

Leed Resources PLC

Half-yearly report for the six months ended 31 December 2012

Chairman's statement

During the period under review, the Directors examined a number of potential reverse takeover transactions and in particular spent considerable time and effort on one particular transaction in Asia which, on examination, failed to live up to expectations and was therefore aborted.

We have continued to review prospective reverse acquisitions in the resources sector since then and currently have a number under review.

I indicated some problems associated with our investment in Manas in my statement accompanying the results for the year to 30 June 2012. I am glad to say that these have been in part resolved. The licence for the larger part of the original Kok Kiya area has been renewed. However, they have so far been unsuccessful in recovering the area under dispute through the Kyrgyz courts. They intend to pursue an appeal to a higher court, with they believe, a good chance of success. In the meantime, while the remaining area is thought to have a viable coal resource, work there remains on hold.

As previously indicated, the Company raised £959,000 during the period under review to replenish its cash resources and increase assets per share.

Costs during the period include significant legal expenditure in relation both to the prospective reverse transaction referred to above and to Manas. The Board has since taken steps to reduce future outgoings.

We remain hopeful of completing a major transaction during the present financial year though shareholders need to be aware that the search for a successful reverse transaction does often involve the prudent examination of a number of potential transactions before a suitably value enhancing proposal is identified as meriting recommendation to shareholders.

Peter Redmond
Chairman

28 March 2013

Unaudited statement of comprehensive income

for the six months ended 31 December 2012

	Note	Six months ended 31 Dec 2012 £000	Six months ended 31 Dec 2011 £000	Year ended 30 Jun 2012 £000
Continuing operations				
Administrative expenses		(205)	(214)	(306)
Share based payment expense		—	(10)	(19)
Operating loss		(205)	(224)	(325)
Gain on disposal of investments		—	—	37
Finance income		1	1	2
Finance costs		—	—	(45)
Loss before taxation		(204)	(223)	(331)
Taxation		—	—	—
Loss for the period		(204)	(223)	(331)
Other comprehensive loss				
Market value adjustment to investments		(23)	—	(41)
Total comprehensive loss for the period		(227)	(223)	(372)
Loss per share (pence)				
Basic and diluted	3	(0.007p)	(0.009p)	(0.013p)

Unaudited statement of changes in equity
for the six months ended 31 December 2012

	Share capital £000	Share premium £000	Investment reserve £000	Option & warrant reserve £000	Retained earnings £000	Total £000
Total owners' equity at 30 June 2011	36,235	76,633	—	3,686	(114,224)	2,330
Transactions with owners:						
- Share capital issued	167	—	—	—	—	167
- Issue of warrants	—	—	—	40	—	40
- Share-based payments	—	—	—	10	—	10
Total transactions with owners	167	—	—	50	—	217
- Comprehensive loss:						
- Loss for the period	—	—	—	—	(223)	(223)
Total comprehensive loss for the period	—	—	—	—	(223)	(223)
Total owners' equity at 31 December 2011	36,402	76,633	—	3,736	(114,447)	2,324
Transactions with owners:						
- Share-based payments	—	—	—	9	—	9
Total transactions with owners	—	—	—	9	—	9
Comprehensive loss:						
- Loss for the period	—	—	—	—	(108)	(108)
- Market value adjustment to investments	—	—	(41)	—	—	(41)
Total comprehensive loss for the period	—	—	(41)	—	(108)	(149)
Total owners' equity at 30 June 2012	36,402	76,633	(41)	3,745	(114,555)	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	—	—	—	—	(204)	(204)
- Market value adjustment to investments	—	—	(23)	—	—	(23)
Total comprehensive loss for the period	—	—	(23)	—	(204)	(227)
Total owners' equity at 31 December 2012	36,838	77,101	(64)	3,745	(114,759)	2,861

Statement of financial position

as at 31 December 2012

	Note	31 Dec 2012 £000	31 Dec 2011 £000	30 Jun 2012 £000
Assets				
Non-current assets				
Investments	4	1,480	1,026	1,503
		1,480	1,026	1,503
Current assets				
Trade and other receivables		27	50	68
Cash and cash equivalents		1,481	1,335	668
		1,508	1,385	736
Liabilities				
Current liabilities				
Trade and other payables		127	87	55
		127	87	55
Net current assets		1,381	1,298	681
Net assets		2,861	2,324	2,184
Owners' equity				
Ordinary Share Capital	2	36,838	36,402	36,402
Share premium		77,101	76,633	76,633
Investment reserve		(64)	—	(41)
Other reserve		3,745	3,736	3,745
Retained earnings		(114,759)	(114,447)	(114,555)
Total owners' equity		2,861	2,324	2,184

Unaudited statement of Cash Flows
for the six months ended 31 December 2012

	Six months ended 31 Dec 2012	Six months ended 31 Dec 2011	Year ended 30 Jun 2012
	£000	£000	£000
Loss before taxation	(204)	(223)	(331)
Adjustments for:			
Gain on disposal of investments	—	—	(37)
Investment income	(1)	(1)	(2)
Finance expense	—	—	45
Share-based payments	—	10	19
Changes in working capital			
Decrease in trade and other receivables	41	423	405
Increase/(decrease) in payables	72	10	(22)
Net cash flow from operating activities	(92)	219	77
Cash flows from investing activities			
Purchase of investments	—	(819)	(1,424)
Disposal of investments	—	—	124
Interest received	1	1	2
Net cash from/(used in) investing activities	1	(818)	(1,298)
Cash flows from financing activities			
Proceeds from issue of Ordinary Shares	959	—	—
Share issue costs	(55)	—	—
Interest and other financing costs paid	—	—	(45)
Net cash from/(used in) financing activities	904	—	(45)
Net increase/(decrease) in cash and cash equivalents	813	(599)	(1,266)
Cash and cash equivalents at beginning of period	668	1,934	1,934
Cash and cash equivalents at end of period	1,481	1,335	668

Notes to the interim accounts

for the six months ended 31 December 2012

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 2012 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 2012.

The comparative statement of financial position at the financial year ended 30 June 2012 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 2012	31 Dec 2011	30 June 2012
Issued and fully paid	£000	£000	£000
3,105,177,765 Ordinary shares of 0.1 pence each	3,105	2,669	2,669
67,602,008 Deferred shares of 49.9 pence each	33,733	33,733	33,733
	36,838	36,402	36,402

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

On 18 October 2012, 227,272,727 ordinary shares of 0.1 pence each were issued at 0.22p per share as the result of a private placing which raised £500,000, before expenses.

On 24 October 2012, 208,636,363 ordinary shares of 0.1 pence each were issued at 0.22p per share as the result of a private placing which raised £459,000, before expenses.

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 2012	31 Dec 2011	30 Jun 2012
Loss attributable to Ordinary Shareholders	(£204,000)	(£223,000)	(£331,000)
Weighted average shares in issue			
Weighted average number of shares for the purposes of basic earnings per share	2,837,776,579	2,530,379,786	2,589,578,329
Effect of share options in issue	—	—	—
Weighted average number of shares for the purposes of diluted earnings per share	2,837,776,579	2,530,379,786	2,589,578,329
Basic and diluted loss per share (pence)	(0.007p)	(0.009p)	(0.013p)

4. Fixed asset investments

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

	31 Dec 2012	31 Dec 2011	30 June 2012
	£000	£000	£000
LEVEL 1	523	69	546
LEVEL 3	957	957	957
	1,480	1,026	1,503

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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