Blencowe Resources Plc

Annual Report and Financial Statements

For the year ended 30 September 2019

Blencowe Resources Plc

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Blencowe Resources Plc

Company's Information
For the year ended 30 September 2019

Directors

Sam Quinn
Cameron Pearce
Alexander Passmore

Registered Office

25 Bilton Road
Rugby
CV22 7AG

Secretary

FIM Secretaries Limited
25 Bedford Square
London
England
WC1 B3HH

Administrator

FIM Capital Limited
IOMA House
Hope Street
Douglas
Isle of Man IM1 1AP

Auditors

Crowe UK LLP
St Bride's House
10 Salisbury Square
London
EC4Y 8EH

Broker

Brandon Hill Capital Limited
1 Tudor Street
London
EC4Y 0AH

Registrars

Share Registrars Limited
17/18 Eastcastle Street
London
W1W 8DH

Blencowe Resources Plc

Chairman’s Statement for the year ended 30 September 2019

Business of the Company

The Company was incorporated on 18 September 2017 as a private company with limited liability under the laws of England and Wales under the Companies Act 2006 with registered number 10966847 and was re-registered as a public limited company on 13 July 2018. It is domiciled and its principal place of business is in the United Kingdom.

Its entire issued share capital, being 31,666,664 ordinary shares of £0.005 (“Ordinary Shares”) each was admitted to the Official List (by way of a Standard Listing under Chapter 14 of the Listing Rules) on the 18 April 2019 and to trading on the London Stock Exchange's Main Market for listed securities. Since incorporation the Company has raised a total of £740,000 (before costs).

Blencowe was formed for the purposes of acquiring a natural resources asset and on 13 May 2019 it announced that it had entered into a Heads of Agreement with Consolidated Africa Limited ("CRA") and New Energy Minerals Africa Pty Ltd ("New Energy") for the proposed assignment to the Company of a binding option for it to acquire 100% of the share capital of Consolidated African Resources (Uganda) Ltd ("CARU"), a subsidiary of CRA, by way of a reverse takeover ("Transaction"). CRA has given its binding consent to the assignment of the option. CARU is a Ugandan registered company which is the owner of the Orom Graphite Project in northern Uganda (the "Orom Graphite Project").

Blencowe will, subject to finance, acquire the entire share capital of CARU with the total aggregate consideration payable by the Company being £2,000,000 (two million pounds), to be satisfied in full by the issue of 33,333,333 new Ordinary Shares at an implied price of £0.06 per share, of which £500,000 will be payable to New Energy as consideration for the assignment of the option and £1,500,000 will be payable to CRA as the acquisition price for CARU. Completion of the Transaction will be conditional on Blencowe raising working capital for the enlarged group to further develop the Orom Graphite Project. A budget and work programme for the Orom Graphite Project has now been agreed, the quantum of this fundraise at the date of this announcement is £2,000,000.

Following the end of the financial year, the Company entered into a share purchase agreement with CRA and New Energy dated 24 October 2019. The acquisition remains subject to completion of the fundraising and re-listing of the enlarged group on the London Stock Exchange. Accordingly, there is no certainty that it will be completed. If the Transaction is completed, it will constitute a reverse takeover under the Listing Rules and will be subject to approval by shareholders of the Company at a general meeting. As the Company is unable to provide full disclosure under Rule 5.6.15 of the Listing Rules, the Company requested the FCA to suspend trading of its Ordinary Shares on the London Stock Exchange, pending publication of a prospectus in relation to the Transaction and the fundraising and calling the Annual General Meeting to approve the Transaction.

We are pursuing a metal that has strong future for the next 20 years given that graphite is the largest component of the lithium battery. We believe that the Orom Graphite Project can be globally significant due to the high-quality product and scale of the target resource. The graphite is characterised by large and jumbo flake size with both high grade and purity that is in short supply and demands an exponentially higher price. Also, the Ugandan government who are very keen to develop their mining sector recently granted CARU a 21 year mining licence over 19sqkm of the Orom Graphite Project. The board of Blencowe looks forward to keeping shareholders informed of further developments in what we believe is a very exciting company making transaction.

Future developments

Whilst capital raising is ongoing, there is a temporary suspension of trading in shares on the London Stock Exchange and Blencowe will seek readmission once the Transaction is completed.

Cameron Pearce

Executive Chairman
29 January 2020

Strategic report for the year ended 30 September 2019

The Directors present the Strategic Report for the year ended 30 September 2019.

Results

The Company made a loss for the year of £243,119 (2018: £163,520). The 2018 figures have been restated due to a reallocation of expenses, see note 2.6.

Business model, review of the business and future developments

The Company was formed to undertake an acquisition of a target company or business. During the period under review the Directors' have considered a number of opportunities available to them. The Company on 13 May 2019 announced that it had entered into Heads of Agreement with Consolidated Africa Limited ("CRA") and New Energy Minerals Africa Pty Ltd ("New Energy") for the proposed assignment to the Company of a binding option for it to acquire 100% of the share capital of Consolidated African Resources (Uganda) Ltd ("CARU"), a subsidiary of CRA, by way of a reverse takeover ("Transaction"). Further information on the Company's activities is contained in the Chairman's Statement on page 2.

Key performance indicators

At this stage in its development, the Company is focusing on carrying out the Transaction and the related fundraising. If the Company achieves completion of the Transaction, then financial, operational, health and safety and environmental KPIs may become relevant and will be measured and reported as appropriate. As such the only KPI the Company monitors is whether it can successfully identify and secure an investment opportunity.

Employees

With the exception of the Directors the Company does not have any employees. The Board of Directors' is comprised of three males.

Principal risks and uncertainties and risk management

The Company operates in an uncertain environment and is subject to a number of risk factors. The Directors consider the following risk factors are of particular relevance to the Company's activities and to any investment in the Company. It should be noted that the list is not exhaustive and that other risk factors not presently known or currently deemed immaterial may apply.

The Directors are confident that they have put in place a strong management team capable of dealing with the above issues as they arise.

The Company will be dependent on the ability of the Directors to identify suitable investment opportunities and to implement the Company's strategy. Following the end of the financial year, the Company entered into a share purchase agreement with CRA and New Energy dated 24 October 2019. The acquisition remains subject to completion of the fundraising and re-listing of the enlarged group on the London Stock Exchange. Accordingly, there is no certainty that it will be completed. If the Transaction is completed, it will constitute a reverse takeover under the Listing Rules and will be subject to approval by shareholders of the Company at a general meeting. As the Company is unable to provide full disclosure under Rule 5.6.15 of the Listing Rules, the Company requested the FCA to suspend trading of its Ordinary Shares on the London Stock Exchange, pending publication of a prospectus in relation to the Transaction and the fundraising and calling the Annual General Meeting to approve the Transaction.

Financial risk management

The Company's principal financial instruments comprise cash balances, accounts payable and accounts receivable arising in the normal course of its operations.

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

Financial risk management (continued)

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

As at 30 September 2019 there is no significant exposure to liquidity or price risk. The only credit risk applicable is over the cash balance which is held with a reputable bank and trade debtors (see note 2.4).

Viability statements

In accordance with provision C.2.2. of the UK Corporate Governance Code, the Board has assessed the prospects of the Company over a five-year period, taking account of the Company's current position and principal risks.

Time frame
The Board believes that five years is the most appropriate time frame over which the Board should assess the long-term viability of the Company. The Company's current activities do not generate any revenues or positive operating cash flow, and the development of the Orom Graphite Project to commence production and generate revenues will require significant capital expenditures. The Orom Graphite Project is not expected to generate positive net cash flow until approximately 2025, some five years from now.

Assessing viability
The main assumption in the Board making its viability assessment is the ability of the Company to raise further funds in order to progress from the exploration phase into feasibility and eventually into production of revenues. The Company may not be able to obtain additional financing as and when needed which could result in a delay or indefinite postponement of exploration and development activities.

Principal risk
The Directors have carried out a robust assessment of the principal risks facing the Company as described on the preceding pages including those that threaten its business model, future performance, solvency or liquidity. The Directors are confident that they have put in place a strong management team capable of dealing with the risk management in order to safeguard the Company's assets.

In addition, the management team has wide-ranging expertise in mineral exploration which, together with a flexible cost structure, would enable the Company to adapt its organisation to changes in circumstances.

Based on the financial impact of the analysis outlined above and the associated risks, management actions and controls that are either in place or could be implemented, the Board has been able to conclude that the Company will be able to deliver the Orom Graphite Project.

Confirmation of viability
Taking account of these matters, the Directors have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period to December 2023, assuming that the financing referred to above is completed as described. The company's going concern statement is detailed in note 2.5.

Cameron Pearce

Director
29 January 2020

Blencowe Resources Plc

Directors' Report for the year ended 30 September 2019

The Directors submit their report with the audited Financial Statements for the year ended 30 September 2019.

Principal activity

The Company was formed to undertake an acquisition of a target company or business.

Results for the year and distributions

The results are set out in the Statements of Comprehensive Income. The total comprehensive loss attributable to the equity holders of the Company for the year was £243,119 (2018: £163,520). The Company received no income, and the full amount of the loss is due to expenses incurred in capital raising (to the extent not deducted from share premium), identifying and evaluating suitable acquisition targets, and general corporate overheads.

The Company paid no distribution or dividends during the year.

Directors

The Directors who held office during the year and to the date of this report, together with details of their interest in the shares of the Company at 30 September 2019 and the date of this report were:

		Number of Ordinary Shares
Sam Quinn	Appointed 13 November 2017	4,000,000
Cameron Pearce	Appointed 13 November 2017	6,000,000
Alexander Passmore	Appointed 18 May 2018	1,500,000

Substantial shareholders

No single person directly or indirectly, individually or collectively, exercises control over the Company. The Directors are aware of the following persons, who had an interest in 3% or more of the issued ordinary share capital of the Company as at 30 September 2019:

Shareholder	**% of issued share capital of the Company**
Cameron Pearce	18.95%
Sam Quinn	12.63%
JIM Nominees Limited	10.26%
BNY (OCS) Nominees Limited	9.97%
Ralston Family Trust	6.32%
Alexander Passmore	4.74%
Spreadex Limited	4.74%
Bushwood Nominees Pty Ltd	3.95%
Jameker Pty Ltd	3.95%
The PSAR Family Trust	3.16%
Salmon Brick Pty Ltd	3.16%
Azelea Family Holdings Pty Ltd	3.16%

Employee and Greenhouse Gas (GHG) Emissions

The Company is trading with no employees with the exception of the Directors, and therefore has minimal carbon emissions.

The Company promotes a policy for the creation of equal and ethnically diverse employment opportunities including with respect to gender.

Corporate Governance

The Company recognises the importance of, and is committed to, high standards of Corporate Governance. At the date of this Document, the Company complies with the corporate governance regime applicable to the Company.

In addition, the Company intends to voluntarily observe the requirements of the UK Corporate Governance Code, save as set out below. As at the date of the financial statements the Company is incompliance with the UK Corporate Governance Code with the exception of the following:

- Given the composition of the Board, certain provisions of the UK Corporate Governance Code (in particular the provisions relating to the division of responsibilities between the Chairman and chief executive and executive compensation), are considered by the Board to be inapplicable to the Company. In addition, the Company does not comply with the requirements of the UK Corporate Governance Code in relation to the requirement to have a senior independent director and the Board's committees will not, at the outset, have three independent non-executive directors.

- The UK Corporate Governance Code also recommends the submission of all directors for re-election at annual intervals. No Director will be required to submit for re-election until the first annual general meeting of the Company following the Acquisition.

- Until the Acquisition is made, the Company will not have nomination, remuneration, audit or risk committees. The Board as a whole will instead review its size, structure and composition, the scale and structure of the Directors' fees (taking into account the interests of Shareholders and the performance of the Company), take responsibility for the appointment of auditors and payment of their audit fee, monitor and review the integrity of the Company's financial statements and take responsibility for any formal announcements on the Company's financial performance. Following the Acquisition, the Board intends to put in place nomination, remuneration, audit and risk committees.

As at the date of the financial statements, the Board has a share dealing code that complies with the requirements of the Market Abuse Regulations. All persons discharging management responsibilities (comprising only the Directors at the date of this Document) shall comply with the share dealing code from the date of Admission.

Set below are Blencowe Resources Plc's corporate governance practices for the year ended 30 September 2019.

<u>Leadership</u>

The Company is headed by an effective Board which is collectively responsible of the long term success of the Company.

The role of the Board - The Board sets the Company's strategy, ensuring that the necessary resources are in place to achieve the agreed strategic priorities, and reviews management and financial performance. It is accountable to shareholders for the creation and delivery of strong, sustainable financial performance and long-term shareholder value. To achieve this, the Board directs and monitors the Company's affairs within a framework of controls which enable risk to be assessed and managed effectively. The Board also has responsibility for setting the Company's core values and standards of business conduct and for ensuring that these, together with the Company's obligations to its stakeholders, are widely understood throughout the Company. The Board has a formal schedule of matters reserved which is provided later in this report.

Board Meetings - The core activities of the Board are carried out in scheduled meetings of the Board. These meetings are timed to link to key events in the Company's corporate calendar and regular reviews of the business are conducted. Additional meetings and conference calls are arranged to consider matters which require decisions outside the scheduled meetings. During the year, the Board met on 1 occasion.

Corporate Governance (continued)

Leadership (continued)

Outside the scheduled meetings of the Board, the Directors maintain frequent contact with each other to discuss any issues of concern they may have relating to the Company or their areas of responsibility, and to keep them fully briefed on the Company's operations.

- *Matters reserved specifically for Board* - The Board has a formal schedule of matters reserved that can only be decided by the Board. The key matters reserved are the consideration and approval of;
- The Company's overall strategy;
- Financial statements and dividend policy;
- Management structure including succession planning, appointments and remuneration; material acquisitions and disposal, material contracts, major capital expenditure projects and budgets;
- Capital structure, debt and equity financing and other matters;
- Risk management and internal controls;
- The Company's corporate governance and compliance arrangements; and
- Corporate policies

Summary of the Board's work in the year - during the year, the Board considered all relevant matters within its remit, but focused in particular on the establishment of the Company and the identification of a suitable investment opportunity for the Company to pursue.

Attendance at meetings:

Member		**Meeting attended**
Cameron Pearce	Non-Executive Chairman	1
Sam Quinn	Non-Executive Director	1
Alexander Passmore	Non-Executive Director	1

The Board is pleased with the level of attendance and participation of Directors at Board and committee meetings.

The Chairman, Cameron Pearce, sets the Board Agenda and ensures adequate time for discussion.

Non-executive Directors - the non-executive Directors bring a broad range of business and commercial experience to the Company and have a particular responsibility to challenge independently and constructively the performance of the Executive management (where appointed) and to monitor the performance of the management team in the delivery of the agreed objectives and targets.

Non-executive Directors - are initially appointed for a term of three years, which may, subject to satisfactory performance and re-election by shareholders, be extended by mutual agreement.

Other governance matters - all of the Directors are aware that independent professional advice is available to each Director in order to properly discharge their duties as a Director. In addition, each Director and Board committee has access to the advice of the Company Secretary.

The Company Secretary - the Company Secretary is FIM Secretaries Limited who is retained on a consultancy basis. FIM Secretary Limited is available to Directors and responsible for the Board complying with UK procedures.

Corporate Governance (continued)

Effectiveness

For the period under review the Board comprised of an Non - Executive Chairman and two non-executive Directors.

The Directors are of the view that the Board and its committees consist of Directors with an appropriate balance of skills, experience, independence and diverse backgrounds to enable them to discharge their duties and responsibilities effectively

Independence - None of the Directors are considered to be independent. It is intended that additional Directors will be appointed in future and that independence will be one of the key factors taken into account at that time. As at the date of this Document no prospective Directors have been identified and no arrangements exist (formal or informal) for the appointment of any other Director..

Appointments - the Board is responsible for reviewing and the structure, size and composition of the Board and making recommendations to the board with regards to any required changes.

Commitments - All Directors have disclosed any significant commitments to the Board and confirmed that they have sufficient time to discharge their duties.

Induction - All new Directors received an induction as soon as practical on joining the Board.

Conflict of interest - A Director has a duty to avoid a situation in which he or she has, or can have, a direct or indirect interest that conflicts, or possibly may conflict with the interests of the Company. The Board had satisfied itself that there is no compromise to the independence of those Directors who have appointments on the Boards of, or relationships with, companies outside the Company. The Board requires Directors to declare all appointments and other situations which could result in a possible conflict of interest.

Shareholder relations

Communication and dialogue - Open and transparent communication with shareholders is given high priority and there is regular dialogue with institutional investors, as well as general presentations made at the time of the release of the annual and interim results. All Directors are kept aware of changes in major shareholders in the Company and are available to meet with shareholders who have specific interests or concerns. The Company issues its results promptly to individual shareholders and also publishes them on the Company's website: www.blencoweresourcesplc.com. Regular updates to record news in relation to the Company and the status of its exploration and development programmes are included on the Company's website. Shareholders and other interested parties can subscribe to receive these news updates by email by registering online on the website free of charge.

The Directors are available to meet with institutional shareholders to discuss any issues and gain an understanding of the Company's business, its strategies and governance. Meetings are also held with the corporate governance representatives of institutional investors when requested.

Annual General Meeting - At every AGM individual shareholders are given the opportunity to put questions to the Chairman and to other members of the Board that may be present. Notice of the AGM is sent to shareholders at least 21 working days before the meeting. Details of proxy votes for and against each resolution, together with the votes withheld are announced to the London Stock Exchange and are published on the Company's website as soon as practical after the meeting.

Responsibility statement

The Directors are responsible for preparing the Directors' Report and the Financial Statements in accordance with applicable law and regulations. In addition, the Directors have elected to prepare the Financial Statements in accordance with International Financial Reporting Standards ("IFRSs"), as adopted by the European Union ("EU").

The Financial Statements are required to give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these Financial Statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- present information and make judgements that are reasonable, prudent and provides relevant, comparable and understandable information.
- provide additional disclosures when compliance with the specific requirements in IFRS is insufficient to enable users to understand the impact of particulars transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Company's ability to continue as a going concern.

The Directors are responsible for keeping proper accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time its financial position of the Company to enable them ensure that the financial statements comply with the requirements of the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and Financial Statements. Legislation governing the preparation and dissemination of Financial Statements may differ from one jurisdiction to another.

We confirm that to the best of our knowledge:

- the Financial Statements , prepared in accordance with International Financial Reporting Standards as adopted by the EU, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company for the period;
- the Director's report includes a fair review of the development and performance of the business and the position of the company, together with a description of the principal risks and uncertainties that they face.
- the annual report and financial statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the company's performance, business model and strategy.

Embed effective risk management, considering both opportunities and threats, throughout the organisation.

The Directors are responsible for maintaining the Company's systems of controls and risk management in order to safeguard its assets.

Risk is monitored and assessed by the Board who meet regularly and are responsible for ensuring that the financial performance of the Company is properly monitored and reported. This process includes reviews of annual and interim accounts, results announcements, internal control systems, procedures and accounting policies.

The Board receives guidance from FIM Capital Limited, the administrator to the Company, covering updates to relevant legalisation and rules to ensure they remain fully informed and able to make informed decisions.

Directors' Report for the year ended 30 September 2019 (continued)

Subsequent events

Please see note 14 for details of the Company's subsequent events.

Auditors

So far as the directors are aware, there is no relevant audit information on which the Company's auditors are unaware, and they have taken all steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

The auditors, Crowe U.K LLP, have expressed their willingness to continue in office and a resolution to reappoint them will be proposed at the Annual General Meeting.

By Order of the Board

Cameron Pearce

Director
29 January 2020

Blencowe Resources Plc

Directors' Remuneration report

The Directors' Remuneration Report sets out the Company's policy on the remuneration of Directors together with the details of Directors' remuneration packages and services contracts for the period 1 November 2018 to 30 September 2019.

The Board as a whole will review the scale and structure of the Directors' fees, taking into account the interests of the shareholders and the performance of the Company and Directors.

The items included in this report are unaudited unless otherwise stated.

The Company maintains contact with its shareholders about remuneration in the same way as other matters and, as required by Section 439 of the Companies Act 2006, this remuneration report will be put to an advisory vote of the Company's shareholders at the forthcoming Annual General Meeting.

Statement of Blencowe Plc's policy on Directors' Remuneration

As set out in the Company's Prospectus dated 11 April 2019, each of the Directors may be paid a fee at such rate as may from time to time be determined by the Board. All the Directors are entitled to be reimbursed by the Company for travel, hotel and other expenses incurred by them in the course of their directors' duties relating to the Company. All the Directors are required to serve on the audit/remuneration committee, and, where possible, attend all committee meetings, general meetings, board meetings, and provide guidance and direction in the planning, developing and enhancing the future strategic direction of the Company.

Any fees payable to the Directors after an Acquisition will be determined as part of the negotiations for the Acquisition, and will be dependent on whether the Directors remain on the board of the Company in any event.

There have been no changes to the Directors' remuneration or remuneration policy since the publication of the Company's Prospectus dated 11 April 2019.

Terms of employment

Cameron Pearce was appointed on 8 June 2018 by the Company to act as a Non-Executive Director and Chairman of the Company with fees of £36,000 per annum. The appointment is for an initial term of 24 months and thereafter can be terminated by the Company on six months written notice or Mr Pearce on three months written notice. If there is a change of control (as defined in the letter of appointment), Mr Pearce will be entitled to 100% of his annual fee as a lump sum payment if the Company terminates his employment, or if Mr Pearce chooses to terminate his appointment within 12 months following a change of control.

Sam Quin was appointed on 8 June 2018 by the Company to act as a Non-Executive Director with fees of £24,000 per annum. The appointment is for an initial term of 24 months and thereafter the appointment can be terminated by the Company on six months written notice or Mr Quinn on three months written notice. If there is a change of control (as defined in the letter of appointment), Mr Quinn will be entitled to 100% of his annual fee as a lump sum payment if the Company terminates his employment, or if Mr Quinn chooses to terminate his appointment within 12 months following a change of control.

Alex Passmore has been appointed by the Company to act as a Non-Executive Director with fees of £12,000 per annum. The appointment is for an initial term of 24 months and thereafter the appointment can be terminated by the Company on six months written notice or Mr Passmore on three months written notice. If there is a change of control (as defined in the letter of appointment), Mr Passmore will be entitled to 100% of his annual fee as a lump sum payment if the Company terminates his employment, or if Mr Passmore chooses to terminate his appointment within 12 months following a change of control.

Policy for new appointments

Without prejudice to the power of the Company to appoint any person to be a Director pursuant to the Articles the Board shall have power at any time to appoint any person who is willing to act as a Director, either to fill a vacancy or as an addition to the existing Board, but the total number of Directors shall not exceed any maximum number fixed in accordance with the Articles. Any Director so appointed shall hold office only until the annual general meeting of the Company next following such appointment and shall then be eligible for re-election but shall not be taken into account in determining the number of Directors who are to retire by rotation at that meeting. If not re-appointed at such annual general meeting, he shall vacate office at the conclusion thereof.

Base salary levels will take into account market data for the relevant role, internal relativities, the individual's experience and their current base salary. Where an individual is recruited below market norms, they may be re-aligned over time (e.g. two to three years), subject to performance in the role. Benefits will generally be in accordance with the approved policy.

Blencowe Resources Plc

Directors' Remuneration report

Directors' emoluments and compensation (audited)

Set out below are the emoluments of the Directors:

	12 months to 30 Sep 2019	**13 months to 30 Sep 2018**
		Restated
	GBP	GBP
Cameron Pearce	36,000	30,000
Sam Quinn	22,000	22,000
Alexander Passmore	12,000	4,000
Total	**70,000**	**56,000**

The percentage of directors' emoluments of the total administrative costs for the year is 29% (2018: 34%).

Statement of Directors' shareholding and share interest

The Directors who served during the year ended to 30 September 2019 , and their interests at that date, are disclosed on page 6. There were no changes between the balance sheet date and the date of approval of this report.

The Directors have indicated to the Company that they will not make applications in the Placing of New Ordinary Shares as set on the Company's Prospectus dated 11 April 2019.

Other matters

The Company does not currently have any annual or long-term incentive schemes in place for any of the Directors and as such there are no disclosures in this respect.

The Company does not have any pension plans for any of the Directors and does not pay pension amounts in relation to their remuneration.

The Company has not paid out any excess retirement benefits to any Directors or past Directors. The Company has not paid any compensation to past Directors.

As the Company currently has no trade, no performance graph and table has been included but will be included in future accounting periods.

The directors' remuneration policy will develop as and when the company makes an acquisition and will depend upon future circumstances.

By Order of the Board

Cameron Pearce

Director
29 January 2020

Opinion

We have audited the financial statements of Blencowe Resources Plc for the year ended 30 September 2019 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. 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.

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty related to going concern

We draw attention to note 2.5 in the financial statements which details the factors the Company has considered when assessing the going concern position. As explained in note 2.5 the Directors accept that there is a material uncertainty in respect of going concern should they be unable to raise the funds to complete the proposed acquisition of CARU. Should this uncertainty not be resolved this cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in this respect.

Emphasis of matter

In the event that the proposed acquisition does not take place there is an uncertainty over the ability of the Company to recover the loan due from CARU as disclosed in note 8 [and note 3a]. CARU has limited financial assets with which to repay the loan and the Company may need to recognise an impairment provision in this circumstance. Given that the completion of the transaction is uncertain, as described above, this constitutes a material uncertainty. Our opinion is not modified in this respect.

Conclusions relating to principal risks, going concern and viability statement

Aside from the impact of the matters disclosed in the material uncertainty related to going concern section, we have nothing to report in respect of the following information in the annual report, in relation to which the ISAs (UK) require us to report to you whether we have anything material to add or draw attention to:

- the disclosures in the annual report ,set out on page 4, that describe the principal risks and explain how they are being managed or mitigated;
- the directors' confirmation, set out on page 6, in the annual report that they have carried out a robust assessment of the principal risks facing the company, including those that would threaten its business model, future performance, solvency or liquidity;
- whether the directors' statements relating to going concern and their assessment of the prospects of the company required under the Listing Rules in accordance with Listing Rule 9.8.6R(3) is materially inconsistent with our knowledge obtained in the audit; or

the directors' explanation ,set out on page 4, in the annual report as to how they have assessed the prospects of the company, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the company will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Overview of our audit approach

Materiality

In planning and performing our audit we applied the concept of materiality. An item is considered material if it could reasonably be expected to change the economic decisions of a user of the financial statements. We used the concept of materiality to both focus our testing and to evaluate the impact of misstatements identified.

Based on our professional judgement, we determined overall materiality for the financial statements as a whole to be £8,600 (FY18 £8,000), based on a percentage of net assets.

We use a different level of materiality ('performance materiality') to determine the extent of our testing for the audit of the financial statements. Performance materiality is set based on the audit materiality as adjusted for the judgements made as to the entity risk and our evaluation of the specific risk of each audit area having regard to the internal control environment.

Where considered appropriate performance materiality may be reduced to a lower level, such as, for related party transactions and directors' remuneration.

We agreed with the Board of Directors to report to it all identified errors in excess of £430 (2018: £400). Errors below that threshold would also be reported to it if, in our opinion as auditor, disclosure was required on qualitative grounds.

Overview of the scope of our audit

The Company is accounted for from one central operating location, the Company's registered office. Our audit was conducted from our offices and all the Company records were within the scope of our audit testing.

Extent to which the audit is capable of detecting irregularities, including fraud

We design our procedures so as to obtain sufficient appropriate audit evidence that the financial statements are not materially misstated due to non-compliance with laws and regulations or due to fraud or error.

We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations – this responsibility lies with management.

Based on our understanding of the Company and industry, discussions with management we identified financial reporting standards, and Companies Act 2006 as having a direct effect on the amounts and disclosures in the financial statements.

Other laws and regulations where non-compliance may have a material effect on the Company's operations are the laws and regulations associated with the listing on the London Stock Exchange.

As part of the engagement team discussion about how and where the Company's financial statements may be materially misstated due to fraud, we did not identify an areas with an increased risk of fraud.

Our audit procedures included:

- enquiry of management about the Company's policies, procedures and related controls regarding compliance with laws and regulations and if there are any known instances of non-compliance;
- examining supporting documents for all material balances, transactions and disclosures;
- review of the Board of directors minutes;
- enquiry of management about litigations and claims and inspection of relevant correspondence
- evaluation of the selection and application of accounting policies related to subjective measurements and complex transactions;
- analytical procedures to identify any unusual or unexpected relationships;
- testing the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements;
- review of accounting estimates for biases;

Independent Auditor's Report to the Members of Blencowe Resources Plc (continued)

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements of the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The potential effects of inherent limitations are particularly significant in the case of misstatement resulting from fraud because fraud may involve sophisticated and carefully organized schemes designed to conceal it, including deliberate failure to record transactions, collusion or intentional misrepresentations being made to us.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Except for the matter described in the material uncertainty related to going concern section, we have determined that there are no other key audit matters to be communicated in our report.

This is not a complete list of all risks identified by our audit.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

In this context, we also have nothing to report in regard to our responsibility to specifically address the following items in the other information and to report as uncorrected material misstatements of the other information where we conclude that those items meet the following conditions:

- Fair, balanced and understandable – the statement given the directors that they consider the annual report and financial statements taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the company's performance, business model and strategy, is materially inconsistent with our knowledge obtained in the audit; or
- Audit committee reporting – the explanation as to why the annual report does not include a section describing the work of the audit committee is materially inconsistent with our knowledge obtained in the audit; or
- Directors' statement of compliance with the UK Corporate Governance Code – the parts of the directors' statement required under the Listing Rules relating to the company's compliance with the UK Corporate Governance Code containing provisions specified for review by the auditor in accordance with Listing Rule 9.8.10R(2) do not properly disclose a departure from a relevant provision of the UK Corporate Governance Code.

Independent Auditor's Report to the Members of Blencowe Resources Plc (continued)

Opinions on other matters prescribed by the Companies Act 2006

In our opinion the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

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

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

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements and the part of the directors' remuneration report to be audited 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

Responsibilities of the directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 10, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Other matters which we are required to address

We were appointed by the Board of Directors on 14 December 2018 to audit the financial statements for the period ending 30 September 2018. Our total uninterrupted period of engagement is 2 years, covering the periods ending 30 September 2018 to 30 September 2019.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the company and we remain independent of the company in conducting our audit.

Our audit opinion is consistent with the additional report to the audit committee.

Independent Auditor's Report to the Members of Blencowe Resources Plc (continued)

Use of our report

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.

Matthew Stallabrass
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor
St Bride's House
10 Salisbury Square
London
EC4Y 8EH

30 January 2020

Blencowe Resources Plc

Statement of Comprehensive Income
for the year ended 30 September 2019

	Notes	12 months to 30 Sep 2019	13 months to 30 Sep 2018 Restated GBP
Administrative fees and other expenses	4	(243,119)	(163,520)
Operating loss		**(243,119)**	**(163,520)**
Finance costs		-	-
Loss before tax		**(243,119)**	**(163,520)**
Income tax		**-**	-
Loss for the year and total comprehensive loss for the year		**(243,119)**	**(163,520)**
Basic and diluted loss per share (pence)	7	**(0.93)**	**(1.28)**

There was no other comprehensive income for the year ended on 30 September 2019.

The accompanying notes on pages 18 to 27 form an integral part of the Financial Statements .

Blencowe Resources Plc

Statement of Financial Position as at 30 September 2019

	Notes	30 Sep 2019	30 Sep 2018
			Restated
		GBP	**GBP**
Current assets			
Trade and other receivables	8	256,854	-
Cash and cash equivalents		141,992	278,089
Total current assets		**398,846**	**278,089**
Current liabilities			
Creditors: Amounts falling due within one year	9	111,724	36,103
Total current liabilities		**111,724**	**36,103**
Net assets		**287,122**	**241,986**
Equity			
Share capital	10	**450,000**	400,000
Share premium	10	**209,983**	-
Warrants reserve	11	**33,778**	5,506
Retained earnings		**(406,639)**	(163,520)
Total equity		**287,122**	**241,986**

The accompanying notes on pages 23 to 32 form an integral part of the Financial Statements .

The Financial Statements were approved and authorised for issue by the Board of Directors on 29 January 2020 and were signed on its behalf by:

Cameron Pearce
Director

Sam Quinn
Director

Blencowe Resources Plc

Statement of Changes in Equity
for the year ended 30 September 2019

	Share capital	Share premium	Warrant reserves	Retained earnings	Total equity
	GBP	GBP	GBP	GBP	GBP
Balance as at 18 Sep 2017 on incorporation	**1**	**-**	**-**		**1**
Loss for the period	-	-	-	(144,014)	(144,014)
Adjustment (note 2.6)				(19,506)	(19,506)
Total comprehensive loss	**-**	**-**	**-**	**(163,520)**	**(163,520)**
Contributions from equity holders					
New shares issued (note 10)	399,999	-	-	-	399,999
Issue of warrants			5,506		5,506
Total contributions from equity holders	**399,999**	**-**	**5,506**	**-**	**405,505**
Balance as at 30 Sep 2018	**400,000**	**-**	**5,506**	**(163,520)**	**241,986**
Loss for the year	-	-	-	(243,119)	(243,119)
Total comprehensive loss	**-**	**-**	**-**	**(243,119)**	**(243,119)**
Contributions from equity holders					
New shares issued (note 10)	50,000	350,000		-	400,000
Share issue costs	-	(140,017)		-	(140,017)
Issue of warrants			28,272	-	28,272
Total contributions from equity holders	**50,000**	**209,983**	**28,272**	**-**	**288,255**
Balance as at 30 Sep 2019	**450,000**	**209,983**	**33,778**	**(406,639)**	**287,122**

The accompanying notes on pages 23 to 32 form an integral part of the Financial Statements .

Blencowe Resources Plc

Statement of Cash Flows
for the year ended 30 September 2019

	Notes	12 months to 30 Sep 2019	13 months to 30 Sep 2018 Restated
		GBP	**GBP**
Operating activities			
Loss after tax		(243,119)	(163,520)
Share issue/warrant cost		28,272	5,506
Changes in working capital			
Increase in trade and other receivables	8	(256,853)	-
Increase in trade and other payables	9	75,620	36,103
Net cash flows from operating activities		**(396,080)**	**(121,911)**
Cash flows from financing activities			
Shares issued	10	400,000	400,000
Shares issued	10	(140,017)	-
Net cash flows from financing activities		**259,983**	**400,000**
(Decrease)/increase in cash and cash equivalent		**(136,097)**	**278,089**
Cash and cash equivalents at the beginning of the year		278,089	-
Cash and cash equivalents at 30 September		**141,992**	**278,089**

The accompanying notes on pages 23 to 32 form an integral part of the Financial Statements .

1. General

Blencowe Resources Plc (the "Company") is a public limited company incorporated and registered in England and Wales on 18 September 2017 (as Cora Gold Limited, the name was changed to Blencowe Resources Limited on the 26 September 2017 and to Blencowe Resources plc on 13 July 2018) with registered company number 10966847 and its registered office situated in England and Wales with its registered office at 25 Bilton Road, Rugby, CV22 7AG.

The Company did not trade during the year under review.

2. Accounting Policies

2.1 Basis of preparation

The principal accounting policies applied in the preparation of the Company's Financial Statements are set out below. These policies have been consistently applied to the period presented, unless otherwise stated.

The Company's Financial Statements have been prepared in accordance with IFRS as adopted by EU for. The Company Financial Statements have been prepared using the measurement bases specified by IFRS each type of asset, liability, income and expense.

The Company Financial Statements are presented in £, which is the Company's functional currency. All amount have been rounded to the nearest pound, unless otherwise stated.

2.2 Changes in significant accounting policies

IFRS 9 Financial Instruments replaced IAS 39 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

The Company has applied IFRS 9 retrospectively and determined that there was no material impact on the comparative balances other than a change in classification and terminology. There was no impact on hedging as the Company does not apply hedge accounting.

Additionally, the Company has adopted consequential amendments to *IFRS 7 Financial Instruments: Disclosures*, which are applied to disclosures about 2018 but have not generally been applied to comparative information.

2.3 Future changes in accounting policies

At the date of authorisation of these Financial Statements, the Directors have reviewed the Standards in issue by the International Accounting Standards Board ("IASB") and IFRIC, which are effective for annual accounting periods ending on or after the stated effective date. In their view, none of these standards would have a material impact on the financial reporting of the Company.

The Directors do not expect that the adoption of these standards will have a material impact on the Financial Statements of the company.

2.4 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another.

(i) *Financial assets*

Financial assets are classified at initial recognition. The classification of financial assets at initial recognition that are debt instruments depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. The Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

2. Accounting Policies (continued)

2.4 Financial instruments (continued)

(i) *Financial assets (continued)*

In order for a financial asset to be classified and measured at amortised cost, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

Classification and measurement is based on both whether contractual cash flows are solely payments of principal and interest; and whether the debt instrument is held to collect those Cashflows. In the case of the Company, all financial assets meet this criteria and so there are held to at amortised cost.

Impairment of financial assets

IFRS 9's impairment requirements use more forward-looking information to recognise expected credit losses – the ECL model. This replaces IAS 39's 'incurred loss model'.

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a '12-month ECL'). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a 'lifetime ECL').

For trade receivables and contract assets, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

It is the Company's policy to measure ECLs on such instruments on a 12-month basis.

(ii) Financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at amortised cost. The Company's financial liabilities include trade and other payables and loans.

Subsequent measurements

Loans and borrowings and trade and other payables.

After initial recognition, interest-bearing loans and borrowings and trade and other payables are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the statement of profit or loss and other comprehensive income when the liabilities are derecognised, as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss and other comprehensive income.

This category generally applies to trade and other payables.

Derecognition

A financial liability is derecognised when the associated obligation is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss and other comprehensive income.

2. Accounting Policies (continued)

2.5 Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and positions are set out in the Chairman's Statement on page 2.

The Company is an investment company, and currently has no income stream until a suitable acquisition is identified, it is therefore dependent on its cash reserves to fund ongoing costs.

The Directors have reviewed the Company's ongoing activities including its future intentions in respect of acquisitions and having regard to the Company's existing working capital position and its ability to potentially raise finance, if required, the Directors are of the opinion that the Company has adequate resources to enable it to continue in existence for a period of at least 12 months from the date of these Financial Statements .

The Company review its going concern status and the board have identified that further funding will be required to finance the future of the Company and the acquisition of CARU. At present the Company is in the process of raising £2,000,000 further funding which will contribute to the acquisition of CARU. Without this funding, which is not guaranteed, the Company will not be able to complete the acquisition and may not have the funds to continue to finance its ongoing operations, consequently there is a material uncertainty in respect of going concern

2.6 Comparative figures

The comparative figures have been presented as the Company Financial Statements cover the period from incorporation on 18 September 2017 to September 2018.

It was noted that in the 2018 period, directors fees of £14,000 and warrant cost of £5,506 were not accrued for. Therefore, the 2018 figures have been restated to show its correct allocation of costs and a corresponding reduction in total equity. The basic and diluted loss per share for the period ended in 2018 has increased from 1.13p to 1.28p.

	13 months to 30 Sep 2018 post adjustment	13 months to 30 Sep 2018 pre adjustment
Earnings		
Loss from continuing operations for the year attributable to the equity holders of the Company	(£163,520)	(£144,014)
Number of shares		
Weighted average number of Ordinary Shares for the purpose of basic and diluted earnings per share	12,720,424	12,720,424
Basic and diluted loss per share (pence)	(1.28)	(1.13)

2.7 Cash and cash equivalents

The Directors consider any cash on short-term deposits and other short-term investments to be cash equivalents.

2.8 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from proceeds.

Warrants

Warrant options are classified as equity. The fair value of the warrants has been calculated using the Black-Scholes option pricing model. For more information please see note 11.

2.9 Foreign currency

Transactions in foreign currencies are translated to the functional currency at the exchange rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. Exchange differences arising on translation are recognised in profit or loss.

2.10 Earnings per share

The Company presents basic and diluted earnings per share ("EPS") data for its Ordinary Shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of Ordinary Shares outstanding during the year. Diluted EPS is calculated by adjusting the earnings and number of shares for the effects of dilutive potential Ordinary Shares.

2.11 Income tax

Income tax expense comprises current tax and deferred tax.

Current income tax
Being resident in England and Wales, a 19% rate of corporate income tax applies to the Company.

Deferred income tax
Deferred tax is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income. Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Financial Statements. Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply to the period when the related asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the date of the Statement of Financial Position.

2.12 Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank balances only. For the purpose of the statement of cash flows, cash and cash equivalents consist of bank balances only.

3. Critical accounting estimates and judgments

In preparing the Company Financial Statements, the Directors have to make judgments on how to apply the Company's accounting policies and make estimates about the future. The Directors do not consider there to be any critical judgments that have been made in arriving at the amounts recognised in the Company Financial Statements.

a) Recovery of trade receivables

Following the Company's adoption of IFRS 9, it is estimated that 5% of the Company's loan with CARU might not be recoverable. If this estimate was to change by 2%, the Company's recoverable loan would increase by £4,000. If the Transaction (see Strategic Report) does not take place, the Company may not be able to recover any receivable.

b) Warrant

During the year the Company issued its shareholders with warrants. The valuation of these warrants involved making a number of critical estimates relating the price volatility, expected life if the options and interest rated. These assumptions are described in more details in note 11.

The expenses charged to the Statement of Comprehensive Income during the year in relation to warrants was £28,272 (2018: £5,506).

c) Going concern

The Company review its going concern status and the board have identified that further funding will be required to finance the future of the Company and the acquisition of CARU.

At present the Company is in the process of raising £2,000,000 further funding which will contribute to the acquisition of CARU (see note 2.5).

4. Administrative fee and other expenses

	12 months to 30 Sep 2019	13 months to 30 Sep 2018 Restated
	GBP	GBP
Directors' remuneration (see note 5)	75,077	58,286
Professional fees	54,203	24,044
Listing fees	19,552	-
Audit fees	19,200	6,600
Share issue/warrant cost (see note 11)	28,272	43,644
Project costs	12,211	-
Provisions	11,172	-
Administration fees	8,159	9,000
Broker fees	5,000	-
Travelling expenses	4,685	20,339
Miscellaneous fees	5,588	1,607
Total	**243,119**	**163,520**

The company did not employ any staff during the year other than Directors. The Directors are the only members of key management and their remuneration related solely to short term employee benefits.

5. Directors' remuneration

	12 months to 30 Sep 2019	13 months to 30 Sep 2018 Restated
	GBP	GBP
Directors fees	70,000	56,000
Employer NI	3,697	716
Director expenses	1,380	1,570
Total	**75,077**	**58,286**

On addition, the Directors received warrants which are disclosed on note 11. The total value of warrants allocated to the Directors during the year is £11,228 (2018: £2,922)

6. Taxation

Analysis of charge in the year

	12 months to 30 Sep 2019	13 months to 30 Sep 2018
	GBP	GBP
Current tax:		
UK Corporation tax on loss for the year	-	-
Deferred tax	-	-
Tax on loss on ordinary activities	-	-

6. Taxation (continued)

	12 months to 30 Sep 2019	13 months to 30 Sep 2018
	GBP	GBP
Loss on ordinary activities before tax	(243,119)	(163,520)
Analysis of charge in the year		
Loss on ordinary activities multiplied by rate of corporation tax in the UK of 19% (2018: 19%)	(46,193)	(31,069)
Tax losses carried forward	(46,193)	(31,069)
Current tax charged	-	-
Effects of:		
Loss brought forward	(163,250)	-
Loss on year	(243,119)	(163,250)
Loss carried forward	**(406,639)**	**(163,250)**
Current tax charge for the year as above	-	-

The Company has accumulated tax losses arising in the UK of (£406,639) that are available, under current legislation, to be carried forward against future profits. No deferred tax asset has been recognised in respect to these losses due to the uncertainty of the future trading profits.

7. Loss per share

The calculation of the basic and diluted loss per share is based on the following data:

	30 Sep 2019	13 months to 30 Sep 2018 Restated
Earnings		
Loss from continuing operations for the year attributable to the equity holders of the Company	(£243,119)	(£162,520)
Number of shares		
Weighted average number of Ordinary Shares for the purpose of basic and diluted earnings per share	26,187,212	12,720,424
Basic and diluted loss per share (pence)	(0.93)	(1.28)

There are no potentially dilutive shares in issue.

8. Trade and other receivables

	30 Sep 2019 GBP	30 Sep 2018 GBP
Loan to CARU	223,431	-
Other receivables	37,495	-
Prepayments	7,100	-
	268,026	-
Less: provision	(11,172)	-
Total	**256,854**	**-**

During the year, the Company agreed to cover some expenses for Consolidated African Resources (Uganda) Ltd ("CARU") (see note 14) for the value of £223,431. Following the Company's adoption of IFRS 9, a provision of £11,172 has been made against this loan.

9. Creditors: Amounts falling due within one year

	30 Sep 2019 GBP	30 Sep 2018 GBP restated
Other payables	91,724	15,503
Accruals and provisions	20,000	20,600
Total	**111,724**	**36,103**

10. Stated capital

	Number of shares issued	Nominal value per share GBP	Share capital GBP	Share Premium GBP	Total share capital GBP
On incorporation	-	-	-	-	-
Issue of ordinary shares 1	10,000,000	0.005	50,000	-	50,000
Issue of ordinary shares 2	11,666,664	0.03	350,000	-	350,000
At 30 Sep 2018	**21,666,664**		**400,000**	**-**	**400,000**
Issue of Ordinary shares 3	10,000,000	0.005	50,000	350,000	400,000
Share issued costs			-	(140,017)	(140,017)
At 30 Sep 2019	**31,666,664**		**450,000**	**209,983**	**659,983**

The Company was incorporated on 18 September 2017. On incorporation, one Ordinary Share was issued at the par value of £1.

10. Stated capital (continued)

On 13 November 2017, the Company changed the share structure from one Ordinary Share of nominal value £1 to 200 Ordinary Shares of nominal value £0.005 and issued a further 9,999,800 Ordinary Shares at £0.005 each, to take the total number of Ordinary Shares to 10,000,000 with a nominal value of £50,000.

On 18 September 2018, the Company issued a further 11,666,664 Ordinary Shares at £0.03 each, to take the total number of Ordinary Shares to 21,666,664 with an aggregate nominal value of £400,000.

On 18 April 2019, the Company issued a further 8,500,000 Ordinary Shares of 0.5p each were issued at a price of 4 pence per share, to raise £340,000 before costs, or £260,000 after costs. In addition, a further 1,500,000 Ordinary Shares were issued in settlement of £60,000 of costs incurred under two Facilitation Agreements with third party service providers.

All of the shares issued, with different nominal values, are classed as ordinary and have similar rights attached to them.

The Directors are authorised to issue 100,000,000 ordinary shares. As at 30 September 2019 the number of shares issued and fully paid were 31,666,664 (2018: 21,666,664).

11. Warrants

The following warrants were issued as part of the shares subscriptions:

	Number issued	Expiry
Warrants – 27 June 2018	10,833,336	4 years
Warrants – 31 August 2019	3,625,000	4 years
Total warrants	14,458,336	

The total expense recognised in the Statement of Comprehensive Income during the year was £14,959 (2018: £Nil). The fair value has been calculated using the Black-Scholes option pricing model. The inputs into the model were as follows:

	27 June 2018 Warrants	31 August 2019 Warrants
Number of warrants issued	10,833,336	3,625,000
Share price	3.0p	4.5p
Exercise price	4.0p	6.0p
Expected volatility	51%	51%
Expected live (yrs.)	4	4
Risk free interest rate	0.82%	0.48%
Dividend yield	Nil	Nil

Expected volatility was based on an average of similar entities volatility percentages.

The total share based payment recognised in the Statement of Changes in Equity during the year was £28,272 (2018: £5,506).

12. Financial instruments

12.1 Categories of financial instruments

	30 Sep 2019	30 Sep 2018
	GBP	GBP
Financial assets at amortised cost		
Trade and other receivables	249,754	-
Cash and cash equivalents	141,992	278,089
Financial liabilities at amortised cost		
Trade and other payables	111,724	36,103

12.2 Financial risk management objectives and policies

The Company's major financial instruments include bank balances, trade and other payables and accrued expense. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments, and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Currency risk
As all monetary assets and liabilities and all transaction of Company are denominated in its functional currency, the director considers the Company is not exposed to significant foreign currency risk.

Credit risk
Credit risk arises on investments, cash balances and debtor balances, The amount of credit risk is equal to the amounts stated in the statements of financial position for each of the assets (note 8).

Liquidity risk
Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Company aims to maintain flexibility in funding.

The maturity of the Company's financial liabilities at the statement of financial position date, based on the contracted undiscounted payments as disclosed in note 8, falls within one year and payable on demand.

Capital risk
The Company defines capital as the total equity of the Company. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

13. Related party transactions

The are no related party transactions during the year except for the Directors' remuneration, which has been disclosed in note 5.

14. Events after the reporting date

On 28 October 2019, the Company signed a Share Purchase Agreement for the proposed acquisition by the Company of 100% of the share capital of CARU, by way of a reverse takeover.

The Company will, subject to a successful placing, acquire the entire share capital of CARU with the total aggregate consideration payable by the Company being £2,000,000 and AUD$50,000 in cash, to be satisfied in full by the issue of 33,333,333 new Ordinary Shares at an implied price of £0.06 per share.