

## **Leed Resources PLC**

**Annual report and accounts**

**For the year ended 31 December 2018**

Registered number: 06034226



# **Leed Resources PLC**

## **Contents of the financial statements**

	page
Company information	1
<b>Reports</b>	
Chairman's Report	2
Strategic Report	3
Directors' Report	5
Statement of Directors' Responsibilities	8
Directors' Remuneration Report	9
Report of the Independent Auditor	10
<b>Financial Statements</b>	
Statement of Comprehensive Income	13
Statement of Changes in Equity	14
Statement of Financial Position	15
Statement of Cash Flows	16
Notes to the Financial Statements	17

# **Leed Resources PLC**

## **Company information**

### **Directors**

**Ian Gibbs (Chairman)**  
**Charles Grundy**  
**Charles Zorab**

### **Secretary**

**Robert Porter**

### **Registered number**

06034226 (England and Wales)

### **Registered office**

Salisbury House  
London Wall  
London  
EC2M 5PS

### **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**

**Bright Grahame Murray**  
Statutory Auditor  
Emperors Gate  
114a Cromwell Road  
London  
SW7 4AG

# **Leed Resources PLC**

## **Chairman's report**

for the year ended 31 December 2018

The 12 months ended 31 December 2018 was a significant period for Leed Resources Plc. Having completed the sale of the assets held in Civex Group Holdings Pty Ltd ("Civex") on 23 February 2018, focus turned to the investment in NXT TEC Ltd ("NXT"), a privately-owned company based in Perth, Western Australia which has developed a fully integrated scalable building technology system.

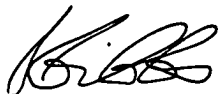
In February 2018, an initial investment of A\$50,000 was made into shares of NXT which was followed by a further investment of A\$150,000 in September 2018. These investments gave Leed the option to make a further investment of between A\$50,000 and A\$100,000 in NXT shares at the same price as the A\$150,000 investment. Following progress made by NXT across this period and the continued interest in the modular building sector, the Board resolved to execute the option to invest A\$100,000 taking Leed's investment to A\$300,000 in total.

During 2018, NXT continued to work hard to raise its profile in Australia and Asia, obtaining an impressive list of endorsements and accreditations for its technology whilst bidding on several high profile development projects in the region. There have been further notable successes in 2019 with the award of a contract in Queensland which it is hoped will commence in the second half of this year, and the forging of a number of partners across the region.

The management of NXT have made no secret of the intention to eventually seek a public listing in London and the successful roll-out of its technology into commercial developments is likely create significant interest.

In April 2019 Leed received a further payment of approx. A\$18,000 being its share from the collection of certain retentions due to Civex. Given the continuing adverse conditions in the sector no further receivables in respect of the sale of the assets of Civex have been recognised by Leed. Should there be a recovery in the market then any sale of panels by Meteor Stone Pty Ltd would lead to royalty income for Leed.

We are grateful for the interest and support shown by shareholders this past year as we have sought to put Leed back onto a firmer footing. The Board has sought to keep corporate costs commensurately low whilst looking to rebuild value for shareholders. We are confident that the commencement of the first major projects for NXT in the next few months will lead to considerable value creation for Leed's stakeholders.



**Ian Gibbs**  
**Chairman**

**28 June 2019**

## Leed Resources PLC

### Strategic Report

for the year ended 31 December 2018

The Directors present their Strategic Report on Leed Resources plc (the "Company") for the year ended 31 December 2018.

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, including mining, oil and gas and building materials. 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 £4,597 for the year ended 31 December 2018, as compared to the loss of £417,000 for the prior period.

As at 31 December 2018 the Company held approximately £27,000 in cash, £nil in quoted investments, and £166,000 investments in unquoted equity investments.

#### Key performance indicators

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

	2018	2017
Net asset value – fully diluted per share	0.0056p	0.0056p
Net Asset Value	£189,000	£194,000

## **Leed Resources PLC**

### **Strategic Report**

for the year ended 31 December 2018

#### **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', is written over a horizontal line.

**Robert Porter**  
**Company Secretary**

28 June 2019

## Leed Resources PLC

### Report of the Directors

for the year ended 31 December 2018

The Directors of the Company present to shareholders this report and the audited financial statements for the year ended 31 December 2018. The year ended 31 December 2017 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 2019:

Shareholder	Number of ordinary shares	Percentage of ordinary share capital
Interactive Investor Services Nominees Limited	572,700,902	18.25%
Lynchwood Nominees Limited	474,433,969	15.12%
HSDL Nominees Limited	427,876,959	13.63%
Aurora Nominees Limited	264,622,947	8.43%
Barclays Direct Investing Nominees Limited	259,596,764	8.27%
Share Nominees Limited	178,150,289	5.68%

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 partly included in the above shareholdings of Lynchwood Nominees Ltd and Aurora Nominees Ltd.

#### Other matters

##### Financial instruments

The Company's financial instruments at 31 December 2018 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 2018. 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 2018 and £nil in the year ended 31 December 2017.

##### 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.

## Leed Resources PLC

### Report of the Directors

for the year ended 31 December 2018

#### Directors

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

---

#### Director

Ian Gibbs  
Charles Zorab  
Charles Grundy

---

At 31 December 2018 the interest of the Directors in Company shares was:

	Ordinary Shares of 0.1 pence	Share options #
<b>Director holdings</b>		
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.

#### 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.



## **Leed Resources PLC**

### **Report of the Directors**

for the year ended 31 December 2018

#### **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**

Following the takeover of Welbeck Associates by PKF Littlejohn LLP, Welbeck Associates resigned as auditors and Bright Grahame Murray were appointed as Independent Auditors.

Bright Grahame Murray has expressed a willingness to continue in office as auditor and a resolution to re-appoint them will be proposed at the next Annual General Meeting of the Company.

A handwritten signature in black ink, appearing to read 'R. C. Porter', is written over a horizontal line.

**Robert Porter**  
**Company Secretary**

28 June 2019

## 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 Zorab**  
Director

28 June 2019

## 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 2018 and the comparative for the year to 31 December 2017 were as follows:

	Salaries and fees £000	Bonuses £000	2018 Total £000	2017 Total £000
Ian Gibbs <i>Non-Executive Chairman</i>	8,000	—	8,000	-
Charles Zorab <i>Non-Executive Director</i>	8,000	—	8,000	-
Charles Grundy <i>Non-Executive Director</i>	8,000	—	8,000	-
Total compensation	24,000	—	24,000	-

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

Directors waived all salaries and fees with respect to 2017.

### 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 28 June 2019 and signed on its behalf by:



Charles Zorab  
Director

# Independent Auditors Report to the Members of Leed Resources PLC

Registered number 06034226

## Opinion

We have audited the financial statements of Leed Resources PLC for the year ended 31 December 2018 which comprise the Statement of Total Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement 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 International Financial Reporting Standards (IFRS).

In our opinion the financial statements:

- give a true and fair view of the state of the companies affairs as at 31 December 2018 and of its profit for the year then ended; and
- have been properly prepared in accordance with International Financial Reporting Standards.
- 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, 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.

## 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.

## Opinions on other matters prescribed by the Companies Act 2006

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

## Independent Auditors Report to the Members of Leed Resources PLC

Registered number 06034226

### 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 and the directors' report.

We have nothing to report in respect of the following matters where 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 director's 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, the directors are responsible for the preparation of the financial statements in accordance with International Financial Reporting Standards 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.

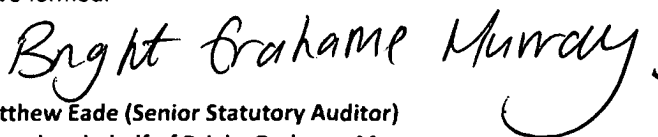
In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intends to liquidate the company or to cease operations, or has 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: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

This report is made solely to the company's members, 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.



**Matthew Eade (Senior Statutory Auditor)**  
For and on behalf of Bright Grahame Murray  
Chartered Accountants  
Statutory Auditor  
Emperor's Gate  
114a Cromwell Road  
London

Dated: 28 June 2019

## Statement of Comprehensive Income

for the year ended 31 December 2018

		Year to 31.12.2018	Year to 31.12.2017
	Note	£'000	£'000
<b>Continuing operations</b>			
Net profit / (loss) on investments	6	43	(396)
<b>Total income</b>		<b>43</b>	<b>(396)</b>
Administrative expenses		(48)	(21)
Share based payment expense	19	—	—
<b>Loss before tax from continuing operations</b>		<b>(5)</b>	<b>(417)</b>
Taxation	11	—	—
<b>Loss for the period and total comprehensive income</b>		<b>(5)</b>	<b>(417)</b>

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 2018

	Share capital £000	Share premium £000	Option & warrant reserve £000	Retained earnings £000	Total £000
<b>Total owners' equity at 31 December 2016</b>	<b>36,871</b>	<b>77,101</b>	<b>67</b>	<b>(113,428)</b>	<b>611</b>
Comprehensive loss for the year:	—	—	—	(417)	(417)
Total comprehensive loss for the year:	—	—	—	(417)	(417)
<b>Total owners' equity at 31 December 2017</b>	<b>36,871</b>	<b>77,101</b>	<b>67</b>	<b>(113,845)</b>	<b>194</b>
Comprehensive loss for the year:	—	—	—	(5)	(5)
Total comprehensive loss for the year:	—	—	—	(5)	(5)
<b>Total owners' equity at 31 December 2018</b>	<b>36,871</b>	<b>77,101</b>	<b>67</b>	<b>(113,850)</b>	<b>189</b>

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

# Leed Resources PLC

## Statement of ~~FINANCIAL~~ POSITION for the year ended 31 December 2018

		31.12.2018	31.12.2017
	Note	£000	£000
<b>Assets</b>			
<b>Non-current assets</b>			
Investments held at fair value through profit or loss	13	166	192
		<b>166</b>	<b>192</b>
<b>Current assets</b>			
Trade and other receivables	14	10	—
Cash and cash equivalents	15	27	14
		<b>37</b>	<b>14</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	16	14	12
		<b>14</b>	<b>12</b>
<b>Net current assets</b>		<b>23</b>	<b>2</b>
<b>Net assets</b>		<b>189</b>	<b>194</b>
<b>Owners' equity</b>			
Share Capital	18	36,871	36,871
Share premium	18	77,101	77,101
Option and warrant reserve		67	67
Retained earnings		(113,850)	(113,845)
<b>Total owners' equity</b>		<b>189</b>	<b>194</b>

The financial statements were approved and signed by the director and authorised for issue on 28 June 2019.



Charles Zorab, 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 2018

		Year to 31.12.2018	Year to 31.12.2017
	Note	£000	£000
<b>Loss before taxation</b>		<b>(5)</b>	<b>(417)</b>
Adjustments for:			
Impairment of investment		-	396
Realised gain on investments		<b>(43)</b>	-
<b>Operating cash flows before movements in working capital</b>		<b>(48)</b>	<b>(21)</b>
<b>Changes in working capital</b>			
(Increase) / decrease in trade and other receivables		<b>(10)</b>	3
Increase / (Decrease) in payables		<b>2</b>	(9)
<b>Net cash flows from operating activities</b>		<b>(56)</b>	<b>(27)</b>
<b>Cash flows from investing activities</b>			
Purchase of investments		<b>(166)</b>	-
Proceeds of disposal of investments		<b>235</b>	-
<b>Net cash from investing activities</b>		<b>69</b>	-
<b>Cash flows from financing activities</b>			
<b>Net cash (used in) / from financing activities</b>		<b>—</b>	<b>-</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>13</b>	<b>(27)</b>
Cash and cash equivalents at beginning of period		<b>14</b>	41
Cash and cash equivalents at end of period	15	<b>27</b>	14

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 2018

#### **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 Salisbury House, London Wall, London, EC2M 5PS. 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). The financial statements have also been prepared in accordance with the IFRS adopted by the European Union and therefore the company's financial statements comply with Article 4 of the EU IAS Regulation.

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 directors have, at the time of approving the financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis of accounting in preparing the financial statements.

## **Leed Resources PLC**

### **Notes to the Financial Statements**

for the year ended 31 December 2018

#### **2.2 Revenue**

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

#### **2.3 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.

##### **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.

#### **2.4 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.

#### **2.5 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 2018

#### ***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 2018

#### ***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.

#### ***2.6 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.

#### ***2.7 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.

#### ***2.8 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. 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.

## **Leed Resources PLC**

### **Notes to the Financial Statements**

for the year ended 31 December 2018

#### **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 £27,000 and net current assets of £193,000 as at 31 December 2018, and incurred a loss of £5,000 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 NXT TEC Limited (NXT)**

The Company valued its investment in NXT at cost to acquire the shares.

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

The Company valued its investment in CGH based on the cash received in the latest distribution from CGH following 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.

## **Leed Resources PLC**

### **Notes to the Financial Statements**

for the year ended 31 December 2018

#### **4. Adoption of new and revised standards and changes in accounting policies**

There were no new or amended IFRSs effective as of 31 December 2018 that impacted the financial statements of the Company other than the following:

IFRS 15 Revenue from contracts with Customers.

IFRS 15 was issued in May 2014 and establishes a new five step model that applies to revenue arising from contracts with customers. Under IFRS 15 revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods and services to a customer. There is no impact of IFRS 15, which is effective as of 1 January 2018.

Standards which are in issue but not yet effective.

Standards issued but not yet effective as of the date of issuance of the financial statements are listed below. This listing of standards and interpretations issued are those that the Company reasonably expects to have an impact on disclosures, financial position or performance when applied at a future date. The Company intends to adopt these standards when they become effective:

IFRS 9 Financial Instruments – Recognition and Measurement.

IFRS 9 carries forward with one exception the IAS 19 requirement to measure all financial assets and liabilities at fair value at initial recognition (and adjusted in some cases for transaction costs). The Company is currently assessing the impact of this standard, which is effective for periods beginning on or after 1 January 2019.

#### **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.

## Leed Resources PLC

### Notes to the Financial Statements

for the year ended 31 December 2018

#### 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 £37,000 at 31 December 2018, 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.

#### 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 Gain / (loss) on investments

	2018	2017
	£000	£000
Realised gain on disposal of investments	42	(396)
Unrealised gain / (losses) on investments at fair value through profit or loss	1	-
Net gain / (losses) on investments	43	(396)

The loss on investments in 2017 relate to the impairment of the investment in Civex (Note 13) and the realised gain relates to the current proceeds from disposal exceeding the fair value of Civex carried at 31 December 2017. In April 2019 Leed received a further payment of approx. A\$18,000 being its share from the collection of certain retentions due to Civex. Given the continuing adverse conditions in the sector no further receivables in respect of the sale of the assets of Civex have been recognised by Leed. Should there be a recovery in the market then any sale of panels by Meteor Stone Pty Ltd would lead to royalty income for Leed.



## Leed Resources PLC

### Notes to the Financial Statements

for the year ended 31 December 2018

#### 7. Investment income

The Company's interest income on bank and other deposits, and loan notes during the period ended 31 December 2018 and year ended 2017, respectively, were as follows:

	2018 £000	2017 £000
Interest income	—	-
	—	-

#### 8. Loss for the period

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

	2018 £'000	2017 £'000
Auditors remuneration	6	8

#### 9. Auditors Remuneration

	2018 £000	2017 £000
<b>Auditors remuneration:</b>		
Fees payable to the auditors for the audit of the financial statements	6	8
Fees paid to the Company's auditors related to taxation	1	1
Fees paid to the Company's auditors related to all other services	-	-
<b>Total fees</b>	<b>7</b>	<b>9</b>

#### 10. Employees and Directors

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

	2018 £000	2017 £000
Salaries, fees and bonuses	24	-
Social security costs	—	-
	<b>24</b>	<b>-</b>

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

<b>Average number of personnel</b>	<b>2018</b>	<b>2017</b>
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 2018

#### 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:

<b>Taxation for period</b>	<b>2018 £000</b>	<b>2017 £000</b>
Current tax:		
Continuing operations	—	—
	—	—
<b>Taxation components</b>		
Loss on ordinary activities before tax		
– Continuing operations	(5)	(417)
<b>Tax effects</b>		
Loss on ordinary activities multiplied by rate of corporation tax of 19.00% (2017: 19.25%) in the UK	(1)	(80)
Income /(Expenses) not deductible for tax purposes	1	76
Unutilised tax losses carried forward	-	4
<b>Total tax</b>	<b>—</b>	<b>—</b>

Estimated unrelieved tax losses of £4,002,000 (2017: £3,952,000) remain available to offset against future taxable profits. A potential deferred tax asset of £680,000 (2017: £760,000) 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 2018, and the year ended 31 December 2017 respectively, follows:

<b>Loss</b>	<b>2018 £000</b>	<b>2017 £000</b>
Loss attributable to Ordinary Shareholders from continuing operations	(5)	(417)
<b>Total loss attributable to Ordinary Shareholders</b>	<b>(5)</b>	<b>(417)</b>
<b>Shares outstanding</b>		
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
<b>Number of shares for the period for diluted loss per share</b>	<b>3,210,077,765</b>	<b>3,210,077,765</b>

## Leed Resources PLC

### Notes to the Financial Statements

for the year ended 31 December 2018

#### 13. Investments

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

	2018 £000	2017 £000
<b>Investments at fair value brought forward</b>	<b>192</b>	<b>684</b>
Purchase of investments	166	-
Investment disposals	(235)	-
Movement in investment holding gains	43	-
Impairment of investments	-	(396)
<b>Investments at fair value carried forward</b>	<b>166</b>	<b>192</b>
Categorised as:		
LEVEL 1	-	-
LEVEL 2	-	-
LEVEL 3	166	192
	<b>166</b>	<b>192</b>

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 brought forward results from the assets and business of High Mannor being sold into a new company, which was renamed Civex Group Holdings Pty Ltd ("Civex"). £192,000 represented the funds confirmed to be distributed as a result of the sale of the assets held in Civex which was completed on 23 February 2019. An additional £43,000 was received under the terms of the disposal agreement during 2018 and a further £equiv. 10,000 was received in April 2019 and this is therefore the basis of the 2018 other receivable (see note 14).

The Level 3 investment carried forward is the investment in NXT TEC Ltd acquired during 2019.

#### 14. Trade and other receivables

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

	2018 £000	2017 £000
Other receivables	10	-
Prepayments	-	-
	<b>10</b>	<b>-</b>

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.

## Leed Resources PLC

### Notes to the Financial Statements

for the year ended 31 December 2018

#### 15. Cash and cash equivalents

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

	2018	2017
	£000	£000
Cash at banks	27	14
	27	14

#### 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:

	2018	2017
	£000	£000
Trade payables	1	1
Accruals and deferred income	13	11
	14	12

Trade payables and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. The directors consider that the carrying amount of trade payables approximates to their fair value.

#### 17. Financial instruments

A summary of financial assets and liabilities by IAS 39 category at 31 December 2018 and 31 December 2017, respectively, are as follows:

	2018	2017
Financial instruments measured at fair value	£000	£000
Investments held at fair value through profit or loss	166	192
Loans and receivables:		
Trade and other receivables	10	-
Cash and cash equivalents	27	14
	203	206
Financial liabilities at fair value		
Other financial liabilities:		
Trade and other payables	14	12
	14	12

## Leed Resources PLC

### Notes to the Financial Statements

for the year ended 31 December 2018

#### 18. Share capital

The share capital is as follows:

	Number of shares	Nominal value £000	Share premium £000
<b>Issued and fully paid</b>			
At 31 December 2018 and 2017			
Ordinary shares of 0.1 pence each	3,138,077,765	3,138	77,101
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.

#### 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 242,000,000 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 2018 in respect of the share options granted was nil (2017: nil).

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

Share options	Weighted average exercise price for the year ended 31 December 2018 pence	Number of shares to be issued in respect of exercise price for the year ended 31 December 2018	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 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

## Leed Resources PLC

### Notes to the Financial Statements

for the year ended 31 December 2018

#### 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 2018 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.

£1,512 (2017: £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 2018 £000	31 December 2017 £000
Total owners' equity	189	194
Cash and cash equivalents	(27)	(14)
	162	180

#### 22. Contingent Liabilities

There were no material commitments or contingent liabilities as at 31 December 2018 (2017: nil).

#### 23. Post year end events

In April 2019 Leed received a further payment of approx. A\$18,000 being its share from the collection of certain retentions due to Civex. Given the continuing adverse conditions in the sector no further receivables in respect of the sale of the assets of Civex have been recognised by Leed. Should there be a recovery in the market then any sale of panels by Meteor Stone Pty Ltd would lead to royalty income for Leed.

#### 24. Ultimate Controlling Party

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