STALLION RESOURCES PLC
(formerly SPORTS STARS MEDIA PLC)

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2014

Company Number: 07752674

STALLION RESOURCES PLC
(formerly SPORTS STARS MEDIA PLC)

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FOR THE YEAR ENDED 31 DECEMBER 2014

CONTENTS **Page**

PRINCIPAL ACTIVITIES

The principal activity of the company is that of an investing company. The principal activities of the subsidiaries during the period under review were the production and commercialisation of children's CGI animation television series and brands, trading card games and online social gaming platforms with a focus on sports and sports stars. The subsidiaries and existing business of the company were disposed of as described in Note 17.

STRATEGIC UPDATE

The audited statement of comprehensive income for the year ended 31 December 2014 states that the Group made a loss of €138,540 after investment write-backs of €265,031 (2013: loss of €2,224,860), on revenues of €nil (2013: €nil). This reflected the final transactions and balances relating to the disposal of the Group's former subsidiaries on 9 May 2014 that had not been provided for in the previous period. This disposal had been determined upon by the previous Directors who had considered that the limited resources and difficult trading conditions faced by the trading subsidiaries, together with the performance of the Group and its subsidiaries, was not strong enough to generate revenues to support the costs associated with being quoted on a public market. A decision was therefore taken to dispose of the existing business ("the Business"), introduce new funds, appoint new directors, and adopt a new investing policy.

The Company subsequently entered into a sale and purchase agreement ("SPA") on 7 April 2014 between the Company and Golden Rays Ventures ("Golden Rays") in which Golden Rays agreed to acquire the Business and to assume the liabilities for an initial nominal consideration of £1. Golden Rays would also make an additional payment to the Company of £636,000 if certain trigger events were achieved, with that additional payment to be passed onto the shareholders on the Register of the Company as at 9 May 2014. In addition, Golden Rays agreed to assume responsibility for all liabilities in relation to a shareholder loan of €215,499. All other outstanding loans by the Company to the Business and vice versa have been eliminated pursuant to the SPA.

The disposal was completed in May 2014, new directors were appointed and a new investing policy and change of company name adopted at a General Meeting of the Company held on 9 May 2014.

NEW INVESTING POLICY

On 9 May 2014, the Company's shareholders approved a new Investing Policy which is to invest in and/or acquire companies and/or projects within the natural resources and/or energy sector with potential for growth. The Investing Policy states that the Company will also consider opportunities in other sectors as they arise if the Directors consider there is an opportunity to generate an attractive return for Shareholders. In selecting investment opportunities, the Directors will focus on businesses, assets and/or projects that are available at attractive valuations and hold opportunities to unlock embedded value.

As an Investing Company, the Company will be required to make an acquisition or acquisitions which constitutes a reverse takeover under the AIM Rules or otherwise implement its proposed Investing Policy on or before the date falling twelve months from the adoption of the Investing Policy failing which, in accordance with the AIM rules, the Company's Ordinary Shares would then be suspended from trading on AIM. The Company's Board of Directors considered a wide range of investments throughout the year, including conducting detailed due diligence and engaging in negotiations on several project opportunities, both in the natural resources sector but also in other unrelated sectors. However, as at 9 May 2015, being 12 months after the approval of the Company's Investing Policy, the Company had not implemented its Investing Policy or completed a reverse takeover. As such, the Company's shares were suspended from trading on 11 May 2015. The Company has a period of six months from 11 May 2015 to make a reverse takeover or implement the Company's Investing Policy in order for the Company's shares to recommence trading.

While the suspension of the Company's shares from trading is regrettable, the Company's Board of Directors will continue to work diligently with a view to ensuring that an appropriate transaction or transactions are consummated within the prescribed period to enable trading to re-commence. We will keep shareholders appraised of developments.

KEY PERFORMANCE INDICATORS

The key performance indicators going forward will be based on the performance of any investments made and will be determined when this occurs.

CREDITOR PAYMENT POLICY

The Group’s policy is to agree terms of transactions including payment terms and to ensure that, in the absence of dispute, all suppliers are dealt with in accordance with those terms. The number of days outstanding between receipt of invoices and date of payment, calculated by reference to the amount owed to trade creditors at the year will be determined when this occurs.

PRINCIPAL RISKS

The principal external risks facing the group are:

(a) Market risk

The Group's financial instruments comprise cash and various items such as trade debtors and trade creditors that arise directly from its operations. The main risk arising from the Groups financial instruments is liquidity risk. The Group has not entered into any derivative transactions.

(b) Fair value interest rate risk

Floating rate financial assets comprise cash deposits on overnight deposit at variable short-term rates. The Group has no borrowing facilities agreed with its bankers.

(c) Currency risk

The currency profile of the Group’s financial assets was as follows:

	2014
	€
Cash and cash equivalents:	
Sterling	261
Euros	124,198
	124,459

The Company’s sterling balance sheet is not protected from movements in the exchange rate between these currencies and sterling.

(d) Price risk

At 31 December 2014, there was no significant price risk.

(e) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligation, and arises principally from the Group’s receivables from customers. At 31 December 2014, there was no significant credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset.

PRINCIPAL RISKS (CONTINUED)

(f) Liquidity risk

Liquidity risk is the risk that the Group is unable to meet its payment obligations associated with its financial liabilities when they fall due. The directors have prepared forecasts which indicate that the Group will be able to meet its liabilities as they fall due for at least the next twelve months.

FINANCIAL OVERVIEW

The Group made a loss before tax of €373,778 (2013: €1,648,940) and cash balances held at 31 December 2014 were €124,459 (2013 - €110,315).

In order to recapitalise the Company, in May 2014 the Company was able to raise €368,550 net of costs at 0.06 pence per share, through the subscription of 500,000,000 new Ordinary Shares representing 53.7% of the issued ordinary share capital.

OUTLOOK

The Board continues to work diligently on the consummation of investments which will be value-enhancing for the Company's shareholders.

I would like to take this opportunity to thank the Board, staff and stakeholders for their continued support during the year.

On behalf of the Board on 17 June 2015.

David Ajemian

Non Executive Chairman

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2014

The directors submit their report and the financial statements of Stallion Resources Plc ("SRP") and its subsidiary undertakings ("the Group") for the year ended 31 December 2014. SRP is a public company incorporated in England and Wales and quoted on AIM. The company's name was changed from Sports Stars Media plc on 15 May 2014.

PRINCIPAL ACTIVITIES

The principal activity of the company is that of an investing company. The principal activities of the subsidiaries during the period under review were the production and commercialisation of children's CGI animation television series and brands, trading card games and online social gaming platforms with a focus on sports and sports stars. The subsidiaries and existing business of the company were disposed of as described in Note 17.

BUSINESS REVIEW AND FUTURE DEVELOPMENTS

A review of the business and future developments is included in the Strategic Report on pages 1 to 3.

DIRECTORS

David Ajemian (Non-Executive Chairman)	- appointed 9 May 2014
Cameron Pearce (Non-Executive Director)	- appointed 9 May 2014
Ruben Dias	- resigned 9 May 2014
Carlos Amaro	- resigned 9 May 2014
Pedro Matias Maria	- resigned 9 May 2014
Sónia Magalhães	- resigned 9 May 2014
Lyndon Chapman	- resigned 9 May 2014
Miguel Mascarenhas	- resigned 9 May 2014

DIRECTORS' INTERESTS IN SHARES

At 31 December 2014

	No. of shares	Percentage	No. of options held
David Ajemian	58,628,054	6.3%	13,888,888
Cameron Pearce	58,628,054	6.3%	43,888,888

The share options in which the Directors have an interest are detailed in Note 11.

POLITICAL AND CHARITABLE CONTRIBUTIONS

No donations for political or charitable purposes have been made by the Company during the year.

SUBSTANTIAL SHAREHOLDINGS

As at 31 December 2014, the Company had been notified of the following interests of 3% or more in the ordinary issued share capital of the Parent Company.

Shareholder	No. of shares	Percentage
Fitel Nominees Limited	517,135,017	55.53%
Pershing Nominees Limited	69,424,000	5.38%
Panmure Gordon (UK) Ltd	37,898,763	4.07%

GOING CONCERN

Cash flow projections have been prepared for the Group. Based on these projections, the Directors confirm that they are satisfied that the Group has adequate resources to continue in business for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the accounts.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

The directors who were in office on the date of approval of these financial statements have confirmed that, as far as they are aware, there is no relevant audit information of which the auditors are unaware. Each of the directors have confirmed that they have taken all steps they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

By order of the Board on 17 June 2015.

David Ajemian
Non Executive Chairman

The policy of the Board is to manage the affairs of the Group and Company ("the Group") in accordance with the principles underlying the Combined Code on Corporate Governance.

The Board of Directors is accountable to shareholders for the good corporate governance of the Group. The principles of corporate governance and a code of best practice are set out in the Combined Code. Under the rules of the AIM market the Group is not required to comply in full with the Code nor to state where it derogates from it. The Board considers that the size and nature of the Group does not warrant compliance with all the Code's requirements. This statement sets out how the principles of the Code are applied to Stallion Resources plc.

BOARD STRUCTURE

The Board meets regularly and is responsible for strategy, performance, approval of major capital projects and the framework of internal controls. The Board has a formal schedule of matters specifically reserved to it for decision. To enable the Board to discharge its duties, all Directors receive appropriate and timely information. Briefing papers are distributed to all Directors in advance of Board meetings. All Directors have access to the advice and services of the Company Secretary, who is responsible for ensuring that Board procedures are followed and that applicable rules and regulations are complied with. The appointment and removal of the Company Secretary is a matter for the Board as a whole. In addition, procedures are in place to enable the Directors to obtain independent professional advice in the furtherance of their duties, if necessary, at the Group's expense.

A nominations committee is not considered appropriate because of the small size of the Board and the Group but all appointments or potential appointments are fully discussed by all Board members.

Directors are subject to re-election by the shareholders at the third Annual General Meeting held after their appointment or last election.

Audit Committee

The Audit Committee comprises David Ajemian and Cameron Pearce and meets as necessary to fulfil its responsibilities. The Committee is responsible for making recommendations to the Board on the appointment of auditors and the audit fee and for ensuring that the financial performance of the Group is properly reported and monitored. In addition, the Audit Committee receives and reviews reports from management and the auditors relating to the interim report, the annual report and accounts and the internal control systems of the Group.

Remuneration Committee

The Remuneration Committee comprises David Ajemian and Cameron Pearce and is responsible for the review and recommendation of the scale and structure of remuneration for senior management, including any bonus arrangements or the award of share options with due regard to the interests of the Shareholders and the performance of the Group.

INTERNAL CONTROL

The Board acknowledges its responsibility for establishing and monitoring the Group's systems of internal control. Although no system of internal control can provide absolute assurance against material misstatement or loss, the Group's systems are designed to provide the directors with reasonable assurance that problems are identified on a timely basis and dealt with appropriately.

The Group maintains a comprehensive process of financial reporting. The annual budget is reviewed and approved before being formally adopted. Other key procedures that have been established and which are designed to provide effective control are as follows:

- management structure – where the Board meets regularly to discuss all issues affecting the Company; and
- investment appraisal – the Group has a clearly defined framework for investment appraisal and approval is required by the Board where appropriate.

INTERNAL CONTROL (continued)

The Board regularly reviews the effectiveness of the systems of internal control and considers the major business risks and the control environment. No significant control deficiencies have come to light during the year and no weakness in internal financial control have resulted in any material losses, contingencies or uncertainties which would require disclosure as recommended by the guidance for directors on reporting on internal financial control.

The Board considers that in light of the control environment described above, there is no current requirement for a separate internal audit function.

RELATIONS WITH SHAREHOLDERS

The Non Executive Chairman is the Group’s principal spokesperson with investors, fund managers, the press and other interested parties. At the Annual General Meeting (AGM), private investors are given the opportunity to question the Board.

This report and its financial statements will be presented to the shareholders for their approval at the AGM. The notice of the AGM will be distributed to shareholders together with the Annual Report.

REMUNERATION COMMITTEE

The members of the committee are David Ajemian and Cameron Pearce. Details of the remuneration of each director are set out below.

Executive remuneration packages are prudently designed to attract, motivate and retain directors of high calibre, who are needed to drive and maintain the Group's position as a market leader and to reward them for enhancing value to the shareholder.

REMUNERATION POLICY

Share options
On 30 July 2014, the Company issued 13,888,888 new warrants to David Ajemian and 43,888,888 new warrants to Cameron Pearce. These warrants may be exercised up to 30 January 2017 at a subscription price of £0.0006 each.

Pension arrangements
There are no pension arrangements in the Group.

Directors' contracts
It is the Company's policy that the executive directors should have a contract with a 3 year term providing for a maximum of six months' notice. In the event of early termination, the directors' contracts provide for compensation, where appropriate, up to a maximum of basic salary for the notice year.

Non-executive directors
The fees any non-executive directors are determined by the Board as a whole having regard to the commitment of time required and the level of fees in similar companies. Any non-executive director is engaged under a letter of engagement terminable on three months' notice.

Directors' emoluments

	2014 Salary	2014 Fees	2014 Share based payments	2014 Total	2013 Salary	2013 Fees	2013 Total
	€	€	€	€	€	€	€
David Ajemian	9,471	-	11,126	20,597	-	-	-
Cameron Pearce	9,471	-	35,157	44,628	-	-	-
Pedro Matias Maria	16,261	-	-	16,261	35,291	-	35,291
Sónia Magalhães	-	13,666	-	13,666	-	23,917	23,917
Total	35,203	13,666	46,283	95,152	35,291	23,917	59208

APPROVAL

This report was approved by the Board of Directors and authorised for issue on 17 June 2015
and signed on its behalf by:

David Ajemian
Non Executive Chairman

STATEMENT OF DIRECTORS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2014

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

UK Company law requires the directors to prepare Group and Company Financial Statements for each financial year. Under that law the directors are required to prepare Group financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the EU and have elected to prepare the company financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the EU.

The Group financial statements are required by law and IFRS adopted by the EU to present fairly the financial position and performance of the group; the Companies Act 2006 provides in relation to such financial statements that references in the relevant part of that Act to financial statements giving a true and fair view are references to their achieving a fair presentation.

The Company financial statements are required by law to give a true and fair view of the state of affairs of the company.

In preparing each of the group and company financial statements, the directors are required to:

a. select suitable accounting policies and then apply them consistently;

b. make judgements and estimates that are reasonable and prudent;

c. state whether they have been prepared in accordance with IFRSs adopted by the EU;

d. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and Company and to enable them to ensure that the financial statements comply with the requirements of the Companies Act 2006 and Article 4 of the IAS Regulations. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also responsible for the maintenance and integrity of the SRP website.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

We have audited the financial statements of Stallion Resources Plc (formerly Sports Stars Media Plc) for the year ended 31 December 2014 which comprise the Consolidated Statement of Comprehensive Income, the Group and Parent Company Statement of Financial Position, the Group and Parent Company Statements of Cash Flows, the Group and Parent Company Statements of Changes in Equity and the related notes 1 to 18. The financial reporting framework that has been applied in their preparation 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, in accordance with sections 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 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 Directors' Responsibilities Statement set out on page 9 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 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
A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements
In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2014 and of the Group's loss for the period then ended;
- the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006
In our opinion:

- the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006; and
- the information given in the Strategic Report and Directors' 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:

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent Company, or returns adequate for out audit have not been received from branches not visited by us; or
- the Parent Company financial statements and the part of the Directors' Remuneration Report to be audited 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.

Ian Cliffe (Senior Statutory Auditor)
for and on behalf of haysmacintyre
Statutory Auditors
Date: 17 June 2015

26 Red Lion Square
London
WC1R 4AG

STALLION RESOURCES PLC
(formerly SPORTS STARS MEDIA PLC)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	2014 €	2013 restated €
Revenue		-	-
Cost of sales		(1,329)	-
Gross loss		(1,329)	(22,168)
Administrative expenses		(182,556)	(26,996)
Write-down of investments		-	(1,619,030)
Share-based payments		(181,570)	-
Loss from operations	2	(365,455)	(1,646,026)
Financial expenses	4	(8,323)	(2,904)
Loss before tax		(373,778)	(1,648,930)
Tax charge for the year	5	(6,570)	-
Loss from continuing operations		(380,348)	(1,648,930)
Profit / (loss) from discontinued operations net of tax	17	265,031	(671,540)
		(115,317)	(2,320,470)
Other comprehensive expenses			
Currency translation on foreign currency net investments		(23,223)	95,610
Total comprehensive loss attributable to equity holders of the company		(138,540)	(2,224,860)
Loss per share			
Basic and diluted	7	(0.00)	(0.00)

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

CONSOLIDATED AND COMPANY STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 31 DECEMBER 2014

		2014		2013	
		Group	**Company**	**Group restated**	**Company**
	Notes	**€**	**€**	**€**	**€**
ASSETS					
Non-current assets					
Investments	8	-	128	1	1
Current assets					
Trade and other receivables	9	11,692	11,564	9,950	9,950
Cash and cash equivalents		124,459	124,459	110,315	110,315
Total current assets		136,151	136,023	120,265	120,265
TOTAL ASSETS		136,151	136,151	120,266	120,266
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent					
Share capital	11	335,564	335,564	151,287	151,287
Share premium reserve		2,505,416	2,505,416	2,334,144	2,334,144
Share-based payments reserve		181,570	181,570	-	-
Retained loss		(2,933,905)	(2,933,905)	(2,678,238)	(2,678,238)
TOTAL EQUITY		88,645	88,645	(192,807)	(192,807)
Non-current liabilities					
Loans	10	-	-	252,945	252,945
Current liabilities					
Trade and other payables	10	47,506	47,506	60,128	60,128
TOTAL EQUITY AND LIABILITIES		136,151	136,151	120,266	120,266

The financial statements were approved by the board of directors and authorised for issue on 17 June 2015 and are signed on its behalf by:

David Ajemian
Non Executive Chairman

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2014

	Share Capital €	Share Premium Account €	Share Based Payments Reserve €	Retained Loss €	Total Equity €
CONSOLIDATED (restated)					
Balance at 1 January 2014	151,287	2,334,144		(2,678,238)	(192,807)
Loss for the year	-	-	-	(138,540)	(138,540)
Translation of year end balances	-	-	-	(117,127)	(117,127)
Total comprehensive loss for 2014	151,287	2,334,144	-	(2,933,905)	(448,474)
Share capital issued (net of costs)	184,277	171,272	-	-	355,549
Warrants issued during the year	-	-	181,570	-	181,570
Balance at 31 December 2014	335,564	2,505,416	181,570	(2,933,905)	88,645
COMPANY					
Balance at 1 January 2014	151,287	2,334,144	-	(2,678,238)	(192,807)
Loss for the year	-	-	-	(138,540)	(138,540)
Translation of year end balances	-	-	-	(117,127)	(117,127)
Total comprehensive loss for 2014	151,287	2,334,144	-	(2,933,905)	(448,474)
Share capital issued (net of costs)	184,277	171,272	-	-	355,549
Warrants issued during the year	-	-	181,570	-	181,570
Balance at 31 December 2014	335,564	2,505,416	181,570	(2,933,905)	88,645

STALLION RESOURCES PLC
(formerly SPORTS STARS MEDIA PLC)

CONSOLIDATED AND COMPANY STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2014

	2014		2013	
	Group	**Company**	**Group restated**	**Company**
	€	**€**	**€**	**€**
Operating activities				
Loss before taxation	(373,778)	(373,778)	(1,648,930)	(2,491,028)
Adjustments for:				
Finance income	-	-	(8,042)	-
Finance costs	14,785	8,323	8,974	2,904
Investment valuation adjustments	(252,944)	(252,945)	1,619,030	2,501,990
Share-based payments	181,570	181,570	-	-
Result of Discontinued operations	265,031	265,031	(671,540)	-
Depreciation	-	-	60,272	-
Income tax	-	-	640	-
(Loss) / profit from operations before changes in working capital	(165,336)	(171,799)	(639,596)	13,866
(Increase) / decrease in receivables	(1,743)	(1,615)	(176,025)	88,173
Decrease in payables	(12,622)	(12,622)	(129,180)	(658,057)
Cash generated from operations	(179,701)	(186,036)	(944,801)	(556,018)
Tax payable	(6,570)	(6,570)	(640)	-
Cash flow from operating activities	(186,271)	(192,606)	(945,441)	(556,018)
Cash flow from investing activities				
Purchase of subsidiary undertakings	-	(127)	-	(11,640)
Purchase of intangible assets	-	-	(649,927)	-
Purchase of tangible assets	-	-	(38,145)	-
Loans granted to subsidiary undertakings	-	-	-	(509,067)
Net cash flow from investing activities	-	(127)	(688,072)	(520,707)
Cash flow from financing activities				
Interest receivable	-	-	8,042	-
Interest payable	(14,785)	(8,323)	(8,974)	(2,904)
Loans received	-	-	252,945	252,945
Proceeds from issue of share capital	489,502	489,502	-	-
Share issue costs	(133,953)	(133,953)	-	-
Net cash inflow from financing activities	340,764	347,226	252,013	250,041
Net cash inflow for the year	154,493	154,493	(1,381,500)	(826,684)
Foreign exchange differences on translation	(140,349)	(140,349)	95,610	54,748
Cash and cash equivalents at start of year	110,315	110,315	1,396,205	882,251
Cash and cash equivalents at the end of the year	124,459	124,459	110,315	110,315

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) General information and authorisation of financial statements

Stallion Resources Plc is a public limited company incorporated and domiciled in England and Wales under the Companies Act 2006. The address of its registered office is 14 Golden Square, London, W1F 9JG. The Company's ordinary shares are traded on the AIM Market operated by the London Stock Exchange. The Group financial statements of Stallion Resources Plc for the year ended 31 December 2014 were authorised for issue by the Board on 17 June 2015 and the balance sheets signed on the Board's behalf by David Ajemian, Non Executive Chairman. The nature of the Group's operations and its principal activities are set out in the Strategic Report on pages 1 to 3.

(b) Statement of compliance with IFRS

The consolidated financial information has been prepared in accordance with International Financial Reporting Standards, International Accounting Standards and Interpretations issued by the International Accounting Standards Board as adopted by the European Union (IFRS) and with those parts of the Companies Act 2006 applicable to companies preparing their accounts under IFRS. The consolidated financial information has been prepared under the historical cost convention. The principal accounting policies adopted by the Group and Company are set out below.

(c) Basis of consolidation

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. Subsidiaries are fully consolidated from the date of their formation. Inter-company transactions and balances are eliminated on consolidation. Investments in subsidiaries are accounted for at fair value at the date of acquisition, and reviewed annually for impairment. Inter-company transactions and balances are eliminated on consolidation.

(d) Business combinations and goodwill

The assets and liabilities of a subsidiary are measured at their fair values at the date of acquisition. Any excess of the cost of acquisition over the fair values of the identifiable net assets acquired is recognised as goodwill and capitalised as an intangible asset. Goodwill will be reviewed for impairment annually and any resulting charge made to the income statement.

(e) Segment reporting

The Group treats each of its trading subsidiaries as an individual segment for reporting and decision-making purposes.

(f) Foreign currency translation

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The functional currency of the Parent Company is pounds sterling; that of its subsidiaries is euros. The Group and Parent Company financial statements are presented in euros.

The financial statements are presented to 31 December 2014 and the average exchange rate used is 1.2239 euros to a pound sterling. The year end rate used is 1.2779.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rate prevailing at the date of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Foreign currency translation (continued)

Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated as follows:

(a) assets and liabilities at the balance sheet date are translated at the closing rate at 31 December 2014;
(b) income and expenses for each income statement are translated at average exchange rates; and
(c) all resulting exchange differences are recognised in other comprehensive income.

(g) Financial Instruments

Cash and cash equivalents

Cash and cash equivalents are measured at fair value and comprise cash deposits.

Trade and other receivables (excluding prepayments)

Trade and other receivables do not carry any interest and are stated at their nominal value.

Trade and other payables

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether or not billed, but excluding services provided under executory contracts, where the performance of their respective obligations by both parties to the contract remain partially complete at the balance sheet date. Liabilities recognised are unsecured, non-interest bearing and are stated at cost.

Share capital

Ordinary shares are classified as equity.

(h) Current and deferred tax

The tax expense represents the sum of the current tax and deferred tax. The current tax 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 liability for current tax is calculated by using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction which affects neither the tax profit nor the accounting profit.

Deferred tax is calculated at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled. Deferred tax is charged or credited in the income statement, except when it relates to items credited or charged directly to equity, in which case the deferred tax is also dealt with in equity.

(i) Investments

Investments are held at cost less provisions for impairment.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Share options and warrants

Where share options or warrants are awarded to directors and employees, the fair value of the options or warrants at the date of grant is charged to the consolidated income statement over the vesting year. 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 year is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options and warrants 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 and warrants are modified before they vest, the increase in the fair value of the options and warrants, measured immediately before and after the modification, is also charged to the consolidated income statement over the remaining vesting year.

When the options and warrants are exercised, the company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options and warrants are exercised.

When share options and warrants lapse, any amounts credited to the share-based payments reserve are released to the retained earnings reserve.

(k) Share based payments

In accordance with IFRS 2 ‘Share-based payments’, the Group reflects the economic cost of awarding shares and share options to employees and directors by recording an expense in the statement of comprehensive income equal to the fair value of the benefit awarded. The expense is recognised in the statement of comprehensive income over the vesting period of the award.

Fair value is measured by the use of a Black-Scholes option pricing model, which takes into account the expected life of the awards, the expected volatility of the return on the underlying share price, the market value of the shares, the strike price of the awards and the risk-free rate of return. The charge to the income statement is adjusted for the effect of service conditions and non-market performance conditions such that it is based on the number of awards expected to vest. Where vesting is dependent on market-based performance conditions, the likelihood of the conditions being achieved is adjusted for in the initial valuation and the charge to the income statement is not therefore adjusted so long as all other conditions are met.

Where an award is granted with no vesting conditions, the full value of the award is recognised immediately in the income statement.

(l) Risks

Financial risk factors

For the year covered by the financial information the only financial risk to which the Group was exposed was foreign exchange risk, and specifically changes in the sterling/euro rate. There was no formal policy for managing such risk during the year because of the insignificant sums involved and in the directors’ view neither profits nor net assets were sensitive to any reasonably likely movement in the rate.

Capital risk management

The Group’s objectives when managing capital are to safeguard the Group’s ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

(m) Leasing

Operating lease payments are recognised as an expense on a straight-line basis over the lease term Contingent rentals arising under operating leases are recognised as an expense in the year in which they are incurred.

1. BUSINESS AND GEOGRAPHICAL SEGMENTS

The Group's operations were located in Europe, including the United Kingdom. As the UK-based operations consist of the holding company operations only, no detailed analysis by geographical segment is considered appropriate. The net assets by country at 31 December 2014 were UK €88,645 and Portugal €nil (after investment write-downs). All trading operations in 2014 were based in Portugal.

2. LOSS FROM OPERATIONS

	2014 €	2013 €
Loss from operations has been arrived at after charging:		
Depreciation of property, plant & equipment	-	60,272
Net foreign exchange losses	23,223	44,255
Auditors' remuneration for audit services (see below)	10,050	16,199
Amounts payable to Company Auditors and their associates in Respect of both audit and non-audit services	10,050	16,199
Comprising:		
- audit services	10,050	10,750
- non-audit services	-	2,449

3. STAFF COSTS

	2014 No.	2013 No.
The average monthly number of employees (including executive directors) for the year for each of the Group's principal divisions was as follows:		
Management	3	3
Selling and distribution	1	2
Production	8	19
	12	24

	€	€
The aggregate remuneration comprised:		
Wages and salaries	157,294	443,456
Social security and taxes	9,749	42,060
	167,043	485,516

3. STAFF COSTS (continued)

Directors' emoluments

The value of all elements of remuneration received by each director during the year were as follows:

	2014 Salary	2014 Fees	2014 Share based payments	2014 Total	2013 Salary	2013 Fees	2013 Total
	€	€	€	€	€	€	€
David Ajemian	9,471	-	11,126	20,597	-	-	-
Cameron Pearce	9,471	-	35,157	44,628	-	-	-
Pedro Matias Maria	16,261	-	-	16,261	35,291	-	35,291
Sónia Magalhães	-	13,666	-	13,666	-	23,917	23,917
Total	35,203	13,666	46,283	95,152	35,291	23,917	59208

The interests of the directors in the issued share capital of the company as at 31 December 2014 were as follows:

	2014			2013		
	No. of shares	Percentage	No. of warrants held	No. of shares	Percentage	No. of warrrants held
	€	%	€	€	€	€
David Ajemian	58,628,054	6.3%	13,888,888	-	-	-
Cameron Pearce	58,628,054	6.3%	43,888,888	-	-	-

The market price of the company's shares as at 31 December 2014 was 0.095p with a quoted range during the year of 1.075p to 0.095p.

The share option / warrants in which the Directors have an interest is detailed in Note 11.

4. FINANCIAL EXPENSE

	2014 €	2013 €
Interest payable	8,323	2,904

5. INCOME TAX EXPENSE

	2014 €	2013 €
Current tax	(6,570)	-
Deferred tax	-	-
	(6,570)	-
Loss before taxation	(373,778)	(1,648,930)
Expected tax credit on loss before tax at 21.25% (2013 - 23.25 %)	79,428	(383,376)
Current and deferred tax profit and loss charge	(6,570)	-
Difference to be explained (see below)	72,858	(383,376)
Expenses not deductible for tax purposes	-	-
Tax payable by foreign subsidiaries	(6,570)	-
Losses carried forward	72,858	383,376
	-	-

6. DIVIDENDS

No dividend has been declared for the year (2013 – nil).

7. PROFIT / (LOSS) PER SHARE

The calculation of the basic and diluted earnings per share is based on the following data:

	2014 €	2013 €
Earnings		
Earnings for the purposes of basic earnings per share (net loss) for the year attributable to equity holders of the parent)	(138,540)	(2,224,860)
Number of shares		
Weighted average number of ordinary shares for the purposes of basic earnings per share	755,489,166	431,313,342

The denominator for the purpose of calculating the basic earnings per share has been adjusted to reflect all capital raisings. Due to the losses incurred to date, there is no dilutive effect resulting from the issue of share options and shares to be issued.

8. INVESTMENTS IN SUBSIDIARIES

	Company	
	2014 €	2013 €
Investments in subsidiaries		
At 1 January 2014	1	10,589
Additions	128	11,640
Disposals	(1)	(22,228)
At 31 December 2014	128	1

The following are the Company's subsidiaries:

Name of subsidiary	Place of incorporation (or registration) and operations	Proportion of ownership interest	Proportion of voting power held	Principal activity
Stallion Greenland Limited	UK	100%	100%	Dormant

Stallion Greenland Limited was incorporated on 27 June 2014 and is currently dormant. The investment is equal to the issued share capital, being 100 £1 Ordinary Shares. All of the former subsidiaries were disposed of as part of the SPA as disclosed in Note 17.

9. TRADE AND OTHER RECEIVABLES

	2014		2013	
	Group	Company	Group	Company
	€	€	€	€
Other receivables	11,692	11,564	9,950	9,950

There are no significant credit risks arising from financial assets that are neither past due nor impaired. The directors consider that the carrying amount of trade and other receivables approximates to their fair value.

10. TRADE AND OTHER PAYABLES

	2014		2013	
	Group	Company	Group	Company
	€	€	€	€
Trade payables	32,963	32,963	38,585	38,585
Taxes and social security	480	480	-	-
Other payables	14,063	14,063	21,543	21,543
	47,506	47,506	60,128	60,128
Due within one year	47,506	47,506	60,128	60,128
Due after more than one year	-	-	252,945	252,945

Trade creditors principally comprise amounts outstanding for trade purchases and ongoing costs.

Amounts due after more than one year comprised an unsecured loan that was settled as part of the SPA as disclosed in Note 17.

The Directors consider that the carrying amount of trade and other payables approximates their fair value.

11. SHARE CAPITAL

	Number of shares	Nominal value €
Issued and fully paid – as at 31 December 2014		
Ordinary shares of 0.03 pence each	931,313,342	335,564
Issued and fully paid – as at 31 December 2013		
Ordinary shares of 0.03 pence each	431,313,342	151,287

500,000,000 new ordinary shares of 0.03 pence each were issued on 9 May 2014 at a price of 0.06 pence each.

The Directors of the Company continue to be limited as to the number of shares they can allot at any time and remain subject to the allotment authority granted by the shareholders pursuant to section 551 of the Companies Act 2006.

The Company has one class of ordinary shares which carry no right to fixed income.

11. SHARE CAPITAL (continued)

On admission to AIM, the Company granted 46,800,800 warrants exercisable at the subscription price of 1p to the former Directors. A further 12,600,000 warrants were granted to several non-connected parties. The rights of all existing warrant-holders were abrogated on 30 July 2014 and the warrants cancelled.

In October 2012, 6,000,000 warrants were issued to former employees of the Company's subsidiaries. These options have now lapsed.

On 30 July 2014, the Company issued 266,666,662 new warrants, of which 13,888,888 were issued to David Ajemian and 43,888,888 to Cameron Pearce. These warrants may be exercised up to 31 January 2016 at a subscription price of 0.06p each.

At 31 December 2014, the following options and warrants were in issue:

Exercise Price	Expiry date	Options in issue
Warrants 0.06p	31 January 2016	266,666,662
		266,666,662

12. SHARE BASED PAYMENTS

The warrants issued as stated in Note 11 have been valued at arm's length using the Black & Scholes formula for option pricing. The inputs into the model were as follows:

Expected life of options - years	1.51
Weighted average exercise price – pence	0.0003
Weighted average share price at grant date – pence	0.0013
Expected volatility - %	14.65

13. RELATED PARTY TRANSACTIONS

Trading transactions

During the year, Group companies entered into the following transactions with related parties who are not members of the Group:

Name of related party	Sales/(purchased) during the year £	Owed (to)/from at year end £
Carlos Amaro & Associados (C Amaro was a director)	(6,200)	-

14. LEASING COMMITMENTS

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	2014 €	2013 €
Within 1 year	-	24,000

The lease is for building premises and is automatically renewed annually at the balance sheet date unless notice has been given.

15. FINANCIAL INSTRUMENTS

Capital risk management

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

General risk management principles

(a) Market risk

The Group's financial instruments comprise equity investments, cash and various items such as trade debtors and trade creditors that arise directly from its operations. The main risk arising from the Groups financial instruments is liquidity risk. The Group has not entered into any derivative transactions.

(b) Fair value interest rate risk

Floating rate financial assets comprise cash deposits on overnight deposit at variable short-term rates. The Group has no borrowing facilities agreed with its bankers.

(c) Currency risk

The currency profile of the Group’s financial assets was as follows:

	2014 €	2013 €
Cash and cash equivalents:		
Sterling	261	495
Euros	124,198	109,820
	124,459	110,315

The Company’s sterling balance sheet is not protected from movements in the exchange rate between these currencies and sterling.

(d) Price risk

At 31 December 2014, there was no significant price risk.

15. FINANCIAL INSTRUMENTS (continued)

(e) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligation, and arises principally from the Group's receivables from customers. At 31 December 2014, there was no significant credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset.

(f) Liquidity risk

Liquidity risk is the risk that the Group is unable to meet its payment obligations associated with its financial liabilities when they fall due. The directors have prepared forecasts which indicate that the Group will be able to meet its liabilities as they fall due for at least the next twelve months.

Financial instruments by category:

	2014 €	2013 €
Financial assets:		
Trade and other receivables	11,692	9,950
Cash and cash equivalents	124,459	110,315
	136,151	120,265
Financial liabilities:		
Trade and other payables	47,506	60,128
Loans	-	252,945

The fair value of financial assets and liabilities equal their carrying amount. All financial assets and liabilities are due within one year.

(g) Cash flow interest rate risk

Interest rate changes may affect the Company's ability to raise funds for future acquisitions by influencing the amounts investors are willing to commit to.

(h) Fair value

There is no significant difference between the carrying amounts shown in the balance sheet and the fair values of the Company's financial instruments. For current trade and other receivables/payables with a remaining life of less than one year, the carrying amount is deemed to reflect the fair value.

16. CONTINGENT LIABILITIES

As at 31 December 2014, the Group did not have any contingent liabilities or litigation outstanding not provided for.

17. DISPOSAL OF SUBSIDIARIES

On 9 April 2014, the Company agreed to dispose of its current business (including its trading subsidiaries) to Golden Rays Ventures for a consideration of £1 plus an additional payment of £636,000 subject to certain trigger events. Golden Rays Ventures also assumed responsibility for a shareholder loan of £215,499.

All balances relating to the former subsidiaries were written-down in full as at 31 December 2013. Movements on the Statement of Comprehensive Income relating to the former investments are the result of post 31 December 2013 transactions and foreign exchange movements.

The post-tax gain on disposal of discontinued operations was determined as follows:

	2014
	€
Cash consideration received	1
Cash disposed of	-
Net cash inflow on disposal of discontinued operations	1
Net assets disposed of (other than cash)	
Trade and other receivables	(25,710)
Trade and other payables	551,984
	526,274
Related tax expense	-
Gain on disposal of discontinued operations	526,274
Result of discontinued operations:	
Revenues	-
Expenses (other than finance costs)	(254,781)
Finance costs	(6,462)
Tax (expense)/credit	-
Gain from selling discontinued operations after tax	526,274
Profit for the year	265,031
Earnings per share from discontinued operations:	
Basic and diluted earnings per share	(0.00)

17. DISPOSAL OF SUBSIDIAIRIES (continued)

Statement of cash flows

The statement of cash flows includes the following amounts relating to discontinued operations:

	2014 €	2013 €
Operating activities	6,462	(389,423)
Investing activities	-	(167,365)
Financing activities	(6,462)	1,972
Net cash from discontinued operations	-	(554,816)

18. ULTIMATE CONTROLLING PARTY

The Directors do not consider there to be a single ultimate controlling party.

DIRECTORS, ADVISERS AND OFFICERS

Directors	David Ajemian, *Non-Executive Chairman* Cameron Pearce, *Non-Executive Director*
Company Secretary	George Frangeskides
Registered Office	14 Golden Square London W1F 9JG United Kingdom
Company Website	www.stallionresources.com
Nominated Adviser	**Sanlam Securities UK Limited** 10 King William Street London EC4N 7TW United Kingdom
Broker	**Peterhouse Corporate Finance Limited** 31 Lombard Street London EC3V 9BQ United Kingdom
Auditors	**haysmacintyre** 26 Red Lion Square London WC1R 4AG
Solicitors	**Memery Crystal** 44 Southhampton Buildings London WC2A 1AP
Bankers	**Barclays Bank Plc** London Corporate Banking 7th Floor, United Kingdom House 180 Oxford Street London W1D 1EA
Registrars	**Computershare Investor Services plc** The Pavilions Bridgwater Road Bristol BS13 8AE