

RNS Number : 4829A
Leed Resources PLC
30 March 2012

Leed Resources PLC

("Leed" or the "Company")

Half-yearly report for the six months ended 31 December 2011

Chairman's statement

As shareholders will be aware, Leed underwent a corporate reconstruction immediately prior to the period under review, following which a new equity fundraising of £2.435 million took place. The Board was substantially changed and the Company was reconstituted into an investing company.

Since then, as announced last September, Leed has made a significant investment in Manas Coal Limited Liability Company of £957,000, comprised of a cash investment of £750,000 and the issue of 166,666,667 new shares together with warrants to subscribe at 0.15p for up to 166,666,667 shares in Leed giving Leed a 17.5% stake in Manas. Manas now holds a licence for exploration for coal in the Eastern Kokkia region of the Kyrgyz Republic in an area which, based on information held by the Kyrgyz government, is thought to contain significant coal

reserves. Fuller details were announced at the time and the transaction was also described in Leed's Report and Accounts for the period ended 30 June 2011.

Since then, Manas has carried out initial work on the ground to establish the extent and viability of the Eastern Kokkia deposit. A Kyrgyz firm of exploration consultants has been commissioned and has carried out initial prospecting and evaluation works for coal within the licensed area, including trench sampling and other associated work over part of the licensed area. They are in process of appointing new consultants to continue this work in 2012 when weather conditions permit and they have commissioned a well-established engineering consultancy firm to take matters forward; they plan to be able to produce a CPR on the project in 2012.

At the same time, Leed has continued to explore and review a range of possible investment opportunities in coal, oil and gas and other minerals.

In the meantime, the Company has changed its name to Leed Resources plc to reflect the wider area of activities in which it has or is likely to invest and we have welcomed Nicholas Lee to the Board to give us a broader range of corporate skills and experience to call upon. Nicholas is a corporate financier of over twenty years standing and is a director of a number of other AIM companies, including Viridas plc.

Peter Redmond

Chairman

30 March 2012

Unaudited statement of comprehensive income
for the six months ended 31 December 2011

	Six months ended	Six months ended	Year ended
	31 Dec 2011	31 Dec 2010	30 Jun 2011
	RESTATED	RESTATED	RESTATED
Note	£000	£000	£000
Continuing operations			
Administrative expenses	(214)	(282)	(555)
Share based payment (expense)/credit	(10)	(123)	302
Operating loss	(224)	(405)	(253)
Write down of investment	-	(120,457)	(120,230)
Exchange translation losses	-	1	2
Finance income	1	-	-
Finance costs	-	(6)	(12)
Loss before taxation	(223)	(120,867)	(120,493)
Taxation	-	-	-
Loss for the period and total comprehensive loss, net of tax, attributable to equity owners	(223)	(120,867)	(120,493)
Loss per share (pence)	4		
Basic and diluted	(0.01p)	(178.79p)	(99.60p)

Unaudited statement of changes in equity
for the six months ended 31 December 2011

	Share capital £000	Share premium £000	Other reserve £000	Retained earnings £000	Total £000
Total owners' equity at 30 June 2010 (RESTATED)	33,800	76,737	3,988	6,269	120,794
Transactions with owners:					
- Share-based payments	-	-	123	-	123
Total transactions with owners	-	-	123	-	123
- Other comprehensive loss:					
- Loss for the period	-	-	-	(120,867)	(120,867)
Total comprehensive loss for the period	-	-	-	(120,867)	(120,867)
Total owners' equity at 31 December 2010 (RESTATED)	33,800	76,737	4,111	(114,598)	50
Transactions with owners:					
- Share capital issued by Company	2,435	-	-	-	2,435
- Share issue costs	-	(104)	-	-	(104)
- Share-based payments	-	-	(425)	-	(425)
Total transactions with owners	2,435	(104)	(425)	-	1,906
Comprehensive income:					
- Profit for the period	-	-	-	374	374
Total comprehensive income for the period	-	-	-	374	374
Total owners' equity at 30 June 2011 (RESTATED)	36,235	76,633	3,686	(114,224)	2,330
Transactions with owners:					
- Share capital issued by Company	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

Statement of financial position
as at 31 December 2011

		31 Dec 2011	31 Dec 2010 RESTATED	30 Jun 2011 RESTATED
	Note	£000	£000	£000
Assets				
Non-current assets				
Investments	5	1,026	-	-
		1,026	-	-
Current assets				
Trade and other receivables		50	23	473
Cash and cash equivalents		1,335	109	1,934
		1,385	132	2,407
Liabilities				
Current liabilities				
Trade and other payables		87	82	77

		87	82	77
Net current assets		1,298	50	2,330
Net assets		2,324	50	2,330
Owners' equity				
Ordinary Share Capital	3	36,402	33,800	36,235
Share premium		76,633	76,737	76,633
Other reserve		3,736	4,111	3,686
Retained earnings		(114,447)	(114,598)	(114,224)
Total owners' equity		2,324	50	2,330

Unaudited statement of Cash Flows

for the six months ended 31 December 2011

	Six months ended	Six months ended	Year ended
	31 Dec 2011	31 Dec 2010	30 Jun 2011
	£000	RESTATED £000	RESTATED £000
Loss before taxation	(223)	(120,867)	(120,493)
Adjustments for:			
Impairment of investment	-	120,620	120,620
Finance income	(1)	-	-
Finance expense	-	6	12
Share-based payments	10	123	(302)

Changes in working capital			
Decrease/(increase) in trade and other receivables	423	(8)	(7)
Increase/(decrease) in payables	10	(55)	(82)
Net cash flows from operating activities	219	(181)	(252)
Cash flows from investing activities			
Capital contribution to subsidiary	-	173	173
Purchase of investments	(819)	-	-
Interest received	1	-	-
Net cash used in investing activities	(818)	173	173
Cash flows from financing activities			
Proceeds from issue of Ordinary Shares	-	-	1,985
Share issue costs	-	-	(104)
Interest and other financing costs paid	-	(6)	(12)
Net cash used in financing activities	-	(6)	1,869
Net decrease/ (increase) in cash and cash equivalents	(599)	(14)	1,790
Exchange differences in cash and cash equivalents	-	(41)	(26)
Cash and cash equivalents at beginning of period	1,934	164	170
Cash and cash equivalents at end of period	1,335	109	1,934

Notes to the interim accounts

for the six months ended 31 December 2011

1. General information

Leed Resources PLC is a company domiciled in the United Kingdom. These unaudited condensed interim financial statements of the Company are for the six months ended 31 December 2011. They comprise only the Company's operations for the period whereas the interim financial statements for the 6 months to 31 December 2010 and the audited statutory accounts for the year ended 30 June 2011 were prepared on a consolidated basis. 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.

Details of the disposal of the subsidiary can be found in note 9 "Discontinued operations" of the Annual Report and Accounts for the year ended 30 June 2011, available on the company's website, www.leedresourcesplc.com.

These unaudited condensed financial statements 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 2011, except where noted below.

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 periods have been restated in Pound Sterling. The exchange rates used for the restatement of the financial periods ended 30 June 2011, 31 December 2010 and 30 June 2011 were \$1.60135, \$1.55237 and \$1.50113 respectively.

The comparative statement of financial position at the financial year ended 30 June 2011 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. As those financial statements were

prepared on a consolidated basis no income statement for the Company was included. 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.

The financial information for the period ended and as at 31 December 2010 was not prepared on a going concern basis and did not differentiate between continuing and discontinued operations as were disclosed in the annual accounts to 30 June 2011. In order to disclose relevant comparative information in respect of the six months to 31 December 2010 for the purposes of this interim statement the expenses attributable to continuing operations has been estimated by pro rating the expenses attributable to continuing operations as disclosed in the accounts for the full year to 30 June 2011.

2. Issued capital

A recap of issued capital follows:

	31 Dec 2011	31 Dec 2010	30 June 2011
Issued and fully paid	£000	£000	£000
676,020,767 Ordinary Shares of 5 pence each	-	33,800	-
2,669,268,675 Ordinary shares of 0.1 pence each	2,669	-	2,502
67,602,008 Deferred shares of 49.9 pence each	33,733	-	33,733
	36,402	33,800	36,235

On 22 June 2011 the shareholders approved a resolution to reorganise the issued share capital of the Company with the effect that for every ten existing ordinary shares of 5 pence each one new ordinary share of 0.1 pence each and one deferred share of 49.9 pence each were issued. The restricted rights attaching to the deferred shares are such that the deferred shares have no economic value.

Also on 22 June 2011, 2,435,000,000 new shares of 0.1 pence each were issued at par on conversion of loan notes totalling £2,435,000.

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.

3. Loss per Ordinary Share

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

Loss per Ordinary Share	31 Dec 2011	31 Dec 2010	30 Jun 2011
Loss attributable to Ordinary Shareholders	(£223,000)	(£120,867,000)	(£120,493,000)
Weighted average shares outstanding			
Weighted average number of shares at end of the period	2,530,379,786	67,602,076	120,971,939
Effect of share options in issue	-	-	-
Weighted average number of shares at end of the period for diluted loss per share	2,530,379,786	67,602,076	120,971,939

4. Fixed asset investments

In August 2011 the Company invested £69,000 in the ordinary shares of Viridas plc, an AIM quoted investment company.

In September 2011 the Company entered into an agreement to purchase 17.5% of the shares in Manas Coal Limited ("Manas") for approximately £957,000 of cash, shares and warrants. The Company initially advanced a loan of £750,000 to Manas, which on completion of the transaction in December 2011, was effectively exchanged, together with 166,666,667 ordinary shares at a price of 0.1p each and warrants to purchase a further 166,666,667 ordinary shares for 0.15p each, for equity representing 17.5% of the issued share capital of Manas.

	31 Dec 2011	31 Dec 2010	30 June 2011
	£000	£000	£000
Manas Coal Limited	957	-	-
Viridas plc	69	-	-
	1,026	-	-

This information is provided by RNS
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