Company Registration No. 11388575 (England and Wales)

CRITICAL METALS PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 JUNE 2019

CRITICAL METALS PLC

COMPANY INFORMATION

Directors	Russell Fryer Christopher Ecclestone Anthony Eastman
Company Secretary	Hill Dickinson Services (London) Limited
Company number	11388575
Registered office	The Broadgate Tower 7th Floor 20 Primrose Street London EC2A 2EW
Independent Auditors	Simpson Wreford & Partners Suffolk House George Street Croydon CR0 0YN

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CRITICAL METALS PLC

STRATEGIC REPORT

FOR THE PERIOD ENDED 30 JUNE 2019

Fair review of the business

The company was formed to undertake an acquisition of a target company or business within the natural resources development and production sector.

To enable to company to pursue the principle activities, it is pursuing an initial public offering of its securities onto the London Stock Exchange through a Standard Listing to raise the necessary funds required for the execution of the business strategy.

Principle risks and uncertainties

No operating history

The Company is a newly formed entity with no operating history and has not yet identified any potential target company or business or asset/(s) for an Acquisition.

Acquiring less than Controlling Interests

The Company may acquire either less than whole voting control of, or less than a controlling equity interest in, a target, which may limit the Company's operational strategies and reduce its ability to enhance Shareholder value.

Inability to Fund Operations Post-Acquisition

The Company may be unable to fund the operations post acquisition of the target business if it does not obtain additional funding .

The Company's Relationship with the Directors and Conflicts of Interest

The Company is dependent on the Directors to identify potential acquisition opportunities and to execute an Acquisition.

The Directors are not obliged to commit their whole time to the company's' business; they allocate a portion of their time to other businesses which may lead to the potential for conflicts of interest in their determination as to how much time to assign to the Company's affairs.

Suitable Acquisition Opportunities may not be Identified of Completed

The Company's business strategy is dependent on the ability of the Directors to identify sufficient suitable acquisition opportunities. If the Directors do not identify a suitable acquisition target, the Company may not be able to fulfil its objective. Furthermore, if the Directors do not identify a suitable target, the Company may not acquire it at a suitable price or at all. In addition, if an Acquisition is aborted the Company may be left with substantial transaction costs.

Risk Inherent in an Acquisition

Although the Company and the Directors will evaluate the risks inherent in a particular target, they cannot offer any further assistance that all of the significant risk factors can be identified or properly assessed. Furthermore, no assurance can be made that an investment in Ordinary Shares in the Company will ultimately prove to be more favourable to investors then a direct investment, if such an opportunity were available, in a target business.

Reliance on External Advisors

The Directors expect to rely on external advisers to help identify and assess potential Acquisitions and there is a risk that suitable advisors cannot be placed under contract or that such advisors that are contracted to fail to perform as required.

Failure to Obtain Additional Financing to Complete an Acquisition or Fund a Target's Operations

There is no guarantee that the Company will be able to obtain any additional financing needed to either complete an Acquisition or to implement its plans post Acquisition or, if available, to obtain such financing on terms attractive to the Company. In that event, the Company may be compelled to restructure or abandon the Acquisition or proceed with the Acquisition on less favourable terms, which may reduce the Company's return on the investment. The failure to secure additional financing on acceptable terms could have a material adverse effect on the continued development or growth of the Company and the acquired business.

Reliance on Income from Acquired Activities

Following an Acquisition, the Company may be dependent on the income generated by the acquired business or from the subsequent divestment of the acquired business to meet the Company's expense. If the acquired business is unable to provide the sufficient amounts to the Company, the Company may be unable to pay its expenses or make distributions and dividends on the Ordinary Shares.

Restrictions in Offering Ordinary Shares as a Consideration for an Acquisition or Requirements to Provide Alternative Consideration

In certain jurisdiction, there may be a legal, regularity or practical restrictions on the Company using its Ordinary Shares as a consideration for an Acquisition or which may mean that the Company is required to provide alternative forms of consideration. Such restrictions may limit the Company's acquisition opportunities of make a certain acquisition more costly, which may have an adverse effect on the results of operations of the Company.

Inaccurate Estimates of a Target's Reserves of Resources

The Company may estimate a potential target's resources and reserves. These are subject to a number of assumptions, including the price of commodities, production costs and recovery rates. Fluctuations in the variables underlying the estimates may results in material changes to its resources and reserve estimates which may have a materially adverse impact on the financial condition and prospect of a Company following acquisition.

Key performance indicators

Appropriate key performance indicators will be identified in due course as the business strategy is implemented.

On behalf of the board

Russell S. Fryer

Director

31 December 2019

The directors present their report and financial statements for the period ended 30 June 2019.

Principal activities

The company was incorporated on 30 May 2018 under the name Critical Metals Plc. The principal activity of the company is that of identifying potential companies, businesses or asset/(s) that have operations in the natural resources exploration, development and production sector.

Directors

The following directors have held office during the period and to the date of these financial statements:

Russell Fryer	(appointed 30 May 2018)
Christopher Ecclestone	(appointed 30 May 2018)
Anthony Eastman	(appointed 29 January 2019)

Auditors

Simpson Wreford & Partners were appointed auditors to the company and has expressed their willingness to remain in office until such point as the company obtains its proposed listing on the LSE.

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and financial statements in accordance with applicable laws and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the company financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and applicable law. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the profit and loss of the company for that period.

In preparing the financial statements the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent;
- state whether IFRSs as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for safeguarding the assets of the company and hence for taking the reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditors

So far as each director is aware, there is no relevant information that has not been disclosed to the company's auditors and each of the directors believes that all steps have been taken that the company's auditors have been made aware of that information.

On behalf of the board

Russell S. Fryer

Russell S. Fryer

Director

31 December 2019

OPINION

We have audited the financial statements of Critical Metals plc for the period ended 30 June 2019 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and notes 1 to 13 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 June 2019 and of the company's loss for the period then ended;

• have been properly prepared in accordance with IFRSs as adopted by the European Union; and

• 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.

CONCLUSIONS RELATING TO GOING CONCERN

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

• the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or

• the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the

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.

OPINIONS ON OTHER MATTERS AS PRESCRIBED BY THE COMPANIES ACT 2006

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

• the information given in the Strategic Report and the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements; and

• the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report. 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 company financial statements 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 DIRECTORS

As explained more fully in the directors' responsibilities statement as set out on pages 4 and 5, 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 company or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILIITIES 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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

• Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

• Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.

• Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

• Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or the parent company to cease to continue as a going concern.

• Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

• Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the company audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Christopher John Atkinson - (Senior Statutory Auditor)

For and on behalf of Simpson Wreford & Partners, Statutory Auditor

Suffolk House
George Street
Croydon
CR0 0YN

31 December 2019

CRITICAL METALS PLC

STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD ENDED 30 JUNE 2019

	Notes	£
Revenue		
Revenue from continuing operations		-
		-
Expenditure		
Costs associated with listing	2	(65,934)
Other expenses		(10)
		(65,944)
Loss for the period before taxation		**(65,944)**
Taxation		-
Loss and total comprehensive loss for the period attributable to the owners of the company		**(65,944)**
Loss per share (basic and diluted) attributable to the equity holders (pence)	6	(0.61)

The statement of comprehensive income has been prepared on the basis that all operations are continuing operations.

CRITICAL METALS PLC

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2019

	Notes	£	£
Fixed Assets			
Tangible assets			-
			-
Current Assets			
Debtors	7	4,536	
Cash at bank and in hand	8	52,468	
		57,004	
Creditors: amounts failing due within one year	9	2,948	
Net current assets			54,056
Net assets less current liabilities			54,056
Capital and Reserves			
Called up share capital	10		68,571
Share premium account			51,429
Retained earnings			(65,944)
Share holders' equity			54,056

The financial statements were approved by the board on 31 December 2019

Russell S. Fryer

Russell S. Fryer

Director

CRITICAL METALS PLC

STATEMENT OF CHANGES IN EQUITY

AS AT 30 JUNE 2019

	Notes	Issued Share Capital	Share Premium	Retained Earnings	Total Equity
		£	£	£	£
Balance at incorporation (30 May 2018)		-	-	-	-
Shares issued during the period		68,571	51,429	-	120,000
Total comprehensive loss for the period		-	-	(65,944)	(49,462)
As at 30 June 2019	9	**68,571**	**51,429**	**(65,944)**	**54,056**

CRITICAL METALS PLC

STATEMENT OF CASHFLOW

AS AT 30 JUNE 2019

	Notes	£
Cash from operating activities		
Cash used in operating activities		(67,532)
Net cash used in operating activities	10	(67,532)
Cash from financing activities		
Issue of shares		120,000
Net cash from financing activities		120,000
Net increase in cash and cash equivalents		52,468
Cash and cash equivalents at being of period (on incorporation on 30 May 2018)		-
Cash and cash equivalents at end of period		52,468

1. General Information

Critical Metals plc ('the "Company") looks to identify potential companies, businesses or asset(s) that have operations in the natural resources exploration, development and production sector.

The Company is domiciled in the United Kingdom and incorporated and registered in England and Wales. The Company's registered office is The Broadgate Tower, 20 Primrose Street, London UK, EC2A 2EW.

2. Accounting policies

The principal accounting policies applied in preparation of these financial statements are set out below. These policies have been consistently applied unless otherwise stated.

Basis of preparation

The financial information for the period ended 30 June 2019 has been prepared by Critical Metals Plc ("the Company") under applicable International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU") and those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

Going concern

The financial information has been prepared on a going concern basis, which assumes that the Company will continue to meet its liabilities as they fall due.

The Company has sufficient financial resources to enable it to continue to seek a suitable acquisition. As a consequence, the directors believe that the Company is well placed to manage its business risks successfully despite the current uncertain economic outlook.

After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Use of estimates and judgement

The preparation of the financial information in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances.

Equity

Share capital is determined using the nominal value of shares that have been issued.

The Share premium account includes any premiums received on the initial issuing of the share capital. Any transaction costs associated with the issuing of shares are deducted from the Share premium account, net of any related income tax benefits.

Equity-settled share-based payments are credited to a share-based payment reserve as a component of equity until related options or warrants are exercised or lapse.

Retained losses includes all current and prior period results as disclosed in the income statement.

Foreign currency translation

The financial information is presented in Sterling which is the Company's functional and presentational currency.

Transactions in currencies other than the functional currency are recognised at the rates of exchange on the dates of the transactions. At each balance sheet date, monetary assets and liabilities are retranslated at the rates prevailing at the balance sheet date with differences recognised in the Statement of comprehensive income in the period in which they arise.

Financial instruments

Recognition and derecognition

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred.

A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Financial assets are classified into the following categories:

- amortised cost.
- fair value through profit or loss (FVTPL).
- fair value through other comprehensive income (FVOCI).

In the periods presented the Company does not have any financial assets categorised as FVTPL or FVOCI.

The classification is determined by both:

- the entity's business model for managing the financial asset.
- the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items.

Subsequent measurement of financial assets

Financial assets measured at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions:

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows.
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, trade and other receivables fall into this category of financial instruments.

The Company assesses the expected credit losses on a forward-looking basis, defined as the difference between the contractual cash flows and the cash flows that are expected to be received, associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables only, the simplified approach permitted by IFRS 9 is applied, which requires expected lifetime losses to be recognised from initial recognition of the receivables. Losses are recognised in the income statement. When a subsequent event causes the amount of impairment to decrease, the decrease in impairment is reversed through the income statement.

Classification and measurement of financial liabilities

The Company's financial liabilities include trade and other payables.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method.

All interest-related charges are included within finance costs or finance income.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Financial liabilities and equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definition of a financial liability and an equity instrument. A financial liability is a contractual obligation to either deliver cash or another financial asset to another entity or to exchange a financial asset or financial liability with another entity, including obligations which may be settled by the Company using its equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

Financial liabilities

At initial recognition, financial liabilities are measured at their fair value plus, if appropriate, any transaction costs that are directly attributable to the issue of the financial liability. After initial recognition, all financial liabilities are measured at amortised cost using the effective interest method.

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received net of any direct issue costs.

Property, plant and equipment

The Company holds no property or other plant and equipment.

When the Company acquires and plant and equipment it will be stated in the accounts at its cost of acquisition less a provision.

Depreciation will be charged to write off the costs less estimated residual value of plant and equipment on a straight basis over their estimated useful lives. Estimated useful lives and residual values are reviewed each year and amended if necessary.

Adoption of new and revised standards

During the financial year, the Company has adopted the following new IFRSs (including amendments thereto) and IFRIC interpretations, that became effective for the first time.

Standard	**Effective date, annual period beginning on or after**
Annual Improvements 2014-2016 cycle	1 January 2018
IFRS 9 *Financial instruments*	1 January 2018
IFRS 15 *Revenue from contracts with Customers* including amendments to IFRS 15: *Effective date of IFRS 15.*	1 January 2018
Clarifications to IFRS 15 - *Revenue from contracts with Customers*	1 January 2018
IFRS 2 (amendments) - *Classification and Measurement of Share-based Payment Transactions*	1 January 2018
IFRS 4 (amendments) - *Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts*	1 January 2018
IFRIC Interpretation 22 - *Foreign Currency Transactions and Advance Consideration*	1 January 2018
Amendments to IAS 40 - *Transfers of Investment Property*	1 January 2018

Given that this is the first period in which the Company is reporting, their adoption has not had any material impact on the disclosures or amounts reported in the financial statements

Standards issued but not yet effective:

At the date of authorisation of these financial statements, the following standards and interpretations relevant to the Company and which have not been applied in these financial statements, were in issue but were not yet effective. In some cases, these standards and guidance have not been endorsed for use in the European Union.

Standard	Effective date, annual period beginning on or after
IFRS 16 *Leases*	1 January 2019
IFRIC 23 – *Uncertainty over Income Tax Treatments*	1 January 2019
Amendments to IFRS 9 – *Prepayment Features with Negative Compensation*	1 January 2019
Amendments to IAS 28 – *Long-term Interests in Associates and Joint Ventures*	1 January 2019
Annual improvements 2015-2017 cycle	1 January 2019
Amendments to IAS 19: *Plan amendment, Curtailment or Settlement*	1 January 2019
Conceptual Framework and Amendments to References to the Conceptual Framework in IFRS Standards	1 January 2020
Amendments to IFRS 3 *Business Combinations*	1 January 2020
Amendments to IAS 1 and IAS 8: *Definition of Material*	1 January 2020
IFRS 17 - *Insurance Contracts*	1 January 2021

The directors are evaluating the impact that these standards may have on the financial statements of Company.

3. Segmental analysis

The Company manages its operations in one segment, being seeking a suitable investment. The results of this segment are regularly reviewed by the board as a basis for the allocation of resources, in conjunction with individual investment appraisals, and to assess its performance.

4. Employees

The average number of persons employed by the Company (including executive directors) during the period ended 30 June 2019 was:

	No of employees
Management	3
	3

The aggregate payroll costs of these persons were as follows:

	£
Wages and salaries	-
Social security costs	-
	-

The directors are not accruing any salary until the completion of an IPO.

5. Taxation

	As at 2019 £
The charge / credit for the year is made up as follows:	
Corporation taxation on the results for the year	-
Taxation charge / credit for the year	-
A reconciliation of the tax charge / credit appearing in the income statement to the tax that would result from applying the standard rate of tax to the results for the year is:	
Loss per accounts	(65,944)
Tax credit at the standard rate of corporation tax in the UK of 19%	(12,529)
Other tax adjustments	12,529
	-

6. Loss per share

The calculation of the loss per share is based on the loss for the financial period after taxation of £65,944 and on the weighted average of 10,877,440 ordinary shares in issue during the period.

7. Debtors

	30 June 2019 £
Other debtors	4,536
	4,536

8. Cash at bank and in hand

	30 June 2019 £
Cash at bank	52,468
	52,468

9. Creditors: Amounts falling due within one year

	30 June 2019 £
Trade payables	420
Other payable and accruals	2,528
	2,948

10. Share capital and share premium

	Number of Shares on Issue	Share Capital £	Share Premium £	Total £
Ordinary shares of £0.005 each issued at par on 30 May 2018	10,000,000	50,000	-	50,000
Ordinary shares of £0.005 each issued at par on 29 January 2019	2,000,000	10,000	-	10,000
Ordinary shares of £0.005 each issued at £0.035 on	1,714,286	8,571	51,429	60,000
Balance at 30 June 2019	**13,714,286**	**68,571**	**51,429**	**120,000**

11. Operating Cashflow

Reconciliation of Cashflows from Operations with loss for the period	30 June 2019 £
Loss for the period	(65,944)
Changes in working capital	
Increase in trade and other receivables	(4,536)
Increase in trade and other payables	2,948
Cash used in operating activities	(67,532)

12. Financial Instruments and Risk Management

Principal financial instruments

The principal financial instruments used by the Company from which the financial risk arises are as follows:

	30 June 2019
	£
Financial Assets	
Cash and cash equivalents	52,468
Trade and other receivables	4,536
	57,004
Financial Liabilities	
Trade payables	420
Other payable and accruals	2,528
	2,948

The financial liabilities are payable within one year.

General objectives and policies

The overall objective of the Board is to set policies that seek to reduce as far as practical without unduly affecting the Company's competitiveness and flexibility. Further details regarding these policies are:

Policy on financial risk management

The Company's principal financial instruments comprise cash and cash equivalents, other receivables, trade and other payables. The Company's accounting policies and methods adopted, including the criteria for recognition, the basis on which income and expenses are recognised in respect of each class of financial asset, financial liability and equity instrument are set out in note 1 – "Accounting Policies".

The Company does not use financial instruments for speculative purposes. The carrying value of all financial assets and liabilities approximates to their fair value.

Derivatives, financial instruments and risk management

The Company does not use derivative instruments or other financial instruments to manage its exposure to fluctuations in foreign currency exchange rates, interest rates and commodity prices.

Foreign currency risk management

The Company has very limited transactional currency exposures as all operations currently undertaken are based in the UK.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties. The Company's exposure and the credit ratings of its counterparties are monitored by the Board of Directors to ensure that the aggregate value of transactions is spread amongst approved counterparties.

The Company applies IFRS 9 to measure expected credit losses for receivables, these are regularly monitored and assessed. Receivables are subject to an expected credit loss provision when it is probable that amounts outstanding are not recoverable as set out in the accounting policy. The impact of expected credit losses was immaterial.

The Company's principal financial assets are cash and cash equivalents and other receivables. Cash equivalents include amounts held on deposit with financial institutions.

The credit risk on liquid funds held in current accounts and available on demand is limited because the Company's counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

No financial assets have indicators of impairment.

The Company's maximum exposure to credit risk is limited to the carrying amount of financial assets recorded in the financial statements.

Borrowings and interest rate risk

The Company currently has no borrowings. The Company's principal financial assets are cash and cash equivalents and other receivables. Cash equivalents include amounts held on deposit with financial institutions. The effect of variable interest rates is not significant.

Liquidity risk

During the period ended 30 June 2019, the Company was financed by cash raised through equity funding. Funds raised surplus to immediate requirements are held as short-term cash deposits in Sterling.

The maturities of the cash deposits are selected to maximise the investment return whilst ensuring that funds will be available as required to maintain the Company's operations.

In managing liquidity risk, the main objective of the Company is to ensure that it has the ability to pay all of its liabilities as they fall due. The Company monitors its levels of working capital to ensure that it can meet its liabilities as they fall due.

The table below shows the undiscounted cash flows on the Company's financial liabilities as at 30 June 2019 on the basis of their earliest possible contractual maturity.

	Total	**Within 2 months**	**Within 2-6 months**
	£	**£**	**£**
At 30 June 2019			
Trade payables	420	420	-
Other payable and accruals	2,528	2,528	-

Capital management

The Company considers its capital to be equal to the sum of its total equity. The Company monitors its capital using a number of key performance indicators including cash flow projections, working capital ratios, the cost to achieve development milestones and potential revenue from partnerships and ongoing licensing activities.

The Company's objective when managing its capital is to ensure it obtains sufficient funding for continuing as a going concern. The Company funds its capital requirements through the issue of new shares to investors.

13. Related party transactions

Shares held by the directors or their associates as at the date of this report are:

	Number	**Cash subscribed £ per share**
R Fryer	10,650,000	£0.005
C Ecclestone	300,000	£0.005
A Eastman	150,000	£0.005

14. Events subsequent to year end

There have been no subsequent events to period end otherwise not disclosed in these accounts