IMPERIAL MINERALS PLC

(Formerly Bristol City Football Investments plc)

Incorporated in England and Wales with
Registered Number 6275976

Annual Report

For the year ended
30 June 2010

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Directors
Frank H Moxon
Russell P Hardwick

Company Secretaries
Russell P Hardwick

Auditors
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Statutory Auditor
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London E14 4HD

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HSBC Bank Plc
94 Kensington High Street
London W8 4SH

Dear Shareholder,

I am pleased to present Imperial's Annual Report and Financial Statements for the Group and Company for the year ended 30 June 2010.

The Company was dormant until early 2010 and its subsidiary, Imperial Minerals (UK) Limited was formed on the 25th May 2010. The Group and Company made a pre-tax loss of £2,892 for the year. Cash at bank at the end of June 2010 was £601,773.

The Directors are in the process of seeking potential acquisitions and investment opportunities since the Company's successful flotation on the PLUS market on the 25th November 2010 which raised £389,500 gross bringing the total amount of new funds raised for the Company since June 2010 to £1,014,500 (before expenses). The Company has not yet commenced formal due diligence on any particular opportunity but your Board continues to seek to complete a transaction as soon as possible.

The Directors remain focused on businesses or companies that they consider have the potential to produce a favourable return for shareholders in both the short and medium terms.

Frank Moxon
Chairman
Imperial Minerals Plc

Frank Moxon,
Non-Executive Chairman (aged 43)

Frank is a corporate financier with over 25 years of industry experience. Initially an equities analyst at Capel Cure Myers he has subsequently worked in corporate finance roles at Beeson Gregory, Société Générale, Old Mutual, Williams de Broë, where he was head of corporate finance and head of natural resources, Evolution, where he headed up the mining team, and his own natural resources consultancy Hoyt Moxon Ltd.

He is also a non-executive director of AIM-quoted Cove Energy plc, TSX-V quoted Whetstone Minerals Ltd and the Chartered Institute for Securities & Investment of which he is a Chartered Fellow. He holds an economics degree from Loughborough University and is a Fellow of the Institute of Materials, Minerals and Mining and of the Energy Institute.

Russell Hardwick,
Non-Executive Director (aged 42)

Russell is an accountant with 15 years experience in a variety of private and public companies including 6 years in the mining and exploration sector. Russell has extensive knowledge of international mining exploration, having acted as a founder and company secretary of Churchill Mining Plc, an AIM-quoted minerals exploration company, where he assisted with the financial management and corporate structure of the business.

He is also a director and company secretary of emerging manganese explorer Spitfire Resources Limited which is listed on the Australian Securities Exchange (“ASX”).
Russell is a Certified Practicing Accountant and a member of the Australian Institute of Chartered Secretaries and of the Institute of Company Directors. He has experience in capital raisings, corporate governance and compliance and has a strong background in international business and financial management.

The Directors are pleased to present their Report and the audited consolidated financial statements of the Company and its subsidiary for the year ended 30 June 2010.

1. PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of Imperial Minerals plc ("the Company") and its subsidiary (together "the Group") is to make investments and/or acquire projects in the mineral sector, which may include exploration, development or production projects in various minerals.

A review of the business of the Group during the year and an indication of likely future developments may be found in the Chairman's Report on page 3.

Risks and uncertainties are discussed below in this Directors' Report.

During the year the Company changed its name from Bristol City Football Investments plc to Imperial Minerals plc.

2. RESULTS AND DIVIDENDS

Loss on ordinary activities of the Group after taxation amounted to £2,892.

The Directors do not recommend the payment of a dividend.

3. KEY PERFORMANCE INDICATORS

The Board monitors the activities and performance of the Group on a regular basis. The primary performance indicator applicable to the Group is Return on Investment. This key performance indicator was not significant during the year ended 30 June 2010 however it will be assessed during the 2011 year and reported on in the 2011 Directors' report.

4. DIRECTORS

The following have been Directors of the Company since the start of or during the financial year ended 30 June 2010:

Russel Shear (resigned 24 June 2010)

Russell Hardwick

Frank Moxon

Directors' Interests in Shares

The Directors who held office during the financial year had at 30 June 2010, the following beneficial interests in share options of the Company:

Ordinary Shares	**Date of subscriptions**	**Number of shares**	**Balance at 30 June 2010**
Russel Shear		-	-
Russell Hardwick	8 June 2010	1,000,000	1,000,000
Frank Moxon	8 June 2010	1,000,000	1,000,000
Total		**2,000,000**	**2,000,000**

Re-election of Directors

The Articles of Association require one third of the Directors who are subject to retirement by rotation to retire and submit themselves for re-election each year.

5. FINANCIAL INSTRUMENTS & RISK MANAGEMENT

Principal Risks and Uncertainties

The management of the business and the execution of the Group's strategy are subject to a number of risks. The key business risks affecting the Group are set out below.

Risks are formally reviewed by the Board, and appropriate processes are put in place to monitor and mitigate them. If more than one event occurs, it is possible that the overall effect of such events would compound the possible adverse effects on the Group.

General and economic risks:

- Contractions in the world economies or increases in the rate of inflation resulting from international conditions.
- Movements in global equity and share markets and changes in market sentiment towards the resource industry.

Funding risk:

- The Group may not be able to raise, either by debt or further equity, sufficient funds to enable it to finance its current investments or future acquisitions or investments.

Financial Risk Management

The Group's principal financial instruments comprise other receivables, other payables and cash on deposit. No bank loans or other financing arrangements have been made. No borrowings have been made to finance working capital. Therefore the Group's exposure to credit risk, liquidity risk and market risk is not material at the moment.

Internal Controls

The Board recognises the importance of both financial and non-financial controls and has reviewed the Group's control environment and any related shortfalls during the year. Since the Group was established, the Directors are satisfied that, given the current size and activities of the Group, adequate internal controls have been implemented. Whilst they are aware that no system can provide absolute assurance against material misstatement or loss, in light of the current activity and proposed future development of the Group, continuing reviews of internal controls will be undertaken to ensure that they are adequate and effective.

6. HEALTH, SAFETY AND ENVIRONMENT

The Group and Company are committed to effective Health, Safety and Environment practices, which benefit its employees, contractors and the community within which the Group conducts its operations.

7. POLITICAL CONTRIBUTIONS AND CHARITABLE DONATIONS

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

8. ANNUAL GENERAL MEETING

Details of the Company's forthcoming Annual General Meeting are set out in a separate circular that will be sent to all Shareholders with the Annual Report and Accounts.

9. SUPPLIER PAYMENT POLICY

Whilst there is no formal code or standard, it is Company policy to settle terms of payment with creditors when agreeing the terms of each transaction and to abide by the creditors' terms of payment. There are no creditors subject to special arrangements outside of suppliers' terms and conditions. The amount of trade payables at 30 June 2010 was £1,170.

10. DIRECTORS' INDEMNITY PROVISIONS

All of the current Directors benefited from qualifying third party indemnity insurance in place during the year ended 30 June 2010 and as at the date of approval of the financial statements.

11. POST BALANCE SHEET EVENTS

The post balance sheet events are set out in Note 11 to the Financial Statements.

12. GOING CONCERN

The Directors have a reasonable expectation that the Group and Company have adequate resources to continue in operational existence for the foreseeable future and, therefore, continue to adopt the going concern basis in preparing the Annual Report and Financial Statements. Further details on their assumptions and their conclusion thereon are included in the statement on going concern in the accounting policies.

13. DIRECTORS' STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as each of the Directors is aware at the time this report is approved:

- 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.

14. AUDITORS

Littlejohn LLP was appointed as auditor during the year and has signified its willingness to continue in office. A resolution that they be reappointed will be proposed at the Annual General Meeting.

This report was approved by the Board on 30 November 2010 and signed on its behalf.

Russell P Hardwick
Director
Imperial Minerals Plc

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the Group and have elected to prepare the Company financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under Company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group for that year.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRSs as adopted by the European Union, subject to any material departures disclosed and explained in the financial statements;
- 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 disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the financial statements comply with the requirements of the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Website publication

The Directors are responsible for ensuring the annual report and the financial statements are made available on a website. Financial statements are published on the Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

We have audited the Financial Statements of Imperial Minerals Plc for the year ended 30 June 2010 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statements of Financial Position, the Consolidated and Company Statements of Cash Flow, the Consolidated and Company Statements of Changes in Equity, the Accounting Policies and the related notes. 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 and, as regards the Company Financial Statements, as applied in accordance with the provisions of the Companies Act 2006.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an 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, 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 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 Group's and 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.

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 Company's affairs as at 30 June 2010 and of the Group's loss for the year then ended;
- the Group Financial Statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the Company Financial Statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the Financial Statements have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the 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

The Companies Act 2006 requires us to report to you if, in our opinion:

- 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 Company 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.

We have nothing to report in respect of the above matters.

Mark Ling (Senior statutory auditor)
For and on behalf of Littlejohn LLP
Statutory auditor

1 Westferry Circus
Canary Wharf
London E14 4HD

30 November 2010

IMPERIAL MINERALS PLC
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 30 June 2010

	Note	Group For the year ended 30 June 2010 £
Continuing operations		
Other administrative expenses		(2,892)
Loss before taxation		**(2,892)**
Corporation tax expense	4	-
Loss for the period attributable to the equity shareholders of the parent		**(2,892)**
Other comprehensive income:		-
Total comprehensive income for the period attributable to the equity shareholders of the parent		**(2,892)**
Loss per share		
Basic and diluted loss per share attributable to the equity shareholders of the parent (pence)	5	(0.406p)

The loss for the Company for the year was £2,892 (30 June 2009: £Nil).

The Company has elected to take the exemption under Section 408 of the Companies Act 2006 from presenting the Parent Company Income Statement and Statement of Comprehensive Income.

The Accounting Policies and Notes on pages 15 to 23 form an integral part of these Financial Statements.

IMPERIAL MINERALS PLC
STATEMENTS OF FINANCIAL POSITION
As at 30 June 2010

Company number 6275976		**Group**	**Company**	
	Note	**As at 30 June 2010 £**	**As at 30 June 2010 £**	**As at 30 June 2009 £**
ASSETS				
Non-current assets				
Investments in subsidiaries	7	-	10	-
Total non-current assets		**-**	**10**	**-**
Current assets				
Cash and cash equivalents		601,773	601,773	1
Trade and other receivables	8	3,417	3,417	-
Total current assets		**605,190**	**605,190**	**1**
TOTAL ASSETS		**605,190**	**605,200**	**1**
LIABILITIES				
Current Liabilities				
Trade and other payables	9	2,670	2,680	-
Total current liabilities		**2,670**	**2,680**	**-**
TOTAL LIABILITIES		**2,670**	**2,680**	**-**
NET ASSETS		**602,520**	**602,520**	**-**
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY				
Share capital	10	150,000	150,000	1
Share premium reserve	10	427,412	427,412	-
Other reserve	10	28,000	28,000	-
Retained losses		(2,892)	(2,892)	-
TOTAL EQUITY		**602,520**	**602,520**	**1**

The financial statements were approved and authorised for issue by the Board of Directors on 30 November 2010 and were signed on its behalf by:

Russell P Hardwick
Director

The Accounting Policies and Notes on pages 15 to 23 form an integral part of these Financial Statements.

IMPERIAL MINERALS PLC
STATEMENTS OF CHANGES IN EQUITY
For the year ended 30 June 2010

Group	Share capital £	Share premium £	Share option reserve £	Retained losses £	Total Equity £
At 30 June 2009	**1**	**-**	**-**	**-**	**1**
Total comprehensive income for the period	-	-	-	(2,892)	(2,892)
Transactions with owners					
Issue of shares	149,999	475,000	-	-	624,999
Issue of options	-	(28,000)	28,000	-	-
Share issue expenses	-	(19,588)	-	-	(19,588)
Transactions with owners	149,999	427,412	28,000		605,411
Balance at 30 June 2010	**150,000**	**427,412**	**28,000**	**(2,892)**	**602,520**

The Statement of Changes in Shareholders' Equity for the Group show the Company figures as at the beginning of the year before the acquisition which created the Group for which Consolidated Financial Statements have been prepared.

Company	Share capital £	Share premium £	Share option reserve £	Retained losses £	Total Equity £
At 30 June 2009	**1**	**-**	**-**	**-**	**1**
Total comprehensive income for the period	-	-	-	(2,892)	(2,892)
Transactions with owners					
Issue of shares	149,999	475,000	-	-	624,999
Issue of options	-	(28,000)	28,000	-	-
Share issue expenses	-	(19,588)	-	-	(19,588)
Transactions with owners	149,999	427,412	28,000		605,411
Balance at 30 June 2010	**150,000**	**427,412**	**28,000**	**(2,892)**	**602,520**

The Accounting Policies and Notes on pages 15 to 23 form an integral part of these Financial Statements.

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IMPERIAL MINERALS PLC
STATEMENTS OF CASH FLOWS
For the year ended 30 June 2010

	Group	Company	
	2010	2010	2009
	£	£	£
Cash flows from operating activities			
Operating loss	(2,892)	(2,892)	-
Increase in trade and other receivables	(3,417)	(3,417)	-
Increase in trade and other payables	2,670	2,670	
Net cash used in operating activities	**(3,639)**	**(3,639)**	**-**
Cash flows from financing activities			
Proceeds from issue of share capital	624,999	624,999	-
Share issue expenses paid	(19,588)	(19,588)	-
Cash flows from financing activities	**605,411**	**605,411**	**-**
Net increase in cash and cash equivalents	601,772	601,772	-
Cash and cash equivalents at beginning of year	1	1	1
Cash and cash equivalents at end of year	**601,773**	**601,773**	**1**

The Accounting Policies and Notes on pages 15 to 23 form an integral part of these Financial Statements.

Summary of significant accounting policies

The principal Accounting Policies applied in the preparation of these Financial Statements are set out below. These Policies have been consistently applied to all the periods presented, unless otherwise stated.

Basis of Preparation of Financial Statements

The Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) and IFRIC interpretations as adopted by the European Union and those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The Financial Statements have also been prepared under the historical cost convention.

Imperial Minerals plc, the legal Parent, is domiciled and incorporated in the United Kingdom. The functional currency of Imperial Minerals plc is £ sterling.

The Financial Statements are presented in sterling (£), rounded to the nearest pound.

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group and Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Financial Statements, are disclosed in note 2 to these financial statements.

Basis of consolidation

The Group Financial Statements consolidate the Financial Statements of Imperial Minerals plc and the Financial Statements of its subsidiary undertaking made up to 30 June 2010.

Subsidiaries are entities over which the Group has control. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The Group obtains and exercises control through voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the company controls another entity.

The cost of acquisition is measured as the fair value of the assets acquired, equity instruments issued and liabilities acquired or assumed at the date of exchange, plus certain costs directly attributable to the acquisition. Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated.

New and Amended Standards Adopted by the Company

The Company has adopted the following new and amended IFRSs as of 1 July 2009:

IFRS 3 (revised) Business Combinations and amendments to IAS 27 on accounting for business combinations.

New and Amended Standards Adopted by the Company (continued)

A revised version of IAS 1 Presentation of Financial Statements includes a statement of comprehensive income and prohibits the presentation of items of income and expense (that is, “non-owner changes in equity”) within the Statement of Changes in Equity, requiring non-owner changes in equity to be presented separately from owner changes in equity in a statement of comprehensive income. As a result, the Company now presents all owner changes in equity in the Statement of Changes in Equity, whereas all non-owner changes in equity are presented in the Statement of Comprehensive Income. Comparative information has been represented so that it also conforms to the revised standard. This change only affects presentational aspects, and there is no impact on earnings per share.

New and Amended Standards and IFRIC Interpretations that are Not Yet Effective and have Not Been Early-Adopted by the Company

At the date of approval of these Financial Statements, the following standards and IFRIC interpretations, which have not been applied in these Financial Statements, were in issue. They will be mandatory for the Company’s accounting periods beginning on 1 January 2010 or later, and the Company has not early-adopted them:
IAS 24 (revised) Related Party Disclosures (effective 1 January 2011)
Amendments to IAS 32 Financial Instruments: Presentation on accounting for rights issues (effective 1 February 2010)
Amendments to IFRS 1 on oil and gas assets and leasing contracts (effective 1 January 2010)
Amendments to IFRS 1 on amended IFRS 7 disclosures (effective 1 July 2010)
Amendments to IFRS 2 Share-based Payment on group cash-settled share-based payment transactions (effective 1 January 2010)
IFRS 9 Financial Instruments (effective 1 January 2013)
Amendments to IFRIC 14 IAS 19 – the Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction on prepayments of a minimum funding requirement for a pension scheme (effective 1 January 2011)
IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments (effective 1 July 2010)

The Directors anticipate that the adoption of these Standards and Interpretations in future periods will have no material impact on the Financial Statements of the Group and Company. The effective date refers to accounting periods commencing on or after that date, except for IFRIC 18 which applies to transactions on or after the effective date.

Cash and Cash Equivalents

Cash and cash equivalents comprises cash at hand and current and deposit balances with banks and similar institutions, which are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value. This definition is also used for the Statement of Cash Flows.

Financial instruments

Financial instruments are classified and accounted for according to the substance of the contractual agreement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Financial assets and financial liabilities

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

Financial assets and liabilities are initially recognised on the date at which the Group or Company becomes a party to the contractual provisions of the instrument.

The Group or Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Taxation

Current tax is the tax currently payable based on the taxable profit for the period.

Deferred tax is provided in full, using the liability method, on temporary differences between the carrying amounts of assets and liabilities and their tax bases, except when, at the initial recognition of the asset or liability, there is no effect on accounting or taxable profit or loss. Deferred tax is determined using tax rates and laws that have been substantially enacted by the Statement of Financial Position date, and that are expected to apply when the temporary difference reverses.

Tax losses available to be carried forward are recognised as deferred tax assets, to the extent that it is probable that there will be future taxable profits against which the temporary differences can be utilised.

Changes in deferred tax assets or liabilities are recognised as a component of the tax expense in the Statement of Comprehensive Income, except where they relate to items that are charged or credited directly to equity, in which case the related deferred tax is also charged or credited directly to equity.

Share Based Payments

The Company has issued warrants to investors. The fair value of the services received in exchange for the grant of the warrants is recognised as an expense in the statement of comprehensive income or charged to equity depending on the nature of the service provided. The total amount to be expensed or charged is determined by reference to the fair value of the warrants granted:

- including any market performance conditions;
- excluding the impact of any service and non-market performance vesting conditions; and
- including the impact of any non-vesting conditions.

Non-market vesting conditions are included in assumptions about the number of warrants that are expected to vest. The total expense or charge is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each reporting period, the entity revises its estimates of the number of warrants that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in the statement of comprehensive income or equity as appropriate, with a corresponding adjustment to a separate reserve in equity.

Share Based Payments (continued)

When the 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 warrants are exercised.

Trade Payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Trade payables are recognised initially at fair value, and subsequently measured at amortised cost using the effective interest method.

Going Concern

The Group and Company's business activities together with the factors likely to affect their future development, performance and position are set out in the Chairman's Statement on page 3. In addition notes 1 and 2 to the Financial Statements include the Company's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and its exposure to credit and liquidity risk.

The Financial Statements have been prepared on a going concern basis notwithstanding that the Group incurred a net loss of £2,892 during the year ended 30 June 2010. Although the Group and Company's assets are not generating revenues and an operating loss has been reported, the Directors believe that the Group and Company have sufficient funds to undertake its operating activities for a period of at least 12 months from the date of signing these Financial Statements including any additional payments required in relation to any further investments. As projects and acquisition targets are identified additional funding may be required. The amount of funding is unforeseen at the point of approval of these Financial Statements and the Company may be required to raise additional funds either via an issue of equity or through the issuance of debt. The Directors are confident that funds will be forthcoming if needed when an appropriate investment is found.

NOTE 1. CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

The preparation of the financial information in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Significant items subject to such estimates are:

Share based payment transactions

Fair value of warrants: in accordance with IFRS 2 ‘Share Based Payments’ the Company has recognised the fair value of warrants, calculated using the Black-Scholes option pricing model. The Directors have made significant assumptions particularly regarding the volatility of the share price at the grant date in order to reach a fair value. Further information is disclosed in Note 10.

The valuation of other assets, liabilities, income and expenses were not subject to management’s judgement, estimation or assumption.

NOTE 2. FINANCIAL RISK MANAGEMENT

Capital Management

The Group’s objectives when managing capital are to safeguard the Group and Company’s ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

Treasury policy and financial instruments

During the periods under review, the only financial instruments were cash and cash equivalents and other receivables which were or will be required for the normal operations of the Group.

The Group operates informal treasury policies which include ongoing assessments of interest rate management and borrowing policy. The Board approves all decisions on treasury policy.

The Company has raised funds to finance future activities through the placing of shares, together with warrants. There are no differences between the book value and fair value of the financial assets. The risks arising from the Group’s financial instruments are liquidity and interest rate risk. The Directors review and agree policies for managing these risks and they are summarised below:

Liquidity and interest rate risk

The Group seeks to manage financial risk, to ensure sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. This is achieved by the close control by the Directors of the Company in the day to day management of liquid resources. Cash is invested in deposit accounts which provide a modest return on the Group’s resources whilst ensuring there is limited risk of loss to the Group.

Credit Risk

Credit risk arises from cash and cash equivalents. The Group considers the credit ratings of banks in which it holds funds in order to reduce exposure to credit risk.

NOTE 3: LOSS FROM OPERATIONS

Loss on ordinary activities before tax is stated after charging:	**Group** **For the year ended 30 June 2010** **£**
Fees payable to the Company's Auditor for the audit of the Group and Company's annual accounts	1,500

NOTE 4: TAXATION ON LOSS FROM ORDINARY ACTIVITIES

	Group **For the year ended 30 June 2010** **£**
Loss before tax	(2,892)
Tax on loss for the year multiplied by the UK small companies corporation tax rate of 21%	(607)
Tax losses carried forward	607
Tax charge for the year	**-**

The Group and Company has tax losses of approximately £2,892 (2008: £Nil) available to carry forward against future taxable profits. A deferred tax asset has not been recognised because of uncertainty over the timing of future taxable profits against which the losses may be offset.

NOTE 5: LOSS PER SHARE

The calculation of the basic loss per share of 0.406 pence is based on the loss attributable to ordinary shareholders of £2,892 and on the weighted average number of ordinary shares of 712,330 in issue during the year.

In accordance with IAS 33, no diluted earnings per share is presented as the effect on the exercise of share options or warrants would be to decrease the loss per share.

Details of share options and warrants that could potentially dilute earnings per share in future periods are set out in Note 10.

Details of ordinary share transactions that have occurred after the balance sheet date that would have significantly changed the number of ordinary shares outstanding at the end of the year had those shares been issued prior to the year end are disclosed in note 13.

NOTE 6: DIRECTORS AND EMPLOYEES

There were no employees in the period other than the Directors. No remuneration has been paid to any Director.

NOTE 7: INVESTMENT IN SUBSIDIARIES

The subsidiaries of Imperial Minerals Plc, all of which have been included in these consolidated financial statements, are as follows:

	Company	
	2010	**2009**
	£	**£**
Cost at the start of the period	-	-
Additions in the period	10	-
Cost at the end of the period	**10**	**-**

Investments in group undertakings are stated at cost which is the fair value of the consideration paid.

Details of subsidiary undertakings

Details of subsidiary undertakings at 30 June 2010 are as follows:

Name	Country of Incorporation	Proportion of ownership interest and voting rights
Imperial Minerals (UK) Limited	United Kingdom	100%

On 25 May 2010, Imperial Minerals (UK) Limited (the “Subsidiary”) was formed. The Company was dormant throughout the period to 30 June 2010. The Subsidiary is 100% owned by the Company with 10 ordinary shares of £1 each issued to the Company.

NOTE 8: TRADE AND OTHER RECEIVABLES

	Group	Company	
	2010	**2010**	**2009**
	£	**£**	**£**
Current			
VAT Receivable	3,417	3,417	-
	3,417	**3,417**	**-**

The fair value of all current receivables is as stated above. The other classes within trade and other receivables do not contain impaired assets.

The maximum exposure to credit risk at the balance sheet date is the carrying value of each class of receivable mentioned above. The Group does not hold any collateral as security.

Trade and other receivables are all denominated in £ sterling.

NOTE 9: TRADE AND OTHER PAYABLES

	Group	Company	
	2010	2010	2009
	£	£	£
Current			
Trade payables	1,170	1,170	-
Accruals and other payables	1,500	1,510	-
	2,670	**2,680**	**-**

Included within the Company's accruals and other payables is £10 payable to the Company's subsidiary, Imperial Minerals (UK) Limited, for share capital acquired during the year.

NOTE 10: SHARE CAPITAL

	Number	£
Authorised		
Ordinary Shares of £0.01 each	45,000,000	450,000

	As at 30 June 2010 Number	£	As at 30 June 2009 Number	£
Allotted and called up:				
Ordinary Shares of £0.01 each	15,000,000	150,000	3	1

On 8 June 2010, 4,999,997 Ordinary Shares of £0.01 each were issued and allotted at a price of £0.025 per share.

On 15 June 2010 a further 10,000,000 Ordinary Shares of £0.01 each were issued and allotted at a price of £0.05 per share. In conjunction with this issue and allotment, 10,000,000 options were granted on 28 June 2010 with a strike price of £0.10 per share exercisable until expiry at the close of business on 30 April 2015. The options and warrants are exercisable starting immediately from the date of grant and lapse in the fifth year from the date of grant. The Group or Company has no legal or constructive obligation to settle or repurchase the options in cash.

The fair value of the share options was determined using the Black Scholes valuation model. The parameters used are detailed below:

Option granted on:	28 June 2010
Share price	£0.05
Exercise price	£0.10
Option life (years)	5 years
Risk free rate	2.2%
Expected volatility	25%
Expected dividend yield	-
Fair value of options granted	£0.0028
Total fair value of options granted	£28,000

The expected volatility is based on historical volatility of comparable listed companies for the 6 months prior to the date of granting. The risk free rate return is based on zero yield government bonds for a term consistent with the option life.

NOTE 10: SHARE CAPITAL (CONTINUED)

A reconciliation of options granted during the year to 30 June 2010 is shown below:

	Number	Weighted average exercise price (£)
Outstanding between incorporation and 1 July 2009	-	-
Granted	10,000,000	0.10
Outstanding as at 30 June 2010	10,000,000	0.10
Exercisable at 30 June 2010	10,000,000	0.10

30 June 2010				
Range of exercise prices (£)	Weighted average exercise price (£)	Number of shares	Weighted average remaining life expected (years)	Weighted average remaining life contracted (years)
0.10	0.10	10,000,000	4.83	4.83

No options were exercised during the period. The total fair value of options vesting during the period has resulted in a charge to share premium of £28,000.

NOTE 11: POST BALANCE SHEET EVENTS

On 4 November 2010 the Company issued 3,895,000 shares at an issue price of 10p. These shares were conditional only on the Company's admission to PLUS, which occurred on 25 November 2010.

NOTE 12 ULTIMATE CONTROLLING PARTY

The Directors believe there to be no ultimate controlling party.