

ZRC Limited

Incorporated in the British Virgin Islands

Report and Accounts
Year ended 31st March 2012

Report of the Directors

The directors submit their report and accounts for the year ended 31st March 2012.

Operating and Financial Review

The company's principal activity is that of a holding company for the residual interests in Zimbabwe previously owned by Conafex Holdings S.A. Administrative expenses relate primarily to office domiciliation costs.

Directors

The directors of the company, who held office during the year, are as follows:

C. Barrow
D.C. Marshall
W.H. Marshall

Mr. Barrow has a beneficial interest in 17,274 shares and Mr. D.C. Marshall has a non-beneficial interest in 1,500 shares arising from his position as a director or trustee of entities that hold shares in ZRC. Mr. D.C. Marshall is also a director and shareholder of Marshall Monteagle P.L.C. and his interests in that company are fully disclosed in its accounts. No other director has any beneficial or non-beneficial interest in the shares of the company.

Statement of Directors' Responsibilities

Under section 114 of its Articles the Directors' are required to prepare accounts for each financial year which give a true and fair view of the profit or loss of the Company for that financial year and a true and fair view of the state of affairs of the Company at the end of that year.

The Report of the Directors was approved by the Board on 7th August 2012.

Signed on behalf of the Board,

City Group P.L.C.
Secretary

Profit and Loss Account

Year ended 31 st March	Notes	2012 US\$	2011 US\$
Administrative expenses		(858)	(1,680)
Interest and other income		-	-
Result of ordinary activities before taxation for the year		(858)	(1,680)
Taxation		-	-
Retained loss for the year		<u>(858)</u>	<u>(1,680)</u>

There are no other recognised gains or losses. All profits and losses on ordinary activities are on continuing activities.

Balance Sheet

At 31 st March	Notes	2012 US\$	2011 US\$
Current assets			
Prepayments		643	643
Current liabilities			
Accounts payable (falling due within one year)	3	(266,223)	(265,365)
Total assets including current liabilities		<u>(265,580)</u>	<u>(264,722)</u>
Capital and reserves			
Called up share capital	4	13,272	13,272
Profit and loss account	5	(278,852)	(277,994)
Equity shareholders' funds		<u>(265,580)</u>	<u>(264,722)</u>

Approved by the Board on 7th August 2012

D.C. Marshall Director

The notes on page 3 form part of these accounts

Notes to the Accounts

1. Accounting Policies

These accounts have been prepared under the historical cost convention and comply with applicable Accounting Standards.

2. Zimbabwean assets

No profits have arisen from the Zimbabwean assets, held by ZRC through Zimcor Holdings S.A., a BVI company. The company retains a 50% residual interest in any future recoveries from the Zimbabwe farming estates that had been compulsorily acquired for no consideration by the Government of Zimbabwe.

3. Accounts payable

	2012 US\$	2011 US\$
Amounts due to Marshall Montegale P.L.C.	259,367	258,509
Accruals	<u>6,856</u>	<u>6,856</u>
	<u>266,223</u>	<u>265,365</u>

4. Share Capital

Authorised – 5,000,000 shares of No Par Value	<u>50,000</u>	<u>50,000</u>
Allotted, issued and fully paid – shares of No Par Value		
Balance at start and end of year – 75,185 shares	<u>13,272</u>	<u>13,272</u>

5. Revenue Reserve

Retained loss brought forward	(277,994)	(275,467)
Retained loss for the year	<u>(858)</u>	<u>(1,680)</u>
Retained loss carried forward	<u>(278,852)</u>	<u>(277,994)</u>

6. Ultimate Parent Company

The company is a subsidiary of Marshall Montegale P.L.C., a company registered in Jersey, Channel Islands. Copies of the consolidated accounts of Marshall Montegale P.L.C. may be obtained from its registered office at IFG House, 15 Union Street, St. Helier, Jersey, JE1 1FG, Channel Islands