

RNS Number : 0695U  
Leed Resources PLC  
20 December 2012

**Leed Resources Plc**  
("Leed" or the "Company")  
**Preliminary statement**  
**for the year ended 30 June 2012**

Leed, the AIM quoted natural resource investment company, is pleased to announce its preliminary final results for the year ended 30 June 2012.

**Chairman's statement**

As shareholders will be aware, Leed is now an investing company, focused on investments in the energy and other natural resources sectors. This resulted from the failure of the previous US oil and gas operations and the subsequent reconstruction in which the Company raised £2.435 million and changed its activities, as described in my last Chairman's Statement. The loss for the period under review amounted to £372,000, which includes some costs relating to the previous year's restructuring and refinancing.

Since that time, the Company has made an investment in Manas Coal LLC ("Manas"), a coal exploration company with a licence at Kok Kiya, Kyrgyzstan where significant quantities of good quality coal are thought to be located.

As announced on 9 August 2012, Manas have been notified of a rival claim in relation to a part of the Kok Kiya licence, and this claim remains under dispute. Manas have assured us that, based on local legal advice, they expect to have their full licence area restored in due course but that in any event a significant and viable coal deposit exists in the undisputed area. In view of this claim, however, they have suspended the work programme pending resolution of the dispute. On 30 November 2012 the Kok Kiya licence expired in accordance with its terms. Manas are now in the process of applying for a renewal of the licence, and they have taken the necessary steps to secure the renewal, initially for the part of the licence which is not in dispute. They believe that the renewal process will be completed in the coming weeks.

The Directors have reviewed the investment in Manas in light of the above and believe that this should continue to be held at cost. We will keep the situation under review.

We have also made investments in a number of sizeable AIM-listed oil and gas companies. In addition, we have reviewed a range of investment/reverse takeover opportunities. We continue to review and pursue potential value enhancing reverse takeover and other opportunities.

As a result of our investment activities we have now successfully implemented our investment policy, so maintaining our status as an AIM investment company.

Since the year end, the Company raised a further £959,000 providing it with significantly enhanced cash resources to enable it to meet its objectives of securing a major reverse or investment transaction.

While market conditions remain challenging, we are optimistic of being able to complete such a transaction during the current financial year.

**Peter Redmond**  
**Chairman**

20 December 2012

## Statement of comprehensive income

	2012	2011
		(see note below)
Note	£000	£000
<b>Continuing operations</b>		
Administrative expenses	(306)	(555)
Share based payment (expense)/credit	(19)	302
<b>Operating loss</b>	<b>(325)</b>	<b>(253)</b>
Net gain on disposal of investments	37	-
Write down of investment	-	(120,228)
Investment income	2	-
Finance costs	(45)	(12)
<b>Loss before taxation</b>	<b>(331)</b>	<b>(120,493)</b>
Taxation	-	-
<b>Loss for the period from continuing operations and loss attributable to equity owners</b>	<b>(331)</b>	<b>(120,493)</b>
<b>Other comprehensive loss</b>		
Fair value adjustment to investments	(41)	-
<b>Total comprehensive loss for period, net of tax attributable to equity owners</b>	<b>(372)</b>	<b>(120,493)</b>
<b>Loss per share (pence)</b>	2	
<b>From continuing and total operations:</b>		
Basic and fully diluted	(0.01)	(99.60)

**Note:** The 2011 comparative figures are stated in £GBP and relate to the company only. In the 2011 financial statements the figures were stated in \$USD and related to the Consolidated Group.



## Statement of changes in equity

	Share capital £000	Share premium £000	Investment reserve £000	Option & warrant reserve £000	Retained earnings £000	Total £000
<b>Total owners equity at 30 June 2010</b>						
<b>*(RESTATED)*</b>	<b>33,800</b>	<b>76,737</b>	<b>-</b>	<b>3,988</b>	<b>6,269</b>	<b>120,794</b>
Transactions with owners:						
- Share capital issued	2,435	-	-	-	-	2,435
- Share issue costs	-	(104)	-	-	-	(104)
- Share-based payments	-	-	-	(302)	-	(302)
- Options terminated during year	-	-	-	-	-	-
Total transactions with owners	2,435	(104)	-	(302)	-	2,029
Other comprehensive loss:						
- Loss for the year	-	-	-	-	(120,493)	(120,493)
Total comprehensive loss for the year	-	-	-	-	(120,493)	(120,493)
<b>Total owners' equity at 30 June 2011</b>	<b>36,235</b>	<b>76,633</b>	<b>-</b>	<b>3,686</b>	<b>(114,224)</b>	<b>2,330</b>
Transactions with owners:						
- Share capital issued	167	-	-	-	-	167
- Issue of warrants	-	-	-	40	-	40
- Share-based payments	-	-	-	19	-	19
Total transactions with owners	167	-	-	59	-	226
Other comprehensive loss:						
- Loss for the year	-	-	-	-	(331)	(331)
- Market value adjustment to investments	-	-	(41)	-	-	(41)
Total comprehensive loss for the year	-	-	(41)	-	(331)	(372)
<b>Total owners' equity at 30 June 2012</b>	<b>36,402</b>	<b>76,633</b>	<b>(41)</b>	<b>3,745</b>	<b>(114,555)</b>	<b>2,184</b>

\* - The comparative figures for 2010 and 2011 have been restated in GBP. The amounts in the financial statements for 2011 were stated in USD. (see Note 1 for further details)

## Statement of financial position

		2012	2011
			*(RESTATED)
	Note	£000	£000
<b>Assets</b>			
<b>Non-current assets</b>			
Available for sale investments	3	1,503	-
		-	-
<b>Current assets</b>			
Trade and other receivables		68	473
Cash and cash equivalents		668	1,934
		736	2,407
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables		55	77
		55	77
<b>Net current assets</b>		<b>681</b>	2,330
<b>Net assets</b>		<b>2,184</b>	2,330
<b>Owners' equity</b>			
Share Capital	4	36,402	36,235
Share premium		76,633	76,633
Investment reserve		(41)	-
Other reserves		3,745	3,686
Retained earnings		(114,555)	(114,224)
<b>Total owners' equity</b>		<b>2,184</b>	2,330

\* - The comparative figures for 2011 have been restated in GBP. The amounts in the financial statements for 2011 were stated in USD. (see Note 1 for further details)







## Statement of cash flows

	2012	2011
		*(RESTATED)
	£000	£000
<b>Loss before taxation</b>	<b>(331)</b>	(120,493)
Adjustments for:		
Impairment of investment	-	120,620
Gain on disposal of investments	<b>(37)</b>	-
Investment income	<b>(2)</b>	-
Finance expense	<b>45</b>	12
Share-based payments	<b>19</b>	(302)
<b>Changes in working capital</b>		
Decrease/(increase) in trade and other receivables	<b>405</b>	(7)
Decrease in payables	<b>(22)</b>	(82)
<b>Net cash flows from operating activities</b>	<b>77</b>	(252)
<b>Cash flows from investing activities</b>		
Capital contribution to subsidiary	-	173
Purchase of investments	<b>(1,424)</b>	-
Disposal of investments	<b>124</b>	-
Interest received	<b>2</b>	-
Net cash (used in)/cash from investing activities	<b>(1,298)</b>	173
<b>Cash flows from financing activities</b>		
Proceeds from issue of Ordinary Shares	-	1,985
Share issue costs	-	(104)
Interest and other financing costs paid	<b>(45)</b>	(12)
Net cash (used in)/from financing activities	<b>(45)</b>	1,869
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(1,266)</b>	1,790
Exchange differences in cash and cash equivalents	-	(26)

Cash and cash equivalents at beginning of period	<b>1,934</b>	170
Cash and cash equivalents at end of period	<b>668</b>	1,934

\* - The comparative figures for 2011 have been restated in GBP. The amounts in the financial statements for 2011 were stated in USD. (see Note 1 for further details)

## 1. General information

Leed Resources PLC is a publicly quoted company registered in the United Kingdom. The address of its registered office is 31 Harley Street, London, W1G 9QS.

The Company disposed of its subsidiary during the prior year and therefore the comparative amounts now only include the operations of the Company and not the former consolidated figures. The investment in the subsidiary had been written off at the time of the disposal.

### *Change in accounting policy*

The Company's functional and presentational currency in the prior period was the US dollar but following the disposal of its US subsidiary the functional and presentational currency has been changed to Pound Sterling. As this represents a change in accounting policy the comparative period figures have been restated in Pound Sterling. The exchange rate used for the restatement of the financial period ended 30 June 2011 was \$1.60135.

## 2. Loss per Ordinary Share

A recap of loss per ordinary share and weighted average shares outstanding for the years ended 30 June 2012 and 2011, respectively, follows:

<b>Loss</b>	<b>30 June 2012</b>	30 June 2011
Loss attributable to Ordinary Shareholders from continuing operations	<b>(£331,000)</b>	(£120,493,000)
Total loss attributable to Ordinary Shareholders	<b>(£331,000)</b>	(£120,493,000)
<b>Weighted average shares outstanding</b>		
Weighted average number of shares for the period	<b>2,589,578,329</b>	120,971,939
Effect of share options in issue	-	-
Weighted average number of shares at for the period for diluted loss per share	<b>2,589,578,329</b>	120,971,939

## 3. Investments

	£000
<b>30 June 2011 - Investments at fair value</b>	-
Cost of share purchases	1,631
Proceeds of share disposals	(124)
Net profit on disposal of shares	37

	1,544
Fair value adjustment recognised in equity	(41)
<b>30 June 2012 - Investments at fair value</b>	<b>1,503</b>
Categorised as:	
LEVEL 1	546
LEVEL 3	957
	<b>1,503</b>

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

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

#### 4. Share capital

The share capital is as follows:

	<b>30 June 2012</b>	30 June 2011
<b>Issued and fully paid</b>	<b>£000</b>	£000
676,020,767 Ordinary Shares of 5 pence each	-	-
2,669,268,675 Ordinary shares of 0.1 pence each	<b>2,669</b>	2,502
67,602,008 Deferred shares of 49.9 pence each	<b>33,733</b>	33,733
	<b>36,402</b>	36,235

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

On 22 December 2011, 166,666,667 shares of 0.1p were issued at par as part consideration for the acquisition of a 17.5% interest in Manas Coal Limited, representing a total value of £166,667.

#### 5. Post year end events

On 9 August 2012 the Company announced that it had been advised by Manas that a third party company which holds a licence over an adjoining area to the Kok Kiya Licence might have an interest in part of the Kok Kiya Licence area. The third party is claiming that that its licence covers part of the area held by the Kok Kiya Licence.

The Company has been informed by Manas that the overlapping area does not represent all of the prospective part of the Kok Kiya Licence area, but is thought to comprise a material part. However, Manas has stated that it would still wish to continue to hold its Kok Kiya Licence even if it were determined that the overlapping area did not comprise part of its licence. Manas has informed the Company that it has made a court application to resolve this issue.

Manas has therefore delayed the continuation of the work programme planned for the Kok Kiya Licence area, which is now unlikely to occur until 2013. It is possible that in the meantime Manas may carry out some exploration activities in the area of the licence which is not within the overlapping area but no definitive decision has been made on this at the present time.

The exploration licence was originally issued to Kurmanbek LLC and dated 30 November 2010. In August 2011 the licence was transferred to Manas and was due for renewal on 30 November 2012. In accordance with the provisions of the licence, in December 2012 Manas submitted the necessary documentation to the State Agency for Natural Resources to have the licence renewed. As at the date of signing these financial statements the renewal of the licence has not been completed. However, the Directors have been informed that the State Agency has confirmed that renewal of the undisputed part of the licence area should be completed in the next few weeks.

On 18 October 2012 the Company completed a placing of 227,272,727 new ordinary shares of 0.1 pence each at a price of 0.22 pence per share, raising gross proceeds of £500,000.

On 24 October 2012 the Company completed a placing of 208,636,363 new ordinary shares of 0.1 pence each at a price of 0.22 pence per share raising gross proceeds of £459,000.

This information is provided by RNS  
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