30 June 2016

TAU CAPITAL PLC

RESULTS ANNOUNCEMENT

Tau Capital plc and its subsidiaries ("Tau" or the "Group"), today announces its results for the year to 31 December 2015.

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TAU CAPITAL PLC
(a company incorporated in the Isle of Man)

ANNUAL REPORT AND
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

Chairman's Statement

The process of completing the sale of the Company's remaining asset, Stopharm LLP ("Stopharm") continues. The sale to Capitalgate Securities Limited has not progressed; however since I last reported to you, we were advised of at least one other expression of interest from a third party to purchase the entire interest in Stopharm. We believe that due diligence was undertaken but, to date, no firm offer has been received.

The significant decline in the Tenge together with the generally difficult economic conditions in Kazakhstan (and also in Russia which has had a significant influence on the Kazakh economy) has contributed to the difficulties in selling the asset.

However, there are signs that the Tenge is stabilising (see the Investment Advisor Report) and we continue to believe that the holding can be sold. Following a review of the Stopharm financial statements we have decided to reduce the carry value of Stopharm from US$7 million to US$6 million. The board has asked that the search for the sale of the asset be expanded into other possible areas and further details are in the Investment Advisor Report.

The Company and its subsidiaries have cash reserves amounting to US$1.9 million at the year end, which, with a projected operational cashflow for the current financial year amounting to US$537,000, provide the Company with adequate working capital. On that basis, the Board consider the Company to be a Going Concern.

Unfortunately I have been unable to report more progress on the sale of Stopharm but I confirm that the Board will continue to make every effort to dispose of this investment as soon as reasonably possible.

I thank you for your continuing support for the Company.

Philip Lambert
Chairman

28 June 2016

Investment Advisor's Report

Private Equity Holdings held by the indirect subsidiaries of Tau Capital Plc

Indirect subsidiaries

Tau SPV 1 Cooperatief W.A.	**% Ownership**	**Valuation**
Stopharm LLP	40.35%	$6 m

Stopharm LLP

Financial Results

During 2015 Stopharm LLP ("Stopharm") earned revenues of US$109 million which was a slight decrease compared to 2014; however it did return to profitability in 2015 even taking into account approximately a US$400,000 reserve which is expected to be reversed in 2016 according to Stopharm's management ("Management"). The lower revenue numbers are due to the adverse currency exchange translation caused by the devaluations in past years. While there was a significant decrease in revenue in dollar terms the relative difference in Tenge terms the operating currency of Stopharm is much less severe. 2012 was the record revenue with approximately 40.5 billion Tenge, as compared to 37.7 billion in 2015. This represents a decrease of 9%.

	Year ended 31 December 2015 Unaudited US$000's	**Year ended 31 December 2014 Audited US$000's**	**Variance US$000's**	**Variance %**
Revenue	109,730	113,415	(3,685)	(3.25%)
EBITDA	3,010	593	2,417	407.59%
Interest on loans	(2,277)	(1,698)	(579)	34.10%
Corporate Tax (expense)/income	(249)	115	(364)	(316.52%)
Net Profit/(loss)	227	(1,305)	1,532	(117.39%)

The US dollar amounts used above are based upon a Kazakhstan Tenge to US Dollar rate of 336.79 to 1.
At the date of signing the Statement of Financial Position the Tenge to US Dollar rate was 337.14.

Stopharm has undergone in the past several years significant rationalization of internal costs to improve its profit and loss position. However there is little that Management can do as to cost of goods since the majority of the current product line is purchased in Euros. Management was faced with two material devaluations in 2013 and 2015 (see below). Accordingly the hurdle for it to return to profitability is stability of the Kazakhstan currency. The currency is tied by most economists view to the price of oil. Further the uncertainty as to the Kazakhstan Tenge has had a chilling effect on the sale of Stopharm to investors.

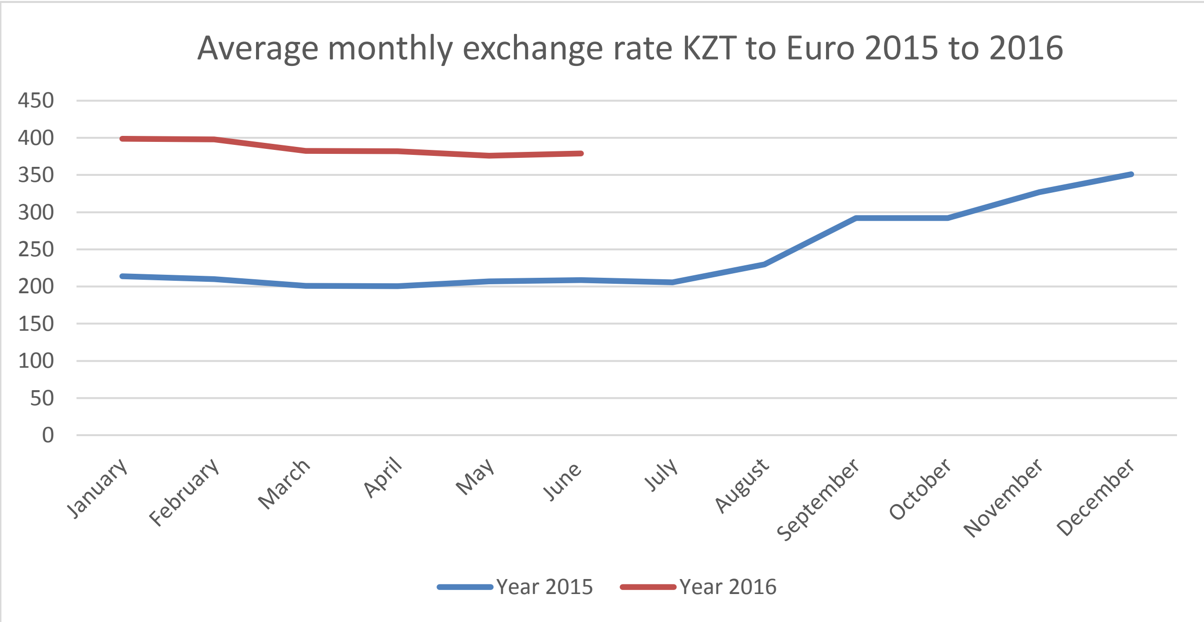
Kazakhstan – Historical Exchange Rate Data US Dollars

	2011	**2012**	**2013**	**2014**	**2015**
Exchange Rate (vs USD)	148.5	150.4	154.4	182.9	340.6

As the Tenge stabilizes Management is able to bring Stopharm to a profitable position as it did in 2015. The Tenge has been stable the past 6 months as can be seen from the Tenge to Euro chart below. If this trend continues the profitability of Stopharm should increase and give purchasers greater confidence as to the stability of the Tenge.

Sale Potential

In the past year the primary area of concentration has been Russian Pharmaceutical companies. At the request of the board the search has been expanded to China because investment into such sector in Kazakhstan fits within the new Chinese investment program “One Belt one Road”. The program is only getting underway in 2016, but it is an incentive for Chinese companies to invest into countries on the New Silk Route. So the search in China is focused on Pharmaceutical Distribution and Manufacturing companies. For the following reasons the Investment Advisor recommends that the valuation should be based on an enterprise value. This enterprise value is calculated on a multiple range of 6 to 16 times EBITDA based upon corporate transactions in Central Europe, a multiple of 12 was selected to calculate the enterprise value. A further liquidity discount of 10% was then applied to give a final valuation of $6,000,000.



Directors’ Report

The Directors have pleasure in presenting the annual report and audited financial statements of Tau Capital Plc (the “Company”) for the year ended 31 December 2015.

Principal activity and incorporation
The Company was incorporated in the Isle of Man on 3 April 2007 for the purpose of investing in public and private businesses that are established in, operating in or have exposure to Kazakhstan and neighbouring countries. It was admitted to the Alternative Investment Market of the London Stock Exchange on 3 May 2007.

On 25 July 2012, the Company restated its investment policy and committed to realising assets and distributing net proceeds as soon as practicable to Shareholders, subject to retaining sufficient cash to meet current and future liabilities.

The Company disposed of all public equity investments during 2014, and is actively pursuing the disposal of all other investments via its direct and indirect subsidiaries.

Other than the transactions mentioned above, there were no changes to the nature of the Company’s business, its direct and indirect subsidiaries or in the classes of business in which the Company has an interest. Details of the Company’s direct and indirect subsidiaries and the private equity investments which they hold at the balance sheet date are disclosed in note 4.

Results and dividends
The Company's results for the financial year ended 31 December 2015 are set out in the Statement of Comprehensive Income.

A review of the Company's activities is set out in the Chairman's Statement and the Investment Advisor's Report.

The Directors do not recommend the payment of a final dividend for the year ended 31 December 2015 (31 December 2014: US$ Nil), leaving a loss of US$1,643,406 (31 December 2014: US$7,355,750 loss) to be transferred from reserves (31 December 2014: transfer from reserves).

Going concern
The Company's business activities, together with the factors likely to affect its future development, performance and positions are set out in the Investment Advisor's Report. Note 3 and note 9 to the financial statements include the Company's objectives and policies, its financial risk management objectives, details of its financial instruments and hedging activities and its exposures to market risk, credit risk and liquidity risk.

The Directors have considered forecast administration expenses and liquid financial resources available to the Company post year end, and after making enquires, have a reasonable expectation that the Company has adequate financial resources to meet liabilities as they fall due and to continue in operational existence for the foreseeable future.

The Directors have considered the resolutions passed at the 2012 AGM in relation to an orderly disposal of investments, and after consideration are of the opinion that, notwithstanding the time scales pertaining to the disposal of investments which require disposal of the private investments by the Company's direct and indirect subsidiaries within 24 months, the fact that these disposals have not yet been completed by the Company's direct and indirect subsidiaries and the fact that no final decision has been made by the Board in relation to the winding down of the Company, the Company is still a going concern.

Following the completion of the disposal of private investments by the Company's direct and indirect subsidiaries, and subsequent return of the majority of cash reserves to shareholders, the Directors believe that there may be value in the Company as a quoted cash shell company and are seeking a disposal of the cash shell as a going concern as an alternative to a liquidation to maximise value for shareholders. The Board expects a positive outcome from future discussions and on that basis considers the Company to be a going concern. However, if the outcome of future discussions is not successful the Board may need to consider an orderly wind down of the Company.

The above conditions therefore indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern and therefore the Company may be unable to realise assets and/or discharge liabilities in the normal course of business. These financial statements do not include any adjustment that would result if the Company were unable to continue as a going concern.

Accordingly the Directors continue to adopt the going concern basis in preparing the financial statements.

Directors
The Directors of the Company during the year and to the date of this report were as follows:

	Appointed
Philip Scales	3 April 2007
Philip Lambert	11 April 2007
Terence Mahony	24 July 2012

Directors' interests in the shares of the Company are detailed in note 7.

Company Secretary

The Secretary of the Company during the year ended 31 December 2015 and to the date of this report was Philip Scales.

Auditors

Deloitte LLP, being eligible, has indicated its willingness to continue in office.

Approved on behalf of the Board of Directors

_________________	___________________
Philip Scales	Philip Lambert

30 June 2016

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report and financial statements in accordance with applicable Isle of Man law and regulations.

Isle of Man company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRS) 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 Company and of the profit or loss of the Company for that period. In preparing these financial statements, International Accounting Standard 1 requires that Directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRS are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Company's financial position and financial performance; and
- make an assessment of the Company's ability to continue as a going concern.

The Directors are responsible for keeping proper 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 Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for the system of internal control, for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the Isle of Man governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent Auditor's Report to the Members of Tau Capital Plc

We have audited the financial statements of Tau Capital plc ("the Company") for the year ended 31 December 2015, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and the related notes 1 to 15. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRS) as adopted by the European Union.

This report is made solely to the Company's members, as a body, in accordance with Section 80(c) of the Isle of Man 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 Statement of Directors' Responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2015 and of its loss for the year then ended; and
- have been properly prepared in accordance with IFRSs as adopted by the European Union.
- have been properly prepared in accordance with the Isle of Man Companies Act 2006

Emphasis of Matter — valuation of investment in subsidiaries

In forming our opinion on the financial statements, which is not modified, in this regard, we have considered the adequacy of the disclosure made in note 4 to the financial statements concerning the valuation of the investment in subsidiaries. The Directors of the Company have estimated the total fair value of the direct and indirect subsidiaries based on their net assets, which are affected by the valuation of the underlying private investments owned by those subsidiaries. As of 31 December 2015, the private investment held by the indirect subsidiary has been valued at US$6,000,000 in accordance with the valuation techniques detailed in note 4. The value has been estimated by the Directors of the indirect subsidiary following the opinions and advice of the Investment Advisor in the absence of readily available market values. The Directors of the Company agree with these estimates. Due to the inherent uncertainty of the valuation, the estimated values may differ materially from the value that would have been realised had a disposal of the private investment been made between a willing buyer and seller as at 31 December 2015, which in turn would have an impact on the valuation of the Company's investment in subsidiaries. It is not possible to quantify such uncertainties.

Emphasis of Matter — Going Concern

Also in forming our opinion on the financial statements, which is not modified, in this regard, we have considered the adequacy of the disclosure made in note 3(p) to the financial statements concerning the Company's ability to continue as a going concern.

The Company's indirect subsidiary has yet to sell its investment in Stopharm. As detailed in note 3, the Board of Directors of the Company's indirect subsidiary are currently in discussions with other parties about this sale and expect a positive outcome from those discussions. The Directors of the Company are also discussing future trading opportunities for the Company, including continuing as a quoted shell company. Should such discussions not be successful and a formal offer not be secured, an orderly wind down of the Company may be necessary.

These conditions, as more fully explained in note 3, indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Company was unable to continue as a going concern.

Deloitte LLP
Chartered Accountants
Douglas
Isle of Man
30 June 2016

Statement of Comprehensive Income

	Note	Year ended 31 Dec 2015 US$	Year ended 31 Dec 2014 US$
Investment income			
Interest income		17	181
Dividend income	6	-	36,938
Net loss on financial assets and liabilities at fair value through profit or loss		(1,044,966)	(6,600,061)
Total operating loss		**(1,044,950)**	**(6,562,942)**
Expenses			
Operating expenses	8	(598,457)	(792,808)

Total comprehensive loss for the year attributable to the shareholders		**(1,643,406)**	**(7,355,750)**
Basic and diluted loss per share	14	**($0.03)**	**($0.12)**

All results derive from continuing operations.

Statement of Financial Position

	Note	As at 31 Dec 2015 US$	As at 31 Dec 2014 US$
Assets			
Cash		97,481	715,484
Debtors and prepayments		49,469	50,814
Loans to subsidiaries		108,699	109,585
Investment in subsidiaries	4	7,609,748	8,654,714
Total assets		**7,865,397**	**9,530,597**
Liabilities			
Creditors and accruals		(103,857)	(125,651)
Total liabilities		**(103,857)**	**(125,651)**
Total net assets		**7,761,540**	**9,404,946**
Shareholders' equity			
Share capital	5	976,209	976,209
Distributable reserves		6,785,331	8,428,737
Total shareholders' equity		**7,761,540**	**9,404,946**
Net Asset Value per share		**$0.18**	**$0.19**

Approved by the Board of Directors and signed on its behalf by:

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Philip Scales Philip Lambert

30 June 2016

Statement of Changes in Equity for the year ended 31 December 2015

	Share capital US$	Distributable reserves US$	Total US$
Balance at 31 December 2014	976,209	8,428,737	9,404,946
Total comprehensive loss for the year	-	(1,643,406)	(1,643,407)
Balance at 31 December 2015	**976,209**	**6,785,331**	**7,761,540**

Statement of Changes in Equity for the year ended 31 December 2014

	Share capital US$	Distributable reserves US$	Total US$
Balance at 31 December 2013	1,751,145	20,460,903	22,212,048
Previous year foreign currency exchange adjustment	(276,731)	276,731	-
Own shares acquired	(498,205)	(4,953,147)	(5,451,352)
Total comprehensive loss for the year	-	(7,355,750)	(7,355,750)
Balance at 31 December 2014	**976,209**	**8,428,737**	**9,404,946**

Statement of Cash Flows

	Year ended 31 December 2015 US$	Year ended 31 December 2014 US$
Cash flows from operating activities		
Loss for the year	(1,643,406)	(7,355,750)
Adjustments to reconcile loss for the year to net cash provided by operating activities		
Decrease in debtors and prepayments	1,345	63,328
Decrease in investment in subsidiaries	1,044,966	6,600,061
Decrease in creditors and accruals	(21,794)	(158,887)
Decrease in loans to subsidiaries	886	-
Net cash used in operating activities	**(618,003)**	**(851,248)**

Cash flows from financing activities		
Payment for purchase of ordinary shares	-	(5,451,352)
Net cash used in financing activities	**-**	**(5,451,352)**
Net decrease in cash and cash equivalents	**(618,003)**	**(6,302,600)**
Cash and cash equivalents at the beginning of year	715,484	7,018,084
Cash and cash equivalents at the end of year	**97,481**	**715,484**

Notes to the Financial Statements

1. General

Tau Capital plc (the "Company") is a closed-ended investment fund incorporated which was domiciled in the Isle of Man on 3 April 2007. The Company was incorporated under the Companies Acts 1931-2004. Following approval at the AGM held on 24 July 2012, the Company was re-registered under the Companies Act 2006 with number 008604V. The Company was originally established to allow investors the opportunity to realise returns through investing through the direct and indirect subsidiaries in both public and private businesses that are established in, operating in or have exposure to Kazakhstan. Although Kazakhstan focused, the Company also sought investment opportunities in the Kyrgyz Republic, Uzbekistan, Turkmenistan, Tajikistan, Mongolia and Russia (the "Investment Countries"). The Company is listed on the Alternative Investment Market of the London Stock Exchange. The Company has no employees.

The Company's investments are held by direct and indirect subsidiaries. Tau (Cayman) L.P., a direct subsidiary, holds one private investment as at the year end date (31 December 2014: two). Tau SPV 1 Cooperatief W.A., an indirect subsidiary, holds one private investment (31 December 2014: nil) as at the year end date.

The Company is currently implementing the investing policies agreed at the 2012 AGM and has not made any new investments during the period under review.

2. Adoption of new and revised Standards

New standards adopted for the period

The Company has adopted the following standards:

- IFRS 10 Consolidated financial statements
- IFRS 11 Joint arrangements
- IFRS 12 Disclosure of interesting in other entities

Standards not yet applied

At the date of authorisation of these financial statements, the following Standards and Interpretations which have not been applied in these financial statements were in issue but not yet effective (and in some cases had not yet been adopted by the EU):

- IAS 12 (amendments) Income Taxes
- Annual improvements to IFRS: 2012-2014 cycle
- IAS 1 (amendments) Disclosure initiative
- IFRIC Interpretation 21 Levies

The Directors do not expect that the adoption of the Standards and Interpretations listed above will have a material impact on the financial statements of the Company in future periods. Beyond the information above, it is not practicable to provide a reasonable estimate of the effect of these standards until a detailed review has been completed.

3. Accounting Policies

The significant accounting policies and estimation techniques adopted by the Company for the year ended 31 December 2015 are consistent with those adopted by the Company for the annual financial statements for the year ended 31 December 2014, other than as described below in relation to "Adoption of Investment Entities".

Adoption of Investment Entities

Investment Entities: Amendments to IFRS 10, IFRS 12 and IAS 27 issued in October 2012, introduced an exception to the principle that all subsidiaries shall be consolidated. Entities are required to apply the amendments for annual periods beginning on or after 1 January 2014. Accordingly, the Company has adopted Investment Entities: Amendments to IFRS 10, IFRS 12 and IAS 27 in the prior period and has adopted the amended standards in the financial statements for the year ended 31 December 2014.

In adopting Investment Entities: Amendments to IFRS 10, IFRS 12 and IAS 27, the Company has also adopted the following standards which are applicable for annual periods beginning on 1 January 2014:

i. IFRS 10 Consolidated Financial Statements
ii. IFRS 11 Joint arrangements
iii. IFRS 12 Disclosure of Interests in Other Entities
iv. IAS 27 Separate Financial Statements (as amended in 2011)
v. IAS 28 Investments in Associates and Joint Ventures (as revised in 2011)

The result of the application of these standards is that the Company meets the definition of an investment entity as defined by IFRS 10. The Company is now required, throughout the current period and all comparative periods presented, to apply the exception to consolidate its subsidiaries in accordance with IFRS 10 and IAS 27 (as amended) and to present separate financial statements as its only financial statements.

In accordance with IFRS 10 as amended by Investment Entities: Amendments to IFRS 10, IFRS 12 and IAS 27, the Company shall not consolidate its subsidiaries or apply IFRS 3, Business Combinations, when it obtains control of another entity. Instead the Company will measure its investment in its subsidiaries at fair value through profit or loss in accordance with IAS 39, Financial Instruments: Recognition and Measurement.

IFRS 10 and IFRS 12 require certain disclosures regarding the status as an investment entity and regarding the Company's interest in its subsidiaries. These disclosures have been made in note 4.

On adoption of the revised standards and assessment that the Company is an investment entity, the total fair value of the subsidiaries that ceased to be consolidated was US$7,609,748 (2013: US$8,654,714) (see note 4 for further detail). No gain or loss was recognized by the Company on adoption of Investment Entities: Amendments to IFRS 10, IFRS 12 and IAS 27.

The adoption of IFRS 11 and IAS 28 (as amended) has not had a material impact on the financial statements of the Company.

a) Basis of Preparation

The financial statements are presented in US dollars. The functional currency is also the US dollar.

The Statement of Financial Position presents assets and liabilities in decreasing order of liquidity and does not distinguish between current and non-current items. All of the Company's assets and liabilities are held for the purpose of being traded or are expected to be realised within one year with the exception of the Company's investment in direct and indirect subsidiaries which own the private investments. All references to net assets throughout this document refer to net assets attributable to holders of ordinary shares unless otherwise stated.

b) Statement of compliance

The annual financial statements of Tau Capital plc are prepared in accordance with International Financial Reporting Standards ("IFRS"), as adopted by the European Union and applicable legal and regulatory requirements of Isle of Man law and the AIM Rules of the London Stock Exchange.

c) Segment reporting

IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Company that are regularly reviewed by the Board of Directors in order to allocate resources to the segment and assess its performance.

The investment strategy of the Company, through its direct and indirect subsidiaries is focused on entities that operate in or have an exposure to Kazakhstan and the Investment Countries, which represent one geographical segment. Accordingly, the Directors are of the opinion that the Company is engaged in a single segment of business, being investment business, in one geographical area, being Kazakhstan and the Investment Countries.

d) Taxation

The Company is resident for tax purposes in the Isle of Man and its profits are subject to Isle of Man Corporate Income tax at the current rate of 0%.

e) Financial instruments

i) Classification

The Company designates its assets and liabilities into the category below in accordance with IAS 39 "Financial instruments: Recognition and Measurement".

Financial assets and liabilities at fair value through profit or loss

The category of financial assets and liabilities at fair value through profit or loss is further sub-divided into:

<u>Financial assets and liabilities held for trading</u>: These include equities, debt instruments, OTC options, futures and liabilities from short sales of financial instruments. These instruments are acquired or incurred principally for the purpose of generating a profit from a short-term fluctuation in price. Derivatives are categorised as held for trading, as the Company does not designate any derivatives as hedges for hedge accounting purposes as described under IAS 39.

<u>Financial assets and liabilities designated at fair value through profit or loss at inception</u>. These are financial instruments, including investment in subsidiaries, that are not classified as held for trading but are managed, and their performance is evaluated on a fair value basis in accordance with the Company's documented investment strategy.

ii) Recognition

All regular way purchases and sales of financial instruments are recognised on the trade date, which is the date that the Company commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial instruments that require delivery of assets within the period generally established by regulation or convention in the market place. Realised gains and losses on disposals of financial instruments are calculated using the first-in-first-out ("FIFO") method.

iii) Initial measurement

Financial instruments categorised at fair value through profit or loss, are recognised initially at fair value, with transaction costs for such instruments being recognised directly in the Statement of Comprehensive Income.

iv) Subsequent measurement

After initial measurement, the Company measures financial instruments which are classified as at fair value through profit or loss at their fair values. Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. The fair value of financial instruments is based on their quoted market prices on a recognised exchange or sourced from a reputable broker/counterparty in the case of non-exchange traded instruments at the date of the Statement of Financial Position without any deduction for estimated future selling costs. Financial assets are priced at their current bid prices, while financial liabilities are priced at their current offer prices.

If a quoted market price is not available on a recognised stock exchange or from a reputable broker/counterparty, the fair value of the financial instruments may be estimated by the Directors using valuation techniques, including use of recent arm's length market transactions, reference to the current fair value of another instrument that is substantially the same, discounted cash flow techniques, option pricing models or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions.

v) De-recognition
The Company de-recognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for de-recognition in accordance with IAS 39. The Company derecognises a financial liability when the obligation specified in the contract is discharged, cancelled or expires.

f) Interest income and expense

Interest income and interest expense are recognised on an accruals basis, using the effective interest method, in line with contractual terms. Interest is accrued on a daily basis.

g) Dividend income and expense

Dividend income and expense are recognised in the Statement of Comprehensive Income on the dates on which the relevant securities are listed as "ex-dividend" or where they are declared and ratified by the relevant subsidiary shareholders. Dividend income is shown gross of any non-recoverable withholding taxes, which are disclosed separately in the Statement of Comprehensive Income, and net of any tax credits.

h) Expenses

All expenses, including performance fees and management fees, are recognised in the Statement of Comprehensive Income on an accruals basis.

i) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

j) Foreign currency translation

i) Functional and presentation currency
Items included in the Company's financial statements are measured and presented using the currency of the primary economic environment in which it operates (the "functional currency"). This is the US dollar, which reflects the Company's primary activity of investing in US dollar subsidiaries which ultimately invest in US dollar securities and derivatives.

ii) Foreign currency transactions
Monetary assets and liabilities and financial instruments categorised as at fair value through profit or loss, denominated in currencies other than the US dollar are translated into US dollars at the closing rates of exchange at the date of the Statement of Financial Position. Transactions during the year are translated at the rate of exchange prevailing on the date of the transaction. Foreign currency transaction gains and losses are included in realised and unrealised gains and losses on financial assets and liabilities designated at fair value through profit or loss.

k) Cash and cash equivalents

Cash and cash equivalents comprise of cash balances with a maturity date of up to three months from the date of acquisition. They are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant changes in value and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

l) Amounts due from brokers

Amounts due from and to brokers represent receivables for securities sold and payables for securities purchased that have been contracted for but not yet settled or delivered on the date of the Statement of Financial Position.

m) Share capital

The Company's founder shares are classified as equity in accordance with the Company's Articles of Association.

n) Share-based payments

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, from the date that they are issued. The equity-settled transactions were fully vested on the date of their issue.

For cash-settled share-based payments, a liability equal to the portion of the goods or services received is recognised at the fair value of the liability determined at each date of the Statement of Financial Position with any changes in fair value recognised in profit or loss for the year.

o) Critical accounting judgements and key sources of estimation uncertainty

Critical judgements in applying the Company's accounting policies

In assessing whether it meets the definition of an investment entity, the Company must consider whether it has the typical characteristics of an investment entity. The Company has been deemed to meet the definition of an investment entity per IFRS 10 Consolidated Financial Statements as the following conditions exist:

- The Company obtains funds from one or more investors for the purpose of providing those investors with investment management services;

- The Company commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both;

- The Company measures and evaluates the performance of all of its investments on a fair value basis; and

- The Company's investors are not a related party of the entity.

Key sources of estimation uncertainty

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates and assumptions. It also requires the Board of Directors to exercise its judgement in the process of applying the Company's accounting policies. Key estimates, assumptions and judgements that have significant risk of causing material adjustment to the carrying amount of assets and liabilities within the next financial year are outlined below:

Fair value of investment in subsidiaries

Where the fair value of financial assets and financial liabilities in the Company's subsidiaries recorded net as an investment in subsidiaries in the Statement of Financial Position, cannot be derived from active markets, they are determined using a variety of valuation techniques. Where applicable, investments in private investments held by the subsidiaries (direct and indirect) are valued according to the International Private Equity and Venture Capital Valuation Guidelines December 2012, based on the opinions and advice of the Investment Advisor. Valuation techniques may include the use of mathematical models. The input to these models is taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. It is reasonably possible that outcomes within the next financial year that are different from the assumptions adopted by the Board of Directors of the Company's direct and indirect subsidiaries and the Company could require a material adjustment to the carrying amount of the private investments. Further details concerning the uncertainties surrounding the valuation of private investments can be found in note 4.

p) Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and positions are set out in the Chairman's Statement and Investment Advisors Report.

The Company has adequate financial resources. The Directors have considered the forecast administration expenses and liquid financial resources available to it and these forecasts indicate that the Company has sufficient cash resources to meet its ongoing operating expenses into the foreseeable future. The Company, and its direct and indirect subsidiaries, have cash reserves amounting to US$1,900,000 at the year end, and the projected operational cash outflows for the coming financial year amount to US$540,000, which provides the Company with a minimum of 3 years working capital.

The Directors have considered the resolutions passed at the 2012 AGM in relation to an orderly disposal of investments, and after consideration are of the opinion that, notwithstanding the time scales pertaining to the disposal of investments which require disposal of the private investments by the Company's direct and indirect subsidiaries within 24 months, the fact that these disposals have not yet been completed by the Company's direct and indirect subsidiaries and the fact that no final decision has been made by the Board in relation to the winding down of the Company, the Company is still a going concern.

Following the completion of the disposal of private investments by the Company's direct and indirect subsidiaries, and subsequent return of the majority of cash reserves to shareholders, the Directors believe that there may be value in the Company as a quoted cash shell company and are seeking a disposal of the cash shell as a going concern as an alternative to a liquidation to maximise value for shareholders. The Board expects a positive outcome from future discussions and on that basis considers the Company to be a going concern. However, if the outcome of future discussions is not successful the Board may need to consider an orderly wind down of the Company.

The above conditions therefore indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern and therefore the Company may be unable to realise assets and/or discharge liabilities in the normal course of business. These financial statements do not include any adjustment that would result if the Company were unable to continue as a going concern.

Accordingly the Directors continue to adopt the going concern basis in preparing the financial statements.

4. Investment in Subsidiaries

Direct Subsidiaries

The Company holds the following investments in subsidiaries:

Name	Country of incorporation	Principal investment activity	Proportion of ownership interest
Tau (Cayman) L.P.	Cayman Islands	Investment holding	100%
Tau Cayman Ltd	Cayman Islands	Administration	100%

Indirect Subsidiaries

The subsidiary company Tau (Cayman) L.P. in turn holds the following investment in subsidiary:

Name	Country of incorporation	Principal investment activity	Proportion of ownership interest
Tau SPV 1 Cooperatief W.A.	The Netherlands	Investment holding	99%

The fair values of the subsidiaries of the Company at 31 December 2015 and 31 December 2014 were as follows:

	31 December 2015 US$	31 December 2014 US$
Tau (Cayman) L.P. (including its subsidiary TAU SPV 1 Cooperatief W.A.)	7,609,748	8,654,714
Tau Cayman Limited	-	-

The Company classifies its investment in subsidiaries in accordance with IAS 39 - Financial Instruments: Recognition and Measurement and values its investment in subsidiaries in accordance with IFRS 13 – Fair Value Measurements ("IFRS 13"). IFRS 13 defines fair value and establishes a framework for measuring fair value.

Financial instruments included in each category are as follows:

Level 1 - Quoted market price

Level 2 - Market observable inputs

Level 3 - Non-market observable inputs

The following tables show an analysis of financial instruments recorded at fair value, between those whose fair value is based on quoted market prices (level 1); those involving valuation techniques where all the model inputs are observable in the market (level 2); and those where the valuation technique involves the use of non-market observable inputs (level 3).

As at 31 December 2015, the breakdown was as follows:

	(Level 1) US$	(Level 2) US$	(Level 3) US$	Total US$
Financial Assets				
- Designated at fair value through profit or loss	-	-	7,609,748	7,609,748
	-	**-**	**7,609,748**	**7,609,748**

As at 31 December 2014, the breakdown was as follows:

	(Level 1) US$	(Level 2) US$	(Level 3) US$	Total US$
Financial Assets				
- Designated at fair value through profit or loss	-	-	8,654,714	8,654,714
	-	**-**	**8,654,714**	**8,654,714**

The following is a reconciliation of the movement in financial assets for which non-market observable inputs (level 3) were used to determine fair value as at 31 December 2015 and 31 December 2014:

	31 December 2015 US$	31 December 2014 US$
Opening balance at beginning of year	8,654,714	15,254,775
Net unrealised (loss) on investments	(1,044,966)	(6,600,061)
Closing balance at end of year	**7,609,748**	**8,654,714**

Net unrealised (loss) on investments is recognised as investment income in the Statement of Comprehensive Income. There were no transfers out of level 3 during the year (2014: none).

Fair value of the Company’s level 3 financial assets that are measured at fair value on a recurring basis

All of the Company's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation techniques and inputs used).

Financial assets	Fair value as at 31 December 2015	Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable input	Relationship of unobservable inputs to fair value

Investment in Subsidiary	100% investment in Tau (Cayman) L.P.: US$7,609,748 (2014: US$8,654,714)	Level 3	Net realisable assets approach	Tau (Cayman) L.P. holds an investment in a subsidiary TAU SPV 1 Cooperatief W.A. ("Tau SPV 1") which is an indirect subsidiary of the Company. Tau SPV 1 also holds an investment in an unlisted private company valued at US$6,000,000 as at 31 December 2015. The net assets are predominantly based on the valuation of an underlying private company investment, which is based on unobservable inputs as detailed below.	The higher the valuation of investments in unlisted private companies, the higher the fair value.

If the value of unlisted private company investments held by Tau SPV 1 Cooperatief W.A., the subsidiary of Tau (Cayman) L.P. and indirect subsidiary of the Company, were 10 per cent higher/lower while all the other variables were held constant, the carrying amount of the investment held would increase/decrease by US$600,000 (2014: US$700,000).

Tau Cayman Limited has no assets or liabilities and a fair value of US$ Nil (2014: US$ Nil). A sensitivity to changes in assumptions has therefore not been prepared in respect of the investment in Tau Cayman Limited.

Tau (Cayman) L.P.
As noted above, the fair value of Tau (Cayman) L.P. is based on the net assets of Tau (Cayman) L.P. As at 31 December 2015 and 31 December 2014, the assets and liabilities of Tau (Cayman) L.P. were as follows:

	31 Dec 2015	31 Dec 2014
	US$	US$
Cash	1,757,255	1,522,457
Debtors and prepayments	-	9,816
Financial assets at fair value through profit or loss	-	250,000
Investment in subsidiary – Tau SPV 1	5,960,477	6,979,509
Total assets	**6,717,732**	**8,761,782**
Accounts payable and accrued expenses	-	(1,300)
Loan from parent	(107,984)	(105,768)
Total liabilities	**(107,984)**	**(107,068)**
Total net assets	**7,609,748**	**8,654,714**

Tau SPV 1 Cooperatief W.A. – direct subsidiary of Tau (Cayman) L.P. and indirect subsidiary of the Company
The fair value of Tau SPV 1 Cooperatief W.A.("Tau SPV 1") is based on the net assets of Tau SPV 1. As at 31 December 2015 and 31 December 2014, the assets and liabilities of Tau SPV 1 were as follows:

	31 Dec 2015	31 Dec 2014
	US$	US$
Cash	891	6,552
Financial assets at fair value through profit or loss	6,000,000	7,000,000
Debtor	-	-
Total assets	**6,000,891**	**7,006,552**
Accounts payable and accrued expenses	(21,699)	(14,179)
Loan to group company	(18,000)	-
Loan from parent	(715)	(12,864)

Total liabilities	**(40,414)**	**(27,043)**
Total net assets	**5,960,477**	**6,979,509**

At the year end, the investment portfolio of financial assets at fair value through profit or loss held by the direct and indirect subsidiaries of the Company comprised one (31 December 2014: two) investment as follows:

	Investment type	**Held by**	**Note**	**As at 31 Dec 2015 US$**	**As at 31 Dec 2014 US$**
Lucent Petroleum LLP	Private investment	TAU (Cayman) L.P.	(i)	-	250,000
Stopharm LLP	Private investment	TAU SPV 1	(iii)	6,000,000	7,000,000
Total				**6,000,000**	**7,250,000**

The directors of the direct and indirect subsidiaries and the Company have valued private investments held by the direct and indirect subsidiaries of the Company on the advice of the Investment Advisor and using the guidance laid down in the International Private Equity and Venture Capital Valuation Guidelines (December 2012) ("IPEVCVG"). The following table gives information about the fair values of these financial assets and in particular, the valuation techniques and inputs used, as at 31 December 2015.

Financial assets	**Fair value as at 31 December 2015**	**Fair value hierarchy**	**Valuation techniques and key inputs**
Private equity investments	40.35 per cent equity investment in Stopharm LLP engaged in wholesale pharmaceutical distribution: US$6,000,000	Level 3	Multiple of earnings

(iii) Stopharm LLP ("Stopharm")

Stopharm is a wholesale pharmaceuticals distributor operating in Kazakhstan. On 1 September 2010, the Company's subsidiary Tau (Cayman) L.P. announced the closing of a US$21.5 million investment in Stopharm comprising a 24.00% equity stake in Stopharm acquired for US$12.8 million and a fully secured convertible bridge loan of US$8.7 million provided to one of the shareholders of Stopharm with implied equity on conversion representing an additional 16.35% stake. The conversion into equity of this loan was subject to approval by the Anti-Monopoly Committee of the Republic of Kazakhstan which was received on 25 November 2011. The conversion subsequently took place on 27 December 2011.

The investment in Stopharm LLP has been valued at 31 December 2015 at $6,000,000 (31 December 2014: $7,000,000) based on an enterprise value. This enterprise value is calculated on a multiple range of 6 to 16 times EBITDA. Based upon corporate transactions in Central Europe, a multiple of 12 was selected to calculate the enterprise value. A further liquidity discount of 10% was then applied to give a final valuation of $6,000,000.The value has been estimated by the Directors of the indirect subsidiary following the opinions and advice of the Investment Advisor in the absence of readily available market values. The Directors of the Company agree with these estimates. Due to the uncertainty arising from the lack of comparable listed companies or recent transactions involving similar businesses on which to determine the multiple applied against earnings used as a basis for the valuation, the estimated values may differ materially from the value that would have been realised had a disposal of the private investment been made between a willing buyer and seller as at 31 December 2015, which in turn would have an impact on the valuation of the Company's investment in subsidiaries. It is not possible to quantify such uncertainties.

On 14 November 2014, under the terms of a Members Contribution Agreement, Tau (Cayman) L.P. made an additional contribution in kind to the capital of Tau SPV 1 Cooperatief W.A. ("Tau SPV 1") by way of a transfer of its participation interest equal to 40.35% of the charter capital of Stopharm LLP for a value of US$7,000,000.

In relation to the investment held by Tau SPV 1 in Stopharm LLP, valued at US$6,000,000 (31 December 2014: $7,000,000), where the valuation of investment is dependent on non-market observable inputs, in this instance an indicative offer from various parties, a degree of judgement is required in estimating fair values. It is reasonably possible that outcomes within the next financial year that are different from the assumptions adopted by the Board of Directors of Tau SPV 1 and the Company could require a material adjustment to the carrying amount of the asset affected. Accordingly the valuation of the underlying private investment is subject to significant inherent uncertainty. This in turn creates significant uncertainty in relation to the value of the Company's investment in subsidiaries, as Tau (Cayman) L.P. owns Tau SPV 1.

5. Share Capital

The authorised share capital of the Company is £3,502,000 comprising 350,199,998 ordinary shares of £0.01 each and 2 founder shares of £0.01 each. The founder shares carry identical rights and privileges to the ordinary shares of the Company which includes a right to receive all dividends and other distributions declared, made or paid. The share capital of the Company has been allocated, called up and fully paid. The shares in issue as at 31 December 2015 and 31 December 2014 were as follows:

	Ordinary Shares in issue	Founder Shares in issue
As at 31 December 2015	48,984,680	2
As at 31 December 2014	48,984,680	2

On 30 July 2014 the Company completed a further Tender Offer following which 24,998,979 shares were repurchased at US$0.218063 per share and subsequently cancelled.

6. Loans to subsidiaries

As at 31 December 2015, the Company had loaned Tau (Cayman) L.P. an amount of US$107,984 (December 2013: US$105,768) for the payment of day to day expenses. The loan is interest free, unsecured and repayable on demand.

As at 31 December 2015, the Company had loaned Tau SPV 1 Cooperatief W.A. an amount of US$715 (December 2013: US$3,817) for the payment of day to day expenses. The loan is interest free, unsecured and repayable on demand.

7. Related Party Items

Philip Scales, a Director of the Company, is the managing director of FIM Capital Limited, the administrator.

On 26 June 2015 Capital Gate Holdings LLP, once a potential acquirer of Tau's holding in Stopharm LLP sold 4,331,877 ordinary shares in the Company. Following this transaction Capital Gate Holdings LLP does not hold any shares in the Company.

Capital Gate Holdings LLP was deemed to be a related party as it is wholly owned by Nurgul Zhaukeyeva who also owns Capital Gate Securities Limited, which acts as our Investment Advisor and is represented by Nurgul's husband Greg Vojack in advising the Company.

As at 31 December 2015, Philip Lambert, a Director of the Company, held 101,201 ordinary shares in the Company (31 December 2014, Philip Lambert held 161,430 ordinary shares in the Company).

As at 31 December 2014, Richard Horlick, a previous Director of the Company who was retained after his retirement on 1 January 2014 to act in a consultant capacity, held 12,684,221 ordinary shares (31 December 2014: 12,684,221). On 17 March 2014 under an agreement with USG AG, he sold 7,192,737 shares at US$12.75 to his pension fund (Standard Life). On 27 March 2014 he purchased 7,432,989 ordinary shares at US$13.02. On 04 April 2014 Richard Horlick purchased 5,607,603 shares at US$13.02. On 20 November 2014 under an agreement with USG AG, he sold 5,667,523 shares at US$15.50 to his pension fund (Standard Life).

Gypsum Limited, a company to whom Richard Horlick provides consultancy services, received fees of GBP £nil during 2015 (31 December 2014: GBP £nil).

As at 31 December 2015, Terence Mahony, a Director of the Company, held 102,424 ordinary shares (31 December 2014: 102,424).

As at 31 December 2015 and 31 December 2014, both Spencer House Capital Management LLP and Compass Asset Management Ltd held one founder share each.

As at 31 December 2015, the Company has loaned Tau (Cayman) L.P. US$107,984 (31 December 2014: US$105,768).

As at 31 December 2015, the Company has loaned Tau SPV 1 Cooperatief W.A. US$715 (31 December 2014: US$3,817).

8. Operating expenses

Included within operating expenses are the following fees:

Directors' remuneration
Directors' remuneration for the year ended 31 December 2015 amounted to US$93,605 (31 December 2014: US$103,191).

Administrator fees
The Administrator is entitled to receive a fixed fee of £35,000 per annum payable quarterly in arrears. As of 1 October 2013, post resignation of the sub-administrator on 30 September 2013, the Administrator is also entitled to receive an additional fixed fee of US$35,000 per annum payable quarterly in arrears for the provision of accounting services.

In the prior year, the sub-administrator (BNY Mellon Investment Services (International) Ltd) was entitled to receive a monthly fee, up until 30 September 2013, for the provision of administration and accounting services of US$3,000 plus an additional fee at the following rates (subject to a minimum monthly fee of US$ 7,500):

a) 0.08% of the first US$100 million of average net assets;
b) 0.06% of the next US$100 million of average net assets;
c) 0.04% of the next US$100 million of average net assets; and
d) 0.03% of the average net assets in excess of US$300 million.

The Sub-Administrator was also entitled to receive a monthly fee up until 30 September 2013 for its trade support and middle office services at the following rates:

a) 0.06% of the first US$100 million of average net assets;
b) 0.04% of the next US$100 million of average net assets; and
c) 0.03% of the average net assets in excess of US$200 million.

The administration fee for the year ended 31 December 2015 amounted to US$99,333 (31 December 2014: US$91,318).

The sub-administration fee for the year ended 31 December 2015 amounted to US$ nil (31 December 2014: US$ nil).

All investment management fees are borne by the direct and indirect subsidiaries of the Company.

9. Financial Instruments and Associated Risks

Introduction
In accordance with the Company's accounting policy for investment in subsidiaries (note 3e) these are designated at fair value through profit or loss.

Risk is inherent in the Company's activities but is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. The process of risk management is critical to the Company's continuing existence. The Company is exposed to market risk (which includes currency risk, interest rate risk and other price risk), credit risk and liquidity risk arising from the financial instruments it holds.

Risk management structure
The Board of Directors is ultimately responsible for identifying and controlling risks. However, it is the Investment Manager who manages and monitors risks on an ongoing basis in relation to the direct and indirect subsidiaries investments in the private investments.

Risk measurement and reporting system
The Company's risks are measured using a method which reflects both the expected loss likely to arise in normal circumstances and unexpected losses, which are an estimate of the ultimate actual loss based on statistical models. The model makes use of the probabilities derived from historical experience, adjusted to reflect the economic environment.

Monitoring and controlling risks is primarily performed based on limits established by the Board. These limits reflect the business strategy and market environment of the Company as well as the level of risk that the Company is willing to accept. In addition, the Company monitors and measures the overall risk bearing capacity in relation to the aggregate risk exposure across all risk types and activities.

Risk mitigation
The Company has investment guidelines that set out its overall business strategies, its tolerance for risk and its general risk management philosophy and have established processes to monitor and control economic hedging transactions in a timely and accurate manner. The Company uses derivatives and other instruments as required for trading purposes and in connection with its risk management activities.

Excessive risk concentration
Concentration arises when a number of counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentration indicates the relative sensitivity of the Company's performance to developments affecting a particular industry or geographical location.

Market risk

Market risk is the risk that the fair value, or future cash flows of a financial instrument, will fluctuate because of changes in market prices and includes interest rate risk, foreign currency risk and "other price risks", such as equity and commodity risk.

The Company's strategy on the management of investment risk is driven by its investment objective as outlined in note 1 to the financial statements.

<u>Equity price and private investment risk</u>
Equity price risk is the risk that the fair values of equities decrease as a result of changes in the levels of equity indices and the value of individual stocks. The equity and private investment price risk exposure arises from the Company direct and indirect subsidiaries investment portfolio. The Company has previously managed this risk by investing on different stock exchanges and in different sectors.

Price movements are influenced by, among other things, changing supply and demand relationships, monetary and exchange control programs, policies of governments, political and economic events, and policies and emotions of the marketplace.

Prior to the 2012 annual general meeting, where it was agreed that the Company would carry out an orderly disposal of investments, the Investment Manager considered the asset allocation of the portfolio in order to minimise risks whilst achieving the Company's investment objectives. Prior to 2012 the Company maintained a diversified portfolio both in terms of the number of positions, their geographic location and industry sector.

The following table shows the breakdown by industry sector of investments held through the Company's direct and indirect subsidiaries as at 31 December 2015:

	Financial assets at fair value through profit or loss US$	**Financial liabilities at fair value through profit or loss US$**
Healthcare	6,000,000	-

	6,000,000	-

The following table shows the breakdown by industry sector of investments held through the Company's direct and indirect subsidiaries as at 31 December 2014:

	Financial assets at fair value through profit or loss US$	**Financial liabilities at fair value through profit or loss US$**
Oil and gas	250,000	-
Healthcare	7,000,000	-
	7,250,000	-

Management's best estimate of the effect on net assets and profit due to a reasonably possible change in the value of the private investments held in the Company's direct and indirect subsidiaries, which would in turn impact the value of the Company's investment in subsidiaries, of a decrease of 10%, with all other variables held constant as at 31 December 2015 is US$600,000 (2014: $700,000) as disclosed in note 4.

<u>Currency risk</u>
Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company invests in assets denominated in currencies other than its presentation currency, the US dollar. Consequently, the Company is exposed to risks that the exchange rate of the US dollar, relative to other currencies, may change in a manner which has an adverse effect on the reported value of that portion of the Company's assets which is denominated in currencies other than the US dollar.

The Company's currency risk is managed on a daily basis by the Investment Advisor through a review of the portfolio owned by the Company's direct and indirect subsidiaries. The Company's overall currency risk is monitored on a quarterly basis by the Board of Directors during Board meetings.
At 31 December 2015 the Company's exposure to foreign currency was as follows:

	Financial assets US$	**Financial liabilities US$**	**Cash & cash equivalents US$**	**Other assets & liabilities US$**	**Total US$**
Euro	-	-	761	-	761
Pound sterling	49,469	-	20,170	(30,112)	39,527
US dollar	7,718,447	-	76,550	(73,745)	7,721,552
	7,767,916	-	**97,481**	**(103,857)**	**7,761,540**

At 31 December 2014 the Company's exposure to foreign currency was as follows:

	Financial assets US$	**Financial liabilities US$**	**Cash & cash equivalents US$**	**Other assets & liabilities US$**	**Total US$**
Euro	-	-	2,101	-	2,101
Pound sterling	50,814	-	6,571	(125,651)	(68,266)
US dollar	8,764,299	-	706,812	-	9,471,111
	8,815,113	-	**715,484**	**(125,651)**	**9,404,946**

The following analysis discloses management's best estimate of the effect of a reasonably possible movement in currency rates against the US dollar, with all other variables held constant on the Statement of Comprehensive Income (due to the fair value of currency sensitive trading monetary assets and liabilities) and the Statement of Financial Position (due to the change in fair value of currency swaps and forward foreign exchange contracts). A negative amount in the table reflects a potential net reduction in total comprehensive income or net assets, while a positive amount reflects a net potential increase as at 31 December 2015.

% change	**Financial assets**	**Cash & cash equivalents US$**	**Other assets & liabilities**	**Effect on profit & net assets**

		US$		US$	US$
Euro	10% increase	-	76	-	76
Pound sterling	10% increase	4,947	2,017	(3,011)	3,953
		4,497	**2,093**	**(3,011)**	**4,029**

In practice the actual trading results may differ from this change and the difference could be material.

The analysis below discloses management's best estimate of the effect of a reasonably possible movement in currency rates against the US dollar, with all other variables held constant on the Statement of Comprehensive Income (due to the fair value of currency sensitive trading monetary assets and liabilities) and Statement of Financial Position (due to the change in fair value of currency swaps and forward foreign exchange contracts). A negative amount in the table reflects a potential net reduction in total comprehensive income or net assets, while a positive amount reflects a net potential increase as at 31 December 2014.

	% change	**Financial assets US$**	**Cash & cash equivalents US$**	**Other assets & liabilities US$**	**Effect on profit & net assets US$**
Euro	10% increase	-	210	-	210
Pound sterling	10% increase	5,081	657	(12,565)	(6,827)
		5,081	**867**	**(12,565)**	**(6,617)**

In practice the actual trading results may differ from this change and the difference could be material.

Interest rate risk

The majority of the Company's financial assets and liabilities are non-interest bearing. As a result, the Company is not subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates. Any excess cash and cash equivalents are invested at short-term market interest rates.

The Company's interest rate risk is managed on a daily basis by the Investment Advisor through a review of the portfolio owned by the Company's direct and indirect subsidiaries and is monitored on a quarterly basis by the Board of Directors during Board meetings.

Liquidity risk

Kazakhstan and the Investment Countries have less liquid and developed securities markets than the United States of America and Western Europe.

Given that organised securities markets in Kazakhstan and the Investment Countries have been established relatively recently, the procedures for settlement, clearing and registration of securities transactions may be subject to legal uncertainties, technical difficulties and delays. Although significant developments have occurred in recent years, the sophisticated legal and regulatory frameworks necessary for the efficient functioning of modern capital markets have yet to be fully developed in Kazakhstan and the Investment Countries. In particular, legal protections against market manipulation and insider trading are less well developed in Kazakhstan and the Investment Countries, and less strictly enforced, than in the United States of America and Western European countries, and existing laws and regulations may be applied inconsistently with consequent irregularities in enforcement. In addition, less information relating to the proposed target entities and certain of the investments may be publicly available to investors in securities issued or guaranteed by such entities than is available to investors in entities organised in the United States of America or Western European countries.

The Company's liquidity is managed on a daily basis by the Administrator.

As at 31 December 2015, the Company held an investment in its subsidiaries, which in turn held private investments and an investment in subsidiary, which also invests in a private investment, with an estimated total fair value of private investments of US$6,000,000 (31 December 2014: US$7,250,000) which represents 77.3%% (31 December 2014: 77.1%) of the Company's net assets. These investments are considered to be illiquid, as there is no active market for the purchase and sale of these investments, and they have been valued based on indicative offers as at the year end date (see note 4).

The table below analyses the Company's financial liabilities as at 31 December 2015 and 31 December 2014 into relevant maturity groupings based on the remaining period at the date of the Statement of Financial Position to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

As at 31 December 2015:

	Less than 1 month US$	1-6 months US$
Accounts payable and other expenses	(103,857)	-
	(103,857)	-

As at 31 December 2014:

	Less than 1 month US$	1-6 Months US$
Accounts payable and other expenses	(125,651)	-
	(125,651)	-

Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Company resulting in a financial loss to the Company. It is the Company's policy to enter into financial instruments with a range of reputable counterparties. Therefore, the Company does not expect to incur material credit losses on its financial instruments.

The Company no longer holds any assets with a Prime Broker and thus its credit risk is only in relation to holding cash and cash equivalents.

Private investments risk

The main risks related to private investments that the Company is exposed to through its direct and indirect subsidiaries, are liquidity risk, credit risk and pricing risk. These risks are correlated: since private investments are not traded in organised markets there are no guarantees that a buyer for these investments will materialise or repayment of loans and associated interest will happen in line with expectations, in particular if there is an expectation set forth in terms of investment realisation/loan repayment. A lack of an organised market might also cause a significant difference between the carried or expected valuation and the actual price obtained at realisation for those investments or the timing and method of the repayment (see note 4 for further details).

10. Exchange Rates

The following exchange rates were used to translate assets and liabilities into US dollars at 31 December 2015 and 31 December 2014:

	31 Dec 2015	31 Dec 2014
Euro	1.0856	1.2876
Pound sterling	1.4736	1.5577

11. Distributions

Subject to the provisions of the Articles, the Company may by ordinary resolution, declare that out of profits available for distribution, in accordance with Isle of Man law, dividends be paid to members according to their respective rights and interests in the profits of the Company. However, no dividend shall exceed the amount recommended by the Board. There is no fixed date on which an entitlement to dividend arises.

No dividends were declared or paid during the year ended 31 December 2015 and 31 December 2014.

12. Soft Commissions

During the year, the Investment Managers, Investment Advisors and connected persons have not entered into soft commission arrangements with brokers in respect of which certain goods and services used to support investment decision making were received.

13. Commitments and Contingent Liabilities

As at 31 December 2015, the Company has no commitments and contingent liabilities (31 December 2014: US$ Nil).

14. Loss per Share

Basic and diluted loss per share is calculated by dividing the net profit or loss attributable to shareholders by the weighted average number of ordinary shares outstanding during the year.

	Year ended 31 December 2015	**Year ended 31 December 2014**
Net (loss) attributable to shareholders	(US$1,643,406)	(US$7,355,750)
Weighted average number of ordinary shares in issue	48,984,680	60,902,001
Basic (loss) per share	($0.03)	($0.12)

There is no difference between the fully diluted earnings per share and basic earnings per share.

15. Events After the Date of the Statement of Financial Position

There has been no material adjusting and non-adjusting events after current year end that would have a material effect on the financial statements.