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Gunsynd plc

(Formerly Evocutis plc)

Annual Report and Accounts 2016

Company Number: 05656604

CONTENTS

COMPANY INFORMATION

DIRECTORS	Hamish Harris (Executive Chairman) Donald Strang (Executive Director) Christopher Gordon (Non-Executive Director)
REGISTERED OFFICE	2 Chapel Court London SE1 1HH
COMPANY WEBSITE	www.gunsynd.com
COMPANY REGISTRATION NUMBER	05656604 (England and Wales)
NOMINATED ADVISER AND JOINT BROKER	Cairn Financial Advisers LLP Cheyne House, Crown Court 62-63 Cheapside London EC2V 6AX
JOINT BROKER	Peterhouse Corporate Finance 3rd floor, New Liverpool House 15 Eldon Street London EC2M 7LD
AUDITOR	Chapman Davis LLP Chartered Accountants and Registered Auditor 2 Chapel Court London SE1 1HH
SOLICITOR	Hill Dickinson LLP The Broadgate Tower 20 Primrose Street London EC2A 2EW
BANKERS	Barclays Bank plc 1 Churchill Place London E14 5HP
REGISTRAR	Capita Asset Services The Registry 34 Beckenham Road Beckenham Kent BR3 4TU

CHAIRMAN'S REPORT (INCORPORATING THE STRATEGIC REVIEW)

I am pleased to present the annual report and financial statements for the year ended 31 July 2016.

Review of Investments

Investment in Brazil Tungsten Holdings Limited ("BTHL"):

The Company maintains its circa 10% equity interest in BTHL. BTHL has advised the Company that it continues to focus on its ongoing capital expenditure and development plan at the flagship Bodó mine in the Currais Novos regions of Rio Grande do Norte state, Brazil with the aim of significantly increasing the output of high grade scheelite concentrate during the remainder of 2016 and beyond.

BTHL has advised that it continues to operate in a difficult tungsten price environment and it has also experienced some delays in reaching its Phase I target of 150 tonnes per day of high grade run of mine ("ROM") ore from the three underground shafts largely due to the ground conditions encountered being far more difficult than expected. This has been countered with the investment in new support equipment and the weekly development rates have now improved significantly. A total of 7 working faces have now been activated in the Central and Pajeu shafts and this has led to increased production rates from underground. Work has commenced on developing a new decline at Feijão from surface which when completed shortly will further increase ROM production. Plans are in place to connect the Feijao decline with Central to improve ventilation and allow greater flexibility for ore extraction.

BTHL has advised that licensing for the new mine at Tarantula is also well advanced with all the relevant reports submitted to the Mines Department and Environmental Agencies and are now awaiting final approval. Once approvals are in place a crew will commence work opening up the small exploratory decline at Tarantula and prepare it for ore extraction. Crushed ore will be trucked 4 km from the mine to the existing plant at Bodó and could contribute upwards of 60 tonnes per day in the initial stages. Previous drilling at Tarantula has shown it to have ore grades similar to Bodó.

The plant continued to operate at a reduced rate until the end of July 2016 treating at total of 2,166 tonnes of run of mine ore and 3,486 tonnes of rejects producing a total of 14.6 tonnes of concentrate. In August 2016, production rates rose significantly with 1,646 tonnes of ROM ore extracted from the Central shaft producing 4.8 tonnes of WO3 (tungsten trioxide) concentrate. September and October have seen further increases with production of 7.0 tonnes and 11.80 tonnes of WO3 concentrate respectively. Based on current improvements in production rates and plans to increase daily operating hours for the treatment plant it is expect that the Phase I target will be achieved in the near future. BTHL continues to maintain its focus on reducing costs.

Investment in Horse Hill Developments Limited ("HHDL"):

The Company maintains its circa 2% interest in HHDL. HHDL is a special purpose company which is the operator and 65% interest holder in two Petroleum Exploration and Development Licences ("PEDL") PEDL 137 and 246 in the northern Weald Basin between Gatwick Airport and London. The PEDL137 licence covers 99.29 square kilometres (24,525 acres) to the north of Gatwick Airport in Surrey and contains the Horse Hill-1 ("HH-1") discovery and several other exploration leads. PEDL246 covers an area of 43.58 square kilometres (10,769 acres) and lies immediately adjacent and to the east of PEDL137.

The HH-1 well is located approximately 7.5 kilometres southeast of the producing Brockham oil field and approximately 15 kilometres southwest of the Palmers Wood oil field. The pre-drill primary target reservoir horizons were the Portland Sandstone, which is productive in the Brockham oil field, and the Corallian Formation, which is the producing horizon in the Palmers Wood oil field. Secondary targets for the well included the Triassic, which is productive in the nearby Wessex Basin and has previously tested gas in the Weald Basin, and the Greater Oolite Formation.

The HH-1 well commenced drilling operations in September 2014 and reached total depth at 8,770 feet MD in November 2014. Evaluation of electric logs and other data collected from the well resulted in the announcement on 24 October 2014 of a conventional Upper Portlandian Sandstone oil discovery. Subsequent analysis of the Kimmeridge, Oxfordian and Liassic sections in the well indicated that there was also substantial in place oil in the naturally fractured Kimmeridge Limestones and associated mudstones.

Approval for the testing of all three oil bearing zones was granted in late 2015 and the tests commenced in early February 2016. Tests led to naturally flowing oil rates of the Kimmeridge Limestones at 460 bopd from the Lower interval and 900 bopd from the upper interval. The Portland Sandstone was placed on pump to stimulate flow and achieved a maximum stable rate in excess of 300 bopd. These flow rates substantially exceeded the expectations for the well and rank alongside some of the highest rates ever achieved on test for any UK onshore well.

Following the testing of the Portland Sandstone, when higher productivity and a lower than expected water cut were both observed, further analysis on the electric logs has led to a 200% increase in the anticipated oil in place at this stratigraphic level. Previous estimates of oil in place within the Portland Sandstone were 7.7 mmbbls per square mile and were increased to 22.9 mmbbls.

Based on analysis of published reports from all significant UK onshore discovery wells, the 1,688 bbl per day flow rate is likely the highest aggregate stable rate from any onshore UK discovery well.

The relevant licences have been extended to permit further work and HHDL has indicated that it hopes to perform long term testing on all three zones as part of a wider appraisal program that includes 3D seismic and further drilling. Planning permission is presently being sought for the next phase of testing which will establish the parameters of any development scheme and the commerciality of production from the various oil bearing intervals.

All of the reviews and reports mentioned above state that the OIP volumes estimated should not be construed as recoverable resources or reserves.

Investment in Alba Minerals Resources Plc ("Alba"):

The Company has a circa 5% equity interest in Alba. Alba is a UK AIM listed company which is an explorer with a commodity focus on oil & gas, graphite, gold, uranium and base metals. Alba holds interests in the UK oil & gas exploration sector, plus hard rock exploration assets in Greenland (Graphite and Gold), Ireland (Base Metals and Gold) and Mauritania (Uranium).

Alba's overall technical and corporate strategy is to identify and acquire natural resource projects it believes to have good potential and to advance them expediently. This will be achieved by controlled design and execution of a cost-effective generative process utilising data acquisition, GIS data analysis and exploration programme planning, led by their internal technical team and, where appropriate, through the support of external technical consultants.

Investment in Georgian Mining Corporation ("Georgian") (formerly known as Noricum Gold Limited):

The Company has a circa 0.6 % equity interest in Georgian. Georgian is an AIM listed copper & gold development and exploration company. Georgian, along with its 50% joint venture partner, Caucasian Mining Group, operates in Georgia on the prolific Tethyan Belt, a well-known geological region and host to many high-grade copper-gold deposits and producing mines. Georgian is committed to creating shareholder value by focusing on advancing the Company's core asset at Kvemo Bolnisi as well as other prospective targets within its portfolio. Georgian's tenure covers an area of 860 sq. km, benefits from a 30 year mining licence and is proximal to existing mining operations, owned by its supportive joint venture partner. Georgian Mining Corporation is well positioned to deliver on its objective of becoming a copper and gold producer.

Finance Review

The Company made a loss for the year of £510,000 (2015: £376,000) after taxation. This loss included an impairment provision of £301,000 for available-for sale assets. (2015: reversal of £72,000). The Company had net assets of £1,307,000 (2015: £1,568,000) including cash balances of £358,000 (2015: £452,000) at 31 July 2016.

On 23 February 2016, the Company announced it had raised £350,000 through the issue of 500 million new shares at a placing price of 0.07 pence per share. The funds were used for general working capital purposes and to assist in seeking further investment opportunities.

On 6 October 2015, the Company announced that it had applied to ISDX for admission of its issued share capital to trading on the ISDX Growth Market, and on 19 October 2015 it announced that its ordinary shares had commenced trading on the ISDX Growth Market and that its ordinary shares also continued to be traded on AIM.

Outlook

The Company has made good progress with its current portfolio.

We are awaiting proposals from HHDL on the next phase of operations at Horse Hill. The Company sees significant potential for commercial development of both the Portland and Kimmeridge intervals.

Likewise we are very enthusiastic about the nearby and soon to be spudded Brockham side track well which we have exposure to via our investment in Alba Mineral Resources.

BTHL after some issues with ground conditions has made significant progress over the last few months with production increasing from 4.8tonnes of Wo3 concentrate in August to 11.86 tonnes in October. Licensing for the new mine at Tarantula is also well advanced with all the relevant reports submitted to the Mines Department and Environmental Agencies and are now awaiting final approval. Previous drilling at Tarantula has shown it to have ore grades similar to Bodó.

The Company also has a stake in Georgian Mining Company which has multiple (gold and copper) near term production targets identified at its Bolnisi project in Georgia. We look forward to the drilling results there over the coming months.

In November the company invested £100,000 in Zenith Energy by way of a convertible bond. Zenith's main asset is three licences in Azerbaijan currently producing just over 300 barrels of oil per day. Upside potential exists via both working over existing wells and drilling new wells.

In addition the Company has been very active in reviewing additional investments in the natural resources sector and hopefully one or more can be concluded in the near term. We also see opportunities in the short term trading of assets where liquidity and value provide potential for very good returns.

The Board would like to take this opportunity to thank our shareholders for their continued support and I look forward to reporting further progress over the next period and beyond.

Hamish Harris
Executive Chairman

21 November 2016

DIRECTORS' REPORT

The directors present their annual report on the Company and its audited financial statements for the year ended 31 July 2016.

Principal activity

As at 31 July 2016 the principal activity of the Company is that of investing by seeking to acquire companies and/or projects within the natural resources sector which the Board considers, in its opinion, have potential for growth. The Company will consider opportunities in all relevant sectors as they arise if the Board considers there is an opportunity to generate potential value for Shareholders. The geographical focus will primarily be in Europe, however, investments may also be considered in other regions to the extent that the Board considers that valuable opportunities exist and potential value can be achieved.

Results and dividends

The income statement is set out on page 11 and has been prepared in Sterling, the functional and reporting currency of the Company.

The Company's net loss after taxation attributable to equity holders of Gunsynd plc for the year was £510,000 (2015 - £376,000 loss).

No dividends have been paid or proposed.

Review of the business and future developments

A full review of the Company's performance, financial position and future prospects is given in the Chairman's Report (Incorporating the Strategic Review).

Directors and their interests

The Directors who served during the year were:

H Harris
D Strang
C Gordon - appointed 21 April 2016
D Lenigas - resigned 21 December 2015

The interests of the serving Directors at 31 July 2016 or at date of resignation, in the ordinary share capital of the Company (all beneficially held) were as follows

	31 July 2016	**31 July 2015**
	No.	**No.**
Hamish Harris	1,666,667	1,667,667
Donald Strang	10,000,000	10,000,000
Christopher Gordon	-	-
David Lenigas	67,500,000	67,500,000

In addition to the issued shares shown above, each director with the exception of Christopher Gordon, holds options over 10,000,000 ordinary shares, exercisable at 0.22p at any time up to 1 April 2020.

Directors' remuneration

The remuneration of the Executive Directors paid during the year was fixed on the recommendation of the Remuneration Committee. The remuneration of the Non-executive Director paid during the year was fixed on the recommendation of the Executive Directors. This has been achieved acknowledging the need to maximise the effectiveness of the Company's limited resources during the year.
Fees paid to each Director for the year ended 31 July 2016 are set out in note 6 to the financial statements.

DIRECTORS' REPORT - CONTINUED

Substantial shareholdings
Other than as summarised below, the Directors have not been advised of any individual interest, or group or interests held by persons acting together, which at 21 November 2016 exceeded 3% of the Company's issued share capital.

	Number of ordinary shares held	% of issued share capital
Jim Nominees Limited	149,697,858	8.46%
Neil Scott	90,000,000	5.10%
TD Direct Investing Nominees	80,320,873	4.54%
HSDL Nominees Limited	69,673,223	3.94%
HSBC Global Custody Nominee (UK)	67,500,000	3.81%
Greenhair Services Limited	62,250,000	3.52%
Academy Minerals Limited	60,000,000	3.39%

Employees
The Company has only one directly employed personnel.

Creditor payment policy
The policy of the Company is to:

(a) Agree the terms of payment with suppliers when settling the terms of each transaction;

(b) Ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; and

(c) Pay in accordance with its contractual and other legal obligations provided suppliers comply with the terms and conditions of supply.

Directors' liability
As permitted by the Companies Act 2006, the Company has purchased insurance cover for the Directors against liabilities in relation to the Company.

Charitable donations
During the period, the Company made no charitable donations (2015 - £Nil).

Financial reporting
The Board has ultimate responsibility for the preparation of the annual audited accounts. A detailed review of the performance of the Company is contained in the Chairman's report (incorporating Strategic Review). Presenting the Chairman's report (incorporating Strategic Review) and Director's Report, the Board seeks to present a balanced and understandable assessment of the Company's position, performance and prospects.

Internal control
A key objective of the Directors is to safeguard the value of the business and assets of the Company. This requires the development of relevant policies and appropriate internal controls to ensure proper management of the Company's resources and the identification and mitigation of risks which might serve to undermine them. The Directors are responsible for the Company's system of internal control and for reviewing its effectiveness. It should, however, be recognised that such a system can provide only reasonable and not absolute assurance against material misstatement or loss.

DIRECTORS' REPORT - CONTINUED

Events after the reporting period
Events after the reporting period are set out in note 22 to the financial statements.

Auditor
The Directors will place a resolution before the Annual General Meeting to re-appoint Chapman Davis LLP as auditor for the coming year.

Risk management
The directors have in place a process of regularly reviewing risks to the business and monitoring associated controls, actions and contingency plans.

The Company's financial risk management policies are set out in Note 18.

Website publication
The directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Corporate Governance
Audit and Remuneration Committees have been established and comprise Christopher Gordon (Chairman) and Donald Strang (audit) and Chris Gordon (chairman) and Hamish Harris (renumeration)

The role of the Remuneration Committee is to review the performance of the executive Directors and to set the scale and structure of their remuneration, including bonus arrangements. The Remuneration Committee also administers and establishes performance targets for the Company's employee share schemes and executive incentive schemes for key management. In exercising this role, the terms of reference of the Remuneration Committee require it to comply with the Code of Best Practice published in the Combined Code.

The Audit Committee is responsible for making recommendations to the Board on the appointment of the auditors and the audit fee, and receives and reviews reports from management and the Company's auditors on the internal control systems in use throughout the Company and its accounting policies.

Going concern
The Directors note the losses that the Company has made for the Year Ended 31 July 2016. The directors have prepared cash flow forecasts for the period ending 30 November 2017 which take account of the current cost and operational structure of the Company.

The cost structure of the Company comprises a high proportion of discretionary spend and therefore in the event that cash flows become constrained, costs can be quickly reduced to enable the Company to operate within its available funding. As a junior investment exploration company, the Directors are aware that the Company must go to the marketplace to raise cash to meet its investment plans, and/or consider liquidation of its investments and/or assets as is deemed appropriate, and the Company demonstrated its ability to raise further cash by way of a completed placing on 12 October 2016 raising £300,000.

These forecasts demonstrate that the Company has sufficient cash funds available to allow it to continue in business for a period of at least twelve months from the date of approval of these financial statements. Accordingly, the financial statements have been prepared on a going concern basis.

DIRECTORS' REPORT - CONTINUED

Statement of directors' responsibilities

Company law requires the directors to keep reliable accounting records which correctly explain the transactions of the Company, enable the financial position of the Company to be determined with reasonable accuracy at any time and allow financial statements to be prepared. The shareholders have resolved, in accordance with the Companies Act 2006 and the Articles of Association, that the directors prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Company and of its profit or loss for that period.

On this basis the directors have elected to prepare the financial statements for the Company in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

International Accounting Standard 1 requires that accounts present fairly for each financial period the company's financial position, financial performance and cash flows. This requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the International Accounting Standards Board's 'Framework for the preparation and presentation of accounts'. In virtually all circumstances, a fair presentation will be achieved by compliance with all applicable IFRSs. However, directors are also required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable IFRSs have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts comply with the Companies Act 2006. They have a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Website publication

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website.

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the Company's auditors are unaware.

Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the Company's auditors are aware of that information.

By order of the Board of Directors

Hamish Harris
Director

21 November 2016

INFORMATION ON THE BOARD OF DIRECTORS

Hamish Harris, Executive Chairman
Hamish holds a Bachelor of Commerce from the University of Tasmania. He has held positions within market risk management at a number of financial institutions including Nomura Group, Dresdner Kleinwort Wasserstein, Deutsche Bank AG and Lloyds Banking Group plc in Singapore, Hong Kong and London. Hamish currently holds a position with Nivalis Capital a private equity vehicle which looks for opportunities in mining and agriculture in Eastern Europe. Hamish is currently a director of Polemos Plc, AfriAg Plc and Doriemus plc. Hamish is a member of the Remuneration Committee.

Donald Strang – Executive Director
Donald is a member of the Australian Institute of Chartered Accountants and has been in business over 20 years, holding senior financial and management positions in both publicly listed and private enterprises in Australia, Europe and Africa. He has considerable corporate and international expertise and over the past decade has focussed on mining and exploration activities. He is currently the Finance Director of Rare Earth Minerals plc and is Non-executive director of Doriemus plc, Stellar Resources plc, and Solo Oil plc. Donald is a member of both the Audit and Remuneration committees.

Christopher Gordon - Non-Executive Director
Christopher has a Bachelor of Economics degree awarded by the University of London and over 8 years' experience in the financial services sector in London, working in dealing and trading roles with a focus on raising capital for listed companies. Mr Gordon is the Chairman of both the Audit and Remuneration committees.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GUNSYND PLC

We have audited the Financial Statements of Gunsynd Plc for the year ended 31 July 2016 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. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the Company's members, as a body, in accordance with 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 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 Ethical Standards for Auditors.

Scope of the Audit of the Financial Statements
A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on Financial Statements
In our opinion the Financial Statements:

- give a true and fair view of the state of the Company's affairs as at 31 July 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006
In our opinion the information given in the Strategic Report and Directors' Report for the financial year for which the Financial Statements are prepared is consistent with the Financial Statements.

Matters on which we are required to Report by Exception
We have nothing to report in respect of the following:

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

- adequate accounting records have not been kept, 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.

Keith Fulton

Keith Fulton
Senior Statutory Auditor
for and on behalf of Chapman Davis LLP
Statutory Auditor, Chartered Accountants
LONDON

21 November 2016

FINANCIAL STATEMENTS

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 JULY 2016

	Note	2016 £000	2015 £000
Continuing operations			
Administrative expenses			
Salaries and other staff costs	6	(23)	(128)
Other costs	7	(186)	(185)
Share based payment charge	19	-	(60)
Total administrative expenses		**(209)**	**(373)**
(Impairment)/reversal of available-for-sale asset	11	(301)	72
Loss on disposal of available for sale asset		-	(66)
Finance income		-	-
Loss before tax		**(510)**	**(367)**
Taxation	8	-	-
Loss for the period from continuing operations		**(510)**	**(367)**
Discontinued operations:			
Loss for the period from discontinued operations	9	-	(9)
Loss for the period attributable to equity shareholders of the parent Company		**(510)**	**(376)**
Other comprehensive income			
(Decrease)/increase in value of available for sale asset		(54)	21
Other comprehensive (expenditure)/income for the period net of tax		**(54)**	**21**
Total comprehensive income/(expenditure) for the period		**(564)**	**(355)**
Loss per ordinary share			
Basic and diluted – continuing operations (pence)	10	**(0.054)**	**(0.069)**

The notes form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION AS AT 31 JULY 2016

	Note	2016 £000	2015 £000
ASSETS			
Non-current assets			
Available-for-sale investments	11	1,009	1,219
Total non-current assets		**1,009**	**1,219**
Current assets			
Trade and other receivables	12	102	51
Cash and cash equivalents	17	358	452
Total current assets		**460**	**503**
Total assets		**1,469**	**1,722**
Current liabilities			
Trade and other payables	13	(162)	(154)
Total current liabilities		**(162)**	**(154)**
Total liabilities		**(162)**	**(154)**
Net assets		**1,307**	**1,568**
Equity attributable to equity holders of the company			
Ordinary share capital	14	123	73
Deferred share capital	14	1,729	1,729
Share premium reserve	14	9,439	9,186
Share based payments reserve		174	174
Revaluation reserve		(33)	21
Retained earnings		(10,125)	(9,615)
Total equity		**1,307**	**1,568**

The financial statements were approved and authorised for issue by the Board of Directors on 21 November 2016 and were signed on its behalf by:

Hamish Harris
Chairman

Donald Strang
Director

Company number: 05656604

The notes form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 JULY 2016

	Share capital £000	Deferred Share capital £ 000	Share premium reserve £000	Share-based payments reserve £000	Revaluation reserve £000	Retained earnings £000	Total £000
At 1 August 2014	**1,747**	**-**	**7,634**	**114**	**-**	**(9,239)**	**256**
Increase in value of available for sale assets	-	-	-	-	21	-	**21**
Loss for the year	-	-	-	-	-	(376)	**(376)**
Total comprehensive loss for the period	-	-	-	-	**21**	**(376)**	**(355)**
Transactions with owners:							
Reorganisation of share capital	(1,729)	1,729	-	-	-	-	-
Issue of share capital	55	-	1,655	-	-	-	**1,710**
Share issue costs	-	-	(103)	-	-	-	**(103)**
Share-based payment charge	-	-	-	60	-	-	**60**
At 31 July 2015	**73**	**1,729**	**9,186**	**174**	**21**	**(9,615)**	**1,568**
At 1 August 2015	**73**	**1,729**	**9,186**	**174**	**21**	**(9,615)**	**1,568**
(Decrease) in value of available for sale assets	-	-	-	-	(54)	-	**(54)**
Loss for the year	-	-	-	-	-	(510)	**(510)**
Total comprehensive loss for the period	-	-	-	-	**(54)**	**(510)**	**(564)**
Transactions with owners:							
Issue of share capital	50	-	300	-	-	-	**350**
Share issue costs	-	-	(47)	-	-	-	**(47)**
At 31 July 2016	**123**	**1,729**	**9,439**	**174**	**(33)**	**(10,125)**	**1,307**

Details of the nature of each component of equity are set out in Notes 15

The notes form an integral part of these financial statements.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 JULY 2016

	Note	2016 £000	2015 £000
Cash flow from operating activities			
Loss after tax		(510)	(376)
Tax on losses		-	-
Finance income net of finance costs		-	-
Loss on sale of AFS Asset		-	66
Impairment/(reversal) of available-for-sale asset	11	301	(72)
Share-based payment charges	19	-	60
Changes in working capital:			
(Increase) in trade and other receivables		(51)	(36)
Increase/(decrease) in trade and other payables		8	133
Cash outflow from operations		**(252)**	**(225)**
Taxation received		-	-
Net cash outflow from operating activities		**(252)**	**(225)**
Cash flow from investing activities			
Payments for investments in AFS assets	11	(145)	(1,198)
Disposal proceeds from sale of AFS Asset	11	-	144
Finance income		-	-
Net cash (outflow) from investing activities		**(145)**	**(1,054)**
Cash flows from financing activities			
Proceeds on issuing of ordinary shares	14	350	1,710
Cost of issue of ordinary shares		(47)	(103)
Net cash inflow from financing activities		**303**	**1,607**
Net (decrease)/increase in cash and cash equivalents	17	(94)	328
Cash and cash equivalents at the beginning of the year		452	124
Cash and cash equivalents at the end of the year	**17**	**358**	**452**

The notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1 Presentation of the financial statements

Description of business & Investing Policy
Gunsynd plc (formerly Evocutis plc) is public limited company domiciled in the United Kingdom. On 2 August 2016, the Company changed its name to Gunsynd Plc from Evocutis Plc, by statutory notice of change filed at Companies House. The Company's registered office is 2 Chapel Court, London SE1 1HH.

The Company's Investing Policy is to invest in and/or acquire companies and/or projects within the natural resources sector which the Board considers, in its opinion, has potential for growth. The Company will consider opportunities in all sectors as they arise if the Board considers there is an opportunity to generate potential value for Shareholders. The geographical focus will primarily be in Europe, however, investments may also be considered in other regions to the extent that the Board considers that valuable opportunities exist and potential value can be achieved.

Where appropriate, the Board may seek to invest in businesses where it may influence the business at a board level, add their expertise to the management of the business, and utilise their industry relationships and access to finance.

The Company's interests in a investment and/or acquisition may range from a minority position to full ownership and may comprise one investment or multiple investments. The investments may be in either quoted or unquoted companies; be made by direct acquisitions or farm-ins; and may be in companies, partnerships, earn-in joint ventures, debt or other loan structures, joint ventures or direct or indirect interests in assets or projects. The Board may focus on investments where intrinsic value may be achieved from the restructuring of investments or merger of complementary businesses.

The Board expects that investments will typically be held for the medium to long term, although short term disposal of assets cannot be ruled out if there is an opportunity to generate a return for Shareholders. The Board will place no minimum or maximum limit on the length of time that any investment may be held. The Company may be both an active and a passive investor depending on the nature of the individual investment. There is no limit on the number of projects into which the Company may invest, and the Company's financial resources may be invested in a number of propositions or in just one investment, which may be deemed to be a reverse takeover under the AIM Rules. The Board intends to mitigate risk by appropriate due diligence and transaction analysis. Any transaction constituting a reverse takeover under the AIM Rules will also require Shareholder approval. The Board considers that, as investments are made and new investment opportunities arise, further funding of the Company may also be required.

Where the Company builds a portfolio of related assets, it is possible that there may be cross holdings between such assets. The Company does not currently intend to fund any investments with debt or other borrowings but may do so if appropriate. Investments in early stage assets are expected to be mainly in the form of equity, with debt potentially being raised later to fund the development of such assets. Investments in later stage assets are more likely to include an element of debt to equity gearing. The Board may also offer New Ordinary Shares by way of consideration as well as cash, thereby helping to preserve the Company's cash for working capital and as a reserve against unforeseen contingencies including, for example, delays in collecting accounts receivable, unexpected changes in the economic environment and operational problems.

Investments may be made in all types of assets and there will be no investment restrictions on the type of investment that the Company might make or the type of opportunity that may be considered. The Company may consider possible opportunities anywhere in the world.

The Board will conduct initial due diligence appraisals of potential business or projects and, where they believe further investigation is warranted, intend to appoint appropriately qualified persons to assist. The Board believes its expertise will enable it to determine quickly which opportunities could be viable and so progress quickly to formal due diligence. The Company will not have a separate investment manager.

Compliance with applicable law and IFRS
The financial statements have been prepared in accordance with the Companies Act 2006 and International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) and related interpretations, as adopted by the European Union.

Composition of the financial statements
The Company financial statements are drawn up in Sterling, the functional currency of Gunsynd plc (formerly Evocutis plc) and in accordance with IFRS accounting presentation. The level of rounding for financial information is the nearest thousand pounds.

1 Presentation of the financial statements continued

Accounting convention
The financial statements have been prepared using the historical cost convention, as modified by the revaluation of certain items, as stated in the accounting policies.

Basis of preparation – Going concern
The financial statements have been prepared on a going concern basis, notwithstanding the loss for the year ended 31 July 2016. This basis assumes that the company will have sufficient funding to enable it to continue to operate for the foreseeable future and the Directors have taken steps to ensure that they believe that the going concern basis of preparation remains appropriate.

The Company made a loss for the year of £510,000 (2015: £376,000) after taxation. The Company had net assets of £1,307,000 (2015: £1,568,000) and cash balances of £358,000 (2015: £452,000) at 31 July 2016. The Directors have prepared financial forecasts which cover a period of at least 12 months from date that these financial statements are approved to 30 November 2017. These forecasts show that the Company expects to have sufficient financial resources to continue to operate as a going concern.

The cost structure of the Company comprises a high proportion of discretionary spend and therefore in the event that cash flows become constrained, costs can be quickly reduced to enable the Company to operate within its available funding. As a junior investment exploration company, the Directors are aware that the Company must go to the marketplace to raise cash to meet its investment plans, and/or consider liquidation of its investments and/or assets as is deemed appropriate, and the Company demonstrated its ability to raise further cash by way of a completed placing on 12 October 2016 raising £300,000. Therefore they are confident that existing cash balances, along with the new funding, are adequate to ensure that costs can be covered.

Consequently, the Directors have a reasonable expectation that the Company has adequate resources to continue to operate for the foreseeable future and that it remains appropriate for the financial statements to be prepared on a going concern basis.

Financial period
These financial statements cover the financial year from 1 August 2015 to 31 July 2016, with comparative figures for the financial year from 1 August 2014 to 31 July 2015.

Accounting principles and policies
The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

The financial statements have been prepared in accordance with the Company's accounting policies approved by the Board and signed on their behalf by Hamish Harris and Donald Strang, and described in Note 2, 'Accounting principles and policies'. Information on the application of these accounting policies, including areas of estimation and judgement is given in Note 3, 'Key accounting judgements and estimates'. Where appropriate, comparative figures are reclassified to ensure a consistent presentation with current year information.

2 Accounting principles and policies

Discontinued operations
The results of the disposed of research services operation, which was disposed of during the year 31 July 2014 and 31 July 2015, have been classified as a discontinued operation and the comparative statement of comprehensive income has been presented in the current and prior year to show the discontinued operation separately from continuing operations. Further details are set out in note 9.

Revenue
Revenue is recognised when persuasive evidence of an arrangement exists, delivery of products has occurred or services have been rendered, prices are fixed or determinable and there is a probability that economic benefits will flow to the Company.

Royalty income is recognised on an accruals basis in accordance with the economic substance of the agreement and is reported as part of revenue. Other revenues are recorded as earned or as the services are performed. As part of the disposal of assets agreement in March 2014, the Company retains a right to receive contingent consideration in the form of royalties arising on any revenues generated by those assets during the 3 year period ending 18 March 2017 or from the sale or licence of the SYN1113 asset at any time.

Segment reporting
Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker has been identified as the Board of Directors. Further details are set out in Note 5.

Share capital
Financial instruments issued by the Company are treated as equity only to the extent that they do not meet the definition of a financial liability. The Company's ordinary shares are classified as equity instruments.

Share-based payments
Where equity settled share options are awarded to employees, the fair value of the options at the date of grant is charged to the statement of comprehensive income over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest.

Market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

Financial instruments

Available-for-sale investments
Non-derivative financial assets comprising the Company's strategic investments in entities not qualifying as subsidiaries, associates or jointly controlled entities. They are carried at fair value with changes in fair value recognised directly in a separate component of equity (available-for-sale reserve). Where there is a significant or prolonged decline in the fair value of an available-for-sale financial asset (which constitutes objective evidence of impairment), the full amount of the impairment, including any amount previously charged to equity, is recognised in the statement of comprehensive income. On sale, the amount held in the available-for-sale reserve associated with that asset is removed from equity and recognised in the statement of comprehensive income.

Trade and other receivables
Trade and other receivables are accounted for at original invoice amount less any provisions for doubtful debts. Provisions are made where there is evidence of a risk of non-payment, taking into account the age of the debt, historical experience and general economic conditions. If a trade debt is determined to be uncollectable, it is written off, firstly against any provisions already held and then to the statement of comprehensive income. Subsequent recoveries of amounts previously provided for are credited to the statement of comprehensive income.

2 Accounting principles and policies continued

Trade and other payables
Trade and other payables are held at amortised cost which equates to nominal value.

Cash and cash equivalents
Cash and cash equivalents comprise cash in hand, current balances with banks and similar institutions and liquid investments generally with maturities of 3 months or less. They are readily convertible into known amounts of cash and have an insignificant risk of changes in values.

Financial investments
Listed investments are valued at closing bid price on 31 July. For measurement purposes, financial investments are designated at fair value through statement of comprehensive income. Gains and losses on the realisation of financial investments are recognised in the statement of comprehensive income for the period and taken to retained earnings. The difference between the market value of financial instruments and book value to the Company is shown as a gain or loss in the income for the period and taken to the revaluation reserve.

Taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred income tax is provided on temporary differences arising on disallowed expenses, expect where the timing of the reversal of the temporary difference is controlled by the company and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Impairment of non-current assets
The carrying values of all non-currents assets are reviewed for impairment when there is an indication that the assets might be impaired. Any provision for impairment is charged to the statement of comprehensive income in the year concerned.

Impairment losses on other non-current assets are only reversed if there has been a change in estimates used to determine recoverable amounts and only to the extent that the revised recoverable amounts do not exceed the carrying values that would have existed, net of depreciation or amortisation, had no impairments been recognised.

3 Key accounting judgements and estimates

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

Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision only affects that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Significant estimates and assumptions that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities at 31 July 2016 are set out below:

Fair value of contingent consideration
The consideration for the sale of intellectual property assets to Venn Life Science Holdings plc in March 2014 included an element of contingent consideration that is based on a future royalty stream from commercialisation of those assets by Venn. An estimate of the fair value of the contingent consideration has not been included in these financial statements. However the actual amounts of royalties receivable in future years is dependent upon a number of factors, all of which are outside the Company's control. These include Venn's ability to be able to generate commercial revenues from the intellectual property assets, the demand for those products and other economic factors, and as such, the Company has taken a prudent basis and not accounted for any potential future royalties.

Share Based Payments
The Company made awards of nil million options over its unissued share capital to the directors during the year to 31 July 2016. (2015: 30 million share options issued)

The fair value of share based payments is calculated by reference to Black Scholes model. Inputs into the model are based on management's best estimates of appropriate volatility, dividend yields, discount rate and share price. During the year, the Company incurred £nil share based payment charge (2015: £60,000 charge).

4 New accounting requirements

At the date of authorisation of these financial statements, the following IFRSs, IASs and Interpretations were in issue but not yet effective. Their adoption is not expected to have a material effect on the financial statements unless otherwise indicated:

- IFRS 9 Financial Instruments (effective date 1 January 2018);
- IFRS 15 Revenue from Contracts with Customers (effective date 1 January 2017);
- Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 and IAS 38) (effective date 1 January 2016);
- Accounting for Acquisitions of Interests in Joint Operations (Amendments to IFRS 11) (effective date 1 January 2016); and
- IFRS 14 Regulatory Deferral Accounts (effective date 1 January 2016).
- Amendments to IAS 1 in respect of determining what information to disclose in annual financial statements which will be effective for accounting periods beginning on or after 1 January 2016.

5 Segmental analysis

Segmental analysis is not applicable as there is only one operating segment of the continuing business – investment activities. The performance measure of investment activities is considered by the Board to be profitability and is disclosed on the face of the statement of comprehensive Income. An analysis of the Company's previous trading activities, which were discontinued during the previous year to 31 July 2015, is set out in note 9.

6 Information regarding Directors and employees

	2016 £000	2015 £000
Included within continuing operations		
Wages and salaries	22	128
Social security costs	1	-
Share based payment expense	-	60
	23	**188**
Included within discontinued operations		
Wages and salaries	-	15
	-	**15**

	2016 Number	2015 Number
Average number of persons employed by the Company (including Directors) during the year		
Continuing operations - Directors	3	3
Discontinued operations – Research and administrative staff	-	-
Total	**3**	**3**

The compensation of the Directors, in aggregate, was as follows:	2016 £000	2015 £000
Wages and salaries	20	128
Social security costs	1	-
Share based payment expense	-	60
	21	**188**

Full details of the remuneration of individual directors, including the highest paid director, are set out below:

Continuing Activities	**Fees & salary £000**	**Share Based Payments £000**	**Total 2016 £000**	Total 2015 £000
Directors				
D Lenigas (resigned 21 December 2015)	2	-	**2**	64
D Strang	6	-	**6**	64
Mr H Harris	6	-	**6**	60
Mr C Gordon (appointed 21 April 2016)	6	-	**6**	-
	20	-	**20**	188

Directors fees totalling £27,000 have been accrued and remain unpaid at 31 July 2016. (2015: £128,000)

7 Loss for the year – continuing operations

The following items have been included in operating loss:

	2016 £000	2015 £000
Fees payable to the company's auditors in relation to the Company:		
Audit and assurance services:		
- Audit of parent Company financial statements	12	10
- Other services	-	-
Total auditor's fees	**12**	**10**

Analysis of other costs:		
Legal and professional fees	99	94
Other general overheads	87	91
	186	**185**

At 31 July 2016, the amount due to Chapman Davis LLP for fees yet to be invoiced was £12,000, comprising statutory audit of £12,000.

8 Taxation

Taxation charge based on losses for the year	**2016 £000**	**2015 £000**
UK Corporation tax	-	-
Deferred taxation	-	-
Tax expense from continuing operations	-	-
Tax credit from discontinued operations	-	-
Total tax expense	-	-

Factors affecting the tax charge for the year:		
Loss on ordinary activities before taxation	**(510)**	**(376)**
Loss on ordinary activities at the average UK standard rate of 20% (2015: 20.67%)	**(102)**	**(78)**
Effect of non-deductible expenses	**60**	**12**
Future income tax benefit not brought to account	**42**	**66**
Other deductions for tax purposes	-	-
Current tax charge	-	-

As set out in Note 2, the Company has not recognised a deferred tax asset in the financial statements as there is no certainty that taxable profits will be available against which these assets could be utilised.

Factors affecting the tax charge in future years

Changes to tax legislation could impact on the Company's effective tax rate. The UK Government has in recent years proposed some significant changes to the UK taxation system. The UK Government announced a phased reduction in the main rate of corporation tax to 20% and the deferred tax balances reflect that reduction in the UK tax rate, as is appropriate to the Company's circumstances.

9 Discontinued operations

In December 2013, the Company and the disposed of Group ceased its research services operation and all intellectual property assets and residual property, plant and equipment were disposed to Venn Life Science Holding plc on 19 March 2014. The results of the research services operation have been classified as a discontinued operation and the comparative statement of profit or loss and other comprehensive income has been presented in the current and prior year to show the discontinued operation separately from continuing operations. The effect of results of operations discontinued during the years ended 31 July 2015 and 31 July 2016 are as follows:

	2016 £000	2015 £000
Revenues	-	10
Expenses	-	(19)
Results from operating activities	-	**(9)**
Income tax	-	-
Results from operating activities, net of tax	-	**(9)**
Gain on sale of discontinued operation – see below	-	-
Tax on gain on sale of discontinued operation	-	-
Loss from discontinued operations for the year	-	**(9)**
Basic and diluted loss per shares (pence)	-	(0.001p)

The loss from discontinued operation of £nil (2015: loss of £9,000) is attributable entirely to the owners of the Company.

Cash flows used in discontinued operations

	2016 £000	2015 £000
Net cash used in operating activities	-	(9)
Net cash from investing activities	-	-
Net cash flows for the year	-	**(9)**

10 Loss per share

Loss attributable to ordinary shareholders	**2016**	**2015**
The calculation of loss per share is based on the loss after taxation divided by the weighted average number of shares in issue during the period:		
Continuing operations (£000)	(510)	(367)
Discontinued operations (£000)	-	(9)
Total (£000)	**(510)**	**(376)**
Number of shares		
Weighted average number of ordinary shares for the purposes of basic loss per share (millions)	941.9	569.1
Basic and diluted loss per share (expressed in pence) - Continuing operations	(0.054)	(0.069)
Basic and diluted loss per share (expressed in pence) - Discontinued operations	-	(0.001)
Basic and diluted loss per share (expressed in pence)	(0.054)	(0.07)

As inclusion of the potential ordinary shares would result in a decrease in the earnings per share they are considered to be anti-dilutive, as such, the diluted earnings per share is not included.

11 Available-for-sale investments

	£000
Fair Value at 31 July 2014	**138**
Addition	1,198
Reversal of Impairment on disposal	72
Revaluation	21
Disposals	(210)
Fair Value at 31 July 2015	**1,219**
Addition	145
Revaluation	(54)
Impairment provision	(301)
Fair Value at 31 July 2016	**1,009**

The available for sale investments splits are as below:	
Non-current assets - listed	**84**
Non-current assets - unlisted	**925**
	1,009

The Directors have carried out an impairment review as at 31 July 2016 on the unlisted investments, and determined that an impairment charge of £301,000 is required against its investment in Brazil Tungsten Holdings Ltd ("BTH"), a BVI based company focused solely on the producing Bodo Tungsten Mine in Rio Grande do Norte, Brazil. The Directors have considered it prudent in light of lower commodity prices.

Available-for-sale investments comprise investments in listed and unlisted Companies, of which the listed investments are traded on stock markets throughout the world, and are held by the Company as a mix of strategic and short term investments. The listed investments have been valued at bid price, as quoted on the London Stock Exchange, at 31 July 2016. The market value of the listed investments at 17 November 2016 was £95,940.

12 Trade and other receivables

	2016 £000	2015 £000
Trade receivables	-	-
Other receivables	82	38
Prepayments	20	13
	102	**51**

13 Trade and other payables

Amounts due within one year	2016 £000	2015 £000
Trade payables	48	4
Accruals and deferred income	114	150
	162	**154**

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

14 Share capital and share premium account

	Number of shares	Ordinary share capital £000	Deferred share capital £000	Share premium £000
Share capital issued and fully paid				
At 31 July 2014	**174,675,828**	**1,747**	**-**	**7,634**
Subdivision of ordinary share capital on 2 September 2014	-	(1,729)	1,729	-
Issue of new ordinary shares on 15 September 2014	175,000,000	17	-	193
Issue of new ordinary shares on 8 December 2014	375,000,000	38	-	1,359
At 31 July 2015	**724,675,828**	**73**	**1,729**	**9,186**
Issue of new ordinary shares on 23 February 2016	500,000,000	50	-	300
Less: costs of share placing	-	-	-	(47)
At 31 July 2016	**1,224,675,828**	**123**	**1,729**	**9,439**

On the 12 September 2014, at the Annual General Meeting the shareholders approved the sub-division of the existing ordinary shares of 1p each into new ordinary shares of 0.01p each and deferred shares of 0.99p each. The rights attached to the new ordinary shares are in all material aspects the same as the rights attaching to the existing ordinary shares.

The Deferred Shares have no voting rights and do not carry any entitlement to attend general meetings of the Company; nor will they be admitted to AIM or any other market. They carry only a priority right to participate in any return of capital to the extent of £1 in aggregate over the class. In addition, they carry only a priority right to participate in any dividend or other distribution to the extent of £1 in aggregate over the class. In each case a payment to any one holder of Deferred Shares shall satisfy the payment required. The Company will be authorised at any time to effect a transfer of the Deferred Shares without reference to the holders thereof and for no consideration pursuant to and in accordance with the Act. Accordingly, the Deferred Shares will, for all practical purposes, be valueless and it is the Board's intention, at an appropriate time, to have the Deferred Shares cancelled, whether through an application to the Companies Court or otherwise in accordance with the Act.

On 15 September 2014, 175,000,000 ordinary shares of 0.01p each were issued fully paid for gross cash consideration at 0.12 pence per share to raise £210,000.

On 8 December 2014, 375,000,000 ordinary shares of 0.01p each were issued fully paid for gross cash consideration at 0.40 pence per share to raise £1,500,000.

On 23 February 2016, 500,000,000 ordinary shares of 0.01p each were issued fully paid for gross cash consideration at 0.07 pence per share to raise £350,000.

15 Movements in equity

Share capital represents the nominal value of the amount subscribed for shares. Share premium represents the amount subscribed for shares in excess of their nominal value less costs of subscription. Ordinary shares carry the rights to one vote per share at general meetings of the Company and the rights to share in any distributions of profits or returns of capital and to share in any residual assets available for distribution in the event of a winding up.

The share-based payment reserve represents amounts arising from the requirement to expense the fair value of share-based remuneration in accordance with IFRS 2 'Share-based Payments'.

Retained earnings are the cumulative net losses recognised in the income statement and other comprehensive income.

Revaluation reserve represents the unrealised gains or losses on the company's available for sale investments, on fair/market value revaluation.

Movements on these reserves are set out in the statement of changes in equity.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

16 Related party transactions

The Company had the following transactions with related parties:

Name of related party	Relationship	Nature of transaction	Transactions with related party		Amounts owed from related party	
			At 31 July 2016 £000	At 31 July 2015 £000	At 31 July 2016 £000	At 31 July 2015 £000
Atraxa Consulting Ltd	Common directorship of Mr J D Bamforth	Provision of accountancy services to the company	-	6	-	-
Horse Hill Developments Ltd ("HHDL")	Investee Company	Cash call Loan to HHDL	**82**	-	**82**	-

Note: Mr J D Bamforth resigned as a director of Gunsynd on 15 September 2014.

Terms and conditions of transactions with related parties

Outstanding balances that relate to trading balances are unsecured, interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. The Company only has the outstanding amounts due from HHDL as at 31 July 2016. The loan outstanding is included within trade and other receivables, Note 12. The loan to HHDL has been made in accordance with the terms of the investment agreement whereby it accrues interest daily at the Bank of England base rate and is repayable out of future cashflows.

Compensation of key management personnel of the Company

The Company considers the directors to be its key management personnel. Full details of the remuneration of the directors are shown in Note 6.

17 Reconciliation of net cash flow to movement in net funds

	2016 £000	2015 £000
Net funds at beginning of the year	452	124
Increase/(decrease) in cash	(94)	328
Net funds at end of the year	**358**	**452**

Analysis of changes in net funds

	At 31 July 2015 £000	Cash Flow £000	At 31 July 2016 £000
Cash and cash equivalents	**452**	(94)	**358**
Net funds	**452**	(94)	**358**

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

18 Financial instruments and related disclosures

General objectives, policies and processes

The Board has overall responsibility for the determination of the Company's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Company's finance function. The Board receives monthly reports through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility.

The Company reports in Sterling. Internal and external funding requirements and financial risks are managed based on policies and procedures adopted by the Board of Directors. The Company does not use derivative financial instruments such as forward currency contracts, interest rate and currency swaps or similar instruments. The Company does not issue or use financial instruments of a speculative nature.

Capital management

The Company's objectives when maintaining capital are:

- to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- to provide an adequate return to shareholders.

The capital structure of the Company consists of total shareholders' equity as set out in the 'Statement of changes in equity'. All working capital requirements are financed from existing cash resources.

Capital is managed on a day to day basis to ensure that all entities in the Company are able to operate as a going concern. Operating cash flow is primarily used to cover the overhead costs associated with operating as an AIM and ISDX-listed company.

Liquidity risk

Liquidity risk arises from the Company's management of working capital. It is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due.

The directors consider that there is no significant liquidity risk faced by the Company. The Company maintains sufficient balances in cash to pay accounts payable and accrued expenses.

The Board receives forward looking cash flow projections at periodic intervals during the year as well as information regarding cash balances. At the balance sheet date the Company had cash balances of £358,000 and the financial forecasts indicated that the Company expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances and will not need to establish overdraft or other borrowing facilities.

Interest rate risk

As the Company has no borrowings, it only has limited interest rate risk. The impact is on income and operating cash flow and arises from changes in market interest rates. Cash resources are held in current, floating rate accounts.

18 Financial instruments and related disclosures continued

Market risk
Market price risk arises from uncertainty about the future valuations of financial instruments held in accordance with the Company's investment objectives. These future valuations are determined by many factors but include the operational and financial performance of the underlying investee companies, as well as market perceptions of the future of the economy and its impact upon the economic environment in which these companies operate. This risk represents the potential loss that the Company might suffer through holding its available-for-sale investment portfolio in the face of market movements, which was a maximum of £1,009,000 (2015: £1,219,000).

The investments in equity of AIM-quoted companies that the Company holds are less frequently traded than shares in more widely traded securities. Consequently, the valuations of these investments can be more volatile.

Market price risk sensitivity
The table below shows the impact on the return and net assets of the Company if there were to be a 20% movement in overall share prices of the available-for-sale investments held at 31 July 2016.

	2016 Other *comprehensive* income and Net assets	2015 Other *comprehensive* income and Net assets
	£000	£000
Decrease if overall share price falls by 20%, with all other variables held constant	(201.8)	(243.8)
Decrease in other comprehensive earnings and net asset value per Ordinary share (in pence)	(0.02p)	(0.04p)
Increase if overall share price rises by 20%, with all other variables held constant	201.8	243.8
Increase in other comprehensive earnings and net asset value per Ordinary share (in pence)	0.02p	0.04p

The impact of a change of 20% has been selected as this is considered reasonable given the current level of volatility observed, and assumes a market value is attainable for the Company's unlisted investments.

Currency risk
The directors consider that there is no significant currency risk faced by the Company. The only current foreign currency transactions the Company enters into in are denominated in US$ in relation to transactions with or relating to its investment in Brazil Tungsten Holdings Ltd, and no balances at 31 July 2016 are denominated in foreign currencies.

Credit risk
Credit risk is the risk that a counterparty will fail to discharge an obligation or commitment that it has entered into with the Company. The Company's maximum exposure to credit risk is:

	2016 £000	2015 £000
Cash at bank	358	452
Other receivables	102	51
	460	**503**

The Company's cash balances are held in accounts with Barclays Bank plc.

18 Financial instruments and related disclosures continued

Fair value of financial assets and liabilities

Financial assets and liabilities are carried in the Statement of Financial Position at either their fair value (available-for-sale investments) or at a reasonable approximation of the fair value (trade and other receivables, trade and other payables and cash at bank).

The fair values are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Trade and other receivables in scope of IAS 39

The following table sets out financial assets within Trade and other receivables which fall within the scope of IAS39. These assets are non-interest earning.

Financial assets in scope of IAS39	2016 £000	2015 £000
Trade and other receivables (Note 12)	102	51

There are no financial assets which are past due and for which no provision for bad or doubtful debts has been made.

Trade and other payables in scope of IAS39

The following table sets out financial liabilities within Trade and other payables which fall within the scope of IAS39. These financial liabilities are predominantly non-interest bearing. Other liabilities include tax and social security payables and provisions which do not constitute contractual obligations to deliver cash or other financial assets, which are outside the scope of IAS39.

Financial liabilities in scope of IAS39	2016 £000	2015 £000
Total trade and other payables (Note 13)	162	154

19 Share schemes

The Company has a share option scheme for all employees (including Directors). Options are exercisable at a price agreed at the date of grant. The vesting period is usually between zero and five years. The exercise of options is dependent upon eligible employees meeting performance criteria. The options are settled in equity once exercised.

If the options remain unexercised after their expiry date, the options expire. Options lapse if the employee leaves the Company before the options vest.

Options outstanding	Number	Weighted average exercise price
At 31 July 2014	2,650,840	6.57p
Options granted	30,000,000	0.22p
At 31 July 2015	32,650,840	0.60p
Options granted	-	-
At 31 July 2016	32,650,840	0.60p
Range of exercise prices		0.22p – 8.65p
Weighted average remaining contractual life		3.60 years

19 Share schemes continued

Options outstanding at 31 July 2016

Date of grant	Number	Exercise price (p)	Expiry date
6 August 2008	1,031,990	8.65p	06/08/2018
1 October 2010	1,618,850	5.25p	30/11/2020
1 April 2015	30,000,000	0.22p	01/04/2020
Total	32,650,840		

Options exercisable	Number	Weighted exercise price (p)
At 31 July 2015	32,650,840	0.60p
At 31 July 2016	32,650,840	0.60p

Charges to the statement of comprehensive income

	2016 £000	2015 £000
Share based payment charges	-	60

Warrants in issue

On 8 December 2014 subscribers to the share issue were awarded one warrant per share at an exercise price of 0.40 pence, resulting in the issue of 375,000,000 warrants. All of these warrants expired on 31 December 2015.

As at 31 July 2016, no warrants remained outstanding, 375,000,000 warrants expired on 31 December 2015. (2015: 375,000,000 outstanding)

20 Commitments and contingencies

The directors have confirmed that there were no contingent liabilities or capital commitments which should be disclosed at 31 July 2016.

21 Ultimate controlling party

There is not considered to be an ultimate controlling party of the company.

22 Events after the end of the reporting period

On 3 August 2016, the Company changed its name to Gunsynd Plc from Evocutis Plc, by statutory notice of change filed at Companies House.

On 19 September 2016, the Company announced it had subscribed for a further 60million shares in Alba Minerals Resources Plc, increasing its holding to 82million shares. The Company acquired a further 10million shares in Alba on 22 September 2016, resulting in a holding of 92million shares, representing a 5.08% interest therein, at a total cost of approximately £140,000.

On 12 October 2016, the Company announced it had raised £300,000 gross proceeds through the issue of 545,454,545 new ordinary shares of 0.01p each in the Company at a placing price of 0.055pence per share with certain private investors.

On 21 November 2016, the Company announced it had signed a subscription agreement with Zenith Energy Limited, a junior oil and gas E&P company quoted on the Toronto Venture Exchange in Canada with an oil production company based in Azerbaijan, to invest GBP100,000 by way of a convertible loan note, and as part of a wider fundraising from other investors of up to GBP500,000.