

Red Leopard Holdings Plc
Financial statements
For the year ended 31 December 2016

Company No. 05289187

Company information

Directors	J J May T Hayward (appointed 20 March 2017) S J Adam S Wharmby (appointed 27 February 2017) T Hoyer (appointed 31 May 2017)
Secretary	Nicola Baldwin City & Westminster Corporate Finance LLP 50 Jermyn Street London SW1Y 6LX
Company registration number	05289187
Registered office	50 Jermyn Street London SW1Y 6LX
Auditor	Grant Thornton UK LLP Chartered Accountants Grant Thornton House 202 Silbury Boulevard Central Milton Keynes MK9 1LW
Bankers	Barclays Bank Plc Pall Mall 2 Leicester LE87 2BB
Solicitors	Moore Blatch 125 Old Broad Street London EC2N 1AR
Nominated Adviser	Beaumont Cornish Limited Bowman House 29 Wilson Street London EC2M 2SJ
Broker	Peterhouse Corporate Finance Limited New Liverpool House 15 Eldon Street London EC2M 7LD
Website	www.redleopardholdings.com

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Chairman's statement

I am pleased to present the financial statements for the year to 31 December 2016 for Red Leopard Holdings Plc and its wholly owned subsidiaries (together the "Group") and an update on its current position.

After a brief period of suspension of the Company's shares from AIM in January 2017, the Company was pleased to announce that it had appointed Beaumont Cornish as NOMAD, and its shares resumed trading on AIM on 28 February 2017. In conjunction, the Company raised £250,000 through a subscription of 250,000,000 ordinary shares ("Ordinary Shares") at a price of 0.1p per share. Further to the subscription, a further £307,500 has been raised through three separate warrant conversions.

This injection of capital has given the Company a platform to implement its investment strategy to acquire a significant asset or Company in the resources sector. The Company has, whilst still at an early stage, commenced due diligence on a number of possible acquisition targets, principally in the mining sector, with a view to concluding a reverse takeover in the coming months.

The Company's ability to conclude such a transaction has been enhanced by a number of strategic appointments and the Directors believe that the Company is now in a position to conclude a substantial acquisition. Simon Wharmby was appointed as Non-Executive Director in February 2017, replacing Howard Crosby. Simon has had a long career in a number of corporate finance positions, specialising in the natural resources sector, and is a non-executive director of independent advisory firm Strand Hanson. Toby Hayward was appointed Chief Executive in March 2017. Toby brings to the Board a long career in Investment Banking, specifically within the natural resources sector, having led the corporate finance function for mid-cap companies both pre and post-IPO. Thomas Hoyer was appointed as Non-Executive Director in May 2017. Thomas has had an international career within different industries in Europe and Africa. Since 2008, his professional focus has been on the natural resources sector, where he has held various executive and non-executive positions. The Company also appointed Hannam & Partners as financial adviser. Hannam & Partners are a leading adviser in the natural resource sector and, amongst a number of other services, will provide independent strategic advice in respect of the sector and financial valuations on possible opportunities for the Company.

On resumption of trading, the Board made the decision to cease funding the Idora Tunnel and to focus on leveraging its experienced team of advisors and key personnel to conclude an acquisition in the natural resources sector. This decision constituted a cessation of all of the Company's existing trading business under Rule 15 of the AIM Rules for Companies ("AIM Rules"). Accordingly, the Company is now classified as an AIM Rule 15 cash shell, pursuant to which it must make an acquisition or acquisitions which constitute a reverse takeover under AIM Rule 14 within six months of the date of the Subscription (being 28th February 2017). In consequence of this, the assets comprising the Idora Tunnel have been impaired in full as at 31 December 2016.

I am pleased to report that the Company has reviewed a number of possible acquisition targets in the three months since being re-listed, any one of which would be a transformational acquisition for Red Leopard. Whilst discussions are at an early stage, given the number of potential opportunities reviewed by the Board, the Directors are confident that the Company will successfully execute its investing strategy in the coming months to capitalise on favourable capital markets and the more positive outlook for commodity prices.

J J May
Chairman
6 June 2017

Strategic Report

PRINCIPAL ACTIVITY

Red Leopard Holdings Plc is classified as an AIM Rule 15 cash shell (having been reclassified on 28th February 2017). Previously, the principal activity of the group was focused on the natural resources sector (both exploration and production), with a particular emphasis on precious mining assets and interests. Following a change in the strategy of the group to focus on concluding an acquisition, the previous activities of the group ceased in the period.

BUSINESS REVIEW

Financial overview and performance

Loss for the Group before tax for the year was £659,195 (2015: £230,921). This includes an impairment relating to the Idora Tunnel of the intangible asset of £466,434 (2015: nil) (Note 11), without which the loss for the Group before tax was £192,761 (2015: £230,921). Net liabilities for the group as at 31 December 2016, post impairment charges, were £252,263 (2015: net assets £406,932). The group has seen little activity during the period whilst continuing to pursue its investment strategy.

Strategy

The Company's strategy following its reclassification as an AIM Rule 15 Cash Shell, is to complete a reverse takeover transaction in the natural resources sector.

Investing Policy

The investing policy is to pursue investments in natural resources, and in particular in metals and mining.

The Directors intend initially to focus on North and South America, where the Directors believe that a number of opportunities exist to acquire interests in suitable projects, although other regions may be considered. Investments may be made in exploration, development and/or producing assets.

The Directors may consider it appropriate to purchase companies or interests in the assets themselves which may result in an equity interest in any proposed investment ranging from a minority position to 100 per cent ownership. Proposed investments may be made in either quoted or unquoted companies and structured as a direct acquisition, joint venture or as a direct interest in a project.

The Company intends to be involved as an active investor and operator. Accordingly, where necessary, the Company may seek participation in the management or with the board of directors of an entity in which the Company invests or in the event that it is acquired then in the on-going enlarged entity.

New investments will be held for the medium to longer term, although shorter term disposal of any investments cannot be ruled out should such an opportunity present itself.

There will be no limit on the number of projects into which the Company may invest, and the Company's financial resources may be invested in a number of opportunities or in just one investment, which may be deemed to be a reverse takeover pursuant to Rule 14 of the AIM Rules. Where the Company builds a portfolio of related assets it is possible that there may be cross-holdings between such assets. The Company does not currently intend to fund any investments with debt or other borrowings but may do so if appropriate.

Strategic Report (continued)

Investing Policy (continued)

The Company's primary objective is that of securing for the Shareholders the best possible value consistent with achieving, over time, both capital growth and income for Shareholders through developing profitability on a sustainable basis.

The Directors may undertake the initial project assessments themselves with additional independent technical advice as required. The Company will not have a separate investment manager.

The Directors may offer new Ordinary Shares by way of consideration as well as cash subject to its availability to the Company. The Company may in appropriate circumstances, issue debt securities or otherwise borrow money to complete an investment. The Directors do not intend to acquire any cross-holdings in other corporate entities that have an interest in the Ordinary Shares.

Principal risks and uncertainties

The management of the business and the nature of the Group's strategy are subject to a number of risks. The directors have set out below the principal risks facing the business.

Going concern

The assessment of the going concern risk has been detailed in the Directors' Report.

Transactional Risk

Following the Company's reclassification as an AIM Rule 15 Cash Shell, it has, from 28th February 2017, six months by which to complete a reverse takeover transaction in accordance with AIM Rule 14. Should the Company not have completed a reverse takeover by 28th August 2017, it will be suspended in accordance with the AIM Rules. Following suspension, the Company will then only have a further six months to complete a transaction before its listing on AIM will be cancelled and the Company's shares delisted.

Whilst every effort will be made by the Directors to complete a transaction in the time frame detailed above, there can be no guarantee that such a transaction will be identified and completed in this time.

Market risk

The success of the business is reliant on capitalising on opportunities within the natural resources sector. In response to these risks, the directors aim to keep abreast of changes to the market conditions and adjust accordingly by curtailing discretionary spending and by seeking alternative opportunities.

Strategic Report (continued)

Financial Risk Management Objectives and Policies

Liquidity risk

The Group manages its cash and borrowing requirements to maximise interest income and minimise interest expense, whilst ensuring that the Group has sufficient resources to meet the operating needs of the business. Cash flow risk is managed by ensuring that sufficient funds are available to meet obligations to creditors by monitoring closely purchase commitments and activity levels, ensuring that these can be reduced or curtailed in the short term if required whilst further funds are secured. Historically, the directors have put loans into the Company to ensure liquidity at critical times.

The Group's approach to liquidity risk is to ensure that sufficient liquidity is available to meet foreseeable requirements, by having adequate reserves, banking and borrowing facilities and by investing funds securely and profitably. The board further manages its exposure to liquidity risk by ensuring that cash flow forecasts and budgets are produced annually and monitored on a regular basis.

Credit risk

The Group's principal financial assets are bank balances, cash and trade and other receivables.

The Group's credit risk is primarily attributable to receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows. The amounts presented in the statement of financial position are net of these allowances for doubtful receivables. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Credit risk refers to the risk that a third party will default on its contractual obligations resulting in financial loss to the Group. The Group manages the exposure to this risk by carrying out credit verification procedures on all clients and monitoring receivable balances on an ongoing basis.

KEY PERFORMANCE INDICATORS (KPIs)

The directors have monitored historically the progress of the overall strategy by reference to certain financial and non-financial key performance indicators, principally the successful completion of fundraising and pursuit of investment opportunities. The directors are satisfied with the performance of the business against these KPIs for the financial year under report. In light of disclosures made elsewhere in these financial statements, new KPI's for the current period will be agreed and implemented.

This report was approved by the board on 6 June 2017 and signed on its behalf.

J J May
Chairman

Report of the directors

The Directors present their report and the audited financial statements of the Company and the Group for the year ended 31 December 2016.

RESULTS FOR THE YEAR

The Group has made a loss of £659,195 (2015: £230,921). This includes an impairment of the intangible asset this year of £466,434, (Note11) without which the loss for the group before tax was £192,761 (2015: £230,921).

DIVIDENDS

The Directors are unable to recommend the payment of a dividend (2015: Nil).

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

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

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors confirm that:

- in so far as each of the directors is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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

Report of the directors (continued)

GOING CONCERN

As at 31 December 2016 the group had cash balances of £5,317 and net liabilities of £252,263. Subsequent to the year end the group has raised £250,000 by way of subscription to ordinary shares and a further £307,500 by way of the exercise of warrants. This provides adequate resources to meet the existing and foreseeable obligations of the group for the next twelve months. The group has also secured representations of support from the holders of outstanding loan notes that these will not be recalled until such time as sufficient funds are available. To satisfy its investing policy and secure an acquisition, the Group will likely require additional funds to complete it. In reviewing potential transactions, the Directors are looking at various financing options, which would provide sufficient funds to allow the Group to satisfy its objectives. However, the Directors consider that, based upon current financial projections excluding an acquisition, the Company will be a going concern for the next twelve months. In the event that the company were to be delisted, this assessment would be unchanged. For this reason, the Directors have adopted the going concern basis in preparing the financial statements.

DIRECTORS

The directors who served during the year and their beneficial interests in the company's issued share capital as at 31 December 2016, were:

	Ordinary Shares	
	2016	2015
J J May*	77,141,238	77,141,238
S J Adam	57,947,222	57,947,222
H Crosby (resigned 27 February 2017)	36,840,277	36,840,277

* J May holds shares in his Self-Invested Personal Pension.

DIRECTORS' INDEMNITY

The Company's Articles of Association provide, subject to the provisions of UK legislation, an indemnity for directors and officers of the Company in respect of liabilities they may incur in the discharge of their duties or in the exercise of their powers, including any liabilities relating to the defence of proceedings brought against them which relate to anything done or omitted, or alleged to have been done or omitted, by them as officers or employees of the Company.

INDICATION OF FUTURE DEVELOPMENTS

The details of the future developments of the group are given in the Strategic Report.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The details of financial risk management are given in the Strategic Report.

GROUP'S POLICY FOR PAYMENT OF CREDITORS

It is the Group's policy to agree to the terms of transactions, including payment terms, with suppliers and that payment is made accordingly. At 31 December 2016 the average creditor payment period was 47 days (2015: 2 days) for both the group and company.

Report of the directors (continued)

POST BALANCE SHEET EVENTS

In December 2016, the Company announced that its then nominated adviser ("NOMAD") and joint broker had served advanced notice to terminate its engagement with the Company with termination effective 20 January 2017. After a brief period of suspension of the Company's shares on AIM, on 28 February 2017 the Company reported that it had raised £250,000 through a subscription of 250,000,000 ordinary shares of 0.1p each ("Ordinary Shares") at a price of 0.1p each ("Subscription"); appointed a new NOMAD and broker and its shares resumed trading on AIM. Under the Subscription, a total of 375,000,000 warrants were granted representing 1.5 warrants for every 1 Ordinary Share subscribed for (the "Warrants"). Each Warrant entitles the holder to subscribe for a further Ordinary Share at a price of 0.1p per share, valid for 3 years from the date of issue.

On 7th March 2017 following the election to convert, of the warrants issued in 2015, 75,000,000 new Ordinary Shares were issued, raising £75,000 for the Company; and on 16th March 2017, 82,500,000 new Ordinary Shares were issued, raising £82,500.

On 31st March 2017 following the election to convert, of the warrants issued in 2017, 150,000,000 new Ordinary Shares were issued, raising £150,000.

In conjunction with the Subscription, the Board made the decision to cease funding the Company's existing zinc and silver project in Idaho, USA. This decision constituted a cessation of all of the Company's existing trading business pursuant to Rule 15 of the AIM Rules for Companies ("AIM Rules"). Accordingly, the Company is now classified as an AIM Rule 15 cash shell, pursuant to which it must make an acquisition or acquisitions which constitute a reverse takeover under AIM Rule 14 within six months of the date of the Subscription (being 28th February 2017).

AUDITOR

Pursuant to section 489 of the Companies Act 2006, a resolution to reappoint Grant Thornton UK LLP as auditor will be proposed at the Company's next annual general meeting.

This report was approved by the board on 6 June 2017 and signed on its behalf.

J J May
Chairman

Report of the independent auditor to the members of Red Leopard Holdings Plc

We have audited the financial statements of Red Leopard Holdings plc for the year ended 31 December 2016 which comprise the consolidated statement of comprehensive income, the consolidated and company statements of financial position, the consolidated and company statements of changes in equity, the consolidated and company statements of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 8, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2016 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRS as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Report of the independent auditor to the members of Red Leopard Holdings Plc (continued)

Opinion on other matter prescribed by the Companies Act 2006

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

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

Matter on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the group and company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and Directors' Report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Malcolm Gomersall
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Central Milton Keynes
6 June 2017

Consolidated statement of comprehensive income

	2016 £	2016 £	2016 £	2015 £	2015 £	2015 £
Note	Continuing Operations	Discontinued Operations	Total £	Continuing Operations	Discontinued Operations	Total £
OTHER OPERATING INCOME						
Cost of sales	-	(13,538)	(13,538)	-	(17,412)	(17,412)
Gross (loss)/profit	-	(13,538)	(13,538)	-	(17,412)	(17,412)
Administrative expenses						
Recurring administrative costs	(178,897)	-	(178,897)	(213,017)	-	(213,017)
Non-recurring - exceptional items	-	(466,434)	(466,434)	-	-	-
	(178,897)	(466,434)	(645,331)	(213,017)	-	(213,017)
OPERATING LOSS						
	(178,897)	(479,972)	(658,869)	(213,017)	(17,412)	(230,429)
Finance income	8	-	8	5	-	5
Finance cost	(334)	-	(334)	(497)	-	(497)
LOSS FROM CONTINUING ACTIVITIES BEFORE TAXATION						
	(179,223)	(479,972)	(659,195)	(213,509)	-	(230,921)
Tax expense	-	-	-	-	-	-
LOSS FOR THE YEAR ATTRIBUTABLE TO THE EQUITY HOLDERS OF THE PARENT						
	(179,223)	(479,972)	(659,195)	(213,509)	(17,412)	(230,921)
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO THE EQUITY HOLDERS OF THE PARENT						
	(179,223)	(479,972)	(659,195)	(213,509)	(17,412)	(230,921)
Loss per share - basic	(0.03)p	(0.08)p	(0.11)p	(0.06)p	(0.00)p	(0.06)p
Loss per share – diluted	(0.03)p	(0.08)p	(0.11)p	(0.06)p	(0.00)p	(0.06)p

Consolidated statement of financial position

	Note	2016 £	2015 £
NON CURRENT ASSETS			
Intangible assets	11	-	466,434
		-	466,434
CURRENT ASSETS			
Trade and other receivables	12	12,907	23,958
Cash and cash equivalents		5,317	35,990
TOTAL CURRENT ASSETS		18,224	59,948
TOTAL ASSETS		18,224	526,382
EQUITY			
Share capital	15	1,862,125	1,862,125
Share premium account		3,999,694	3,999,694
Share based payment reserve		-	60,002
Retained earnings		(6,114,082)	(5,514,889)
TOTAL EQUITY		(252,263)	406,932
CURRENT LIABILITIES			
Trade and other payables	13	270,487	119,450
TOTAL CURRENT LIABILITIES		270,487	119,450
TOTAL LIABILITIES		270,487	119,450
TOTAL EQUITY AND LIABILITIES		18,224	526,382

These financial statements were approved by the directors on 6 June 2017 and are signed on their behalf by:

J J May
 Director

S J Adam
 Director

Company statement of financial position

	Note	2016 £	2015 £
NON-CURRENT ASSETS			
Investments	11	<u>4,100</u>	<u>437,433</u>
TOTAL NON-CURRENT ASSETS		4,100	437,433
CURRENT ASSETS			
Trade and other receivables	12	<u>12,907</u>	<u>50,396</u>
Cash and cash equivalents		<u>5,317</u>	<u>35,990</u>
TOTAL CURRENT ASSETS		18,224	86,386
TOTAL ASSETS		<u>22,324</u>	<u>523,819</u>
EQUITY			
Share capital	15	<u>1,862,125</u>	<u>1,862,125</u>
Share premium account		<u>3,999,694</u>	<u>3,999,694</u>
Share based payment reserve		-	60,002
Retained earnings		<u>(6,116,644)</u>	<u>(5,517,451)</u>
TOTAL EQUITY		<u>(254,825)</u>	<u>404,370</u>
CURRENT LIABILITIES			
Trade and other payables	13	<u>277,149</u>	<u>119,449</u>
TOTAL CURRENT LIABILITIES		<u>277,149</u>	<u>119,449</u>
TOTAL LIABILITIES		<u>277,149</u>	<u>119,449</u>
TOTAL EQUITY AND LIABILITIES		<u>22,324</u>	<u>523,819</u>

The loss of the parent company for the year ended 31 December 2016 was £659,195 (2015: £230,921).

These financial statements were approved by the directors on 6 June 2017 and are signed on their behalf by:

J J May
 Director

S J Adam
 Director

Registered number:05289187

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

Consolidated statement of changes in equity

	Share capital	Share premium account	Share based payment reserve	Retained earnings	Total equity
	£	£	£	£	£
At 1 January 2016	1,862,125	3,999,694	60,002	(5,514,889)	406,932
Loss for the year	-	-	-	(659,195)	(659,195)
Total comprehensive income	-	-	-	(659,195)	(659,195)
Transactions with owners:					
Issue of share capital	-	-	-	-	-
Transfer of reserves			(60,002)	60,002	-
Total transactions with owners	-	-	-	-	-
At 31 December 2016	1,862,125	3,999,694	-	(6,114,082)	(252,263)

	Share capital	Share premium account	Share based payment reserve	Retained earnings	Total equity
	£	£	£	£	£
At 1 January 2015	1,535,667	4,017,194	60,002	(5,282,250)	330,613
Loss for the year	-	-	-	(230,921)	(230,921)
Total comprehensive income	-	-	-	(230,921)	(230,921)
Transactions with owners:					
Equity component of compound instrument	-	-	-	(1,718)	(1,718)
Issue of share capital	326,458	(17,500)	-	-	308,958
Total transactions with owners	326,458	(17,500)	-	(1,718)	307,240
At 31 December 2015	1,862,125	3,999,694	60,002	(5,514,889)	406,932

Company statement of changes in equity

	Share capital	Share premium account	Share based payment reserve	Retained earnings	Total equity
	£	£	£	£	£
At 1 January 2016	1,862,125	3,999,694	60,002	(5,517,451)	404,370
Loss for the year	-	-	-	(659,195)	(659,195)
Total comprehensive income	-	-	-	(659,195)	(659,195)
Transactions with owners:					
Issue of share capital	-	-	-	-	-
Transfer of reserves			(60,002)	60,002	-
Total transactions with owners	-	-	-	-	-
At 31 December 2016	1,862,125	3,999,694	-	(6,116,644)	(254,825)

	Share capital	Share premium account	Share based payment reserve	Retained earnings	Total equity
	£	£	£	£	£
At 1 January 2015	1,535,667	4,017,194	60,002	(5,284,812)	328,051
Loss for the year	-	-	-	(230,921)	(230,921)
Total comprehensive income	-	-	-	(230,921)	(230,921)
Transactions with owners:					
Equity component of compound instrument	-	-	-	(1,718)	(1,718)
Issue of share capital	326,458	(17,500)	-	-	308,958
Total transactions with owners	326,458	(17,500)	-	(1,718)	307,240
At 31 December 2015	1,862,125	3,999,694	60,002	(5,517,451)	404,370

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

Consolidated statement of cash flows

	Note	2016 £	2015 £
CASH FLOWS USED IN OPERATING ACTIVITIES	17	(30,347)	(130,489)
INVESTING ACTIVITIES			
Interest received		8	5
Interest paid		(334)	(497)
CASH FLOWS USED IN INVESTING ACTIVITIES		(326)	(492)
FINANCING ACTIVITIES			
Issue of share capital	15	-	157,500
CASH FLOWS FROM FINANCING ACTIVITIES		-	157,500
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(30,673)	26,519
Cash and cash equivalents brought forward		<u>35,990</u>	<u>9,471</u>
CASH AND CASH EQUIVALENTS CARRIED FORWARD	20	<u>5,317</u>	<u>35,990</u>

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

Company statement of cash flows

	Note	2016 £	2015 £
CASH FLOWS USED IN OPERATING ACTIVITIES	17	(30,347)	(130,489)
INVESTING ACTIVITIES			
Interest received		8	5
Interest paid on loans		<u>(334)</u>	<u>(497)</u>
CASH FLOWS USED IN INVESTING ACTIVITIES		(326)	(492)
FINANCING ACTIVITIES			
Issue of share capital	15	-	157,500
CASH FLOWS FROM FINANCING ACTIVITIES		-	157,500
NET (DECREASE) /INCREASE IN CASH AND CASH EQUIVALENTS		(30,673)	26,519
Cash and cash equivalents brought forward		<u>35,990</u>	<u>9,471</u>
CASH AND CASH EQUIVALENTS CARRIED FORWARD	20	<u>5,317</u>	<u>35,990</u>

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

Notes to the financial statements

1. ACCOUNTING POLICIES

a. Basis of preparation of financial statements

The financial statements have been prepared in accordance with EU-endorsed International Financial Reporting Standards ('IFRSs'), IFRIC interpretations and the parts of the Companies Act 2006 applicable to companies reporting under IFRSs.

The financial statements have been prepared under the historical cost convention.

As at 31 December 2016 the group had cash balances of £5,317 and net liabilities of £252,263. Subsequent to the year end the group has raised £250,000 by way of subscription to ordinary shares and a further £307,500 by way of the exercise of warrants. This provides adequate resources to meet the existing and foreseeable obligations of the group for the next twelve months. The group has also secured representations of support from the holders of outstanding loan notes that these will not be recalled until such time as sufficient funds are available. To satisfy its investing policy and secure an acquisition, the Group will likely require additional funds to complete it. In reviewing potential transactions, the Directors are looking at various financing options, which would provide sufficient funds to allow the Group to satisfy its objectives. However, the Directors consider that, based upon current financial projections excluding an acquisition, the Company will be a going concern for the next twelve months. In the event that the company were to be delisted, this assessment would be unchanged. For this reason, the Directors have adopted the going concern basis in preparing the financial statements.

b. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and entities controlled by the parent company (its subsidiaries) made up to 31 December each year. Control is achieved where the company has the power to govern the financial statements and operating policies of an investee entity so as to obtain benefits from its activities.

The accounting policies of all subsidiaries are uniform with the parent company. The results of all subsidiaries are included in the consolidated financial statements.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

c. Segment reporting

In identifying its operating segments management generally follows the Group's service lines, which represent the main products and services provided by the Group.

Management consider that all activities undertaken by the Group are from one operating segment. Following the change in the principal activity of the Group, the exploration of mining assets was abandoned and accordingly these operations have been presented as discontinued. The on-going sole activity of the Group, being the pursuit of acquisition opportunities have been allocated to one continuing operating segment.

The measurement policies the Group uses for segment reporting under IFRS 8 are the same as those used in its financial statements.

Notes to the financial statements

1. ACCOUNTING POLICIES (continued)

d. Taxation

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

The tax currently payable is based on a taxable loss for the year. Taxable profit/(loss) differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group'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 the tax expected to be payable or recoverable 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 the 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 the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and recognised to the extent that it is probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on rates that are substantively enacted at the balance sheet date.

e. Investments

Subsidiary Undertakings

Investments in subsidiaries are valued at cost less provision for impairment.

f. Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated to this category or do not qualify for inclusion in any of the other categories of financial assets. The Group's available-for-sale financial asset is the equity investment in TrackX Holdings Inc (formerly Cougar Minerals Corp), a company listed on the TSXV.

The equity investment is measured at fair value with gains and losses recognised in other comprehensive income and reported within the available for sale financial asset reserve within equity, except for impairment losses, which are recognised in profit or loss. An assessment for impairment is undertaken at least at each balance sheet date. Reversals of impairment losses are not recognised in profit or loss and any subsequent increase in fair value is recognised in other comprehensive income.

When the asset is disposed of or determined to be impaired, the cumulative gain or loss recognised in other comprehensive income is reclassified from the equity reserve to profit or loss.

Notes to the financial statements

1. ACCOUNTING POLICIES (continued)

g. Intangible assets – exploration and evaluation

Exploration and evaluation expenditure comprises costs that are directly attributable to:

- acquisition and maintenance of mining claims
- researching and analysing existing exploration data
- conducting geological studies, exploratory drilling and sampling
- examining and testing extraction and treatment methods and/or
- compiling pre-feasibility studies

Exploration expenditure relates to the initial search for deposits with economic potential, evaluation expenditure arises from a detailed assessment of deposits or other projects that have been identified as having economic potential. Exploration expenditure is not capitalised, except where it relates to the acquisition of rights to carry out exploration where there is a high degree of confidence that the project will be commercially viable. Exploration and evaluation expenditure is categorised as intangible assets except where it relates to items of plant and machinery used in the evaluation process.

The carrying values of capitalised evaluation expenditure are reviewed for impairment annually, or when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount, in accordance with IFRS 6 "Exploration for and Evaluation of Mineral Resources". For mines which have not yet been developed which have arisen through acquisition, there may only be inferred resources to form a basis for that review. The review is based upon the best information available to management, including the reports of independent expert evaluators. For the purposes of impairment review, exploration and evaluation assets are assessed against the criteria of IFRS 6 regarding assets which are not yet cash generating, which include the continuing right to exploration, the likelihood of commercial viability and the planned substantive expenditure on exploration and evaluation.

h. Operating leases

Rent applicable to operating leases where substantially all of the benefits and risks of ownership are not transferred to the lessee are charged to the income statement on a straight line basis over the term of the lease.

i. Financial assets and liabilities

Financial assets and liabilities are recognised on the group's balance sheet when the group becomes a party to the contractual provisions of the instrument.

(i) Trade and other receivables

Trade and other receivables are measured at initial recognition at fair value plus transaction costs, and are subsequently measured at amortised cost using the effective interest rate method, less provision for impairment. Any change in their value through impairment or reversal of impairment is recognised in the income statement.

Provision against trade and other receivables is made when there is objective evidence that the group will not be able to collect all amounts due to it in accordance with the original terms of those receivables. The amount of the write-down is determined as the difference between the asset's carrying amount and the present value of estimated future cash flows.

Notes to the financial statements

1. ACCOUNTING POLICIES (continued)

(ii) Cash and cash equivalents

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

(iii) Financial liabilities and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities. A financial liability is any liability which gives rise to a contractual obligation to deliver cash or another financial asset to another entity.

(iv) Bank borrowings

Interest-bearing bank loans and overdrafts are initially recorded at fair value, net of direct issue costs and subsequently at amortised cost using the effective interest rate method. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accruals basis in the income statement using the effective interest rate method.

(v) Convertible loan notes containing embedded derivatives

The Group has issued convertible loan notes which carry an option for the issuer to convert the liability into a variable number of equity shares.

Contracts which result in the entity delivering a variable number of its own equity instruments are classed as financial liabilities.

The conversion option is an embedded derivative and is carried at fair value through profit and loss. The convertible loan is also classified as a financial liability. It is recorded initially at fair value and subsequently measured at amortised cost using the effective interest rate method.

When shares are issued in consideration for extinguishment of debt any difference between the face value of the loan notes and the fair value of shares issued is recognised in profit and loss.

(vi) Convertible loan notes accounted for as compound instruments

The Group has issued convertible loan notes which carry an option for the issuer to convert the liability into a fixed number of equity shares.

Contracts which result in the entity delivering a fixed number of its own equity instruments are classed as compound instruments, containing both a financial liability and an equity instrument.

Equity instruments are instruments that evidence a residual interest in the assets of an entity after deducting all of its liabilities. Therefore, when the initial carrying amount of the compound financial instrument is allocated to its equity and liability components, the equity component is assigned the residual amount after deducting from the fair value of the instrument as a whole the amount separately determined for the liability component.

No gain or loss arises from initially recognising the components of the instrument separately.

(vii) Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Notes to the financial statements

1. ACCOUNTING POLICIES (continued)

(viii) Equity instruments

Equity instruments issued by the group or company are recorded at the proceeds received, net of direct issue costs.

Share warrants

The Company has issued share warrants which have been accounted for as equity instruments as the substance of the contractual arrangement is such that the warrants evidence a residual interest in the assets of the Company after deducting all liabilities.

(ix) Held for trading financial assets

Assets held in this category are measured at fair value with gains or losses recognised in profit or loss. The fair value of financial assets in this category are determined with reference to active market transactions.

j. Equity and reserves

(i) Share capital

Share capital represents the nominal value of shares that have been issued.

(ii) Share premium

Share premium includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium, to the extent there is a premium on that issue, net of any related income tax benefits.

(iii) Equity-settled share based payment

All goods and services received in exchange for the grant of any share-based payment are measured at their fair values. Where employees are rewarded using share-based payments, the fair values of employees' services are determined indirectly by reference to the fair value of the instrument granted to the employee. This fair value is appraised at the grant date and excludes the impact of non-market vesting conditions (for example, profitability and sales growth targets).

All equity-settled share-based payments are ultimately recognised as an expense in profit and loss with a corresponding credit to equity reserve.

If vesting periods or other non-market vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest. Estimates are revised subsequently if there is any indication that the number of share options expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognized in the current period. No adjustment is made to any expense recognised in prior periods if share options that have vested are not exercised.

Upon exercise of share options, the proceeds received net of attributable transaction costs are credited to share capital, and where appropriate share premium.

Notes to the financial statements

1. ACCOUNTING POLICIES (continued)

k. Exceptional items

The group identified and reports material, non-recurring costs and income as exceptional items separately from underlying operating expenses and income. Exceptional items may include impairment charges and acquisition costs.

l. Key estimates and judgements

The directors have identified the following as key judgements in the preparation of the group accounts:

- assessment of the exploration and evaluation intangible asset for impairment (Note 11)
- assessment of the acquisition of Red Leopard Mining Inc as falling outside of the definition of a business combination as set out in IFRS 3 (Note 11)
- deferred tax asset (Note 7)
- assessment of going concern (Note 1a)

To satisfy its investing policy and secure an acquisition, the Group will likely require additional funds to complete it. In reviewing potential transactions, the Directors are looking at various financing options, which would provide sufficient funds to allow the Group to satisfy its objectives. However, the Directors consider that, based upon current financial projections excluding an acquisition, the Company will be a going concern for the next twelve months. For this reason, the Directors have adopted the going concern basis in preparing the financial statements.

The group has a potential deferred tax asset of £581,493 in respect of losses. This asset has not been recognised at 31 December 2016 due to the history of trading losses in the group and the uncertainty around the source of the Group's future trade.

The directors have identified the following as a key source of estimation in the preparation of the Group accounts:

Share-based payment expenses are calculated by reference to the estimated fair values of share options as at their date of grant. These fair values have been estimated using a Black-Scholes option valuation model. The inputs to the model are disclosed in Note 16.

Notes to the financial statements

1. ACCOUNTING POLICIES (continued)

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

The following standards, amendments and interpretations to existing standards, relevant to the financial statements of the Group, have been published and are mandatory for the Group's accounting periods beginning on or after 1 January 2017 or later periods, but the Group has not adopted them early:

IFRS 9, 'Financial Instruments' (effective 1 January 2018). In November 2009, the IASB issued IFRS 9 'Financial Instruments' as the first step in its project to replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 introduces new requirements for classifying and measuring financial assets that must be applied (once endorsed by the EU). All equity investments within the scope of IFRS 9 are to be measured at fair value in the balance sheet, with value changes recognised in profit or loss, except for those equity investments for which the entity has elected to report value changes in 'other comprehensive income'. There will be no 'cost exception' for unquoted equities.

IFRS 15, 'Revenue from Contracts with Customers' (effective 1 January 2018).

IFRS 15 presents new requirements for the recognition of revenue, replacing IAS 18 'Revenue', IAS 11 'Construction Contracts', and several revenue-related Interpretations. The new standard establishes a control-based revenue recognition model and provides additional guidance in many areas not covered in detail under existing IFRSs, including how to account for arrangements with multiple performance obligations, variable pricing, customer refund rights, supplier repurchase options, and other common complexities. IFRS 15 is effective for reporting periods beginning on or after 1 January 2018. Management consider that IFRS 15 will have no material impact upon these consolidated financial statements.

IFRS 16, 'Leases' (effective 1 January 2019).

IFRS 16 will replace IAS 17 and three related interpretations. It completes the IASB's long-running project to overhaul lease accounting. Leases will be recorded on the statement of financial position in the form of a right-of-use asset and a lease liability. IFRS 16 is effective for reporting periods beginning on or after 1 January 2019 (awaiting EU endorsement). Management consider that IFRS 16 will have no material impact upon these consolidated financial statements.

2. OPERATING LOSS

Operating loss is stated after charging:

	2016	2015
	£	£
Fees payable to the company's auditor : - for the audit of the financial statements	14,000	14,000
Exceptional items – impairment of intangible assets (note 11)	466,434	-

Notes to the financial statements

3. STAFF COSTS

Staff costs, being amounts payable to key management personnel, were as follows:

	2016	2015
	£	£
Wages and salaries	112,500	131,458
	112,500	131,458

The average monthly number of employees during the year, including directors was as follows:

	No.	No.
Directors	3	3

The staff costs and number of employees for the Company and Group are the same for both 2016 and 2015.

4. DIRECTORS' REMUNERATION

Directors' emoluments were as follows:

Director	2016	2015
	Salary and total emoluments	Salary and total emoluments
	£	£
J J May	50,000	50,000
S J Adam	50,000	50,000
H Crosby*	12,500	31,458
Total	112,500	131,458

*H Crosby resigned on 27 February 2017. Simon Wharmby was appointed non-executive director on 27 February 2017; Toby Hayward was appointed Chief Executive on 20 March 2017.

Directors' fees accrued at the year end amounted to £133,875 (2015: £24,375). The directors have agreed for the Company not to settle the accrued outstanding amount at 31 December 2016 until the Company completes the acquisition of any asset, company or companies.

No retirement benefits were accruing to directors at 31 December 2016 (2015: £nil). The directors received £nil (2015: £nil) in respect of share based payments. In 2015, accrued remuneration owed to directors was settled via the issue of equity as disclosed in note 15.

5. FINANCE INCOME

	2016	2015
	£	£
Bank interest	8	5
	8	5

Notes to the financial statements

6. FINANCE COST

	2016 £	2015 £
Total interest expense for financial liabilities	334	497
Finance costs	<u>334</u>	<u>497</u>

7. TAX EXPENSE

Recognised in the statement of comprehensive income

	2016 £	2015 £
Loss on ordinary activities before tax	<u>(659,195)</u>	<u>(230,921)</u>
Loss on ordinary activities multiplied by the relevant standard rate of corporation tax in the UK of 20% (2015: 20%)	(131,839)	(46,184)
Effects of:		
Expenditure not allowable for tax	93,287	-
Increase in tax losses	<u>38,552</u>	<u>46,184</u>
Current charge for the year	<u>-</u>	<u>-</u>

Factors that may affect future tax charges

The UK main rate of corporation tax will fall from 20% to 19% with effect from 1 April 2017 and then to 17% from 1 April 2020. These rates were substantively enacted at the balance sheet date and will effect current tax in future years. The group has tax losses in respect of excess management expenses carried forward of £3,420,556 (2015: £3,227,795) that are available for offset against future taxable profits.

If the group pays tax at a rate of 17% on profits in future periods, the current tax losses represent a potential deferred tax asset of £581,493 (2015: £645,559). This asset has not been recognised at 31 December 2016 due to the history of trading losses in the group. These remain un-provided as it is not anticipated that the Group will make qualifying profits against which these may be offset in the foreseeable future but they are available indefinitely for offset against future taxable income.

8. (LOSS)/EARNINGS PER SHARE

Basic earnings per ordinary share for the year is based on the loss of £659,195 (2015: £230,921) and a weighted average of 586,279,061 (2015: 392,192,874) ordinary shares. The loss attributable to discontinued operations is £479,972.

For diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all potential dilutive ordinary shares. Items included in the calculation are options and warrants for ordinary shares.

The effect of conversion of all potential dilutive ordinary shares would have an anti-dilutive effect on earnings per share and therefore they have not been incorporated in the diluted earnings per share calculation. Potential ordinary shares are only treated as dilutive when their conversion to ordinary shares would decrease profit per share or increase loss per share.

Subsequent to the year end, the company has issued 557,500,000 of ordinary shares. If this transaction had taken place at the start of the reporting period the loss per share would reduce to 0.06p.

Notes to the financial statements

9. SEGMENT REPORTING

Following the Group's change in strategy to be an investing company, management currently considers that the group has one operating segment as described in accounting policy 1(c). Segment information can be analysed as follows for the reporting periods under review.

	Investment strategy 2016 Continuing operations £	Mining and mineral exploitation 2016 Discontinued operations £	Total 2016 £	Investment strategy 2015 Continuing operations £	Mining and mineral exploitation 2015 Discontinued operations £	Total 2016 £
Segment operating loss	(179,223)	(479,972)	(659,195)	(213,509)	(17,412)	(230,921)
Segment assets	18,224	-	18,224	59,948	466,434	526,382

The group's operations were limited to the United States and there are no major customers.

10. AVAILABLE FOR SALE FINANCIAL ASSETS

	Equity interests £	Total £
Cost:		
At 1 January 2016 and 31 December 2016	35,699	35,699
Impairment		
At 1 January 2016 and 31 December 2016	35,699	35,699
Net book value:		
At 31 December 2016	-	-
At 31 December 2015	-	-

The company holds an interest in the ordinary share capital of TrackX Holdings Inc (formerly Cougar Minerals Corp), a TSXV listed company incorporated in Canada. The fair value of the interest is measured by reference to the quoted market price of the equity shares held. A full impairment has been made against this investment based upon the directors' assessment of the likely long-term performance of the company based on the latest available market information.

Notes to the financial statements

11. INTANGIBLE ASSETS

	Mining Exploration and development claims	Mining Total
	£	£
Cost:		
At 1 January 2016 and 31 December 2016	466,434	466,434
Impairment charge	(466,434)	(466,434)
At 31 December 2016	(466,434)	(466,434)
Net book value:		
At 31 December 2016	-	-
At 31 December 2015	466,434	466,434

On 24 September 2013, the Company acquired the entire issued share capital of Red Leopard Mining Inc ("RLM") for £600,000, satisfied by the issue of 33,333,333 new ordinary shares at a price of 1.8p per share. The Directors considered that the acquisition of RLM did not constitute the acquisition of a business as defined in IFRS 3, and as the fair value of the intangible assets acquired could not readily be determined by reference to the value of the mining claims in the evaluation phase, the fair value was determined by reference to the fair value of equity instruments issued as consideration. The fair value price of £600,000, initially calculated with reference to the anticipated market value of the share price at the time of the drafting of the acquisition agreement, was adjusted for movements in the share price and the calculation of the fair value of the consideration was adjusted to reflect the actual open market price of the shares on AIM at the date of acquisition of 1.3p. The overall impact resulted in a restatement to the valuation of £166,667. There was no Income Statement impact of this adjustment.

There are no assets or liabilities in RLM other than the mining claims, which are recognised as separately identifiable intangible assets in respect of exploration and development rights. The Company paid £3,875 (2015: £13,528) in respect of the annual rental fees per claim to keep the claims in good standing for the following year.

The Directors assess the asset at each reporting date for indications of impairment. As disclosed in Note 24, following the Subscription of 250,000,000 ordinary shares on 28 February 2017, the Board made the decision to cease funding the exploration of the mining claims. In accordance with the requirements of IFRS 6, as substantive expenditure on further exploration for and evaluation of mineral resources in the specific area was not budgeted for nor planned at the year end, the asset has been impaired in full in the current year.

As the sole activity of Red Leopard Mining Inc is the holding of the silver mining claims, the investment of £437,433 has also been impaired in full.

Notes to the financial statements

11. INTANGIBLE ASSETS (continued)

Company investment in subsidiaries - Shares in Group undertakings

Non-current	Company	
	2016 £	2015 £
At 1 January	437,433	437,433
Impairment	(433,333)	-
At 31 December	<u>4,100</u>	<u>437,433</u>

Subsidiaries are listed in Note 23.

12. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2016 £	2015 £	2016 £	2015 £
Current				
Amounts owed by group undertakings	-	-	-	27,50
Other receivables	12,907	23,958	12,907	22,89
	<u>12,907</u>	<u>23,958</u>	<u>12,907</u>	<u>50,39</u>

The age of receivables past their due date but not impaired is as follows:

	Group		Company	
	2016 £	2015 £	2016 £	2015 £
Not more than three months	-	-	-	-
More than one year	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

13. TRADE AND OTHER PAYABLES

Current	Group		Company	
	2016 £	2015 £	2016 £	2015 £
Trade payables	44,280	1,684	44,280	1,684
Loans (Note 14)	80,000	80,000	80,000	80,000
Amounts owed to group undertakings	-	-	6,662	-
Accruals	146,207	37,766	146,207	37,765
	<u>270,487</u>	<u>119,450</u>	<u>277,149</u>	<u>119,449</u>

With the exception of accrued directors' salaries, which are being held as accrued until the group is in a position to pay them, all amounts are short term. The carrying values are considered to be a reasonable approximation to fair value.

Notes to the financial statements

14. BORROWINGS

	Group		Company	
	2016 £	2015 £	2016 £	2015 £
Current				
Short term loans	80,000	80,000	80,000	80,000

The Company has short term loans outstanding amounting to £80,000 repayable on demand. The holders have agreed not to call upon any loan notes until sufficient new funds are received that allow the business to finance itself going forward and waived the right to the receipt of the 6% interest above base rate as provided for under the loan agreement. These loans do not carry any conversion options.

15. SHARE CAPITAL

	2016 £	2015 £
Authorised, Allotted, called up and fully paid		
Ordinary shares		
Beginning of the year	586,278	259,820
New Shares issued	-	326,458
As at 31 December (586,279,061) ordinary shares of 0.1 pence (2015: 586,279,061 ordinary shares of 0.1p each))	586,278	586,278
Deferred shares		
At the beginning of the period	1,275,847	1,275,847
As at 31 December (1,275,846,391 deferred shares of 0.1 pence (2015: 1,275,846,391 deferred shares of 0.1 pence))	1,275,847	1,275,847
	1,862,125	1,862,125

In August 2015, the Company issued 175,000,000 ordinary shares pursuant to a placing which raised £175,000 before directly attributable expenses (the "Placing"). Subscribers under the Placing were also granted 1.5 warrants for every 1 share subscribed for, to subscribe for further Ordinary Shares at a price of 0.1p per share, valid for 3 years. Accordingly, 262,500,000 warrants were issued. As detailed in Note 1, the warrants have been accounted for as equity instruments in accordance with IAS32. The directors of the Company also subscribed for a total of 131,458,333 Ordinary Shares at a price of 0.1p, to satisfy accrued salaries and fees; and notice was received to convert £20,000 of an outstanding convertible loan note in issue at the time into 20,000,000 Ordinary Shares at a conversion price of 0.1p.

No share issuances took place during the year to 31 December 2016. Following the year end, on 28th February 2017, 250,000,000 new Ordinary Shares were issued through a subscription at a price of 0.1p each ("Subscription"). Under the Subscription, a total of 375,000,000 warrants were granted representing 1.5 warrants for every 1 Ordinary Share subscribed for (the "Warrants"). Each Warrant entitles the holder to subscribe for a further Ordinary Share at a price of 0.1p per share, valid for 3 years from the date of issue.

On 7th March 2017 following the election to convert, of the warrants issued in 2015, 75,000,000 new Ordinary Shares were issued, raising £75,000 for the Company; and on 16th March 2017, 82,500,000 new Ordinary Shares were issued, raising £82,500.

On 31st March 2017 following the election to convert, of the warrants issued in 2017, 150,000,000 new Ordinary Shares were issued, raising £150,000.

Notes to the financial statements

16. SHARE-BASED PAYMENTS

A reconciliation of option movements during the year is shown below:

	Year ended 31 December 2016		Year ended 31 December 2015	
	No. of share options	Weighted average exercise price	No. of share options	Weighted average exercise price
Outstanding at the beginning of year	-	-	248,565	2.0p
Expired during the year	-	-	(248,565)	2.0p
Exercisable at the end of the year	-	-	-	-

Following the year end, the Company issued 22,495,406 options under the Company's 2013 Unapproved Share Option Scheme ("the Options"). The Options vest as follows: (a) 50% shall vest when the Company's share price reaches 0.4 pence per share or above for a continuous period of 30 trading days; and (b) 50% shall vest when the Company's share price reaches 0.6 pence or above for the same period. The Options have an exercise price of 0.1 pence per share and are exercisable for a period of 2 years from the relevant vesting date. Key inputs into the valuation of options include exercise price, expected life and volatility.

A further 20,000,000 options have been issued under the Company's 2017 Unapproved Share Option Scheme (the "2017 Options") with an exercise price of £0.005 per share for the first 10,000,000 and £0.01 for the remaining 10,000,000. Under the 2017 Options, the options vest as follows: (a) 50% shall vest when the Company's share price reaches £0.005 per share or above for a continuous period of 30 trading days; and (b) 50% shall vest when the Company's share price reaches £0.01 or above for the same period. The Options are exercisable for 2 years from the relevant vesting date.

17. RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES

Group	2016 £	2015 £
Loss for the year	(659,195)	(230,921)
Impairment losses	466,434	-
Net finance charges	326	493
Liabilities extinguished via issue of loan notes and equity shares	-	151,458
Decrease/(increase) in receivables	9,992	(1,452)
Increase/(decrease) in payables	152,096	(50,067)
Net cash used in continuing operations	(26,472)	(120,854)
Net cash used in discontinued operations	(3,875)	(9,635)
Net cash outflow used in operations	(30,347)	(130,489)
Company		
Loss for the year	(192,761)	(230,921)
Impairment losses	466,434	-
Net finance charges	326	493
Liabilities extinguished via issue of loan notes and equity shares	-	151,458
Decrease/(increase) in receivables	9,992	4,149
Increase/(decrease) in payables	152,096	(55,668)
Net cash used in continuing operations	(26,472)	(120,854)
Net cash used in discontinued operations	(3,875)	(9,635)
Net cash outflow used in operations	(30,347)	(130,489)

Notes to the financial statements

18. PARENT COMPANY RESULT

The company has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own profit and loss account.

The loss for the year dealt with in the accounts of the company was £659,195 (2015: £230,921).

19. COMMITMENTS UNDER OPERATING LEASES

Lease payments recognised as an expense during the period amount to £nil (2015: £nil). This amount consists of minimum lease payments. No sublease payments or contingent rent payments were made or received. As at 31 December 2016 £nil (2015: £nil) future minimum lease payments were due.

20. FINANCIAL INSTRUMENTS

The carrying amounts presented in the statement of financial position relate to the following categories of assets and liabilities:

2015

Group

Financial assets

Loans and receivables:

Trade and other receivables	6,862	7,795
Cash and cash equivalents	5,317	35,990
	<u>12,179</u>	<u>43,785</u>

Financial liabilities

Financial liabilities measured at amortised cost:

Current:

Loans	(80,000)	(80,000)
Trade and other payables	(190,485)	(39,450)
	<u>(270,485)</u>	<u>(119,450)</u>

Company

Financial assets

Loans and receivables:

Trade and other receivables	6,862	35,295
Cash and cash equivalents	5,317	35,990
	<u>12,179</u>	<u>71,285</u>

Financial liabilities

Financial liabilities measured at amortised cost:

Current:

Loans	(80,000)	(80,000)
Trade and other payables	(191,545)	(39,450)
	<u>(271,545)</u>	<u>(119,450)</u>

Notes to the financial statements

20. FINANCIAL INSTRUMENTS (continued)

The carrying values of the Group's financial assets and liabilities approximate to their fair values.

Financial assets comprise cash and cash equivalents, trade and other receivables and exclude prepayments.

The financial liabilities are all short-term liabilities and due on demand or within agreed contractual terms.

Risk management

The board is charged with managing the various risk exposures, including those which arose through holding the following financial instruments which apply to both the Group and the Company:

(a) Capital risk management

The Group manages its capital to ensure that all the companies within the Group will be able to continue as a going concern while maximising the return to equity holders, through optimisation of debt equity balance. The capital structure of the Group includes debt, consisting of borrowings, cash and cash equivalents and equity attributable to the equity holders of the parent. Where necessary additional loans are provided to the Group to ensure liquidity at critical times. Information on management's funding plans are included in the director's report on page 9.

Capital for the reporting period under review is summarised as follows:

	2016 £	2015 £
Total equity	(252,263)	406,932
Borrowings	(80,000)	(80,000)
Cash and cash equivalents	5,317	35,990
Capital	(326,946)	362,922

(b) Interest rate risk

The Group is exposed to interest rate risk as it has borrowings and cash and cash equivalent balances that are subject to variable interest rates. The Group does not enter into hedging transactions for the purposes of minimising its exposure to interest rate risk, but manages its exposure by monitoring the levels of interest payable and receivable on a regular basis.

At 31 December 2016 amounts on short term deposits totalled £5,317 (2015: £35,990). Loans receivables and loan notes are contracted at a fixed rate of interest.

(c) Liquidity rate risk

The Group's approach to liquidity risk is to ensure that sufficient liquidity is available to meet foreseeable requirements, by having adequate reserves, banking and borrowing facilities and by investing funds securely and profitably. The board further manages its exposure to liquidity risk by ensuring that cash flow forecasts and budgets are produced annually and monitored on a regular basis. All trade payables and borrowings have a maturity date of within one year.

(d) Credit rate risk

Credit risk refers to the risk that a third party will default on its contractual obligations resulting in financial loss to the Group. The Group manages the exposure to this risk by carrying out credit verification procedures on all clients and monitoring receivable balances on an ongoing basis. The Company's receivable balance principally comprises amounts due from other group companies for financing purposes.

Notes to the financial statements

21. RELATED PARTY TRANSACTIONS

Loan notes held by John May and connected parties total £70,000 (2015: £70,000). Fees charged to the company by CWCF, a company under common control of some of the Directors, in the period for company secretarial and other services total £7,500 (2015: £6,300).

Transactions between the company and its subsidiaries are summarised below:

	2016 £	2015 £
Intra-group receivable outstanding at year end	-	-
Intra-group payable outstanding at year end	-	-

22. ULTIMATE CONTROLLING PARTY

As at 31 December 2016 and 31 December 2015 there is no single ultimate controlling party.

23. PRINCIPAL SUBSIDIARIES

Company name	Country	Registered office address	Percentage shareholding	Description and status
Harrell Hotels (Europe) Limited	England & Wales	50 Jermyn Street London SW1Y 6LX	100%	Hotel management - trading
Red Leopard Management Limited	England & Wales	50 Jermyn Street London SW1Y 6LX	100%	Property management - trading
Red Leopard Mining Inc	Idaho, United States of America	254 W Hanley Ave, Coeur d'Alene, Idaho, USA	100%	Holding of silver mining claims - dormant

24. POST REPORTING EVENTS

In December 2016, the Company announced that its then nominated adviser ("NOMAD") and joint broker had served advanced notice to terminate its engagement with the Company with termination effective 20 January 2017. After a brief period of suspension of the Company's shares on AIM, on 28 February 2017 the Company reported that it had raised £250,000 through a subscription of 250,000,000 ordinary shares of 0.1p each ("Ordinary Shares") at a price of 0.1p each ("Subscription"); appointed a new NOMAD and broker and its shares resumed trading on AIM. Under the Subscription, a total of 375,000,000 warrants were granted representing 1.5 warrants for every 1 Ordinary Share subscribed for (the "Warrants"). Each Warrant entitles the holder to subscribe for a further Ordinary Share at a price of 0.1p per share, valid for 3 years from the date of issue.

On 7th March 2017 following the election to convert, of the warrants issued in 2015, 75,000,000 new Ordinary Shares were issued, raising £75,000 for the Company; and on 16th March 2017, 82,500,000 new Ordinary Shares were issued, raising £82,500.

On 31st March 2017 following the election to convert, of the warrants issued in 2017, 150,000,000 new Ordinary Shares were issued, raising £150,000.

Notes to the financial statements

24. POST REPORTING EVENTS (CONTINUED)

In conjunction with the Subscription, the Board made the decision to cease funding the Company's existing zinc and silver project in Idaho, USA. This decision constituted a cessation of all of the Company's existing trading business pursuant to Rule 15 of the AIM Rules for Companies ("AIM Rules"). Accordingly, the Company is now classified as an AIM Rule 15 cash shell, pursuant to which it must make an acquisition or acquisitions which constitute a reverse takeover under AIM Rule 14 within six months of the date of the Subscription (being 28th February 2017).