Mila Resources Plc

Financial Statements

For the year ended
30 June 2019

Registered number 09620350 (England and Wales)

CONTENTS

DIRECTORS AND ADVISORS

Directors *(both executive)*	Mark Stephenson Lee Daniels
Company Secretary	Nick Foster
Head Office & Registered Office	Lockstrood Farm Ditchling Common Burgess Hill, West Sussex RH15 0SJ
Independent Auditor	PKF Littlejohn LLP Statutory Auditor 15 Westferry Circus London E14 4HD
Bankers	HSBC 50 Church Road Burgess Hill RH15 9AE
Registrars and Transfer Office	Capita Asset Services The Registry 34 Beckenham Road Beckenham Kent BR3 4TU
Financial Public Relations	St Brides Partners Limited 3 St Michael's Alley London EC3V 9DS
Registered Number	09620350
Website	www.milaresources.com

Dear Shareholder

We have pleasure in presenting the financial statements for the year ended 30 June 2019.

Following Mila's re-listing and broadening of its horizons we remain open minded about which industries we might invest in while retaining our key criteria for delivering excellent value for our shareholders. The mutually terminated proposed reverse takeover of Capital Metals Limited, while disappointing, has driven our new strategy which we hope will lead to a swift replacement. The reduction of investment routes for smaller businesses following the continued uncertainty over Brexit has driven some extremely exciting opportunities towards Mila. Negotiations are already well underway on these projects and we hope that at least one of these opportunities can be Mila's first acquisition.

We formed the Company to undertake an acquisition of a controlling interest in a company or business (an "Acquisition"). Any Acquisition is expected to constitute a reverse takeover transaction and consideration for the Acquisition may be in part or in whole in the form of share-based consideration or funded from the Company's existing cash resources or the raising of additional funds.

I look forward to reporting our progress to you over the next period.

Financial

Funding

The Company is funded through investment from its Shareholders following the Company's successful Standard Listing IPO onto the London Stock Exchange in 2016, raising £1.05 million before costs.

Revenue

The Company has generated no revenue during the year, however, its focussing on acquisition targets that will ultimately generate revenue for the Company.

Expenditure

During the year, the Company has continued its fiscal discipline with the Company continuing to maintain low overheads. Any monies spent on business development opportunities has only occurred after a particular project has passed our initial technical review.

Liquidity, cash and cash equivalents

At 30 June 2019, the Company held £428,673 (2018: £701,550) of cash and cash equivalents, all of which are denominated in pounds sterling.

Mark Stephenson

Executive Director

31 October 2019

Understanding our business

The Company was incorporated on 3 June 2015, with the view of pursuing an initial public offering of its securities onto the London Stock Exchange through a Standard Listing to raise the necessary funds required for the execution of the business strategy, which is to acquire a business or asset.

This IPO was completed during 2016, with the Company successfully raising £1,050,000 before costs with Admission to the Main Market of the London Stock Exchange in October 2016.

Key performance indicators

Appropriate key performance indicators will be identified in due course as the business strategy is implemented following a successful acquisition. Given the current nature of the Company's business, the Directors are of the opinion that the primary performance indicator is the completion of an acquisition.

Principal risks and uncertainties

The principal risks currently faced by the Company relate to:

Acquiring Less than Controlling Interests

The Company may acquire either less than whole voting control of, or less than a controlling equity interest in, a target, which may limit the Company's operational strategies and reduce its ability to enhance Shareholder value.

Inability to Fund Operations Post-Acquisition

The Company may be unable to fund the operations post acquisition of the target business if it does not obtain additional funding, however, the Company will ensure that appropriate funding measures are taken to ensure minimum commitments are met.

The Company's Relationship with the Directors and Conflicts of Interest

The Company is dependent on the Directors to identify potential acquisition opportunities and to execute an acquisition.

The Directors are not obliged to commit their whole time to the Company's business; they will allocate a portion of their time to other businesses which may lead to the potential for conflicts of interest in their determination as to how much time to assign to the Company's affairs.

Suitable Acquisition Opportunities may not be Identified or Completed

The Company's business strategy is dependent on the ability of the Directors to identify sufficient suitable acquisition opportunities. If the Directors do not identify a suitable acquisition target, the Company may not be able to fulfil its objectives. Furthermore, if the Directors do not identify a suitable target, the Company may not acquire it at a suitable price or at all. In addition, if an acquisition identified and subsequently aborted the Company may be left with substantial transaction costs.

Risks Inherent in an Acquisition

Although the Company and the Directors will evaluate the risks inherent in a particular target, they cannot offer any further assistance that all of the significant risk factors can be identified or properly assessed. Furthermore, no assurance can be made that an investment in Ordinary Shares in the Company will ultimately prove to be more favourable to investors then a direct investment, if such an opportunity were available, in a target business.

Brexit

In March 2017, the UK officially triggered Article 50 and notified the EU of its intention to leave the EU following the UK's June 2016 referendum vote (commonly known as Brexit). The triggering of Article 50 begins the process of withdrawal from the EU. In November 2018, the UK and the 27 other countries involved in Brexit negotiations, agreed upon the terms of a withdrawal agreement and includes a transitional period until 31 December 2020, during which EU law will continue to apply in and to the UK. The withdrawal agreement will need to be ratified by the EU and the UK before it can enter into force and ratification is uncertain. On 10 April 2019, the European Council agreed an extension to allow for the ratification of the withdrawal agreement to last no longer than 31 October 2019. Subsequent to this, in October 2019, an extension has been granted until 31 January 2020. The UK and EU continue to negotiate the exit of the UK from the EU. The impact on the Company, if any, remains uncertain at this time but is being closely monitored by the board.

Reliance on External Advisors

The Directors expect to rely on external advisors to help identify and assess potential acquisitions and there is a risk that suitable advisors cannot be placed under contract or that such advisors that are contracted to fail to perform as required.

Failure to Obtain Additional Financing to Complete an Acquisition or Fund a Target's Operations

There is no guarantee that the Company will be able to obtain any additional financing needed to either complete an acquisition or to implement its plans post acquisition or, if available, to obtain such financing on terms attractive to the Company. In that event, the Company may be compelled to restructure or abandon the acquisition or proceed with the acquisition on less favourable terms, which may reduce the Company's return on the investment. The failure to secure additional financing on acceptable terms could have a material adverse effect on the continued development or growth of the Company and the acquired business.

Reliance on Income from the Acquired Activities

Following an acquisition, the Company may be dependent on the income generated by the acquired business or from the subsequent divestment of the acquired business to meet the Company's expenses. If the acquired business is unable to provide the sufficient amounts to the Company, the Company may be unable to pay its expenses or make distributions and dividends on the Ordinary Shares.

Restrictions in Offering Ordinary Shares as a Consideration for an Acquisition or Requirements to Provide Alternative Consideration.

In certain jurisdictions, there may be legal, regulatory or practical restrictions on the Company using its Ordinary Shares as a consideration for an acquisition or which may mean that the Company is required to provide alternative forms of consideration. Such restrictions may limit the Company's acquisition opportunities or make a certain acquisition more costly, which may have an adverse effect on the results of operations of the Company.

Gender analysis

A split of our employees and directors by gender and average number during the year is shown below:

	Male	Female
Directors	3	nil

Corporate social responsibility

We aim to conduct our business with honesty, integrity and openness, respecting human rights and the interests of our shareholders and employees. We aim to provide timely, regular and reliable information on the business to all our shareholders and conduct our operations to the highest standards.

We strive to create a safe and healthy working environment for the wellbeing of our staff and create a trusting and respectful environment, where all members of staff are encouraged to feel responsible for the reputation and performance of the Company.

We aim to establish a diverse and dynamic workforce with team players who have the experience and knowledge of the business operations and markets in which we operate. Through maintaining good communications, members of staff are encouraged to realise the objectives of the Company and their own potential.

The Board would like to take this opportunity to thank our shareholders, Board and advisors for their support during the year.

Mark Stephenson

Executive Director

31 October 2019

The only employees in the Company are the Directors, who are all considered to be key management personnel.

Mark Stephenson

Mark has over 30 years' experience of working for stockbrokers in the City of London including the Panmure Gordon, West LB, Blue Oar Securities and NCL Investments – a Smith & Williamson group company. With the development of the AIM market, Mark has utilised his experience in equity, debt and convertibles to develop innovative financing solutions, for small and mid-size companies.

In the last four years, he has built a liquidity platform in conjunction with several hedge funds, private client brokers and a syndicate of high net worth investors, which has successfully funded smaller companies during this difficult period.

Lee Daniels

Lee is an experienced qualified accountant (Australian Certified Practicing Accountant). He has worked in London over the last two decades and has held senior finance roles with HSBC (Global Markets), Credit Suisse, ABN AMRO (Wholesale Markets) and LTSB(Group) (Distressed Debt Division). He has an established track record in Finance and Accounting, Change Management, Project Evaluation & Financial Modelling. Most recently, in the last few years, he has been working in the Oil and Gas industry for a public E&P company.

The Directors present their report and the audited financial statements for the year ended 30 June 2019. The Company was incorporated on 3 June 2015.

Principal Activity

The principal activity of the Company during the period was that of identifying potential companies, businesses or asset(s) for acquisition.

Results

The Company recorded a loss for the year before taxation of £259,395 (2018: £235,264) and further details are given in the preceding Financial Review.

Dividends

No dividend has been paid during the year nor do the Directors recommend the payment of a final dividend (2018: £nil).

Directors

The Directors who served at any time during the year were:

- Mark Stephenson Executive Director
- Lee Daniels Executive Director (appointed on 26 March 2019)
- Anthony Eastman Executive Director (resigned on 15 March 2019)
- George Donne Executive Director (resigned on 15 March 2019)

Details of the Directors' holding of Ordinary Shares and Warrants are set out in the Directors' Remuneration Report from page 14.

Further details of the interests of the Directors in the Warrants of the Company are set out in Note 13 of the financial statements.

Share Capital

Mila Resources Plc is incorporated as a public limited company and is registered in England and Wales with the registered number 09620350. Details of the Company's issued share capital, together with details of the movements during the year, are shown in Note 13. The Company has one class of Ordinary Share and all shares have equal voting rights and rank pari passu for the distribution of dividends and repayment of capital.

Substantial Shareholdings

At 24 October 2019, the Company had been informed of the following substantial interests over 3% of the issued share capital of the Company.

	Holdings	Percentage
JIM NOMINEES LIMITED JARVIS ACCT	4,321,253	18.63%
JIM NOMINEES LIMITED ISA ACCT	3,345,635	14.42%
SHARE NOMINEES LTD	2,303,553	9.93%
W B NOMINEES LIMITED	1,682,500	7.25%
BARCLAYS DIRECT INVESTING NOMINEES LIMITED CLIENT1 ACC	1,035,080	4.46%
MARK MCVEIGH	1,000,000	4.31%
HARGREAVES LANSDOWN (NOMINEES) LIMITED 15942 ACCT	940,342	4.05%
HSBC GLOBAL CUSTODY NOMINEE (UK) LIMITED 972158 ACCT	930,000	4.01%
HARGREAVES LANSDOWN (NOMINEES) LIMITED VRA ACCT	898,449	3.87%
PLATFORM SECURITIES NOMINEES LIMITED KKCLT ACCT	800,000	3.45%
HARGREAVES LANSDOWN (NOMINEES) LIMITED HLNOM ACCT	726,280	3.13%
HSBC GLOBAL CUSTODY NOMINEE (UK) LIMITED 941346 ACCT	700,000	3.02%

Corporate Governance Statement

The Board is committed to maintaining appropriate standards of corporate governance. The statement below, together with the report on Directors' remuneration on pages 12 to 14, explains how the Company has observed principles set out in The UK Corporate Governance Code ("the Code") as relevant to the Company and contains the information required by section 7 of the UK Listing Authority's Disclosure Rules and Transparency Rules.

The Company has decided not to apply the Code given its current size and resources. The Company is a small company with modest resources. The Company has a clear mandate to optimise the allocation of limited resources to source acquisition/(s) and support its future plans. The Company strives to maintain a balance between conservation of limited resources and maintaining robust corporate governance practices. As the Company evolves, the Board is committed to enhancing the Company's corporate governance policies and practices deemed appropriate to the size and maturity of the organisation.

Board of Directors

The Board currently consists of two executive Directors. It met regularly throughout the year to discuss key issues and to monitor the overall performance of the Company. With a Board comprising of just the two executive Directors, all matters and committees, such as Remuneration, Audit and Nominations are considered by the Board as a whole. The Directors will actively seek to expand Board membership to provide additional levels of corporate governance procedures at the relevant opportunity.

Audit Committee

The Board seeks to present a balanced and understandable assessment of the Company's position and prospects in all interim, final and price-sensitive reports and information required to be presented by statute.

The Directors consider the size of the Company and the close involvement of executive Directors in the day-to-day operations makes the maintenance of both an Audit Committee and an internal audit function unnecessary. The Directors will continue to monitor this situation.

External auditor

The Board will meet with the auditor at least twice a year to consider the results, internal procedures and controls and matters raised by the auditor. The Board considers auditor independence and objectivity and the effectiveness of the audit process. It also considers the nature and extent of the non-audit services supplied by the auditor reviewing the ratio of audit to non-audit fees and ensures that an appropriate relationship is maintained between the Company and its external auditor.

The Company has a policy of controlling the provision of non-audit services by the external auditor in order that their objectivity and independence are safeguarded. As part of the decision to recommend the appointment of the external auditor, the Board takes into account the tenure of the auditor in addition to the results of its review of the effectiveness of the external auditor and considers whether there should be a full tender process. There are no contractual obligations restricting the Board's choice of external auditor.

Remuneration committee

There is no separate Remuneration Committee at present, instead all remuneration matters are considered by the Board as a whole. It meets when required to consider all aspects of directors' and staff remuneration, share options and service contracts.

Nominations committee

A nominations committee has not yet been established.

Internal financial control

Financial controls have been established so as to provide safeguards against unauthorised use or disposition of the assets, to maintain proper accounting records and to provide reliable financial information for internal use. Key financial controls include:

- the maintenance of proper records;
- a schedule of matters reserved for the approval of the Board;
- evaluation, approval procedures and risk assessment for acquisitions; and
- close involvement of the Directors in the day-to-day operational matters of the Company.

Shareholder Communications

The Company uses its corporate website (www.milaresources.com) to ensure that the latest announcements, press releases and published financial information are available to all shareholders and other interested parties.

The AGM is used to communicate with both institutional shareholders and private investors and all shareholders are encouraged to participate. Separate resolutions are proposed on each issue so that they can be given proper consideration and there is a resolution to approve the Annual Report and Accounts.

The Company counts all proxy votes and will indicate the level of proxies lodged on each resolution after it has been dealt with by a show of hands.

Directors' Remuneration Report

Remuneration Policies (unaudited)

The remuneration policy of the Company in effect from 3 June 2015 was that each Director shall be entitled to a salary not in excess of £24,000 per annum from the date of Admission until the completion of an acquisition and it is intended that these policies will be continued for the next and subsequent years subject to any acquisition. At the forthcoming AGM shareholders be asked to vote on the remuneration policy of the Company, as per previous AGM's. The date of Admission was 7 October 2016.

At such time upon completion of an acquisition, a remuneration committee may be appointed to reassess an appropriate level of Directors' remuneration and it is envisaged that the remuneration policy be amended so as to attract, retain and motivate Executive Directors and senior management of a high calibre with a view to encouraging commitment to the development of the Company and for long term enhancement of shareholder value. The Board believes that share ownership by Executive Directors strengthens the link between their personal interests and those of shareholders although there is no formal shareholding policy in place.

The current Directors' remuneration comprises a basic fee and at present, there is no bonus or long-term incentive plan in operation for the Directors. Directors also receive reimbursement for expenses incurred whilst performing services for the Company.

Service contracts (unaudited)

The Executive Directors have entered into Service Agreements with the Company and continue to be employed until terminated by the Company.

In the event of termination or loss of office the Director is entitled only to payment of his basic salary in respect of his notice period. In the event of termination or loss of office in the case of a material breach of contract the Director is not entitled to any further payment.

Each Director is paid at a rate of £24,000 per annum.

Executive Directors are allowed to accept external appointments with the consent of the Board, provided that these do not lead to conflicts of interest. Executive Directors are allowed to retain fees paid.

The contracts are available for inspection at the Company's registered office.

Approval by members (unaudited)

The remuneration policy above will be put before the members for approval at the next Annual General Meeting.

Implementation Report

Particulars of Directors' Remuneration (audited)

Particulars of directors' remuneration, including directors' warrants which, under the Companies Act 2006 are required to be audited, are given in Notes 6 and 13 and further referenced in the Directors' report.

Remuneration paid to the Directors' during the year ended 30 June 2019 was:

Executive Director	Base salary £	Severance Payments £	Pension contribution £	Total £
Mark Stephenson	24,000	-	-	24,000
Lee Daniels	6,369	-	-	6,369
George Donne	16,923	24,000	-	40,923
Anthony Eastman	16,923	24,000	-	40,923
	64,215	48,000	-	112,215

Remuneration paid to the Directors' during the year ended 30 June 2018 was:

Executive Director	Base salary £	Severance Payments £	Pension contribution £	Total £
Mark Stephenson	24,000	-	-	24,000
George Donne	24,000	-	-	24,000
Anthony Eastman	24,000	-	-	24,000
	72,000	-	-	72,000

There were no performance measures associated with any aspect of Directors' remuneration during the year.

Payments to past Directors (audited)

There are no payments to past Directors, other than as disclosed above.

Payments for loss of office (audited)

There were two payments for loss of office. £24,000 each to George Donne and Anthony Eastman.

Bonus and incentive plans (audited)

There were no bonus and incentive plans in place during the year.

Percentage change in the remuneration of the Chief Executive (unaudited)

The Company does not yet have a Chief Executive and as such, no CEO disclosure has been presented.

Other matters

The Company does not have any pension plans for any of the Directors and does not pay contributions in relation to their remuneration. The Company has not paid out any excess retirement benefits to any Directors.

Directors interests in shares (audited)

The Company has no Director shareholder requirements.

The beneficial interest of the Directors in the Ordinary Share Capital of the Company at both 30 June 2019 and 30 June 2018 was:

	Number	%age of issued share capital – 2019	%age of issued share capital - 2018
Mark Stephenson	600,000	2.59%	2.59%
	600,000	2.59%	2.59%

The Directors held the following warrants at the beginning and end of the year:

Director	At 30 June 2018	Granted during the year	At 30 June 2019	Exercise price	Earliest date of exercise	Latest date of exercise
M Stephenson	1,200,000	-	1,200,000	£0.05	16 Oct 2016	20 Dec 2020
	1,200,000	-	1,200,000			

Former Directors held the following warrants at the beginning and end of the year:

Director	At 30 June 2018	Granted during the year	At 30 June 2019	Exercise price	Earliest date of exercise	Latest date of exercise
A Eastman	400,000	-	400,000	£0.05	16 Oct 2016	20 Dec 2020
G Donne	400,000	-	400,000	£0.05	16 Oct 2016	20 Dec 2020
	800,000	-	800,000			

Remuneration Committee (unaudited)

There is no separate Remuneration Committee at present, instead all remuneration matters are considered by the Board as a whole. It meets when required to consider all aspects of directors' remuneration, share options and service contracts.

This is the Company's third full year of operation. From the outset the Board has set out and implemented a policy designed in its view to attract, retain and motivate executive Directors of the right calibre and ability. There have been no major changes during the year either in that policy or its implementation, including levels of remuneration and terms of service for the Directors.

Statement of Directors' Responsibilities in respect of the Annual Report and the financial statements

The Directors are responsible for preparing this report and the financial statements in accordance with applicable United Kingdom law and regulations and those International Financial Reporting Standards ("IFRS") adopted by the European Union.

Company law requires the Directors to prepare financial statements for each financial period which present fairly the financial position of the Company and the financial performance and cash flows of the Company for that period.

In preparing those 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;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- state whether applicable International Financial Reporting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business; and
- provide additional disclosures when compliance with the specific requirements in IFRSs is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance.

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 Company financial statements comply with the Companies Act 2006 and Article 4 of the IAS Regulation. 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.

Under applicable law and regulations, the directors are also responsible for preparing a Strategic Report, Directors' Report, Directors' Remuneration Report and Corporate Governance Statement that comply with that law and those regulations, and for ensuring that the Annual report includes information required by the Listing Rules of the Financial Conduct Authority.

The financial statements are published on the Company's website http://www.milaresources.com/ The work carried out by the Auditor does not involve consideration of the maintenance and integrity of this website and accordingly, the Auditor accepts no responsibility for any changes that have occurred to the financial statements since they were initially presented on the website. Visitors to the website need to be aware that legislation in the United Kingdom covering the preparation and dissemination of the financial statements may differ from legislation in their jurisdiction.

The Directors confirm that to the best of their knowledge:

- the Company financial statements, prepared in accordance with IFRS as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit of the Company;
- this Annual report includes the fair review of the development and performance of the business and the position of the Company together with a description of the principal risks and uncertainties that it faces; and

the Annual Report and financial statements, taken as a whole, are fair, balanced and understandable and provide information necessary for shareholders to assess the Company's performance, business and strategy.

Disclosure and Transparency Rules

Details of the Company's share capital and warrants are given in Notes 15 and 16 respectively. There are no restrictions on transfer or limitations on the holding of the ordinary shares. None of the shares carry any special rights with regard to the control of the Company. There are no known arrangements under which the financial rights are held by a person other than the holder and no known agreements or restrictions on share transfers and voting rights.

As far as the Company is aware there are no persons with significant direct or indirect holdings other than the Directors and other significant shareholders as shown on page 10.

The provisions covering the appointment and replacement of directors are contained in the Company's articles, any changes to which require shareholder approval. There are no significant agreements to which the Company is party that take effect, alter or terminate upon a change of control following a takeover bid and no agreements for compensation for loss of office or employment that become effective as a result of such a bid.

Requirements of the Listing Rules

Listing Rule 9.8.4 requires the Company to include certain information in a single identifiable section of the Annual Report or a cross reference table indicating where the information is set out. The Directors confirm that there are no disclosures required in relation to Listing Rule 9.8.4.

Financial Instruments

The Company has exposure to credit risk, liquidity risk and market risk. Note 18 presents information about the Company's exposure to these risks, along with the Company's objectives, processes and policies for managing the risks.

Greenhouse Gas (GHG) Emissions

The Company is aware that it needs to measure its operational carbon footprint in order to limit and control its environmental impact. However, given the very limited nature of its operations during the year under review, it has not been practical to measure its carbon footprint.

In the future, the Company will only measure the impact of its direct activities, as the full impact of the entire supply chain of its suppliers cannot be measured practically.

Events after the reporting period

There are no significant events of the Company subsequent to year end.

Directors' Indemnity Provisions

The Company has implemented Directors and Officers Liability Indemnity insurance.

Going concern

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Further details are given in Note 2.2 to the Financial Statements. For this reason, the Directors continue to adopt the going concern basis in preparing the financial statements.

Donations

The Company made no political donations during the year (2018: £nil)..

Auditors and disclosure of information to auditors

The Directors who held office at the date of approval of the Directors' Report confirm that:

- so far as they are each aware, there is no relevant audit information 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 to make himself aware of any relevant audit information and to establish that the Company's Auditor is aware of that information.

The auditors, PKF Littlejohn LLP, were appointed by the Directors of the Company on 22 November 2018. They have expressed their willingness to continue in office and a resolution to reappoint them will be proposed at the Annual General Meeting.

ON BEHALF OF THE BOARD

Lee Daniels

Executive Director

31 October 2019

Opinion

We have audited the financial statements of Mila Resources Plc (the 'company') for the year ended 30 June 2019 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Equity 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 30 June 2019 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 public interest 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 application of materiality

The scope of our audit was influenced by our application of materiality. The quantitative and qualitative thresholds for materiality determine the scope of our audit and the nature, timing and extent of our audit procedures.

Overall materiality was set at £21,000 based on 5% of net assets. Net assets was used as the basis for materiality as the Company is not yet revenue generating. Performance materiality was calculated at 80% of overall materiality

We have agreed with those charged with governance that we would report any individual audit difference in excess of £1,050 as well as differences below these thresholds that, in our view, warranted reporting on qualitative grounds.

An overview of the scope of our audit

As part of designing our audit we determined materiality, as above, and assessed the risk of material misstatement in the financial statements. In particular, we looked at areas involving significant accounting estimates and judgements by the Directors and considered future events that are inherently uncertain.

We also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the Directors that represented a risk of material misstatements due to fraud. The Company's key accounting function is based in the United Kingdom and our audit was performed from our office with regular contact with the Company throughout.

Key audit matters

We have determined that there are no key audit matters to communicate in our report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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 the part of the directors' remuneration report to be audited has been properly prepared in accordance with 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 and the part of the directors' remuneration report to be audited 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, 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: *www.frc.org.uk/auditorsresponsibilities*. This description forms part of our auditor's report.

Other matters which we are required to address

We were appointed by the Board of Directors on 22 November 2018 to audit the financial statements for the year ended 30 June 2019. Our total uninterrupted period of engagement is one year, covering the year ended 30 June 2019.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the company and we remain independent of the company in conducting our audit.

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with the Directors. We considered the extent of compliance with those laws and regulations as part of our procedures on the related financial statement items. We communicated laws and regulations throughout our audit team and remained alert to any indications of non-compliance throughout the audit.

As with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

Our audit opinion is consistent with the additional report to those charged with governance.

Use of our 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 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.

Joseph Archer (Senior Statutory Auditor)
For and on behalf of PKF Littlejohn LLP
Statutory Auditor

15 Westferry Circus
Canary Wharf
London E14 4HD

31 October 2019

	Notes	Year ended 30 June 2019 £	Year ended 30 June 2018 £
Revenue		-	-
Administrative expenses		(259,395)	(235,264)
Operating loss		**(259,395)**	**(235,364)**
Finance income		-	-
Loss on ordinary activities before taxation	4	**(259,395)**	**(235,264)**
Tax on loss on ordinary activities	7	-	-
Loss and total comprehensive loss for the period attributable to the owners of the company		**(259,395)**	**(235,264)**
Earnings per share (basic and diluted) attributable to the equity holders (pence)	8	(1.12)	(1.01)

The above results relate entirely to continuing activities.

The accompanying notes on pages 26 to 38 form part of these financial statements.

	Notes	Year ended 30 June 2019 £	Year ended 30 June 2018 £
CURRENT ASSETS			
Trade and other receivables	9	17,642	8,791
Cash and cash equivalents	10	428,673	701,550
		446,315	710,341
TOTAL ASSETS		**446,315**	**710,341**
CURRENT LIABILITIES			
Trade and other payables	11	17,745	22,377
TOTAL LIABILITIES		17,745	22,377
NET ASSETS		**428,570**	**687,964**
EQUITY			
Share capital	13	232,000	232,000
Share premium	13	849,300	849,300
Share based payment reserve	14	4,720	4,720
Retained loss		(657,450)	(398,056)
TOTAL EQUITY		**428,570**	**687,964**

The accompanying notes on pages 26 to 38 form part of these financial statements.

These financial statements were approved by the Board of Directors on 31 October 2019 and were signed on its behalf by:

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Lee Daniels

Executive Director

Company number: 09620350

	Year ended 30 June 2019 £	Year ended 30 June 2018 £
Cash flow from operating activities		
Loss for the year	(259,395)	(235,264)
Operating cashflow before working capital movements	(259,395)	(235,264)
(Increase) in trade and other receivables	(8,851)	(7,550)
(Decrease) / Increase in trade and other payables	(4,632)	12,330
Net cash outflow from operating activities	(272,878)	(230,484)
Net decrease in cash and cash equivalents	(272,878)	(230,484)
Cash and cash equivalents at the beginning of the year	701,550	932,034
Cash and cash equivalents at the end of the year	428,672	701,550

MILA RESOURCES PLC
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2019

	Share Capital	Share Premium	Share Based Payment Reserve	Retained Loss	Total
	£	£	£	£	£
Balance at 1 July 2017	232,000	849,300	4,720	(162,792)	923,228
Total comprehensive loss for the year	-	-	-	(235,264)	(235,264)
Balance at 30 June 2018	**232,000**	**849,300**	**4,720**	**(398,055)**	**687,964**
Total comprehensive loss for the year	-	-	-	(259,395)	(259,395)
Balance at 30 June 2019	**232,000**	**849,300**	**4,720**	**(657,450)**	**428,570**

The accompanying notes on pages 26 to 38 form part of these financial statements.

1 GENERAL INFORMATION

Mila Resources Plc (the "Company'') looks to identify potential companies, businesses or asset(s) that will increase shareholder value.

The Company is domiciled in the United Kingdom and incorporated and registered in England and Wales as a public limited company. The Company's registered office is Lockstrood Farm, Ditchling Common, Burgess Hill, West Sussex, RH15 0SJ. The Company's registered number is 09620350.

2 ACCOUNTING POLICIES

2.1 Basis of preparation

The Financial Statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") and IFRS Interpretations Committee ("IFRS IC") as adopted by the European Union and the Companies Act 2006 applicable to companies reporting under IFRS.

The Financial Statements have been prepared un the historical cost convention. The principal accounting policies are set out below and have, unless otherwise stated, been applied consistently for all periods presented in these Financial Statements. The Financial Statements are prepared in pounds Sterling and presented to the nearest pound.

2.2 Going concern

The financial statements have been prepared on a going concern basis, which assumes that the Company will continue in operational existence for the foreseeable future.

The Company had a net cash outflow from operating activities for the year of £272,878 (2018: £230,484) and at 30 June 2019 had cash and cash equivalents balance of £428,673 (2018: £701,550).

The Company has no revenue but has cash resources to finance activities whilst it identifies and completes suitable transaction opportunities. When a suitable transaction is identified, the Directors will consider the need for further funding to complete the transaction.

Having considered forecasts, the Directors consider that there will be sufficient funds available for the Company to continue in operational existence for at least 12 months from the date of approval of these accounts. Accordingly, the Board believes it appropriate to adopt the going concern basis in the approval of the financial statements.

2.3 Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group

New standards, amendments to standards and interpretations:

During the financial year, the Company has adopted the following new IFRSs (including amendments thereto) and IFRIC interpretations that became effective for the first time.

IFRS 9 'Financial Instruments'

Mila Resources Plc has applied IFRS 9, which is effective for annual periods that begins on or after 1 January 2018, to the results for the year ended 30 June 2019. The standard replaces all phases of the financial instruments project and IAS 39 'Financial Instruments: Recognition and Measurement'.

The adoption of IFRS 9 has not had any significant impact on recognition and measurement of financial instruments in the financial statements.

IFRS 15 'Revenue from Contracts with Customers'

Mila Resources Plc has applied IFRS 15 Revenue from Contracts with Customers, which is effective for annual periods that begin on or after 1 January 2018, to the results for the year ended 30 June 2019. The standard introduces a new revenue recognition model and replaces IAS 18 'Revenue', IAS 11 'Construction Contracts', IFRIC 13 'Customer Loyalty Programmes', IFRIC 15 'Agreements for the Construction of Real Estate', IFRIC 18 'Transfer of Assets from Customers' and SIC-31 "Revenue – Barter Transactions Involving Advertising Services.'

As the company has no revenue the introduction of IFRS 15 has had no impact on the financial statements.

Standards issued but not yet effective:

At the date of authorisation of these financial statements, the following standards and interpretations relevant to the Company and which have not been applied in these financial statements, were in issue but were not yet effective. In some cases, these standards and guidance have not been endorsed for use in the European Union.

Standard	Effective date, annual period beginning on or after
IFRS 16 Leases	1 January 2019
IFRIC 23 – Uncertainty over Income Tax Treatments	1 January 2019
Annual improvements 2015-2017 cycle	1 January 2019
Amendments to References to the Conceptual Framework in IFRS Standards	1 January 2020

The directors do not consider that these standards will impact the financial statements of the Company.

2.4 Foreign currency translation

The financial information is presented in Sterling which is the Company's functional and presentational currency.

Transactions in currencies other than the functional currency are recognised at the rates of exchange on the dates of the transactions. At each balance sheet date, monetary assets and liabilities are retranslated at the rates prevailing at the balance sheet date with differences recognised in the Statement of comprehensive income in the period in which they arise.

2.5 Financial instruments

Initial recognition

A financial asset or financial liability is recognised in the statement of financial position of the Company when it arises or when the Company becomes part of the contractual terms of the financial instrument.

Classification

Financial assets at amortised cost

The Company measures financial assets at amortised cost if both of the following conditions are met:

(1) the asset is held within a business model whose objective is to collect contractual cash flows; and

(2) the contractual terms of the financial asset generating cash flows at specified dates only pertain to capital and interest payments on the balance of the initial capital.

Financial assets which are measured at amortised cost, are measured using the Effective Interest Rate Method (EIR) and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial liabilities at amortised cost

Financial liabilities measured at amortised cost using the effective interest rate method include current borrowings and trade and other payables that are short term in nature. Financial liabilities are derecognised if the Company's obligations specified in the contract expire or are discharged or cancelled.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate ("EIR"). The EIR amortisation is included as finance costs in profit or loss. Trade payables other payables are non-interest bearing and are stated at amortised cost using the effective interest method.

Derecognition

A financial asset is derecognised when:

(1) the rights to receive cash flows from the asset have expired, or

(2) the Company has transferred its rights to receive cash flows from the asset or has undertaken the commitment to fully pay the cash flows received without significant delay to a third party under an arrangement and has either (a) transferred substantially all the risks and the assets of the asset or (b) has neither transferred nor held substantially all the risks and estimates of the asset but has transferred the control of the asset.

Impairment

The Company recognises a provision for impairment for expected credit losses regarding all financial assets. Expected credit losses are based on the balance between all the payable contractual cash flows and all discounted cash flows that the Company expects to receive. Regarding trade receivables, the Company applies the IFRS 9 simplified approach in order to calculate expected credit losses. Therefore, at every reporting date, provision for losses regarding a financial instrument is measured at an amount equal to the expected credit losses over its lifetime without monitoring changes in credit risk. To measure expected credit losses, trade receivables and contract assets have been grouped based on shared risk characteristics.

Trade and other receivables

Trade and other receivables are initially recognised at fair value when related amounts are invoiced then carried at this amount less any allowances for doubtful debts or provision made for impairment of these receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and are subject to an insignificant risk of changes in value.

Trade payables

These financial liabilities are all non-interest bearing and are initially recognised at the fair value of the consideration payable.

2.6 Equity

Share capital is determined using the nominal value of shares that have been issued.

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

Equity-settled share-based payments are credited to a share-based payment reserve as a component of equity until related options or warrants are exercised or lapse.

Retained losses includes all current and prior period results as disclosed in the income statement.

2.7 Share-based payments

The Company has issued warrants to the initial investors and certain counter parties and advisers.

Equity-settled share-based payments are measured at fair value (excluding the effect of non-market based vesting conditions) at date of grant. The fair value so determined is expensed on a straight-line basis over the vesting period, based on the Company's estimate of the number of shares that will eventually vest and adjusted for the effect of non-market based vesting conditions. Fair value is measured using the Black Scholes pricing model. The key assumption used in the model have been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

2.8 Taxation

Tax currently payable is based on taxable profit for the period. Taxable profit differs from profit as reported in the income statement because it excludes items of income and expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial 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 utilised. Such assets and liabilities are not recognised if the temporary difference arises from 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.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

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 realised. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

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.

2.9 Critical accounting judgements and key sources of estimation uncertainty

In the process of applying the entity's accounting policies, management makes estimates and assumptions that have an effect on the amounts recognised in the financial information. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates. The Directors consider that there are no critical accounting judgements or key sources of estimation uncertainly relating to the financial information of the Company.

2.10 Loss per share

Basic loss per share is calculated as profit attributable to equity holders of the parent for the period, adjusted to exclude any costs of servicing equity (other than dividends), divided by the weighted average number of ordinary shares, adjusted for any bonus element.

2.11 Segmental reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker.

The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board as a whole.

All operations and information are reviewed together so that at present there is only one reportable operating segment.

3. SEGMENT REPORTING

As identifying and assessing investment projects is the only activity the Company is involved in and is therefore considered as the only operating/reporting segment. Therefore the financial information of the single segment is the same a set out in the statement of comprehensive income and statement of financial position.

4. OPERATING LOSS

This is stated after charging:

	2019 £	2018 £
Auditor's remuneration		
audit of the Company	15,000	9,500
corporate finance services	4,000	-
Directors' remuneration	112,215	72,000
Stock exchange and regulatory expenses	29,407	32,687
Other expenses	98,773	121,077
Operating expenses	259,395	235,264

5. AUDITOR'S REUMERATION

	2019 £	2018 £
Fees payable to the Company's current auditor:		
- audit of the Company's financial statements	15,000	-
- taxation compliance services	-	-
- corporate finance services	4,000	-
	19,000	-

	2019 £	2018 £
Fees payable to the Company's former auditor:		
- audit of the Company's financial statements	-	9,500
	-	9,500

6. DIRECTORS AND STAFF COSTS

During the year the only staff of the Company were the Directors and as such key management personnel. Management remuneration, other benefits supplied and social security costs to the Directors during the year was as follows:

	2019 £	2018 £
Salaries	64,215	72,000
Severance Payments	48,000	-
Social security costs	9,775	3,556
	121,990	75,556

The average number of staff during the year, including Directors was 3 (2018: 3).Each Director's remuneration has been set out on page 13.

7. TAXATION

	2019 £	2018 £
The charge / credit for the year is made up as follows:		
Current tax	-	-
Deferred tax	-	-
Taxation charge / credit for the year	-	-
A reconciliation of the tax charge / credit appearing in the income statement to the tax that would result from applying the standard rate of tax to the results for the year is:		
Loss per accounts	(259,395)	(235,264)
Tax credit at the standard rate of corporation tax in the UK of 19% (2018: 19%)	(49,285)	(44,700)
Impact of costs disallowed for tax purposes	95	570
Deferred tax in respect of temporary differences	-	-
Impact of unrelieved tax losses carried forward	49,190	44,130
	-	-

Estimated tax losses of £597,747 (2018: £354,065) are available for relief against future profits and a deferred tax asset of £109,381 (2018: £60,191) has not been provided for in the accounts due to the uncertainty of future profits.

Factors affecting the future tax charge

The standard rate of corporation tax in the UK is 19%. Accordingly, the Company's effective tax rate for the period was 19% (2018: 19%).

A further change in the corporation tax rate from 19% to 17% (effective from 1 April 2020) was substantially enacted on 15 September 2016, therefore the potential deferred tax asset has been assessed on this basis.

8. LOSS PER SHARE

The calculation of the loss per share is based on the loss for the financial period after taxation of £259,395 (2018: loss £235,264) and on the weighted average of 23,200,000 (2018: 23,200,000) ordinary shares in issue during the period.

The warrants outstanding at 30 June 2019 and 30 June 2018 are considered to be non-dilutive in that their conversion into ordinary shares would not increase the net loss per share. Consequently, there is no diluted loss per share to report for the period.

9. TRADE AND OTHER RECEIVABLES

	2019 £	2018 £
Prepayments and other receivables	17,642	8,791
	17,642	8,791

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

10. CASH AND CASH EQUIVALENTS

	2019 £	2018 £
Cash at bank	428,673	701,550
	428,673	701,550

Cash at bank comprises balances held by the Company in current bank accounts. The carrying value of these approximates to their fair value.

11. TRADE AND OTHER PAYABLES

	2019 £	2018 £
Trade payables	1,524	1,384
Accruals and other payables	16,221	20,993
	17,745	22,377

Trade payables and accruals principally comprise amounts outstanding for trade purchases and continuing costs. The Directors consider that the carrying value amount of trade and other payables approximates to their fair value. Refer Note 18.

12. DEFERRED TAXATION

No deferred tax asset has been recognised by the Company due to the uncertainty of generating sufficient future profits and tax liability against which to offset the tax losses. Note 7 above sets out the estimated tax losses carried forward and the impact of the deferred tax asset not accounted for.

13. SHARE CAPITAL / SHARE PREMIUM

	Number of shares on issue	Share capital £	Share premium £	Total £
Balance as at 1 July 2017	23,200,000	232,000	849,300	1,081,300
Balance as at 30 June 2018	23,200,000	232,000	849,300	1,081,300
Balance as at 30 June 2019	23,200,000	232,000	849,300	1,081,300

The Company has only one class of share. All ordinary shares have equal voting rights and rank pari passu for the distribution of dividends and repayment of capital.

At 30 June 2019, there were warrants and options over 15,825,000 unissued ordinary shares (2018: 15,825,000).Details of the warrants outstanding are as follows:

Issued	Exercisable from	Expiry date	Number outstanding	Exercise price
16 October 2015	Anytime until	31 December 2020	4,400,000	£0.05
12 September 2016	Anytime until	31 December 2020	350,000	£0.05
26 September 2016 *	7 October 2016	31 December 2020	11,075,000	£0.10
			15,825,000	

** The warrants were issued conditional upon the Ordinary Shares to be admitted to trading on the London Stock Exchange's main market for listed securities which occurred on 7 October 2016.*

The Directors held the following warrants at the beginning and end of the year:

Director	At 30 June 2018	Granted during the year	At 30 June 2019	Exercise price	Earliest date of exercise	Latest date of exercise
M Stephenson	1,200,000	-	1,200,000	£0.05	16 Oct 2016	20 Dec 2020
	1,200,000	-	1,200,000			

Warrants held by former Directors have been set out on page 14.

The market price of the shares at year end was £0.015 per share.

During the year, the minimum and maximum prices were £0.014 and £0.038 per share respectively.

14. SHARE BASED PAYMENT RESERVE

	2019 £	2018 £
At 1 July	4,720	4,720
Fair value of warrants granted during the period	-	-
At 30 June	4,720	4,720

The Company did not issue any warrants during the current or prior year.

	Number	Fair Value £	Weighted average exercise price
At 1 July 2017	15,825,000	4,720	£0.085
Balance at 30 June 2018	15,825,000	4,720	£0.085
Balance at 30 June 2019	15,825,000	4,720	£0.085

The warrants outstanding at the year end have a weighted average remaining contractual life of 1.5 years. The exercise prices of the warrants are £0.05 and £0.10 per share.

15. CAPITAL COMMITMENTS

There were no capital commitments at 30 June 2018 and 30 June 2019.

16. CONTINGENT LIABILITIES

There were no contingent liabilities at 30 June 2018 and 30 June 2019.

17. COMMITMENTS UNDER OPERATING LEASES

There were no commitments under operating leases at 30 June 2018 and 30 June 2019.

18. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's financial instruments comprise primarily cash and various items such as trade debtors and trade payables which arise directly from operations. The main purpose of these financial instruments is to provide working capital for the Company's operations. The Company does not utilise complex financial instruments or hedging mechanisms.

Financial assets by category

	2019 £	2018 £
Current Assets:		
Trade and other receivables (excluding prepayments)	10,938	3,241
Cash and cash equivalents	428,673	701,550
Categorised as financial assets at amortised cost	439,611	710,341

Financial liabilities by category

	2019 £	2018 £
Current Liabilities:		
Trade and other payables	17,745	22,377
Categorised as financial liabilities measured at amortised cost	17,745	22,377

All amounts are short term and payable in 0 to 3 months.

Credit risk

The maximum exposure to credit risk at the reporting date by class of financial asset was:

	2019	2018
	£	£
Trade receivables	10,938	8,791

Capital management

The Company considers its capital to be equal to the sum of its total equity. The Company monitors its capital using a number of key performance indicators including cash flow projections, working capital ratios, the cost to achieve development milestones and potential revenue from partnerships and ongoing licensing activities.

The Company's objective when managing its capital is to ensure it obtains sufficient funding for continuing as a going concern. The Company funds its capital requirements through the issue of new shares to investors.

Interest rate risk

The maximum exposure to interest rate risk at the reporting date by class of financial asset was:

	2019	2018
	£	£
Bank balances	428,673	701,550

The nature of the Company's activities and the basis of funding are such that the Company has significant liquid resources. The Company uses these resources to meet the cost of operations.

The Company is not financially dependent on the income earned on these resources and therefore the risk of interest rate fluctuations is not significant to the business and the Directors have not performed a detailed sensitivity analysis.

All deposits are placed with main clearing banks, with 'A' ratings, to restrict both credit risk and liquidity risk. The deposits are placed for the short term, between one and three months, to provide flexibility and access to the funds.

Credit and liquidity risk

Credit risk is managed on a Company basis. Funds are deposited with financial institutions with a credit rating equivalent to, or above, the main UK clearing banks. The Company's liquid resources are invested having regard to the timing of payment to be made in the ordinary course of the Company's activities. All financial liabilities are payable in the short term (between 0 to 3 months) and the Company maintains adequate bank balances to meet those liabilities.

Currency risk

The Company operates in a global market with income and costs possibly arising in a number of currencies. The majority of the operating costs are incurred in £GBP. The Company does not hedge potential future income or costs, since the existence, quantum and timing of such transactions cannot be accurately predicted. The Company did not have foreign currency exposure at year end.

19. RELATED PARTY TRANSACTIONS

Key management personnel compensation

The Directors are considered to be key management personnel. Detailed remuneration disclosures are provided in the remuneration report on pages 12 – 14.

Amounts due from/to related parties

As at 30 June 2019, £1,642 was due to the Company from Mark Stephenson, a Director of the Company. This outstanding balance is unsecured, interest free and repayable on demand.

There were no other related party transactions.

20. EVENTS SUBESQUENT TO YEAR END

There were no events subsequent to the year end.

21. CONTROL

In the opinion of the Directors there is no single ultimate controlling party.