

RNS Number : 1739D
Leed Resources PLC
26 March 2014

Leed Resources PLC
("Leed" or "the Company")

Half-yearly report for the six months ended 31 December 2013

Chairman's statement

For the period under review, the Directors undertook a comprehensive review of the business. The objective was to address three core issues: revisit the operating budget in detail; define a process to screen and execute on potential transactions; and evaluate whether the composition of the Directors was best suited to take the Company forward.

With regards to cost control, the interim results show a 40% reduction in G&A, year on year. Changes made subsequent to the reporting period will ensure this trend will continue into the second half, with a target to reduce the annualized spend by over 50%. Beyond the focus on cost control, the Directors have also chosen to cancel all previously-granted performance options.

In order to progress any investments / transactions, the Board has evaluated the best way to take this forward. In short, the Directors believe that the focus should be on assets that leverage the know-how and experience of the Board. To that end, the focus of the Company will shift to sourcing compelling opportunities in the mining space with a preference for gold and copper. The Company's revised investing policy is set out below.

It is imperative, however, that any prospective opportunity is evaluated on a number of measures (with adequate funding being the most critical) to ensure maximum value for shareholders. Whilst the Board is conscious of timing, shareholders will derive more benefit from the right transaction than one that may be borne out of expediency.

The Company also remains focused on crystallizing any value from the investment in Manas Coal. At the recent annual general meeting of Manas, we voted to remove the previous director in charge of the company in favour of a candidate supported by the other main shareholders. We can now expect far better information flow and ongoing discussions with these shareholders lead the Board to believe that some progress is being made to take the project forward. Further updates will be provided as and when applicable.

And lastly, on the issue of Board composition, the Directors feel the changes made post the AGM better position the Company to take it forward. We thank Peter Redmond for his contributions and welcome Charles Zorab to the Board. Collectively, the Board is now better positioned to source, structure and execute on any opportunity that presents itself.

Given the various changes over the past few months, the Directors feel positive about the future for Leed Resources PLC.

Jinesh Patel
Chairman

26 March 2014

Investing Policy

Leed Resources PLC is an investing company listed on AIM, focused on opportunities in the natural resources sector, with an emphasis mainly but not exclusively on the gold and copper sector.

In line with this policy, the proposed investments to be made by the Company may be either quoted or unquoted; made by direct acquisition or through farm-ins; may be in companies, partnerships, joint ventures; or direct interests in projects. Target investments will generally be involved in projects in the exploration and/or development stage. The Company's equity interest in a proposed investment may range from a minority position to 100 per cent. ownership. The Directors will initially focus on projects located in Asia but will also consider investments in other geographical regions. It is likely that the Company's financial resources will be invested in a small number of projects or potentially in just one investment which may be deemed to be a reverse takeover under the AIM Rules. The Directors have not, however, excluded the possibility of building a broader portfolio of investment assets. The Company intends to deliver shareholder returns principally through capital growth rather than capital distribution via dividends.

Unaudited statement of comprehensive income

for the six months ended 31 December 2013

	Six months ended 31 Dec 2013	Six months ended 31 Dec 2012	Year ended 30 Jun 2013
Note	£000	£000	£000
Continuing operations			
Net gain/(loss) on investments	4	(23)	4
Investment income	3	1	3
	7	(22)	7
Administrative expenses	(122)	(205)	(378)
Share based payment expense	-	-	(11)
Impairment of investment	-	-	(957)
Loss before taxation	(115)	(227)	(1,339)
Taxation	-	-	-
Total comprehensive loss for the period	(115)	(227)	(1,339)

Loss per share (pence)

3

Basic and diluted

(0.004p)

(0.008p)

(0.045p)

Unaudited statement of changes in equity

for the six months ended 31 December 2013

	Share capital £000	Share premium £000	Option & warrant reserve £000	Retained earnings £000	Total £000
Total owners' equity at 30 June 2012	36,402	76,633	3,745	(114,596)	2,184
Transactions with owners:					
- Share capital issued by Company	436	523	-	-	959
- Share issue costs	-	(55)	-	-	(55)
Total transactions with owners	436	468	-	-	904
- Comprehensive loss:					
- Loss for the period	-	-	-	(227)	(223)
Total comprehensive loss for the period	-	-	-	(227)	(223)
Total owners' equity at 31 December 2012	36,838	77,101	3,745	(114,823)	2,861
Transactions with owners:					
- Share-based payments	-	-	11	-	11
Total transactions with owners	-	-	11	-	11
Comprehensive loss:					
- Loss for the period	-	-	-	(1,112)	(1,112)
Total comprehensive loss for the period	-	-	-	(1,112)	(1,112)
Total owners' equity at 30 June 2013	36,838	77,101	3,756	(115,935)	1,760
Comprehensive loss:					
- Loss for the period	-	-	-	(115)	(115)
Total comprehensive loss for the period	-	-	-	(115)	(115)
Total owners' equity at 31 December 2013	36,838	77,101	3,756	(116,050)	1,645

Statement of financial position

as at 31 December 2013

	Note	31 Dec 2013 £000	31 Dec 2012 £000	30 Jun 2013 £000
Assets				
Non-current assets				
Investments	4	18	1,480	32
		18	1,480	32
Current assets				
Trade and other receivables		10	27	21
Cash and cash equivalents		1,648	1,481	1,767
		1,658	1,508	1,788
Liabilities				
Current liabilities				
Trade and other payables		31	127	60
		31	127	60
Net current assets		1,627	1,381	1,728
Net assets		1,645	2,861	1,760
Owners' equity				
Ordinary Share Capital	2	36,838	36,838	36,838
Share premium		77,101	77,101	77,101
Share option and warrant reserve		3,756	3,745	3,756
Retained earnings		(116,050)	(114,823)	(115,935)
Total owners' equity		1,645	2,861	1,760

Unaudited statement of Cash Flows
for the six months ended 31 December 2013

	Six months ended 31 Dec 2013 £000	Six months ended 31 Dec 2012 £000	Year ended 30 Jun 2013 £000
Loss before taxation	(115)	(227)	(1,339)
Adjustments for:			
(Gain)/loss on disposal of investments	(5)	-	28
Unrealised loss on investments	1	23	(32)
Impairment of investment	-	-	957
Investment income	(3)	(1)	(3)
Share-based payments	-	-	11
Changes in working capital			
Decrease in trade and other receivables	11	41	47
Increase/(decrease) in payables	(29)	72	5
Net cash flow from operating activities	(140)	(92)	(326)
Cash flows from investing activities			
Disposal of investments	18	-	518
Investment income	3	1	3
Net cash from/(used in) investing activities	21	1	521
Cash flows from financing activities			
Proceeds from issue of Ordinary Shares	-	959	959
Share issue costs	-	(55)	(55)
Net cash from/(used in) financing activities	-	904	904
Net increase/(decrease) in cash and cash equivalents	(119)	813	1,099
Cash and cash equivalents at beginning of period	1,767	668	668
Cash and cash equivalents at end of period	1,648	1,481	1,767

Notes to the interim accounts

for the six months ended 31 December 2013

1. General information

Leed Resources PLC is a company incorporated in the United Kingdom.

These unaudited condensed interim financial statements for the six months ended 31 December 2013 have been prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the European Union and do not constitute statutory accounts as defined in Section 434 of the Companies Act 2006. This condensed set of financial statements has been prepared applying the accounting policies that were applied in the preparation of the Company's published consolidated financial statements for the year ended 30 June 2013.

The comparative statement of financial position at the financial year ended 30 June 2013 has been extracted from the Company's statutory accounts which have been reported on by the Company's auditor and delivered to the Registrar of Companies. The report of the auditors was unqualified and did not contain a statement under the Companies Act 2006 regarding matters which are required to be noted by exception.

2. Issued capital

A recap of issued capital follows:

	31 Dec 2013	31 Dec 2012	30 June 2013
Issued and fully paid	£000	£000	£000
3,105,177,765 Ordinary shares of 0.1 pence each	3,105	3,105	3,105
67,602,008 Deferred shares of 49.9 pence each	33,733	33,733	33,733
	36,838	36,838	36,838

The restricted rights attaching to the deferred shares are such that the deferred shares have no economic value.

3. Loss per Ordinary Share

The loss per share has been calculated based on the following results and weighted average number of shares:

	31 Dec 2013	31 Dec 2012	30 Jun 2013
Loss attributable to Ordinary Shareholders	(£115,000)	(£204,000)	(£1,339,000)
Weighted average shares in issue			
Weighted average number of shares for the purposes of basic earnings per share	3,105,177,765	2,837,776,579	2,970,378,263
Effect of share options in issue	-	-	-
Weighted average number of shares for the purposes of diluted earnings per share	3,105,177,765	2,837,776,579	2,970,378,263
Basic and diluted loss per share (pence)	(0.004p)	(0.008p)	(0.045p)

4. Fixed asset investments

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

	31 Dec 2012	31 Dec 2012	30 June 2013
	£000	£000	£000
LEVEL 1	18	523	32
LEVEL 3	-	957	-
	18	1,480	32

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.

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