meeting (AGM) on 25 November 2016, the Company changed its name from Tengri Resources to Forbes Ventures plc.

POST PERIOD HIGHLIGHTS

On 3 January 2017, the Company was delisted from AIM, retaining its listing on London’s NEX Exchange Growth Market.

On 22 January 2017, the Company raised GBP £530,000 from Gravity Investment Group Limited through the issue of 176,666,666 ordinary GBP 0.1p shares at a placement price of 0.3p. Forbes then made an investment in Primus Care Plc, an owner/operator of specialist care homes in the UK, via a 2-year 12% Convertible Loan Note.

On 13 February 2017, the Company made an investment into Civilised Investments Limited, an innovative UK “Challenger Bank”. The Company bought 4,545 shares for a consideration of GBP £200,000 which was satisfied by the issuance of 40,000,000 new ordinary shares to Gravity Investment Group Limited.

On 11 April 2017, Chris Bateman joined the Board and was appointed Chief Executive Officer.

On 11 May 2017, the Company bought 2,500,000 shares in K&C REIT Plc, an AIM-listed REIT with an investment focus in retirement properties, representing 4.74% of the outstanding issued share capital of K&C. The shares were valued at GBP 250,000 and in consideration, the Company issued 83,333,333 ordinary shares at a value of GBP 0.3p, also to Gravity Investment Group Limited.

**FORBES VENTURES PLC
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2016**

The directors present their report and financial statements for the year ended 31 December 2016.

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The principal activity of the company during the year was that of an investment company.

DONATIONS

No political or charitable donations were made during the period.

DIRECTORS

The directors who served the company during the year were as follows;

Mr P Moss
Mr A Wang
Mr M Karani

Mr A Wang was retired as a director on 17 October 2016
Mr M Karani was appointed as a director on 17 October 2016
Mr C Bateman was appointed as a director on 11 April 2017

SUBSTANTIAL SHAREHOLDINGS

On 31 December 2016, the following were registered as being 10% or more of the Company's ordinary share capital;

	Ordinary Shares Number	Percentage of Capital
Robust Resources Limited	67,631,150	59.37%

DIVIDENDS

No dividends were distributed for the year ended 31 December 2016 (2015: nil).

PUBLICATION OF ACCOUNTS ON THE COMPANY WEBSITE

Financial statements are published on the Company's website. The maintenance and integrity of the website is the responsibility of the Directors. The Director's responsibility also extends to the financial statements contained therein.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's policy in respect of financial instruments and its risk profile is set out in Note 19 in the financial statements.

**FORBES VENTURES PLC
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2016**

STATEMENT OF DIRECTORS RESPONSIBILITIES

The Company was incorporated in the Cayman Islands, which does not prescribe the adoption of any particular accounting framework. Accordingly, the Board has resolved that the Company will follow International Financial Standards, as adopted by the European Union, when preparing its annual financial statements. The directors prepare financial statements for each financial period, which present fairly the state of affairs of the Company and of the profit or loss for the Company for that period. In preparing these financial statements, the directors are also required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and which disclose with reasonable accuracy at any time the financial position of the Company. 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

The Directors confirm that:

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

INDEPENDENT AUDITORS

A resolution to re-appoint Welbeck Associates as auditors will be put to the members at the annual general meeting.

Signed on behalf of the Board

Peter B. Moss Jr.
Chairman
22 September 2017

**FORBES VENTURES PLC
CORPORATE GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2016**

CORPORATE GOVERNANCE STATEMENT

The Company's shares are traded on AIM and accordingly, compliance with the revised UK Corporate Governance Code is not mandatory. However, the Company has sought to comply with a number of provisions of the Code in so far as it considers them to be appropriate for a company size of this nature. The Board is accountable to the Company's shareholders for good corporate governance. This report describes how the Company applies the provisions of good corporate governance.

DIRECTORS

The Company supports the concept of an effective Board leading and controlling the Company. The Board is responsible for approving Company policy and strategy. It meets on a regular basis and has a schedule of matters specifically reserved to it for decision. Consultants supply the Board with appropriate and timely information and the Directors are free to seek any further information they consider necessary. All Directors have access to advice from the Company Secretary and independent professional advice at the Company's expense.

At 31 December 2016, the Board consisted of the Non-Executive Chairman and one other Non-Executive Director. The Directors will review the composition of the Board on a regular basis and intend to appoint additional executive and/or independent Non-Executive Directors once a suitable acquisition has been identified.

RELATIONS WITH SHAREHOLDERS

The Company values the views of its shareholders and recognises their interest in the Company's strategy and performance. The Annual General Meeting is used to communicate with private investors and they are encouraged to participate. The Directors will be available to answer questions. Separate resolutions will be proposed on each issue so that they can be given proper consideration and there will be a resolution to approve the Annual Report and accounts.

AUDIT COMMITTEE

The Audit Committee once established, will meet at least twice a year and will comprise of Peter Moss (Chair of the Audit Committee) and Manish Karani. In summary, the Committee will be responsible for the functions recommended by the UK Corporate Governance Code including:

- Review the annual financial statements and interim reports prior to approval, focusing on changes in the principal accounting policies and practices, major judgmental areas, significant audit adjustments, going concern and compliance with accounting standards, Stock Exchange and legal requirements;
- Receive and consider reports on internal financial controls, including reports from the auditors and report their findings to the Board;
- Consider the appointment of the auditors and their remuneration including the review and monitoring of independence and objectivity;
- Meet the auditors to discuss the scope of their audit, issues arising from their work and any matters the auditors wish to raise;
- Develop and implement a policy on the engagement of the external auditor to supply non-audit services; and
- Review the Company's corporate review procedures and any settlement on internal control prior to endorsement by the Board.

FORBES VENTURES PLC
CORPORATE GOVERNANCE
AS AT 31 DECEMBER 2016

REMUNERATION COMMITTEE

The Remuneration Committee comprises of Peter Moss and Manish Karani. The Committee has the following key duties;

- Reviewing and recommending the emoluments, pension entitlement and other benefits of any executive and, as appropriate, other senior executives; and
- Reviewing the operation of any share option schemes implemented by the Company and the Company and the granting of options under such schemes.

INTERNAL CONTROL

The Board is committed to the maintenance of effective internal controls. The Board recognises its responsibility for maintaining a strong system of internal control to safeguard shareholders' investment and the Company's assets and for reviewing its effectiveness. The system of internal financial control is designed to provide reasonable, but not absolute, assurance against material misstatement or loss.

The Board has determined that there is currently no requirement for an internal audit function. However, the Directors will continue to review the requirement for an internal audit function on a regular basis.

**FORBES VENTURES PLC
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FORBES VENTURE PLC
FOR THE YEAR ENDED 31 DECEMBER 2016**

We have audited the financial statements of Forbes Ventures plc for the year ended 31 December 2016 which comprise the statement of comprehensive income, the statement of changes in equity, the statement of financial position, the statement of cash flows, and the related notes. The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the Company's members, as a body. 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's 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 set out on page 6, 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 audit and 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 (APB'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 annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications 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 the Company's loss for the year then ended;
- the financial statements have been properly prepared in accordance with IFRS as adopted by the European Union;

EMPHASIS OF MATTER

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 2 to the financial statements, concerning the company's ability to continue as a going concern. These conditions, along with the other matters explained in note 2 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the ability of the Company to continue as a going concern. The directors have plans to manage the cash flows of the Company to enable it to continue as a going concern. The financial statements do not include the adjustments that would result if the Company was unable to continue as a going concern.

**FORBES VENTURES PLC
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FORBES VENTURE PLC
FOR THE YEAR ENDED 31 DECEMBER 2016**

OPINION ON OTHER MATTERS

In our opinion, the information given in the strategic report and the director's report for the financial year 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:

- adequate accounting records have not been kept by the company, 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 we require for our audit.

Jonathan Bradley-Hoare (Senior statutory auditor)
for and on behalf of Welbeck Associates
Chartered Accountants and Statutory Auditors
30 Percy Street,
London
W1T 2DB
United Kingdom

22 September 2017

FORBES VENTURES PLC
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	2016 \$	2015 \$
CONTINUING OPERATIONS			
Other operating income		893	-
Administrative expenses		(1,071,317)	(25,477,903)
Gain on FV of convertible loan		430,990	-
Other operating expenses		31,559	(29,895)
LOSS BEFORE TAX	5	<u>(607,875)</u>	<u>(25,507,798)</u>
Income tax expense	8	-	-
LOSS FOR THE YEAR AND TOTAL COMPREHENSIVE EXPENSE		<u>(607,875)</u>	<u>(25,507,798)</u>
EARNINGS PER SHARE			
Basic and diluted loss per share	9	<u>(0.01)</u>	<u>(0.24)</u>

The accompanying notes on pages 15 to 27 form part of these financial statements.

FORBES VENTURES PLC
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 DECEMBER 2016

		2016	2015
		\$	\$
	Notes		
ASSETS			
Cash and cash equivalent	10	30,652	7,012
Available for sale financial assets	12	5,166	4,571,051
TOTAL CURRENT ASSETS		35,818	4,578,063
TOTAL ASSETS		35,818	4,578,063
LIABILITIES			
Trade and other payables	14	264,348	666,747
Interest bearing liabilities		-	3,395,232
Financial derivative liability		-	647,504
TOTAL CURRENT LIABILITIES		264,348	4,709,483
TOTAL LIABILITIES		264,348	4,709,483
NET LIABILITIES		(228,530)	(131,420)
SHAREHOLDERS EQUITY			
Share capital	17	97,448,070	97,059,609
Share-based payments reserve	18	121,654	121,654
Warrants reserve	18	122,304	-
Capital redemption reserve	18	92,740	92,740
Accumulated losses		(98,013,298)	(97,405,423)
TOTAL SHAREHOLDERS' EQUITY		(228,530)	(131,420)

Approved by the Board on 22 September 2017 and signed on its behalf by:

Peter B. Moss Jr.

Company registration number: WK-143629

FORBES VENTURES PLC
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016

	Issued capital \$	Share premium \$	Other reserves \$	Retained earnings \$	Total equity \$
Balance at 1 January 2015	30,053,010	67,006,599	214,394	(71,897,625)	25,376,378
Loss for the year	-	-	-	(25,507,798)	(25,507,798)
	<u>30,053,010</u>	<u>67,006,599</u>	<u>214,394</u>	<u>(97,405,423)</u>	<u>(131,420)</u>
Balance at 1 January 2016	30,053,010	67,006,599	214,394	(97,405,423)	(131,420)
Issue of shares	388,461	-	-	-	388,461
Other reserve movements	-	-	122,304	-	122,304
Loss for the year	-	-	-	(607,875)	(607,875)
	<u>30,441,471</u>	<u>67,006,599</u>	<u>336,698</u>	<u>(98,013,298)</u>	<u>(228,530)</u>

The accompanying notes on pages 15 to 27 form part of these financial statements.

FORBES VENTURES PLC
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2016

	2016	2015
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss after income tax	(607,875)	(25,507,798)
Depreciation	-	25,378
Loss on disposal of assets available for sale	114,937	-
Non-cash finance expenses	(114,864)	189,025
Net foreign exchange losses	31,209	35,727
Impairment	-	21,798,435
Fair value of derivative	224,742	(224,742)
Robust loan write off	(430,989)	-
Provision for non-recovery	-	300,415
Decrease/(increase) in debtors	-	(176,682)
Decrease/(increase) in prepayments	-	(147,635)
(Decrease)/increase in creditors	(402,399)	89,614
(Decrease)/increase in provisions and other payables	-	453,186
Net cash from operating activities	(1,185,239)	(3,165,077)
CASH FLOWS FROM INVESTING ACTIVITIES		
Exploration expenditure in equity investments	-	(1,732,342)
Purchase of property, plant, and equipment	-	(37,575)
Proceeds from disposal of available for sale assets	4,566,725	-
Net cash from investing activities	4,566,725	(1,769,917)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of convertible notes	(3,450,000)	4,000,000
Proceeds from unsecured loan	-	193,612
Proceeds of share issue	123,323	-
Net cash from financing activities	(3,326,677)	4,193,612
CASH MOVEMENT IN PERIOD	54,809	(741,381)
Opening cash	7,012	795,463
Effects of foreign exchange rate changes on cash balance	(31,169)	(47,069)
CLOSING CASH	30,652	7,012

FORBES VENTURES PLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

1. GENERAL

The Company (registration no. WK-143629) is incorporated and registered in the Cayman Islands, having been incorporated on 19 January 2005. The registered office of the Company is 190 Elgin Avenue, George Town Grand, Cayman KY1-9005, Cayman Island.

These financial statements represent individual company financial statements for Forbes Ventures plc.

The principal activity of the company is that of an investment company.

2. ACCOUNTING POLICIES

Basis of Accounting

The financial information has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

The financial information is drawn in accordance with the provisions of the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and adopted by the European Union.

The financial information is presented in US dollars, rounded to the nearest dollar.

Going Concern

During the period, the Company made a loss of \$607,875 and at the year-end had net current liabilities of \$228,530.

The cash balance as at the year-end was \$30,652 and while no revenue has been generated since the year end. The Company acquired a stake of 2,500,000 K&C REIT Plc shares from Gravity Investment Group Ltd on 11 May 2017. These shares are free to trade and as of 20 September 2017 and were quoted at 7.5p for a mid-market valuation of 187,500 GBP; although the Directors note that the realized price during a sale may be lower. However, after making enquiries, the Directors have formed a judgement that there is a reasonable expectation that the Company can secure further adequate resources, either through external financing or through liquidating some of the Company's investments, to allow sufficient working capital for the Company to continue in operational existence for the foreseeable future. Further, this will ensure that adequate arrangements will be in place to enable the settlement of their financial commitments as and when they fall due.

For this reason, the Directors continue to adopt the going concern basis in preparing the financial statements. Whilst there are inherent uncertainties in relation to future events, and therefore no certainty over the outcome of the matters described, the Directors consider that, based upon financial projections and dependent on the success of their efforts to complete these activities, the Company will be a going concern for the next twelve months.

Trade and other payables

Trade and other payables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest rate method.

Financial Instruments

Financial instruments are initially measured at fair value when the company becomes party to an agreement regarding a financial instrument. Transaction costs are included in the initial measurement of financial instruments, except financial instruments classified as at fair value through profit and loss (the FVTPL). The subsequent measurement of financial instruments is dealt with below.

A financial asset is derecognised when the right to receive cash flows from the asset has expired or the company has transferred its rights to receive cash and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the assets.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired.

On derecognition of a financial asset, the difference between the proceeds received or receivable and the carrying amount of the asset is included in the Statement of Profit or Loss and Other Comprehensive Income.

On derecognition of a financial liability, the difference between the carrying amount of the liability extinguished or transferred to another party and the amount paid is included in the Statement of Profit or Loss and Other Comprehensive Income.

Equity

An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Equity instruments issued by the company are recorded at the proceeds received net of direct issue costs.

The share capital account represents the amount subscribed for shares.

The share based payment reserve represents the fair value, calculated at the date of the grant, of warrants or options unexercised at the balance sheet date. Accumulated losses include all current and prior period results as disclosed in the statement of comprehensive income.

Financial Assets

Classification

The company classifies its financial assets into one of the following categories: cash and cash equivalents, loans and receivables and instruments available for sale. The company has not classified any of its financial assets as held to maturity, held for trading or designated at fair value through profit or loss.

All financial assets are recognised when the company becomes party to the contractual provisions of the instrument. All financial assets are initially recognised at fair value, plus transactions costs.

Cash and cash equivalents

Cash and cash equivalents comprise cash at hand and current and deposit balances at banks, together with other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insufficient risk of changes in value.

FORBES VENTURES PLC
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2016

Loans and receivables

Loans receivable from third parties are initially recognised at fair value and subsequently carried at amortised cost using the effective interest rate method.

Available-for-sale financial assets

Investments are initially measured at fair value plus incidental acquisition costs. Subsequently, they are measured at fair value in accordance with IAS 39. In respect of quoted investments, this is either the bid price at the period end date or the last traded price, depending on the convention of the exchange on which the investment is quoted, with no deduction for any estimated future selling cost. Unquoted investments are valued by the directors using primary valuation techniques such as recent transactions, last price or asset value.

Investments are recognised as available-for-sale financial assets. Gains and losses on measurement are recognised in other comprehensive income except for impairment losses and foreign exchange gains and losses on monetary items denominated in a foreign currency, which are recognised directly in profit or loss. Where the investment is disposed of or is determined to be impaired the cumulative gain or loss previously recognised in other comprehensive income is reclassified to profit or loss.

The company assess at each period end whether there is objective evidence that a financial asset or group of financial assets classified as available-for-sale has been impaired. An impairment loss is recognised if there is objective evidence that an event or events since initial recognition of the assets have adversely affected the amount or timing of future cash flows from the asset. A significant or prolonged decline in fair value of a security below its cost shall be considered in determining whether the asset is impaired.

When a decline in the fair value of a financial asset classified as available-for-sale has been previously recognised in other comprehensive income and there is objective evidence that the asset is impaired, the cumulative loss is removed from other comprehensive income and recognised in profit or loss. The loss is measured as the difference between the cost of the financial asset and its current fair value less any previous impairment.

Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Income tax

Income tax expense represents the sum of the tax currently payable and deferred income tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the statement of financial position date.

FORBES VENTURES PLC
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2016

Indirect tax

Revenues, expenses and assets are recognised net of the indirect taxes, except where the amount of indirect taxes incurred is not recoverable from the taxation authority. In these circumstances, the indirect taxes are recognised as part of the cost of acquisition of the asset or as part of the expense. Receivable and payables are stated as other receivable amounts. The net amount of indirect taxes recoverable from, or payable to, the taxation authorities are included as a current asset, or a liability in the Statement of Financial Position.

Foreign currency exchange

Transactions in currencies other than the functional currency of the company are recorded at the rates of exchange prevailing on the dates of the transactions. At each statement of financial position date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the statement of financial position date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined.

Gains and losses arising on retranslation are included in net profit or loss for the period, except for exchange differences arising on non-monetary assets and liabilities where the changes in fair value are recognised directly in equity.

Statement of compliance

The financial statements comply with IFRS as adopted by the European Union. At the date of these financial statements, the following Standards and Interpretations affecting the Company, which have not been applied in these financial statements, were in issue, but not yet effective (and in some cases, had not been adopted by the EU):

	<u>Effective for periods beginning on or after</u>
IFRS 9 Financial Instruments	1 January 2018
IAS 7(amendments) Disclosure of changes in liabilities arising from financing activities	1 January 2017
IAS 12 (amendments) Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
IFRIC 22 Foreign Currency Transactions and Advance Consideration	1 January 2018
Annual Improvements to IFRSs: 2014-2016 cycle	1 January 2017

The Directors anticipate that the adoption of the above Standards and Interpretations in future periods will have little or no impact on the financial statements of the Company when the relevant Standards come into effect for future reporting periods.

FORBES VENTURES PLC
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2016

Critical accounting judgements and estimations

The preparation of the financial statements in conformity with IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amounts, events or actions, actual results ultimately may differ from these estimates.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

In certain circumstances, where fair value cannot be readily established, the Company is required to make judgements over carrying value impairment, and evaluate the size of any impairment required.

3. SEGMENT REPORTING

It is the opinion of the Directors that the operations of the company represent one segment, as they are treated as such when evaluating the performance. The Company's operations are solely in the United Kingdom.

4. IMPAIRMENT EXPENSE

	2016	2015
	\$	\$
Investment in listed shares	-	30,172
Investment in Kyrgyz Companies	-	12,064,133
Loan receivable	-	39,233
Related party loans	-	9,604,747
Property, plant and equipment	-	60,150
Impairment expense	-	21,798,435

The Company's investment in the Kyrgyz Companies and the related party loans from these companies were impaired as at 31 December 2015 due to the following indicators:

- The Company lost operational control of the companies prior to year-end; and
- The Scoping Study completed on the Taldybulak project did not meet the Company's investment hurdles.

During the year, the Company divested its interest in the Kyrgyz companies for consideration of US\$6.000 million. The carrying value of the Kyrgyz companies' investment as at 31 December 2016 has been adjusted to reflect the net consideration at the year end.

FORBES VENTURES PLC
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2016

5. OPERATING LOSS

Operating loss is stated after charging/(crediting) the following:

	2016	2015
	\$	\$
Depreciation of property, plant and equipment	-	25,378
Net foreign currency differences	(31,211)	71,454
Auditor's remuneration - audit services	27,494	48,918
	27,494	48,918
	2016	2015
	\$	\$
Included in administrative expenses:		
Employee benefits expense	136,644	1,433,291
Depreciation and amortisation	-	25,378
	136,644	1,458,669

6. EMPLOYEE EXPENSES

	2016	2015
	\$	\$
Wages and salaries	136,644	1,427,996
Other employee benefits	-	5,295
	136,644	1,433,291

7. DIRECTORS' REMUNERATION

	2016	2015
	\$	\$
Remuneration	91,185	130,144

8. INCOME TAX

Components of income tax expense

	2016	2015
	\$	\$
Current income tax expense		
Current income tax charge	-	-

FORBES VENTURES PLC
NOTES TO THE FINANCIAL STATEMENTS (continued)
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9. EARNINGS PER SHARE

The basic earnings per share is based on the loss for the year divided by the weighted average number of shares in issue during the year. The weighted average number of ordinary shares for the year ended 31 December 2016 assumes that all shares have been included in the computation based on the weighted average number of days since issue.

	2016	2015
	\$	\$
Loss for the year attributable to owners of the Company	(607,875)	(25,507,798)
Weighted average number of ordinary shares in issue for basic and fully diluted earnings	108,939,808	107,618,497
LOSS PER SHARE		
BASIC AND FULLY DILUTED:	<u>(0.01)</u>	<u>(0.24)</u>

Since the Company has incurred losses in both 2015 and 2016 the basic loss and the diluted loss per share are the same as the effect of exercise of options and warrants is not dilutive.

10. CASH AND CASH EQUIVALENTS

	2016	2015
	\$	\$
Cash at bank	<u>30,652</u>	<u>7,012</u>

11. FAIR VALUE MEASUREMENT

The information below sets out the fair value measurements using the IFRS 7 fair value hierarchy. Categorisation within the hierarchy has been determined on the basis of the lowest level of input that is significant to the fair value measurement of the relevant asset as follows:

Level 1 – valued using quoted prices in active markets for identical assets.

Level 2 – valued by reference to valuation techniques using observable inputs other than quoted prices included within level 1.

Level 3 – valued by reference to valuation techniques using inputs that are not based on observable valuation data.

There were no transfers between levels in the 2015 or 2016 financial years.

FORBES VENTURES PLC
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2016

12. AVAILABLE FOR SALE FINANCIAL ASSETS

	2016	2015
	\$	\$
Investments at fair value brought forward	4,571,051	39,379
Investments acquired in year	-	114,825
Investments in subsidiary companies reclassified	-	16,511,152
Foreign currency exchange decrease	(3,861)	-
Disposal of investments	(4,562,024)	-
Impairment of investments		(12,094,305)
Financial assets at the end of the year	<u>5,166</u>	<u>4,571,051</u>
Level 1 investments at the year-end	5,166	9,025
Level 2 investments at the year-end	<u>-</u>	<u>4,562,026</u>

13. OTHER INVESTMENTS

	2016	2015
	\$	\$
Investments at cost brought forward	-	16,511,152
Investments acquired in the year	-	-
Investments reclassified as available for sale	-	(16,511,152)
Investments in subsidiaries at end of year	<u>-</u>	<u>-</u>

Investments in subsidiaries relate to the Kyrgyz Companies that the Company lost control of during the year ended 31 December 2015. At the point control was lost, these were reclassified as available for sale financial assets. The investment at 31 December 2015 was adjusted based on the net consideration received for the divestment of the Kyrgyz Companies in 2016. The divestment of the Kyrgyz Companies resulted in the company receiving net consideration of USD\$4.447 million.

14. TRADE AND OTHER PAYABLES

	2016	2015
	\$	\$
Trade and other payables	107,636	401,978
Withholding tax	127,935	-
Accruals	28,777	264,769
	<u>264,348</u>	<u>666,747</u>

FORBES VENTURES PLC
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2016

15. INTEREST BEARING LIABILITIES

	2016	<i>2015</i>
	\$	<i>\$</i>
Convertible note liability	-	3,241,778
Unsecured loan	-	153,454
Investments in subsidiaries at end of year	-	3,395,232
	<u> </u>	<u> </u>

During the year the company disposed of the convertible unsecured loan notes.

The loan note held by Robust Resources Limited was cleared via mutual agreement as part of a 'loan cancellation and release agreement' to settle the indebtedness in full for the following consideration:

- A cash payment of \$200,000
- The issue of 4,300,000 ordinary shares to Robust Resources Limited
- The transfer of 1,500,000 ordinary shares of Prospech Limited to Robust Resources Limited for the consideration of GB£1
- Warrants to subscribe for up to 9,917,555 new ordinary 1p shares

16. RELATED PARTY TRANSACTIONS

Control Relationships

On 22 January 2017, Gravity Investment Group Limited became the immediate and ultimate controlling party following a share issue equating to a 53% shareholding. Chris Bateman is the director and ultimate controlling party by virtue of his shareholding in Gravity Investment Group Ltd.

Related Party Loans

Loans from parent:

Included in current liabilities:	2016	<i>2015</i>
	\$	<i>\$</i>
Convertible note liability	-	2,430,932
Unsecured loan	-	153,454
	<u> </u>	<u> </u>
	-	2,584,386

Loans to subsidiaries:

Included in current assets:	2016	<i>2015</i>
	\$	<i>\$</i>
Loan to subsidiaries	-	9,604,747
Provisions made	-	(9,604,747)
	<u> </u>	<u> </u>
	-	-
	<u> </u>	<u> </u>

FORBES VENTURES PLC
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2016

16. RELATED PARTY TRANSACTIONS (continued)

Key Management Personnel Remuneration

The remuneration of key management personnel is included in employee benefits expenses accounts within the Income Statement.

Directors and key management personnel remuneration for the 2016 and 2015 financial years were as follows:

	2016	<i>2015</i>
	\$	\$
Directors of Forbes Ventures:		
Peter Moss	59,252	<i>43,047</i>
Allen Wang	25,753	<i>-</i>
Manish Karani	6,180	<i>-</i>

Manish Karani is the sole director of MVK Solutions Limited, a company which his directors' fees were paid to.

Shareholdings of Key Management Personnel

At the balance sheet date and at the date of this report, the following shares and options/warrants were held by Directors and their related entities.

	Number of Shares	Number of Options	Number of Warrants
Peter Moss	-	10,000	-

17. SHARE CAPITAL

Issued share capital

	No.	2016 \$	<i>No.</i>	<i>2015 \$</i>
Issued and fully paid				
Ordinary share capital	113,918,497	97,319,784	<i>107,618,497</i>	<i>96,931,323</i>
Partly paid shares	<u>500,000</u>	<u>128,286</u>	<i><u>500,000</u></i>	<i><u>128,286</u></i>
	<u>114,418,497</u>	<u>97,448,070</u>	<i><u>108,118,497</u></i>	<i><u>97,059,609</u></i>

	Number of Shares	\$
Movement in contributed equity		
Balance at the 1 January 2016	108,118,497	97,059,609
Issue of shares	6,300,000	388,461
Balance at the 31 December 2016	114,418,497	97,448,070
Balance at the 31 December 2015	108,118,497	97,059,609

FORBES VENTURES PLC
NOTES TO THE FINANCIAL STATEMENTS (continued)
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Terms and conditions of share capital

Ordinary shares have the right to receive dividends as declared and, in the event of winding up of the company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the company.

During the year, the par value of the Ordinary shares was reduced. This was to facilitate the loan note conversion. Under Cayman Island law, the Company is prohibited from issuing Ordinary Shares at a discount to their nominal value. Accordingly, each existing Ordinary share capital was sub-divided into one New Ordinary share of GBP£0.001 and one Deferred share of GBP£0.0490, such that there are now 113,918,497 new Ordinary shares of GBP£0.001 each and 113,918,497 Deferred shares of GBP£0.0490 in issue.

The Deferred shares are transferable only with the consent of the Company and will not be admitted to trading on AIM (or any other investment exchange). The holders of the Deferred shares do not, by virtue or in respect of their holdings of Deferred shares, have the right to receive notice of any general meeting of the Company nor the right to attend, speak or vote at any such general meeting. Save as required by law, the Company need not issue share certificates to the holders of the Deferred shares in respect of their holding thereof. In aggregate, the holders of the Deferred shares are entitled to receive up to GBP£1 only as a preferred dividend or distribution. In addition, the Board may appoint any person to act on behalf of all the holders of the Deferred shares to procure the transfer of all such shares back to the company (or its nominee) for GBP£1.

The Deferred shares have little to no economic value.

18. RESERVES

	Options reserve	Warrants reserve	Capital Redemption Reserve	Total
	\$	\$	\$	
At 1 January 2016	121,654	-	92,740	214,394
Issue of warrants	-	122,304	-	122,304
At 31 December 2016	<u>121,654</u>	<u>122,304</u>	<u>92,740</u>	<u>336,698</u>

19. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Policies

The Company's financial instruments comprise cash and cash equivalents and trade and other payables. The Company does not trade in derivatives or in foreign currency.

The main risks arising from the Company's financial instruments are interest rate risk, foreign currency risk and liquidity risks. The Company uses differed methods to manage and minimise its exposure to risks. These include monitoring levels of interest rates fluctuations to maximise the return of bank balances and liquidity risk is monitored through the development of future rolling cash flow forecasts.

The final approval and monitoring of any of these policies is done by the board which reviews and agrees on the policies for managing each of the risks as summarised below.

The primary responsibility to monitor the financial risks lies with the Managing Director under the authority of the board. The board agrees and approves policies for managing each of the risks identified below, including the setting up of approval limits for purchases and monitoring projections of future cash flow.

Interest rate risk and maturity analysis

The directors believe that the exposure to interest rate fluctuations is immaterial and therefore no interest rate sensitivity analysis has been disclosed. The borrowings disclosed in the Statement of Financial Position are the company's fixed rate borrowing and therefore not subject to interest rate risk as defined in *IFRS 7 Financial Instruments: Disclosures*. The short-term loans from the controlling entities and trade creditors are not exposed to interest rate fluctuations.

Liquidity risk

The Company's objective is to maximise its cash availability by evaluating current charges of various suppliers and the Company will seek additional funds from existing investors or new investors or a combination of both.

Foreign currency risk

The Company had operations in Kyrgyz Republic where its operating expenses are incurred in US dollars and accordingly the majority of its cash was held in US dollars. Now the Company is a cash shell the majority of its operating expenditure will be incurred in GBP therefore the fluctuation of the US dollar in relation to GBP will have an impact upon the operations of the Company and will also affect the value of the Company's cash balances.

The Company has not entered into any agreements or purchased any instruments to hedge possible currency risks.

Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company's exposure to, and the credit ratings of, its counterparties are continuously monitored and aggregate value of transactions concluded is spread amongst approved counterparties. Periodic evaluation is performed on the financial condition of accounts and other receivables.

FORBES VENTURES PLC
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Capital management

The Company's objective when managing capital is to ensure that adequate funding and resources are obtained to enable it to develop its projects through to profitable production, whilst in the meantime safeguarding the Company's ability to continue as a going concern. This is to enable the Company, once projects become commercially and technically viable, to provide appropriate returns for shareholders and benefits for other stakeholders. Since admission to the AIM market of the London Stock Exchange plc, the board intends to utilise financing sources, be that debt or equity that best suits the company's working capital requirements and market conditions.

Fair value

The fair value of the financial assets and financial liabilities of the Company, at each reporting date, approximates to their carrying amount as disclosed in the Statement of Financial Position and in the related notes. The fair value of the financial assets and liabilities are included at the amounts at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The cash and cash equivalents, other receivables, trade payables and other current liabilities approximate their carrying value amounts largely due to the short-term maturities of these instruments.

	Carrying Amount 31 December 2016	Fair Value 31 December 2016
	\$	\$
Financial assets:		
Available for sales financial assets	5,166	5,166
Total	5,166	5,166
Financial liabilities:		
Trade Payables	107,636	107,636
Total	107,636	107,636

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – Quoted market prices in an active market (that are unadjusted) for identical assets or liabilities

Level 2 – Valuation techniques (for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable)

Level 3 – Valuation techniques (for which the lowest level input that is significant to the fair value measurement is unobservable)

For financial instruments that are recognised at fair value on a recurring basis, the company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level of input that is significant to the fair value measurement as a whole) at the end of each reporting period.