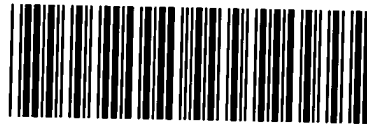


Leed Resources PLC

Annual report and accounts

For the year ended 31 December 2017

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Leed Resources PLC

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Leed Resources PLC

Company information

Directors

Ian Gibbs (Chairman)
Charles Grundy
Charles Zorab

Secretary

Robert Porter

Registered number

06034226 (England and Wales)

Registered office

55 Gower Street
London
WC1E 6HQ

Bankers

MetroBank plc
One Southampton Row
London
WC1B 5HA

Solicitors to the Company

Druces LLP
Salisbury House
London Wall
London
EC2M 5PS

Registrar

Neville Registrars Limited
Neville House
18 Laurel Lane
Halesowen
B63 3DA

Independent Auditor

Welbeck Associates
Statutory Auditor
30 Percy Street
London
W1T 2DB

Leed Resources PLC

Chairman's report

for the year ended 31 December 2017

The assets of the subsidiaries of Civex Group Holdings Pty Ltd ("Civex") were sold to a construction company called Meteor Stone Pty Ltd ("Meteor") in early 2018. The sale was structured such that, in addition to royalties to be received from sales of panels, the trade debtors, tax refunds from research and development, and retentions were retained by Civex. As a result, whilst Leed has received payments totalling £192,000 (A\$332,000) so far in 2018, the final outcome will depend on the ability to recover the receivables highlighted above.

With regard to trade debtors, four companies owing monies to Civex are in liquidation which not only reflects the dire market conditions but also places significant doubts over the recoverability of debts due. Furthermore, there is an impact on some retentions which are very difficult to collect once any company ceases to operate. In the light of this and in the interest of prudence, your Board has made a full provision against all remaining receivables although efforts will continue to recover as much as possible.

At this stage, it is difficult to predict the timing and level of sales from the panels and hence what may be realised from royalties. Meteor has re-iterated that they remain positive on the potential for panels and will commence marketing of the panels at the appropriate time from a market perspective.

The net result is that whilst the disposal has resulted in a write down on the value in our balance sheet, the failure of so many competitors and customers of Civex over the past 18 months confirms that the decision to sell and recover some cash was the right one for shareholders. We remain focussed on delivering further realisations from the transaction and will also remain in touch with Meteor when they commence marketing of the panels.

The proceeds received from the Civex transaction provides Leed with capital to look for new investments and as already advised, Leed has made an initial investment of A\$50,000 in an innovative construction technology company based in Perth, Western Australia called NXT TEC. Ltd (www.nxttecltd.com). This first tranche of funding will secure Leed the right, but not an obligation, to participate in a further round of funding. The ongoing administrative costs of Leed have been substantially reduced (£ 26,000 in 2017) and all directors have waived their rights to any fees during 2017. We will continue to manage the capital prudently and seek to generate a positive return for shareholders both from further recoveries from Civex and additional investment opportunities.

Clearly the investment in the limestone business has not been a successful one for Leed. However in early 2016, Leed and 2 other shareholders decided to avoid the immediate closure of the business by providing A\$250,000 each in further capital. The proceeds already received from the divestment exceed this amount and therefore support the decision to try and turn the business around. However this did not prove possible and at least the decision to sell out has been further supported by the number of businesses closing in the months since Civex completed the transaction.

On a much more positive note, the investment in NXT Tec Ltd ("NXT") provides Leed with a position in a company that has considerable future potential. We expect to be able to provide more details on NXT in the near future as it moves forward with its initial projects and financing plans.



Ian Gibbs
Chairman
25 June 2018

Leed Resources PLC

Strategic Report

for the year ended 31 December 2017

The Directors present their Strategic Report on Leed Resources plc (the "Company") for the year ended 31 December 2017.

The Strategic Report is a statutory requirement under section 414A of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 and is intended to provide fair, balanced and understandable information that enables the Directors to be satisfied that they have complied with section 172 of the Companies Act 2006, which sets out the Directors' duty to promote the success of the Company.

Investing policy

The Company is an investing company focused on opportunities in the natural resources sector, with an emphasis mainly but not exclusively on the mining sector. In line with this policy, investments made by the Company may be either quoted or unquoted; made by direct acquisition or through farm-ins; may be in companies, partnerships, joint ventures; or direct interests in natural resource projects. Target investments will generally be involved in projects in the exploration and/or development stage. The Company's equity interest in a proposed investment may range from a minority position to 100 per cent ownership. The Directors will initially focus on projects located in Asia but will also consider investments in other geographical regions. It is possible that the Company's financial resources will be invested in a small number of projects or potentially in just one investment. The Directors have not, however, excluded the possibility of building a broader portfolio of investment assets. The Company intends to deliver shareholder returns principally through capital growth rather than capital distribution via dividends.

Business and operational review

During the prior year the Board continued to review the business, addressing certain core issues:

- The operating budget
- The screening and execution of potential transactions
- Share liquidity

Financial review

The Company recorded a loss after taxation of £417,000 for the year ended 31 December 2017, as compared to the loss of £722,000 for the prior eighteen month period (as restated).

As at 31 December 2017 the Company held approximately £14,000 in cash, £nil in quoted investments, and a £192,000 investment in an unquoted equity investment.

Post year end events

Civex Group Holdings completed the divestment of the assets of its subsidiaries on 25th January 2018 and Leed received its 33.24% share of the initial proceeds of this divestment on 13th April 2018. £28,863 of this amount was used to acquire an investment in the equity of NXT.

Key performance indicators

The Company's chief measurements of performance are the net asset value per share.

	2017	2016
Net asset value – fully diluted per share	0.0056p	0.027p
Net Asset Value	£194,000	£611,000

Leed Resources PLC

Strategic Report

for the year ended 31 December 2017

Principal risks and uncertainties

The principal risk of the Company is that investments in early stage investments are by nature inherently risky.

Other financial risks are set out in note 4.

Going Concern

The financial statements have been prepared on a going concern basis because, as set out in Note 2.1 Going Concern, the Directors have a reasonable expectation that the Company has adequate resources to continue operating for the foreseeable future.

A handwritten signature in black ink, appearing to read 'R. C. Porter', with a stylized flourish extending to the right.

Robert Porter
Company Secretary

25 June 2018

Leed Resources PLC

Report of the directors

for the year ended 31 December 2017

The Directors of Company present to shareholders this report and the audited financial statements for the year ended 31 December 2017. The eighteen month period ended 31 December 2016 is also presented for comparative purposes. The Company delisted from the AIM market of the London Stock Exchange in August 2016.

Principal activity

The principal activity of the Company is investment and management services focused primarily on the natural resources sector.

Substantial interests

The Company has been informed of the following shareholdings that represent 3% or more of the issued Ordinary Shares of 0.1 pence each of the Company as at 18th June 2018:

Shareholder	Number of ordinary shares	Percentage of ordinary share capital
Interactive Investor Services Nominees Limited	604,077,975	19.25%
Lynchwood Nominees Limited	507,333,969	16.17%
HSDL Nominees Limited	441,396,076	14.07%
Aurora Nominees Limited	264,622,947	8.43%
Barclays Direct Investing Nominees Limited	260,177,208	8.29%
Share Nominees Limited	179,810,343	5.73%
Hargreaves Lansdown (Nominees) Limited	146,923,739	4.68%

The Company has also been informed that Uhuru Investments Limited has a beneficial interest in 481,000,000 shares (15.49%) and that Casop Holdings has a beneficial interest in 257,589,694 shares (8.30%). These beneficial interests are included in the above shareholding of Lynchwood Nominees Ltd and Aurora Nominees Ltd.

Other matters

Financial instruments

The Company's financial instruments at 31 December 2017 include investments, cash balances, trade receivables and payables. Financial risk management is more fully discussed in Note 4 "*Financial risk management*" of the financial statements.

Management

The company currently has no employees. However, the Directors' performance is aligned to Company goals through an annual performance review process that is administered by the Board and that is tied in part to the Company's performance. No performance bonuses were paid to management during the year ended 31 December 2017. See note 19 detailing share options issued to the Directors in April 2015.

Dividends

The Company does not have plans to pay dividends at this time.

Donations

The Company made £nil charitable contributions in the year ended 31 December 2017 and £nil in the year ended 31 December 2016.

Supplier payment policy

It is the Company's payment policy to pay its suppliers in conformance with industry norms. Trade payables are paid in a timely manner within contractual terms, which is generally 30 to 45 days from the date an invoice is received.

Directors

Leed Resources PLC

Report of the directors

for the year ended 31 December 2017

The Directors of the Company during the year are set out below:

Director

Ian Gibbs
Charles Zorab
Charles Grundy

At 31 December 2017 the interest of the Directors in Company shares was:

Director holdings	Ordinary Shares of 0.1 pence	Share options #
Ian Gibbs*	20,000,000	80,000,000
Charles Grundy	—	—
Charles Zorab	3,268,294	80,000,000

*The shares and share options attributed to Ian Gibbs are owned by Bromius Capital Limited, a company in which he has an interest as a director and shareholder.

Details of share options are provided in Note 19.

Additional information regarding director compensation is contained in Note 10 "*Employees and directors*" of the financial statements within this report.

Directors Indemnities

The Company has qualifying third party indemnity provisions for the benefit of its Directors which remain in force at the date of this report.

Statement of Directors' responsibilities for the financial statements

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards ("IFRSs") 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 profit or loss of the Company for that 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.

The Directors are responsible for keeping adequate accounting records which 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information on Leed's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements and other information included in annual reports may differ from legislation in other jurisdictions.

Leed Resources PLC

Report of the directors

for the year ended 31 December 2017

Disclosure of information to auditor

At the date of making this report each of the Company's Directors, who are identified above in this report, confirm the following:

- so far as each Director is aware, there is no relevant information needed by the Company's auditor in connection with preparing their report of which the Company's auditor is unaware; and
- each Director has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant information needed by the Company's auditor in connection with preparing their report and to establish that the Company's auditor is aware of that information.

Corporate Governance

The Company is not required to comply with the Corporate Governance Code or QCA Code. However, the Directors recognise the importance of sound corporate governance. The Board intends, so far as is practicable for a company of its size, to implement certain corporate governance recommendations.

The Board meets regularly and is responsible for formulating, reviewing and approving the Company's strategy, budgets, performance, major capital expenditure and corporate actions. The Company has in place an audit committee and a remuneration committee with formally delegated rules and responsibilities.

Until a sufficient number of independent non-executive directors are appointed, Ian Gibbs will chair each of the committees.

Board of Directors

The Board is responsible for strategy and performance, approval of major capital projects and the framework of internal controls. To enable the Board to discharge its duties, all Directors receive appropriate and timely information. All Directors have access to the advice and services of the Company's advisers, together with the Company Secretary, who is responsible for ensuring the Board procedures, are followed and that to which applicable rules and regulations are complied.

Auditor

Welbeck Associates has expressed a willingness to continue in office as auditor of the Company. In accordance with section 489(4) of the Companies Act 2006, a resolution to re-appoint Welbeck Associates as auditor of the Company will be proposed at the next Annual General Meeting of the Company.



Robert Porter
Company Secretary

25 June 2018

Statement of Directors' Responsibilities

Registered number 06034226

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

Company law requires the Directors to prepare financial statements for each financial year. The Directors are required to prepare financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU") and have also elected to prepare the Company financial statements in accordance with IFRS as adopted by the EU. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

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

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

By order of the Board:



Charles Grundy

Director

25 June 2018

Directors' Remuneration Report

Registered number 06034226

Remuneration policy for the non-executive directors

The remuneration of the non-executive Directors is by way of fees and salary.

Non-Executive Directors are entitled to accept appointments outside the Company providing that the Remuneration Committee's permission is sought.

Aggregate Directors' remuneration

The total amounts for Directors' remuneration for the year to 31 December 2017 and the comparative for the eighteen months to 31 December 2016 were as follows:

	Salaries and fees £000	Bonuses £000	2017 Total £000	2016 Total £000
Ian Gibbs <i>Non-Executive Chairman</i>	—	—	—	108
Charles Zorab <i>Non-Executive Director</i>	—	—	—	42
Charles Grundy <i>Non-Executive Director</i>	—	—	—	42
Total compensation	—	—	—	192

Directors waived all salaries and fees with respect to 2017.

The 2016 fees in respect of Ian Gibbs were paid to Bromius Capital Limited, a company of which he is a director and shareholder. £67,000 of Ian Gibbs remuneration was related to work performed for the steering committee of High Mannor and were fully reimbursed to the Company by High Mannor.

The fees in respect of Charles Zorab were paid to Charles Zorab Associates, a partnership in which he is a partner.

Share options

Note 19 "*Share-based payments – Directors and employees*" provides details of the incentive schemes; during the period, there were no sales of shares under the incentive schemes.

There were no other undertakings with the Directors.

Approval

This report was approved by the Board of Directors on 25 June 2018 and signed on its behalf by:



Charles Grundy

Director

Report of the independent auditor

to the members of Leed Resources PLC

Registered number 06034226

Opinion

We have audited the financial statements of Leed Resources Plc (the 'Company') for the year ended 31 December 2017 which comprise the income statement, the statement of comprehensive income, the Company statements of changes in equity, the Company statements of financial position, the Company statements of cash flows, and notes to the financial statements, including a summary of significant accounting policies. 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.

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Our opinion is not modified in this respect.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter

How we addressed it

Accounting Estimates

Are prepared on a reasonable and consistent basis and are disclosed adequately in the financial statements.

We have considered the basis of the accounting estimates you have applied when preparing the financial statements and consider your responses to audit questions with professional scepticism.

Report of the independent auditor

to the members of Leed Resources PLC

Registered number 06034226

Related Parties

We are required to consider if the disclosures made in the financial statements are complete and accurate and the processes for identifying related parties and related party transactions.

We have assessed the Company's procedures for identifying related parties and ensuring the completeness of the disclosures that are included in the audit planning pack.

Management override

We are required to consider how management biases could affect the results of the company.

We have considered the controls in place, remained alert for material and unusual items and tested a sample of journals to assess the risk.

Investments

We consider the disclosure of the investment net book value.

We have performed a test of details through agreement to bank statements and the contracts, together with a review of the client calculations.

Our application of materiality

Materiality for the Company financial statements as a whole was set at £ 4,650 (2016: £ 14,250).

This has been calculated as 3% of the benchmark of Gross Assets (2016: 3% of the benchmark of Gross Assets), which we have determined, in our professional judgment, to be one of the principal benchmarks within the financial statements relevant to members of the Company in assessing financial performance.

We report to the director's all corrected and uncorrected misstatements we identified through our audit with a value in excess of £310 (2016: £950), in addition to other audit misstatements below that threshold that we believe warranted reporting on qualitative grounds.

An overview of the scope of our audit

Our audit is risk based and is designed to focus our efforts on the areas at greatest risk of material misstatement, aspects subject to significant management judgement as well as greatest complexity, risk and size.

The investments balance is highly material and the investment is unlisted. As such, testing was detailed, through agreement to bank statements and contracts, together with a review of the client calculations.

We consider management override and related parties to be qualitatively material. Although it is not the responsibility of the auditor to discover fraud, clearly any instances of fraud which we detect are material to the users of the financial statements. We have tested manual and automated journal entries, with a focus on those journal entries at year end. In addition, as part of our audit procedures to address this fraud risk, we assessed the overall control environment and reviewed whether there had been any reported actual or alleged instances of fraudulent activity during the year. For Related Parties, we have inquired with the client as the relevant related parties. We have also assessed the Company's procedures regarding related parties.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Report of the independent auditor

to the members of Leed Resources PLC

Registered number 06034226

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 8, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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 Auditors' 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.

Jonathan Bradley-Hoare (Senior statutory auditor)
for and on behalf of Welbeck Associates
Chartered Accountants and Statutory Auditor
London, United Kingdom



25 June 2018

Leed Resources PLC

Statement of comprehensive income

for the year ended 31 December 2017

		Year to 31.12.2017	18 months to 31.12.2016 (As restated)
	Note	£'000	£'000
Continuing operations			
Net loss on investments	6	(396)	(515)
Investment income	7	—	49
Total income		—	(466)
Administrative expenses	8	(21)	(256)
Share based payment expense	19	—	—
Loss before tax from continuing operations		(417)	(722)
Income tax	11	—	—
Loss for the period and total comprehensive income		(417)	(722)
Loss per share (pence)			
Basic and fully diluted	12	(0.01)p	(0.02)p

The accompanying accounting policies and notes form an integral part of these financial statements.

Leed Resources PLC

Statement of changes in equity for the year ended 31 December 2017

	Share capital £000	Share premium £000	Option & warrant reserve £000	Retained earnings £000	Total £000
				As restated	As restated
Total owners' equity at 30 June 2015	36,838	77,101	67	(112,706)	1,300
Transactions with owners:					
- Issue of shares	33	—	—	—	33
Total transactions with owners	33	—	—	—	33
Comprehensive loss for the period:	—	—	—	(722)	(722)
Total comprehensive loss for the period	—	—	—	(722)	(722)
Total owners' equity at 31 December 2016	36,871	77,101	67	(113,428)	611
Comprehensive loss for the year:	—	—	—	(417)	(417)
Total comprehensive loss for the year	—	—	—	(417)	(417)
Total owners' equity at 31 December 2017	36,871	77,101	67	(113,845)	194

The accompanying accounting policies and notes form an integral part of these financial statements.

Leed Resources PLC

Statement of Financial Position

at 31 December 2017

		31.12.2017	31.12.2016 (As restated)
	Note	£000	£000
Assets			
Non-current assets			
Investments held at fair value through profit or loss	13	192	588
		192	588
Current assets			
Trade and other receivables	14	—	3
Cash and cash equivalents	15	14	41
		14	44
Liabilities			
Current liabilities			
Trade and other payables	16	12	21
		12	21
Net current assets		2	23
Net assets		194	611
Owners' equity			
Share Capital	18	36,871	36,871
Share premium	18	77,101	77,101
Option and warrant reserve		67	67
Retained earnings		(113,845)	(113,428)
Total owners' equity		194	611

The financial statements and related notes were authorised and approved by the Board of Directors and were signed on 25 June 2018 on its behalf by:



Charles Grundy, Director

Company number: 06034226

The accompanying accounting policies and notes form an integral part of these financial statements.

Leed Resources PLC

Statement of Cash Flows

for the year ended 31 December 2017

		Year to 31.12.2017	18 months to 31.12.2016 (As restated)
	Note	£000	£000
Loss before taxation		(417)	(722)
Adjustments for:			
Impairment of investment		396	517
Investment income		—	(49)
Operating cash flows before movements in working capital		(21)	(254)
Changes in working capital			
Decrease in trade and other receivables		3	43
(Decrease) in payables		(9)	(72)
Net cash flows from operating activities		(27)	(283)
Cash flows from investing activities			
Purchase of investments		—	(421)
Investment income		—	49
Net cash (used in)/cash from investing activities		—	(372)
Cash flows from financing activities			
Proceeds from issue of Ordinary Shares		—	33
Net cash (used in)/from financing activities		—	33
Net (decrease)/increase in cash and cash equivalents		(27)	(622)
Cash and cash equivalents at beginning of period		41	663
Cash and cash equivalents at end of period	15	14	41

The accompanying accounting policies and notes form an integral part of these financial statements.

Leed Resources PLC

Notes to the financial statements

for the year ended 31 December 2017

1. General information

Leed Resources plc is a public limited company registered in the United Kingdom under the Companies Act 2006. The address of its registered office is 55 Gower Street, London WC1E 6HQ. The Company is an investment and management services company, mainly focused on opportunities in the natural resources and building materials sectors. The Company's operations and its principal activities are set out in the Chairman's Statement, the Strategic Report and the Report of the Directors.

These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the Company operates.

2. Principal accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied throughout all periods presented in the financial statements.

2.1 Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted for use in the European Union ("EU") applied in accordance with the provisions of the Companies Act 2006 that were applicable at 31 December 2017.

The financial statements have been prepared on the basis of historical cost, except for the revaluation of financial instruments. Cost is based on the fair values of the consideration given in exchange for assets.

In the application of IFRS management is required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. 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 judgments. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision effects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of IFRS that have significant effects on the financial statements and estimates with a significant risk of material adjustments in the next year are disclosed, where applicable, in the relevant notes to the financial statements.

Going concern

The financial statements have been prepared on the going concern basis.

Any consideration of the foreseeable future involves making a judgement, at a particular point in time, about future events which are inherently uncertain. The ability of the Company to carry out its planned business objectives is dependent on its continuing ability to raise adequate capital from equity investors and/or the realisation of its investment.

At the time of approving these financial statements and after making due enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue operating for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the Company's financial statements.

Leed Resources PLC

Notes to the financial statements

for the year ended 31 December 2017

2.2 Statement of compliance

The financial statements have been prepared and approved by the Directors in accordance with all relevant IFRSs as issued by the International Accounting Standards Board ("IASB"), and interpretations issued by the IFRS Interpretations Committee, endorsed by the European Union ("EU").

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

- IFRS 2 (amendments) Classification and Measurement of Share-based Payment Transactions
- IFRS 9 Financial Instruments
- IFRS 15 Revenue from Contracts with Customers
- IFRS 16 Leases
- IAS 16 and IAS 38 (amendments) Clarification of Acceptable Methods of Depreciation and Amortisation
- IAS 19 (amendments) Defined Benefit Plans: Employee Contributions
- IAS 27 (amendments) Equity Method in Separate Financial Statements
- IAS 1 (amendments) Disclosure initiative
- IAS 7 (amendments) Disclosure of changes in liabilities arising from financing activities
- IAS 12 (amendments) Recognition of Deferred Tax Assets for Unrealised Losses
- IFRS 10 and IAS 28 (amendments) Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- IFRS 10, IFRS 12, IAS 28 (amendments) Investment Entities: Applying the Consolidation Exception
- Annual Improvements to IFRSs: 2014-2016 Cycle

The Directors anticipate that the adoption of the above Standards and Interpretations in future periods will have little or no impact on the financial statements of the Company when the relevant Standards come into effect for future reporting periods, although they have yet to complete their full assessment in relation to the impact of IFRS 9 and IFRS 15.

2.3 Revenue

Revenue is measured at the fair value of the consideration received or receivable.

2.4 Taxation

The tax expense represents the sum of tax currently payable and deferred tax.

Current tax

Tax currently payable is based on taxable profit for the year and is calculated using tax rates enacted or substantively enacted at the statement of financial position date. Taxable profit differs from accounting profit either because items are taxable or deductible in periods different to those in which they are recognised in the accounts or because they are never taxable or deductible.

Leed Resources PLC

Notes to the financial statements

for the year ended 31 December 2017

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the Historical Financial Information Statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be recognised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is recognised based on tax laws and rates that have been enacted at the balance sheet date. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

2.5 Foreign currencies

Transactions in foreign currencies are translated at the exchange rate ruling at the date of each transaction. Foreign currency monetary assets and liabilities are retranslated using the exchange rates at the statement of financial position date. Gains and losses arising from changes in exchange rates after the date of the transaction are recognised in profit and loss. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated at the exchange rate at the date of the original transaction.

In the Company financial statements, the net assets of the Company are translated into its presentation currency at the rate of exchange at the statement of financial position date. Income and expense items are translated at the date of the transaction. The resulting exchange differences are recognised in equity and included in the Statement of Comprehensive Income.

2.6 Financial instruments

The Company classifies its financial assets, or their component parts, on initial recognition into two categories: a financial asset at fair value through profit or loss, or loans and receivables. Financial liabilities are classified as either a financial liability at fair value through profit or loss, or as another financial liability. Financial assets and financial liabilities are recognised on the Company's statement of financial position when the Company becomes party to the contractual provisions of the instrument. The particular recognition and measurement methods adopted for trade and other receivables, bank and cash, trade and other payables, borrowings and derivatives are disclosed below:

Leed Resources PLC

Notes to the financial statements

for the year ended 31 December 2017

Investments held at fair value through profit or loss

Investments are recognised and derecognised on a trade date where a purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at cost, including transaction costs.

All investments are designated upon initial recognition as held at fair value through profit or loss. Fair value is defined as the price at which an orderly transaction would take place between market participants at the reporting date and is therefore an estimate and as such requires the use of judgement. Where possible fair value is based upon observable market prices, such as listed equity markets or reported merger and acquisition transactions. Alternative bases of valuation may include contracted proceeds or best estimate thereof, implied valuation from further investment and long-term cash flows discounted at a rate which is tested against market data. Changes in the fair value of investments held at fair value through profit or loss and gains and losses on disposal are recognised in the statement of comprehensive income as "Net gains on investments". Impairment losses recognised in the income statement for equity investments classified as available-for-sale are not subsequently reversed through the income statement.

Investments that are held as part of the Company's investment portfolio are carried in the statement of financial position at fair value even though the Company may have significant influence over those companies. This treatment is permitted by IAS 28 "Investment in Associates", which requires investments held by a company as a venture capital provider to be excluded from its scope where those investments are designated, upon initial recognition, as at fair value through profit or loss and accounted for in accordance with IAS 39, with changes in fair value recognised in the statement of comprehensive income in the period of the change. The Company has no interests in associates through which it carries on its business.

The Company determines the fair value of its Investments based on the following hierarchy:

LEVEL 1 – Where financial instruments are traded in active financial markets, fair value is determined by reference to the appropriate quoted market price at the reporting date. Active markets are those in which transactions occur in significant frequency and volume to provide pricing information on an on-going basis.

LEVEL 2 – If there is no active market, fair value is established using observable market data or other valuation techniques, including discounted cash flow models. The inputs to these models are taken from observable market data including recent arm's length market transactions, and comparisons to the current fair value of similar instruments; but where this is not feasible, inputs such as liquidity risk, credit risk and volatility are used.

LEVEL 3 – Valuations in this level are those with inputs that are not based on observable market data.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Trade and other receivables

Trade and other receivables are measured initially at fair value and subsequently at amortised cost using the effective interest rate method. These financial instruments are categorised with loans and receivables. The receivables do not carry interest; the carrying value of the receivables, as presented, is reduced by appropriate allowances for estimated irrecoverable amounts. A provision for impairment of trade receivables is established when there is evidence that the Company will not be able to collect all amounts due according to the original terms of these receivables. The amount of the provision is the difference between the carrying value and the present value of estimated future cash flows, discounted using the effective interest rate method. Impairment losses are recognised in profit and loss.

Trade and other payables

Trade and other payables are measured initially at fair value and subsequently at amortised cost using the effective interest rate method. These financial instruments are categorised with other financial liabilities.

Leed Resources PLC

Notes to the financial statements

for the year ended 31 December 2017

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all its liabilities. Equity instruments issued by the Company are recorded at the amount of proceeds received, net of direct issue costs.

The share capital account represents the amount subscribed for shares at nominal value.

The share premium account represents premiums received on the initial issuing of the share capital. Any transaction costs associated with the issuing of shares are deducted from share premium, net of any related income tax benefits.

The share option reserve represents the fair value, calculated at the date of grant, of options unexercised at the balance sheet date.

Impairment of financial assets

Assets that have an indefinite useful life are not subject to any depreciation or amortisation and are tested annually for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

2.7 Finance costs

Borrowing and finance charges, including any premiums payable on settlement or redemption and direct issue costs, are generally recognised in profit and loss as incurred.

2.8 Earnings per share

Under IAS 33 the Company is required to disclose the basic and diluted earnings per share ("EPS") for profit and loss from continuing operations attributable to the ordinary equity holders of the Company. If basic and diluted EPS is equal, then dual presentation is allowed, under a single line on the income statement.

2.9 Segmental Analysis

In accordance with IFRS 8, the accounting policy for identifying segments is now based on internal management reporting information that is regularly reviewed by the chief operating decision maker, which is identified as the Board of Directors. In identifying its operating segments, management generally follows the Company's service lines which represent the main products and services provided by the Company. The Directors believe that the Company's continuing investment operations comprise one segment.

2.10 Share-based payments

All services received in exchange for the grant of any share-based remuneration are measured at their fair values. These are indirectly determined by reference to the fair value of the share options awarded. Their value is appraised at the grant date and excludes the impact of any non-market vesting conditions (for example, profitability and sales growth targets).

Share based payments are ultimately recognised as an expense in the Statement of Comprehensive Income with a corresponding credit to the retained earning reserve in equity, net of deferred tax where applicable. If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised, if there is any indication that the number of share options expected to vest differs from previous estimates. No adjustment is made to the expense or share issue cost recognised in prior periods if fewer share options ultimately are exercised than originally estimated.

Upon exercise of share options, the proceeds received net of any directly attributable transaction costs up to the nominal value of the shares issued are allocated to share capital with any excess being recorded as share premium.

Leed Resources PLC

Notes to the financial statements

for the year ended 31 December 2017

Where share options are cancelled, this is treated as an acceleration of the vesting period of the options. The amount that otherwise would have been recognised for services received over the remainder of the vesting period is recognised immediately within the Statement of Comprehensive Income.

3. Critical accounting judgements and key sources of estimation uncertainty

Critical judgements in applying the Company's accounting policies

In the application of the Company's accounting policies, which are described in note 2, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. 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 affects only that period; or in the period of the revision and future periods if the revision affects both current and future periods.

Going Concern

In determining the appropriate basis of preparation of the financial statements, the Directors are required to consider whether the Company can continue in operational existence for the foreseeable future. The Company had cash and cash equivalents of £14,000 and net current assets of £194,000 as at 31 December 2017, and incurred a loss of £417,000 for the year then ended. The Directors have based their opinions on a cash flow forecast, which assumes that operating costs will be kept to a minimum until adequate revenue streams are secured. For this reason, the Directors continue to adopt the going concern basis in preparing the financial statements. The financial statements do not include the adjustments that would result if the Company was unable to continue as a going concern.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are set out below.

Valuation of investment in Civex Group Holdings Pty Ltd (CGH)

The Company valued its investment in CGH based on the cash received in the initial distribution following CGH disposal of its assets.

Share-based payments

The calculation of the fair value of equity-settled share-based awards and the resulting charge to the statement of comprehensive income requires assumptions to be made regarding future events and market conditions. These assumptions include the future volatility of the Company's share price. These assumptions are then applied to a recognised valuation model in order to calculate the fair value of the awards. Details of these assumptions are set out in note 19.

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Notes to the financial statements

for the year ended 31 December 2017

4. Financial risk management

The Company's finance function monitors and manages the financial risks relating to the operations of the Company. These risks include credit risk, liquidity risk and cash flow interest rate risk.

The Company seeks to minimise the effects of these risks, in accordance with the Company's policies approved by the Board of Directors, which provide written principles on interest rate risk, credit risk and the investment of excess liquidity. The Company does not enter into or trade financial instruments, including derivative financial instruments, for any purpose.

Capital risk management

The Company's objectives when managing capital are:

- to safeguard the Company's ability to continue as a going concern, so that it continues to provide returns and benefits for shareholders;
- to support the Company's growth; and
- to provide capital for the purpose of strengthening the Company's risk management capability.

The Board of Directors' policy with regards to capital maintenance includes an objective to maintain a strong capital base to sustain future development of the business, while maximising shareholder value. The Board of Directors directs and monitors the allocation of cash resources against investments to maximise the return on asset value within the Company. Periodically, the Board of Directors will consider raising additional equity when the Company has access to opportunities, which in the opinion of the Board of Directors will increase shareholder value if acted upon. The Board of Directors' also determines the timing and level of dividends to ordinary shareholders with the objective of maximising shareholder value.

The Company actively and regularly reviews and manages its capital structure to ensure an optimal capital structure and equity holder returns, taking into consideration the future capital requirements of the Company and capital efficiency, prevailing and projected profitability, projected operating cash inflows from disposals and outflows from operating expenditure, projected capital expenditures and projected strategic investment opportunities. The capital structure consists of capital and reserves for capital management purposes.

Interest rate risk

The Company's exposure to interest rate risk is limited given there are currently no short or long term borrowings.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company.

The Company's principal financial assets are bank balances and cash and other receivables. The Company's maximum exposure to credit risk is £14,000 at 31 December 2017, comprising cash and cash equivalents and trade and other receivables.

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

In keeping with similar investment companies, the Company's continued future operations depend on the ability to identify profitable investments and manage the operating expenditure in line with the returns on those investments. The Directors are confident that adequate funding is already in place with which to finance operations and that sufficient controls over expenditure are in place which are managing to mitigate risk.

Liquidity risk

Ultimate responsibility for liquidity risk management rests with the Board of Directors. The Company manages liquidity risk by maintaining adequate reserves and banking facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Leed Resources PLC

Notes to the financial statements for the year ended 31 December 2017

5. Segmental information

The business consists of a single activity being the investment in natural resources stocks. For the purposes of IFRS 8, the chief operating decision maker ("CODM") is the Board of Directors. Although the Company holds overseas investments, the income derived will materialise in the United Kingdom. As a result, the financial information of the segment is the same as that set out in the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and the Statement of Cash Flows.

6. Net Loss on investments

	2017 £000	2016 £000
Unrealised losses on investments at fair value through profit or loss	(396)	(515)
Net losses on investments	(396)	(515)

The loss on investments relate to the investments in Civex (Note 13).

7. Investment income

The Company's interest income on bank and other deposits, and loan notes during the period ended 31 December 2017 and year ended 2016, respectively, were as follows:

	2017 £000	2016 £000
Interest income on convertible loan note	—	49
	—	49

8. Loss for the period

The loss for the period has been arrived at after charging:

	2017 £'000	2016 £'000
Auditors remuneration	8	13

Leed Resources PLC

Notes to the financial statements for the year ended 31 December 2017

9. Auditors Remuneration

	2017 £000	2016 £000
Auditors remuneration:		
Fees payable to the auditors for the audit of the financial statements	8	10
Fees paid to the Company's auditors related to taxation	1	2
Fees paid to the Company's auditors related to all other services	—	1
Total fees	9	13

10. Employees and Directors

A summary of total employee and director costs is as follows:

	2017 £000	2016 £000
Salaries, fees and bonuses	—	192
Social security costs	—	2
	—	194
	—	194

The average number of personnel (including Directors) was as follows:

Average number of personnel	2017	2016
Average number of Directors and employees	3	3

There were no Employees or Key Management during the period other than the Board of Directors, so for the purposes of IAS 24 disclosure requirements and Companies Act requirements the above table on remuneration applies to all the Key Management and employees.

Leed Resources PLC

Notes to the financial statements

for the year ended 31 December 2017

11. Taxation

A summary of taxation charges, and components thereof, incurred during the year ended 2017 and 18 month period ended 31 December 2016, respectively, are set out in the tables below:

	2017 £000	2016 £000
Taxation for period		As restated
Current tax:		
Continuing operations	—	—
	—	—
Taxation components		
Loss on ordinary activities before tax		
– Continuing operations	(417)	(722)
Tax effects		
Loss on ordinary activities multiplied by rate of corporation tax of 19.25% (2016: 20%) in the UK	(80)	(143)
Expenses not deductible for tax purposes	76	5
Unutilised tax losses carried forward	4	138
Total tax	—	—

Estimated unrelieved tax losses of £3,952,000 (2016: £3,932,000) remain available to offset against future taxable profits. A potential deferred tax asset of £760,000 (2016: £786,000) has not been recognised in respect of the losses as recoverability is uncertain.

12. Loss per Ordinary Share

A recap of the loss per ordinary share and weighted average shares outstanding for the year ended 31 December 2017, and eighteen month period ended 31 December 2016 respectively, follows:

	2017 £000	2016 £000
Loss		As restated
Loss attributable to Ordinary Shareholders from continuing operations	(417)	(722)
Total loss attributable to Ordinary Shareholders	(417)	(722)
Shares outstanding		
Number of shares for the period	3,138,077,765	3,138,077,765
Effect of share options in issue*	72,000,000	72,000,000
Number of shares for the period for diluted loss per share	3,210,077,765	3,210,077,765
	2017 pence	2016 £000
Loss per share		
Basic and diluted (pence per share)	(0.01)	(0.02)

*Effect of share options in issue is based on the Company's closing price at the date when it delisted from AIM.

Leed Resources PLC

Notes to the financial statements for the year ended 31 December 2017

13. Investments

The Company operates as an investment company in the natural resources industry.

	2017 £000	2016 £000
Investments at fair value brought forward	588	684
Cost of investments	-	419
Impairment of investments	(396)	(515)
Investments at fair value carried forward	192	588
Categorised as:		
LEVEL 1	-	-
LEVEL 2	-	-
LEVEL 3	192	588
	192	588

LEVEL 1 – Where financial instruments are traded in active financial markets, fair value is determined by reference to the appropriate quoted market price at the reporting date. Active markets are those in which transactions occur in significant frequency and volume to provide pricing information on an on-going basis.

LEVEL 2 – Valuations in this level are those valued using observable inputs other than quoted prices included within Level 1.

LEVEL 3 – Valuations in this level are those with inputs that are not based on observable market data.

The Level 3 investment results from the assets and business of High Mannor being sold into a new company, which has now been renamed Civex Group Holdings Pty Ltd ("Civex Group Holdings"). As part of the restructuring in 2016 the Battalion loan notes were converted into Battalion equity and Battalion in turn transferred its interest in High Mannor loan notes to Civex Group Holdings in return for a shareholding in Civex Group Holdings. As a result of the restructuring in 2016 Leed's ownership of the business increased from 11.6% to approximately 33%. Investments in Civex Group holdings are stated at cost less impairment as the company is not quoted and the fair value cannot be reliably measured. Leed received £192,000 on the disposal of assets of Civex Group Holdings in April 2018 and this therefore is the basis of the 2017 valuation.

14. Trade and other receivables

The Directors consider that the carrying amount of trade and other receivables approximates their fair value:

	2017 £000	2016 £000
Other receivables	-	3
Prepayments	-	-
	-	3

Other receivables represent the primary exposure to credit risk at the statement of financial position date. The amounts due in respect of these receivables have been received by the Company at the date of signing these accounts. At each statement of financial position date presented there were no material amounts that were provided against for not being past due.

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Notes to the financial statements for the year ended 31 December 2017

15. Cash and cash equivalents

The Directors consider that the carrying amount of cash and cash equivalents represents their fair value:

	2017	2016
	£000	£000
Cash at banks	14	41
	14	41

16. Trade and other payables

The Directors consider that the carrying amount of trade and other payables approximates to their fair value and is generally payable within 30 to 45 days of the relevant period end:

	2017	2016
	£000	£000
		As restated
Trade payables	1	1
Accruals and deferred income	11	20
	12	21

17. Financial instruments

A summary of financial assets and liabilities by IAS 39 category at 31 December 2017 and 31 December 2016, respectively, are as follows:

	2017	2016
	£000	£000
Financial instruments measured at fair value		As restated
Investments held at fair value through profit or loss	192	588
Loans and receivables:		
Trade and other receivables	—	3
Cash and cash equivalents	14	41
Investments – Equity / (Loan notes)	—	—
	206	632
Financial liabilities at fair value		
Other financial liabilities:		
Trade and other payables	12	21
	12	21

Leed Resources PLC

Notes to the financial statements for the year ended 31 December 2017

18. Share capital

The share capital is as follows:

	Number of shares	Nominal value £000	Share premium £000
Issued and fully paid			
At 31 December 2017 and 2016			
Ordinary shares of 0.1 pence each	3,138,077,765	3,138	
Deferred shares of 49.9 pence each	67,602,008	33,733	
		36,871	77,101

The deferred shares have restricted rights such that they have no economic value.

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Notes to the financial statements

for the year ended 31 December 2017

19. Share-based payments - Directors and employees

The Company operates share-based payment arrangements to incentivise directors by the grant of share options. Equity settled share based payments are measured at fair value (excluding the effect of non-market based vesting conditions) at the date of grant. The fair value determined at the date of grant is expensed on a straight line basis over the vesting period, based on the Company's estimate of shares that will eventually vest and adjusted for the effect of non-market based vesting conditions.

On 2 April 2015 the Board resolved to grant options over up to 272,000,000 new ordinary shares exercisable at £0.001 per share and granted 80,000,000 such options each to J. Patel, I. Gibbs and C. Zorab. The options are exercisable at any time up to 2 April 2020. Additionally options over 32,000,000 new ordinary shares were granted to certain advisors to the Company at the same date and on the same terms. All options previously outstanding were cancelled on 3 March 2014.

The significant inputs to the model in respect of the options granted were as follows:

Grant date share price	£0.0007
Exercise share price	£0.001
No. of share options	272,000,000
Risk free rate	2.00%
Expected volatility	50%
Option life	5 years
Calculated fair value per share	£0.00024547

The total share-based payment expense recognised in the income statement for the year ended 31 December 2017 in respect of the share options granted was nil (2016: nil).

A summary of options outstanding during the period is as follows:

Share options	Weighted average exercise price for the year ended 31 December 2017 pence	Number of shares to be issued in respect of exercise price for the year ended 31 December 2017	Weighted average exercise price for the period ended 31 December 2016 pence	Number of shares to be issued in respect of exercise price for the period ended 31 December 2016
Outstanding, beginning of period	0.001	272,000,000	0.001	272,000,000
Granted during the period	—	—	—	—
Cancelled during the period	—	—	—	—
Outstanding, end of period	0.001	272,000,000	0.001	272,000,000
Exercisable, end of period	0.001	272,000,000	0.001	272,000,000

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Notes to the financial statements

for the year ended 31 December 2017

20. Related party transactions

Identity of related parties

The Company has a continuing related party relationship with its Directors. Certain fees paid to directors in 2016 were paid to companies or partnerships in which the director has an interest.

Other related party transactions

Key management and director compensation is disclosed in the Report on Directors' Remuneration.

£1,120 (2016: £1,120) was paid to Zorab Insurance Services in the year, for Directors and Officers Insurance. David Zorab is a Director of this company and is also the brother of the Leed Resources Director, Charles Zorab.

21. Capital management policies and procedures

The Board of Directors' capital management goals and objectives are to ensure the Company's ability to continue as a going concern and to provide an adequate return to shareholders by the effective management of the Company's assets.

The Board of Directors directs and monitors the allocation of cash resources against projects to maximise the return on asset value within the Company. Day to day working capital requirements and investment objectives are met by existing cash resources and the issue of equity. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may pay dividends to shareholders, return capital to shareholders, buy back shares, issue new shares or sell assets, all of which may be subject to approvals from the Company's shareholders.

Capital pertaining to the Company for the reporting periods under review is summarised as follows:

Capital components	31 December 2017	31 December 2016
	£000	£000
Total owners' equity	194	616
Cash and cash equivalents	(14)	(41)
	180	575

22. Contingent Liabilities

There were no material commitments or contingent liabilities as at 31 December 2017 (2016: nil).

23. Post year end events

Civex Group Holdings Pty Ltd completed the divestment of the assets of its subsidiaries on 25th January 2018 and Leed received its 33.24% share of the initial proceeds of this divestment, being £192,000, on 13th April 2018. £28,863 of this amount was used to acquire an investment in the equity of NXT Tec Ltd.

This first tranche of funding in NXT will secure Leed the right, but not an obligation, to participate in a further round of funding.

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Notes to the financial statements

for the year ended 31 December 2017

24. Prior period restatement

Three invoices received late in 2017 amounting to £5,000, which related to 2016 expenses, were not accrued for in the prior year and hence require adjustment. The following tables summarise the impact of the prior period restatement on the financial statement of the Company.

	2016 £000
Income Statement	
Increase in administrative expenses	5
Decrease in profit for the financial year	5
Balance Sheet	
Increase in accruals	5
Decrease in net assets	5

25. Ultimate Controlling Party

The Directors do not consider there to be a single ultimate controlling party.