Registered number: 04610018

CAPRICORN RESOURCES PLC

ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018

CAPRICORN RESOURCES PLC

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CAPRICORN RESOURCES PLC
COMPANY INFORMATION

Directors:	B Moritz N Wyatt
Company secretary:	Cargil Management Services Limited
Company number:	04610018
Registered office:	27-28 Eastcastle Street London W1W 8DH
Independent Auditor:	Maxwell & Co The Granary, Hones Yard 1 Waverley Lane Farnham Surrey GU9 8BB

The directors present their strategic report for the year ended 31 December 2018.

The Strategic Report is a statutory requirement under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 and is intended to provide fair and balanced information that enables the directors to be satisfied that they have complied with s172 of the Companies Act 2006 which sets out the directors' duty to promote the success of the Company.

REVIEW OF BUSINESS

Principal activity

The Company has been dormant for some years. It has sought to acquire a company carrying on business in mining and exploration for natural resources by way of a reverse takeover. In pursuit of this strategy the Company has examined a number of potential transactions, and the Directors remain hopeful that they will be in a position to ask shareholders to approve such a transaction within the next 12 months.

The main geographical focus of the Company recently has been Botswana, which is believed to be the most stable environment in Africa for natural resource projects.

The directors are evaluating projects in the Palapye area in Eastern Botswana, some 150 miles north of the capital city, Gaborone. Palapye is the centre of the Botswana electricity generating industry and the fastest growing city in Botswana. A roadstone and construction aggregate business located at Palapye was initially identified. As a condition precedent to acquiring any project the Prospecting Licence has to be converted to a Mining Licence, a process which has been delayed in this instance due to a dispute over surface rights which is being taken to appeal. The intention remains to undertake an IPO in conjunction with a Standard Listing on the London Stock Exchange as soon as the appeal is concluded, and the Mining Licence issued. In the meantime, a coal mining opportunity in the Palapye area and near the coal mine currently supplying the Morupule power station is also being evaluated with the same intention.

Any transaction will be subject to the approval of shareholders, to authorise the issue of the required shares, and also because it will be a related party transaction. Brian Moritz and Nigel Wyatt are part of a consortium financing the costs of obtaining mining Licences, including environmental impact and marketing studies and the costs of a formal resource report and CPRs, and expect to own at least 20% of such projects.

Share issue

Despite reducing cost to a minimum level, Capricorn's cash resources had been reduced to a low level in early 2017. The Board launched an open offer to shareholders in May 2017 to bring in new cash. Total subscriptions amounted to £15,000, of which the majority was subscribed by Brian Moritz. It is expected that the reverse transaction will be proposed at a premium of 50% over the open offer price.

Financial performance

During the year the Company made a loss of £4,425 (2017: loss £7,866). This loss reflects overhead costs which the Directors believe have been reduced to a minimum while the search for a business opportunity continues. Neither of the Directors is remunerated by the Company. Cash at 31 December 2018 was £7,994 (2017: £13,981). This level of cash will ensure that the Company has sufficient working capital for the next 12 months.

PRINCIPAL RISKS AND UNCERTAINTIES

The Board reviews the risks to which the Company is exposed and ensures that these risks are minimised as far as possible.

CAPRICORN RESOURCES PLC
STRATEGIC REPORT

INVESTMENT RISK
The Company has been seeking a suitable investment for a considerable period. There is no certainty that the Company will be successful in identifying and completing a suitable investment.

FINANCING & LIQUIDITY RISK
The Company will have an ongoing requirement to fund its activities through the equity markets and in future to obtain finance for project development. There is no certainty such funds will be available when needed.

POLITICAL RISK
All countries carry political risk that can lead to interruption of activity. Politically stable countries can have enhanced environmental and social permitting risks, risks of strikes and changes to taxation whereas less developed countries can have in addition, risks associated with changes to the legal framework, civil unrest and government expropriation of assets.

PARTNER RISK
In South Africa, Black Economic Empowerment legislation requires historically disadvantaged South Africans to have a minimum 26% interest in all mining and exploration projects, increasing to 31%, and similar requirements may be introduced in other countries in Southern Africa. At present no such legislation exists in Botswana, although the projects under consideration are likely to have 50% local Botswanan ownership. The Company could be adversely affected if joint venture partners are unable or unwilling to perform their obligations or fund their share of future developments.

INTERNAL CONTROLS & RISK MANAGEMENT
The Directors are responsible for the Company's system of internal financial control. Although no system of internal financial control can provide absolute assurance against material misstatement or loss, the Company's system is designed to provide reasonable assurance that problems are identified on a timely basis and dealt with appropriately.

BRIBERY RISK
The Company has adopted an anti-corruption policy and whistle blowing policy under the Bribery Act 2010. Notwithstanding this, the Company may be held liable for offences under that Act committed by its employees or subcontractors, whether or not the Company or the Directors have knowledge of the commission of such offences

ON BEHALF OF THE BOARD:

B Moritz
Director

5 April 2019

CAPRICORN RESOURCES PLC

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018

The directors are pleased to present their report together with the audited financial statements of the Company for the year ended 31 December 2018.

A review of the business and risks and uncertainties is included in the strategic report.

Results
The Company reports a loss before and after tax of £4,425 for the year (2017: loss £7,866).

Dividends
The directors do not recommend the payment of a dividend (2017: nil).

Political donations
There were no political donations during the year (2017: nil).

Directors
The following directors served during the period:

B Moritz
N Wyatt

Directors' interests
The beneficial interests of the directors holding office on 31 December 2018 in the issued share capital of the Company were as follows:

	31 December 2018		31 December 2017	
	Number of ordinary shares of 0.1p each	Percentage of issued share capital	Number of ordinary shares of 0.1p each	Percentage of issued share capital
B Moritz	22,100,742	27%	22,100,742	27%

N Wyatt has no interests in the shares of the Company

Directors' indemnities
The Company intends to maintain directors' and officers' liability insurance providing appropriate cover for any legal action brought against its directors and/or officers, but no such policy is currently in place.

Going concern
The directors adopt the going concern basis in preparing these financial statements. This is further explained in note 2 to the financial statements.

Statement of directors' responsibilities
The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial period. 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. The financial statements are required by law to give a true and fair view of the state of affairs of the Company and of the Company's results for each period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements comply with IFRS as adopted by the European Union; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business for next 12 months

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

Statement of disclosure to auditor
So far as each director is aware:

- there is no relevant audit information of which the Company's auditor is unaware; and
- all the directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditor
A resolution to re-appoint Maxwell & Co as auditors of the Company will be proposed at the Annual General Meeting.

By order of the Board

B Moritz
Director
5 April 2019

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CAPRICORN RESOURCES PLC FOR THE YEAR ENDED 31 DECEMBER 2018

We have audited the financial statements of Capricorn Resources Plc for the period ended 31 December 2018, on pages eight to twenty. 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 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 auditor

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 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 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 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 and of the Company's affairs as at 31 December 2018 and of its loss for the period then ended;
- the Company financial statements have been properly prepared in accordance with IFRS as adopted by the European Union.
- The Company financial statements have been properly prepared in accordance with IFRS 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.

CAPRICORN RESOURCES PLC

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CAPRICORN RESOURCES PLC FOR THE YEAR ENDED 31 DECEMBER 2018

Emphasis of matter – Going Concern

In forming our opinion on the financial statements, which we have not modified, we have considered the adequacy of note 2, on Going Concern. The company is dormant and its level of cash will not permit it to continue for more than a limited period. The Chairman has given his assurance that he will continue to provide the company financial assistance to meet these regulatory costs.
Also as reported in the Strategic Report on page 3, if Mining Licences are issued, the company will undertake an IPO in conjunction with a Standard Listing on the London Stock Exchange for which it will need cash resources to make its contribution. The Chairman has agreed to advance sufficient funds to the company by way of an unsecured loan which ensures the company has sufficient working capital to meet this cost. Under these circumstances the Directors have adopted a going concern basis in preparing the financial statements.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion:

- the information given in the strategic report and the directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following where, under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

HUGH MAXWELL (Senior Statutory Auditor)
for and on behalf of Maxwell & Co
Chartered Accountants and Statutory Auditors
The Granary, Hones Yard
1 Waverley Lane
Farnham
Surrey, GU9 8BB

8/4/2019

CAPRICORN RESOURCES PLC

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	Year ended 31.12.18 £	Year ended 31.12.17 £
Continuing operations			
Revenue		-	-
Administrative expenses	6	(4,425)	(7,866)
Results from operating activities		(4,425)	(7,866)
Loss before tax		(4,425)	(7,866)
Taxation	8	-	-
Loss for the year		(4,425)	(7,866)
Other comprehensive income for the year		-	-
Total comprehensive income for the year		(4,425)	(7,866)
Loss per share			
Basic earnings (loss) per share – pence	11	(0.0054)	(0.0105)

The notes on pages 12 to 20 are an integral part of these financial statements.

CAPRICORN RESOURCES PLC
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

	Notes	31.12.18 £	31.12.17 £
Assets			
Cash and cash equivalents	9	7,994	13,981
Current assets		7,994	13,981
Total assets		7,994	13,981
Equity			
Called up share capital	10	81,900	81,900
Share premium		495,117	495,117
Other reserves		56,800	56,800
Retained earnings		(628,224)	(623,799)
Total equity		5,593	10,018
Liabilities			
Trade and other payables	12	2,401	3,963
Current liabilities		2,401	3,963
Total liabilities		2,401	3,963
Total equity and liabilities		7,994	13,981

These financial statements of Capricorn Resources plc were approved by the Board of Directors and authorised for issue on 5 April 2019. They were signed on its behalf by:

B Moritz, Director

Company number: 04610018

The notes on pages 12 to 20 are an integral part of these financial statements.

CAPRICORN RESOURCES PLC

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018

	Share capital £	Share premium £	Other reserves £	Retained deficit £	Total equity £
Balance at 1 January 2017	66,900	495,117	56,800	(615,933)	2,884
Changes in equity					
Total comprehensive income	-	-	-	(7,866)-	(7,866)
					15,000
Issue of ordinary shares	15,000	-	-		
Balance at 31 December 2017	81,900	495,117	56,800	(623,799)	10,018
Balance at 1 January 2018	81,900	495,117	56,800	(623,799)	10,018
Changes in equity					
Total comprehensive income	-	-	-	(4,425)	(4425)
Balance at 31 December 2018	81,900	495,117	56,800	(628,224)	5,593

The notes on pages 12 to 20 are an integral part of these financial statements.

CAPRICORN RESOURCES PLC
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	Year ended 31.12.18 £	Year ended 31.12.17 £
Cash flows from operating activities			
(Loss) for the period		(4,425)	(7,866)
Changes in:			
- trade and other payables		(1,562)	1,766
Net cash from operating activities		(5,987)	(6,100)
Cash flows from financing activities			
Proceeds from issue of share capital		-	15,000
Net cash flows from/(used in) financing activities		-	15,000
Net (decrease)/increase in cash and cash equivalents		5,987	8,900
Cash and cash equivalents at beginning of period		13,981	5,081
Cash and cash equivalents at 31 December	9	7,994	13,981

The notes on pages 12 to 20 are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

1. **Reporting entity**

Capricorn Resources plc (the 'Company') is a company domiciled in England and Wales. The address of the Company's registered office is 27/28 Eastcastle Street, London, W1W 8DH.

2. **Going concern**

The Company's cash resources, which, at 31 December 2018, were £7,994, are sufficient to cover overhead costs for 2019. However, should a transaction such as those referred to in the Strategic Report proceed, the company will be required to pay part of the cost of the IPO in advance of the funds from the IPO being available. Under these circumstances the Chairman, Brian Moritz, has agreed to advance sufficient funds to the Company by way of loan.

3. **Basis of preparation**

(a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRS') as issued by the International Accounting Standards Board ('IASB') and as adopted by the European Union, and the Companies Act 2006 as applicable to entities reporting in accordance with IFRS.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis unless otherwise stated.

(c) Functional and presentation currency

These financial statements are presented in Pounds Sterling ('GBP'), which the Company's functional currency and is considered by the Directors to be the most appropriate presentation currency to assist the users of the financial statements.

(d) Use of estimates and judgements

The preparation of the financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, 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 judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

4. **Significant accounting policies**

The accounting policies set out below have been or will be applied consistently. The consolidation policies have been adopted in preparation for the proposed acquisition described in the Strategic Report

(a) Basis of consolidation

(i) **Business combinations**

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Company. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that currently are exercisable.

The Company measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase price is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts generally are recognised in profit or loss.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Company incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is measured at fair value at the acquisition date. If the contingent consideration is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

(i) **Subsidiaries**

The company has no subsidiaries at the date of these financial statements.

(b) Foreign currency

Transactions in foreign currencies are translated to the functional currency at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between carrying value in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

Foreign currency differences arising on retranslation are recognised in the statement of comprehensive income.

(c) Financial instruments

(i) **Non-derivative financial assets**

The Company initially recognises loans and receivables on the date that they are originated. All other financial assets are recognised initially on the trade date, which is the date that the Company becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in such transferred assets that is created or retained by the Company recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Company's non-derivative financial assets comprise loans and receivables.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise cash and cash equivalents, and trade and other receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value, and are used by the Company in the management of its short-term commitments.

(ii) **Non-derivative financial liabilities**

The Company initially recognises debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities (including liabilities designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Company becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

The Company classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Other financial liabilities comprise trade and other payables.

***(iii)* Share capital**

Ordinary shares
Ordinary shares are classified as equity. Where material, incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

(d) Property, plant and equipment

(i) Recognition and measurement
Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

(ii) Subsequent costs
Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Company. Ongoing repairs and maintenance are expensed as incurred.

(iii) Depreciation
The company will apply depreciation methods, useful lives and residual values to assets at such time that it has any tangible assets.

(e) Intangible assets

(i) Goodwill
Goodwill that arises on the acquisition of subsidiaries is presented with intangible assets.

(ii) *Subsequent expenditure*
Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

(iii) Amortisation
Except for goodwill, intangible assets are amortised on a straight-line basis in profit or loss over their estimated useful lives, from the date that they are available for use.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate. Amortisation is included within administrative expenses in the statement of profit or loss and other comprehensive income, if relevant.

(f) Impairment

The carrying amounts of the Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or cash generating unit ('CGU') exceeds its recoverable amount. Impairment losses are recognised in the Company statement of profit or loss and other comprehensive income.

Goodwill is assessed annually for possible impairment. Impairment losses relating to goodwill are not reversed.

(g) Provisions

A provision is recognised in the statement of financial position if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

(h) Revenue

Revenue from sales is recognised in the statement of profit or loss and other comprehensive income when the significant risks and rewards of ownership have been transferred to the buyer excluding sales taxes.

(i) Taxation

Tax on the profit or loss for the period comprises current and deferred tax. Current tax and deferred tax is recognised in the statement of profit or loss and other comprehensive income except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantially enacted at the balance sheet date and any adjustment to tax payable in respect of previous periods.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

5. New standards and interpretations

Amendments to the following International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS) have been implemented by the Company in the period ended 31 December 2018:

Amendments to IAS 1 Presentation of Financial Statements
Amendments to IFRS 7 Financial Instruments : Disclosures
Amendments to IAS 27 Separate Financial Statements
IFRS 11 Joint Arrangements

Standards, Amendments to published Standards and Interpretations issued but not yet effective

Certain standards, amendments to published standards and interpretations have been issued that are mandatory for accounting periods beginning after 1 July 2016 or later periods, but which the Company has not early adopted.

At the reporting date of these financial statements, the following were in issue but not yet effective:

Amendments to IAS 7 Statement of Cash Flows
Amendments to IFRS 2 Share-Based Payments
IFRS 9 Financial Instruments
IFRS 15 Revenue from Contracts with Customers
IFRS 16 Leases

Where relevant, the Company is evaluating the effect of these Standards, amendments to published Standards and Interpretations issued but not yet effective, on the presentation of its financial statements.

6. Expenses

	Year ended 31.12.18	Year ended 31.12.17
Expenses include:	£	£
Auditor's remuneration – audit services	1,760	1,760

7. Directors and key management

	Year ended 31.12.18	Year ended 31.12.17
	£	£
Director fees	-	-

There were no employees other than directors during the period

	Year ended	Year ended

	31.12.18	31.12.17
Directors	2	2
	2	2

8. Taxation

Current tax expense

	Year ended 31.12.18 £	Year ended 31.12.18 £
Tax recognised in profit or loss		
Current tax expense		
Current period	-	-
Deferred tax expense		
Origination and reversal of temporary differences	-	-
Total tax expense	-	-

Reconciliation of effective tax rate

	Year ended 31.12.18 £	Year ended 31.12.17 £
Loss for the year	(4,425)	(7,866)
Tax using the Company's domestic tax rate of 19% (2017: 19.25%)	(841)	(1,514)
Effects of:		
Tax losses carried forward not recognised as a deferred tax asset	841	1,514
	-	-

Factors that may affect future tax charges
At the period end, the Company had unused tax losses available for offset against suitable future profits. A deferred tax asset has not been recognised in respect of such losses due to uncertainty of future profit streams.

9. Cash and cash equivalents

	2018	2017
	£	£
Bank balances	7,994	13,981
Cash and cash equivalents	7,994	13,981

10. Capital and reserves

Share capital

	Number of ordinary shares	
	2018	2017
In issue at beginning of period	81,899,554	66,899,554
Issued for cash at par	-	15,000,000
In issue at period end – fully paid (par value £0.001)	81,899,554	81,899,554

	Ordinary share capital	
	2018	2017
	£	£
Balance at beginning of period	81,900	66,900
Share issues	-	15,000
Balance at period end	81,900	81,900

11. Loss per share

The calculation of basic loss per share at 31 December 2018 is based on the loss attributable to ordinary shareholders of £4,425 (2017: £7,866), and a weighted average number of ordinary shares in issue of 81,899,554 (2017: 75,159,828), calculated as follows:

Weighted average number of ordinary shares

	2018	2017
In issue at beginning of period	81,899,554	66,899,554
Effect of shares issued	-	8,260,274
Weighted average number of ordinary shares	81,899,554	75,159,828

12. Trade and other payables

	2018	201
	£	£
Trade payables	661	1,613
Other payables	1,740	2,350
	2,401	3,963

There is no material difference between the fair value of trade and other payables and their book value.
The Company's exposure to currency and liquidity risk related to trade and other payables is disclosed in note 13.

13. Financial instruments

Financial risk management
The Company's operations expose it to a variety of financial risk. The Company will have in place a risk management programme that seeks to limit the adverse effect of such risks on its financial performance which is provided below.

Environmental risk
The Company's operations will be subject to environmental regulation and the Company will be unable to predict the effect of additional environmental laws and regulations which may be adopted in the future, including whether any such laws or regulations would adversely affect the Company's operations. There can be no assurance that such new environmental legislation once implemented will not oblige the Company to incur significant expenses and undertake significant investments.

Capital management
The Company's objective when managing capital is to safeguard its accumulated capital in order to provide an adequate return to shareholders by maintaining a sufficient level of funds, in order to support continued operations.

The Company considers its capital to be total shareholders' equity which at 31 December 2018 totalled £5,598 (2017: £10,108).

14. Related parties

The Company's related parties include its directors.

Transactions with related parties take place on terms no more favourable than transactions with unrelated parties.
Under the open offer to shareholders made on 19 May 2017, 12,100,742 new ordinary shares were subscribed by B Moritz, a Director of the Company, at a total subscription price of £12,101.