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Mila Resources PLC
31 October 2019

Mila Resources Plc / Index: LSE / Epic: MILA / Sector: Natural Resources

31 October 2019

Mila Resources Plc ("Mila Resources" or "the Company")

Final Results

Mila Resources Plc, a London listed natural resources company, is pleased to present its final results for the six-month period ended 30 June 2019.

Highlights

- •€€€ Ongoing appraisal of investment targets in regions with strong valuation or cash-flow growth potential
- •€€€ Mutually terminated a proposed reverse takeover of Capital Metals Limited
- •€€€ Broadening of investment horizons
- •€€€ Strong balance sheet position with cash balance at the end of the period

Chairman's Statement

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

Strategic Report

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

Statement of Comprehensive Income

	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

Statement of Financial Position

	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**

These financial statements were approved by the Board of Directors on 30 October 2019 and were signed on its behalf by:

Lee Daniels

Executive Director

Company number: 09620350

Statement of Cashflows

	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)

	2019	2018
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

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

Statement of Changes in Equity

	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.

Notes to the 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 SUBSEQUENT 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.

****ENDS****

For more information visit www.milaresources.com or contact:

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