Company Registration Number 3740688

PRIMORUS INVESTMENTS PLC

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2020

PRIMORUS INVESTMENTS PLC

Contents

PRIMORUS INVESTMENTS PLC

COMPANY INFORMATION

Directors	Rupert Labrum (Chairman) Matthew Beardmore (Non-executive Director) Hedley Clark (Non-executive Director)
Secretary	Simon Holden
Registered Office:	48 Chancery Lane London WC2A 1JF
Company Registration Number:	03740688
Country of Incorporation:	United Kingdom
Nominated Adviser & Broker	Cairn Financial Advisers LLP Cheyne House, Crown Court 62-63 Cheapside London EC2V 6AX
Independent Auditor	PKF Littlejohn LLP Statutory Auditor 15 Westferry Circus Canary Wharf London E14 4HD
Bankers	Barclays Bank plc Corporate Banking One Churchill Place London E14 5HP
Solicitors	Keystone Law Limited 48 Chancery Lane London WC2A 1JF
Registrars	Share Registrars Limited The Courtyard 17 West Street Farnham GU9 7DR

PRIMORUS INVESTMENTS PLC

CHAIRMAN'S STATEMENT INCORPORATING THE STRATEGIC REPORT

Overview
I am pleased to present the Chairman's Statement and Strategic Report for the financial results of Primorus Investments plc ("Primorus" or the "Company") for the year ended 31 December 2020.

Introduction
The period under review was one of significant change, both for Primorus and the global economy due to the COVID-19 pandemic. In late October, a newly constituted Board of Directors took over the management and operations of Primorus with a principal focus on reducing the annual running costs of the Company and changing the strategic focus of the business to provide stronger growth for the shareholders.

The first step of reducing costs has been accomplished, whereby the new Board implemented changes which equate to an annual saving of approximately 40% with directors' salaries and fees having been reduced by 75%. The second step of changing the Company's strategic focus involved carrying out a detailed review of each investment held by Primorus. This involved spending a significant amount of time in discussions with the management teams of the investee companies.

It was pleasing to learn of the progress which several of the investee companies had achieved, in the face of some exceptional challenges brought on by the COVID-19 pandemic. This was tempered slightly by the fact that some of the investee companies had clearly struggled in the economic environment and would need to raise capital.

Concurrent with reviewing existing investments, the management team was also presented with many new proposals and opportunities during the period. The management team carefully reviewed each opportunity but decided that it was in the best interests of the shareholders to put in place a robust strategy that underpins all future investments before committing to new opportunities. Post-financial period, the Company has made two investments, further details of which are contained in note 16 to the financial statements.

Investment highlights
- Fully exited investment in Greatland Gold Plc ("GGP"), realising a total return on investment of 746%. At the time of the new Board taking over at the Company in late October, the Company held 20 million shares in GGP. The Board felt GGP had enjoyed some significant success during the period, but the timing was right for divesting the stake in full. The remaining divestment achieved an average sale price of approximately 23 pence per share, realising gross proceeds of approximately £4.6 million.
- Fresho Pty Ltd ("Fresho") experienced the successful launch of its B2C business, with over 90,000 sign-ups in 2020. B2B volumes increased significantly in the fourth quarter of the period to be 55% up on the quarter ending September and over 30% up on the same time in 2019.
- The Company subscribed for 2 million shares in Zuuse Limited ("Zuuse") at a price of A$1 per share in primary stock, although also subscribed for a portion of this in secondary stock at a slightly lower price. Primorus holds 2,057,205 shares in Zuuse and 1,000,000 options exercisable at A$0.50. Zuuse's revenue for the period was up by 15% compared to 2019 despite falling 7% during the second quarter. The business was also EBITDA and cashflow positive throughout the period, and enjoyed record sales in December 2020.
- Engage Technology Partners Limited's ("Engage") revenues recovered in the period to pre-COVID levels and the belief is that revenues will continue to grow due to a strong pipeline of new work. Revenues for the financial period ending 31 December 2020 were £595,000.

Financial highlights
The operating profit for the year was £4.616 million (2019: £401,000 loss). The net profit after tax was £4.169 million (2019: £401,000 loss). The profit for the period is attributable to the divestment of the Company's full stake in GGP. Total assets including cash at 31 December 2020 amounted to £9.401 million (2019: £4.865 million).

The cash balance was £4.67 million at 31 December 2020.

Investee companies
All the Company’s investments in underlying investee companies are minority investments. Whilst we may offer advice to management of the investee companies, specifically pertaining to their business objectives and goals, they can and sometimes do ignore such advice. Similarly, those investee companies which are privately held do not have similar disclosure obligations to publicly quoted companies and therefore any updates they provide in relation to their businesses can be piecemeal and, in certain cases, non-existent save where the Board specifically requests an update. Primorus does not operate its investee companies on a day-to-day basis, and whilst the Board will look to structure investments in a format where Primorus can have a high degree of oversight, this was not typically done with the Company’s historic investments and, as such, there are inherent risks in that investee companies are not as accountable to the Company as the Board would prefer them to be.

Summary
The Board was pleased to learn of the progress achieved by a few of the Company’s investee companies, whilst several of the investments were clearly struggling, principally due to a lack of funding, the availability of which was hampered due to the economic environment caused because of the COVID-19 pandemic. We spoke to all our investee companies, nearly all of which informed us that they would be raising new capital. It became clear to the Board that those investee companies which had struggled because of the pandemic were not necessarily aligned with the revised strategic focus of the Company going forward.

The Board decided not to invest further capital in those investee companies which had struggled due to the pandemic and instead prioritise on those investments which it believed would offer the most upside to our shareholders. The investments we prioritised were Fresho, Zuuse and Engage. The Board believes each of these investments present significant upside for our shareholders and we look forward to being able to share further positive news on each of them as their respective management teams deliver on their ambitious business objectives.

The Board spent a significant amount of time in the last two months of the period not only reviewing existing and new investment opportunities, but also reviewing the future outlook for Primorus. We noted that the Company had been fairly sector agnostic in its investment choices notwithstanding that there was a general theme of investing in natural resource opportunities, which reflected the previous directors’ backgrounds and experience. We believe the current Board is comprised of individuals with a wider range of sector experience, and we are keen to exploit this for the benefit of Primorus. As we move forward, the Board is keen to adopt a more holistic approach for Primorus. As we seek to implement this approach, we would like to share with our shareholders some of the principal items we will focus on, as noted below.

Board changes
In October 2020, the previous Board members, numbering three, resigned from the Company, following which the Board was comprised of myself, as Executive Chairman, and Hedley Clark and Matthew Beardmore, each being Non-Executive Directors. As new directors we are committed to the proper corporate governance of the Company as set out in the Corporate Governance Statement below.

2021
Moving forward, the Board has set the following strategic criteria for any new investment opportunity which it identifies:

- It must enable Primorus the opportunity to acquire a meaningful stake in the investee company.
- A clear and realistic exit route must be in place.
- There should be an opportunity for the Board to play an active role in the investee company’s development.
- The Board and the investee company’s management team must share a common vision and strategic alignment.
- The investment committed by the Company will be proportionate to the risk/reward opportunity.
- There should be a greater opportunity for the Company’s shareholders to benefit directly from the increase in capital values from each investment.

CHAIRMAN'S STATEMENT INCORPORATING THE STRATEGIC REPORT (continued)

The strategic criteria forms part of the rationale for proposing to shareholders for approval an updated investing policy to be adopted by the Company at the 2021 annual general meeting ("AGM"). The Board believes that by applying the above criteria to the proposed updated investing policy, the Company can target more capital accretive opportunities for the benefit of shareholders. Some highlights of the updated investing policy are as follows:

- To establish and/or acquire a diverse portfolio of direct and indirect interests in companies and/or projects at any stage of their development or operational lifecycle with a particular focus on the natural resources, energy, clean technology, financial technology, business technology, infrastructure, property, consultancy, brand licensing and leisure sectors.

- Invest by way of outright acquisition of assets, including the intellectual property, of a relevant business, or by entering into partnerships, joint ventures or other forms of collaborative arrangements.

- Be an active and/or a passive investor depending on the nature of the individual investments, placing no minimum or maximum limit on the length of time that any investment may be held.

- Invest, as a founder or co-founder investor, seed investor and/or cornerstone investor in special purpose acquisition companies ("SPACs") established for the purpose of identifying suitable acquisition targets; principally SPACs whose shares are traded on, or are intended to be traded on, the Standard Segment of the Main Market or the AIM market of the London Stock Exchange.

The full text of the proposed updated investing policy can be seen in the notice of AGM published by the Company on the same date as the release of these accounts.

Our operational targets for the remainder of 2021, in line with our proposed updated investing policy, are:

- To continue to focus on applying financial resources diligently, with controlled corporate costs and focused investment.
- To continue to build working capital, preferably through organic means, by exiting investments which have generated significant returns on investment.
- To continue to build our external network and to develop our managerial team to provide confidence in the market of our abilities to achieve our strategic business objective of identifying significant value-enhancing investment opportunities.
- To proactively continue the work the Board has already started to achieve crystallisation of value from certain investment opportunities which it has identified, which may be via their own listed entities.
- Invest in a series of new special purpose acquisition companies ("SPACs") with Primorus as a founder investor, or as a co-founder investor where circumstances permit, where we seek to identify suitable target companies to reverse into the SPACs.
- To invest in third party SPACs, where such opportunities fit within the Company's investing policy.
- To continue to review new opportunities and where financially and operationally practical to acquire additional investment interests.

Outlook

The Board made excellent progress in addressing what it considered to be excessive historic costs, and alleviating administrative burdens on Primorus which seemed to offer little benefit to our shareholders. Decisions made in the period addressing these items included cancellation of the secondary quotation of the Company's shares on the Aquis Growth Market and the replacement of the Company's broker. The Company also cancelled historic share option awards.

After a period of transition and the divestment of our entire stake in GGP in 2020, we now look forward to 2021 as a year of growth; growth in those of the Company's investments which the Board has principally focused on, including its post-financial year further investment in Fresho and new investment in Mustang Energy PLC, combined with corporate activity relating to the establishment of our own SPACs. Our objectives are simple, to generate significant value for shareholders and to build our working capital rapidly and organically, while maintaining the strength of our balance sheet.

The Board would like to thank all shareholders for their continued support and understanding in these exceptional circumstances, and wish them well during this time.

s172 Statement

The Directors continue to act in a way that they consider, in good faith, to be most likely to promote the success of the Company for the benefits of the members as a whole, and in doing so have regard, amongst other matters to:

- The likely consequences of any decision in the long term;
- The interests of the Company's employees;
- The need to foster the Company's business relationships with suppliers, customers and others;
- The impact of the Company's operations on the community as well as the environment;
- The need to act fairly as between members of the Company, and
- The desirability of the Company maintaining a reputation for high standards of business conduct

The Board has always recognised the relationships with key stakeholders as being central to the long-term success of the business and therefore seeks active engagement with all stakeholder groups, to understand and respect their views, in particular of those with the communities in which it invests, its host governments, employees and suppliers.

Details of the Board's decisions for the year ending 31 December 2020 to promote long-term success, and how it engaged with stakeholders and considered their interests when making those decisions, can be found throughout the Chairman's Statement, Directors' Report and Corporate Governance Statements.

Rupert Labrum
Chairman
7th June 2021

PRIMORUS INVESTMENTS PLC

REPORT OF THE DIRECTORS

The Directors present their annual report and the audited Financial Statements for the year ended 31 December 2020

Principal Activities
Primorus Investments plc is an investing company with a focus to acquire a diverse portfolio of direct and indirect interests in exploration and producing projects and assets in the natural resources sector in addition to acquisitions in the leisure, corporate services, consultancy and brand licensing sectors. The Company will consider possible opportunities anywhere in the world.

Results
The results for the year are set out on page 21 and are stated in UK sterling. The Company made a profit after taxation of £4.169 million (2019: loss of £401,000). The Directors do not recommend payment of a dividend (2019: £Nil).

Review of the Business & Future Developments
A review of the business for the year, and future developments are set out in the Chairman's Statement Incorporating the Strategic Report on pages 3 to 6.

Key Performance Indicators
During the year the Company made purchases of listed and unlisted investments in line with the investment strategy which resulted in the net asset value of the Company growing to £8.786 million by the year end. In future monitoring the return on investments will become a Key Performance Indicator ("KPI") that the board will use as a basis to monitor the performance of the company, in addition to the overall net asset value of the Company. Further details about the material investments already name are explained in the Chairman's Statement.

Going Concern
The Directors have prepared cash flow forecasts for the period ending 30 June 2022 which take account of the current cost and operational structure of the Company.

The cost structure of the Company comprises a high proportion of discretionary spend and therefore in the event that cash flows become constrained, costs can be quickly reduced to enable the Company to operate within its available funding.

These forecasts demonstrate that the Company has sufficient cash funds available to allow it to continue in business for a period of at least twelve months from the date of approval of these financial statements. Accordingly, the financial statements have been prepared on a going concern basis.

The directors have considered the impact of the coronavirus (COVID-19) in preparing the financial statements. The directors have also adopted initiatives to mitigate the impact of the pandemic on the business. Having taken into account all available information about the Company's trading prospects for 12 months from the date of approval of the financial statements, the directors consider that the Company is a going concern.

Prior year restatement
During the year, the prior year accounting treatment of the investments held, which were classified as available for sale investments, has been revisited. The investments should be treated as financial assets at fair value through profit or loss in accordance with IFRS 9. As a result, a prior year restatement in respect of the classification of the investment held has been reflected within the financial statements. See note 18 for details of the impact on the financial statements.

Events After the Reporting Period
Events After the Reporting Period are outlined in Note 16 to the Financial Statements.

Directors' Remuneration and interests
The Company remunerates the Directors at a level commensurate with the size of the Company and the experience of its Directors. The Remuneration Committee has reviewed the Directors' remuneration and believes it upholds the objectives of the Company with regard to this issue. Details of the Directors' emoluments and payments made for professional services rendered are set out in Notes 4 and 13 to the Financial Statements.

REPORT OF THE DIRECTORS (continued)

All the Directors below served during throughout the period unless otherwise stated:

Rupert Labrum	Executive Chairman	appointed 27th October 2020
Matthew Beardmore	Non-executive Director	appointed 27th October 2020
Hedley Clark	Non-executive Director	appointed 27th October 2020
Jeremy Taylor-Firth		resigned 12th November 2020
Alastair Clayton		resigned 12th November 2020
Donald Strang		resigned 27th October 2020

Each of the current Directors, at the date of this report, hold options over 3.0 million ordinary shares. The option details are disclosed in Note 13 to the financial statements.

Substantial Shareholding
As at 2nd June 2021, the Company was aware of the following substantial shareholdings in the ordinary share capital, over 3%;

	Number of ordinary shares	% of issued share capital
HSDL Nominees Limited	22,072,255	15.78%
HSDL Nominees Limited	12,293,351	8.79%
Interactive Investor Services Nominees Limited	10,475,581	7.49%
Hargreaves Lansdown (Nominees) Limited	8,833,377	6.32%
Rock (Nominees) Limited	6,761,807	4.84%
Hargreaves Lansdown (Nominees) Limited	6,119,594	4.38%
Barclays Direct Investing Nominees Limited	5,956,172	4.26%
JIM Nominees Limited	5,655,211	4.04%
Interactive Investor Services Nominees Limited	5,335,017	3.82%
JIM Nominees Limited	5,007,324	3.58%
Hargreaves Lansdown (Nominees) Limited	4,958,027	3.55%
Wealth Nominees Limited	4,907,976	3.51%
HSDL Nominees Limited	4,849,630	3.47%

The serving directors hold a beneficial interest in the ordinary share capital of the Company as follows:

	Number of ordinary shares	% of issued share capital
Rupert Labrum*	29,500,000	21.10%
Hedley Clark*	993,360	0.71%
Matthew Beardmore	100,000	0.07%

* including connected party holdings

Suppliers' Payment Policy
It is the Company's policy to agree appropriate terms and conditions for its transactions with suppliers by means ranging from standard terms and conditions to individually negotiated contracts and to pay suppliers according to agreed terms and conditions, provided that the supplier meets those terms and conditions. The Company does not have a standard or code dealing specifically with the payment of suppliers.

Trade payables at the year end all relate to sundry administrative overheads and disclosure of the number of days purchases represented by year end payables is therefore not meaningful.

REPORT OF THE DIRECTORS (continued)

Charitable Contributions
During the year the Company made charitable donations amounting to Nil (2019: Nil).

Directors' Indemnities
The Company has put in place qualifying third party indemnity provisions for all of the Directors of the Company which was in force at the date of approval of this report.

Principal risks and uncertainties
The principal risks and uncertainties facing the are detailed within the Corporate Governance section on pages 11 to 15 of this report.

Internal control
A key objective of the Directors is to safeguard the value of the business and assets of the Company. This requires the development of relevant policies and appropriate internal controls to ensure proper management of the Company's resources and the identification and mitigation of risks which might serve to undermine them. The Directors are responsible for the Company's system of internal control and for reviewing its effectiveness. It should, however, be recognised that such a system can provide only reasonable and not absolute assurance against material misstatement or loss.

Statement of directors' responsibilities
The Directors are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Financial Statements for each financial year. Under that law the Directors have elected to prepare the financial statements under IFRS and applicable law.

The Financial Statements are required by law 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;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departure 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 accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the Financial Statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

REPORT OF THE DIRECTORS (continued)

Statement of disclosure of information to auditors
In so far as each of the Directors are aware:

- there is no relevant audit information of which the Company's auditors are unaware; and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of Financial Statements may differ from legislation in other jurisdictions.

So far as the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware.

Additionally, the Directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the Company's auditors are aware of that information.

Statutory auditor
PKF Littlejohn were appointed auditors during the year following the resignation of Chapman Davis LLP and have expressed their willingness to continue in office as auditors and a resolution proposing their reappointment will be submitted at the Company's 2021 annual general meeting ("AGM").

Annual General Meeting
Notice of the forthcoming AGM will be enclosed separately.

By Order of the Board
Hedley Clark
Director
7th June 2021

PRIMORUS INVESTMENTS PLC

CORPORATE GOVERNANCE STATEMENT

Changes to corporate governance regime

The Board of Primorus Investments plc are committed to the principles of good corporate governance and believe in the importance and value of robust corporate governance and in our accountability to our shareholders and stakeholders.

During the year a new board of directors was appointed and the new directors affirm the principles contained in this Corporate Governance Statement.

The AIM Rules for companies (as updated on 1st January 2021) required AIM companies to apply a recognised corporate governance code from 28 September 2018. Primorus has chosen to adhere to the Quoted Company Alliance's Corporate Governance Code for Small and Mid-Size Quoted Companies (the "QCA Code") and listed below are the 10 broad principles of the QCA Code and the Company's disclosure with respect to each point.

THE PRINCIPLES OF THE QCA CODE

1. **Principle One**

Business Model and Strategy

The Board has concluded that the highest medium and long term value can be delivered to its shareholders by the adoption of an investing strategy for the Company. Primorus Investments plc is an investing company with a focus to acquire a diverse portfolio of direct and indirect interests in exploration and producing projects and assets in the natural resources sector in addition to acquisitions in the leisure, corporate services, consultancy and brand licensing sectors. The Company will consider possible opportunities anywhere in the world.

2. **Principle Two**

Understanding Shareholder Needs and Expectations

The Board is committed to maintaining good communication and having constructive dialogue with its shareholders. The Company has close ongoing relationships with its private shareholders. Shareholders and analysts have the opportunity to discuss issues and provide feedback at meetings with the Company. In addition, all shareholders are encouraged to attend the Company's Annual General Meeting. Investors also have access to current information on the Company though its website, www.primorusinvestments.com, and via Rupert Labrum, Executive Chairman, who is available to answer investor relations enquiries.

3. **Principle Three**

Considering wider stakeholder and social responsibilities

The Board recognises that the long term success of the Company is reliant upon the efforts of the employees of the Company and its investee companies and stakeholders. The Board is therefore charged with the responsibility of ensuring that there is as close as practicable oversight and contact with its key investee companies and shareholder relationships. Furthermore the Board considers the wider impacts of any investee company in terms of their social and environmental impacts.

4. **Principle Four**

Risk Management

In addition to its other roles and responsibilities, the Audit Committee is responsible to the Board for ensuring that procedures are in place and are being implemented effectively to identify, evaluate and manage the significant risks faced by the Company. The risk assessment matrix below sets out those risks, and identifies their ownership and the controls that are in place. This matrix is updated as changes arise in the nature of risks or the controls that are implemented to mitigate them. The Audit and Compliance Committee reviews the risk matrix and the effectiveness of scenario testing on a regular basis. The following principal risks and controls to mitigate them, have been identified:

CORPORATE GOVERNANCE STATEMENT (continued)

Activity	Risk	Impact	Control(s)
Financial	Liquidity, market and credit risk Inappropriate controls and accounting policies	Inability to continue as going concern Reduction in asset values Incorrect reporting of assets	Robust capital management policies and procedures The board agrees and signs off all annual reports which detail accounting policies. Due to size of the company – the board discusses and agrees all payments over £25,000. Audit Committee
Regulatory adherence	Breach of rules	Censure	Strong compliance regime instilled at all levels of the Company
Strategic	Damage to reputation Inadequate disaster recovery procedures	Inability to secure new capital or investments Loss of key operational and financial data	Effective communications with shareholders coupled with consistent messaging to potential investees Robust compliance Off-site storage of data
Management	Recruitment and retention of key people	Reduction in operating capability	Stimulating and safe working environment Balancing salary with longer term incentive plans

The Directors have established procedures, as represented by this statement, for the purpose of providing a system of internal control. An internal audit function is not considered necessary or practical due to the size of the Company and the close day to day control exercised by the Executive Chairman, Rupert Labrum. However, the Board will continue to monitor the need for an internal audit function. The Board works closely with and has regular ongoing dialogue with the Company financial controller and has established appropriate reporting and control mechanisms to ensure the effectiveness of its control systems.

5. **Principle Five**

A Well Functioning Board of Directors

As at the date hereof the Board comprised: the Executive Chairman Rupert Labrum, and Independent Non-Executive Directors, Hedley Clark and Matthew Beardmore. Biographical details of the current Directors are set out within Principle Six below. Executive and Non-Executive Directors are subject to re-election at intervals of no more than 3 years. The Executive Chairman is considered to be a full time employee whilst the Non-Executive Directors are considered to be part time but are expected to provide as much time to the Company as is required. The Board elects a Chairman to chair every meeting.

CORPORATE GOVERNANCE STATEMENT (continued)

The Board meets formally at least 3 times per annum but regular contact is maintained so that all directors are informed of relevant developments and are able to have discussions whenever required. It has established an Audit Committee and a Remuneration Committee, particulars of which appear hereafter. The Board has agreed that appointments to the Board are made by the Board as a whole and so has not created a Nominations Committee. Both Non-Executive Directors are considered to be part time but are expected to provide as much time to the Company as is required. The Board considers that this is appropriate given the Company's current stage of operations. It shall continue to monitor the need to match resources to its operational performance and costs and the matter will be kept under review going forward.

Matthew Beardmore is considered by the Board to be an Independent Director. The Board notes that the QCA recommends a balance between executive and non-executive Directors and recommends that there be two independent non-executives. As it has only one independent non-executive director, the Board does not currently fully comply with this requirement and will consider making further appointments as the scale and complexity of the Company grows, which is expected to be when the Company achieves a market capitalisation of over £10 million.

Attendance at Board and Committee Meetings
The Company shall report annually on the number of Board and committee meetings held during the year and the attendance record of individual Directors. To date in the current financial year the Directors have a 100% record of attendance at such meetings. In order to be efficient, the Directors meet formally and informally both in person and by telephone. To date there have been at least quarterly formal meetings of the Board, and the volume and frequency of such meetings is expected to continue at this rate.

6. **Principle Six**
Appropriate Skills and Experience of the Directors
The Board currently consists of three Directors. The Company believes that the current balance of skills in the Board as a whole, reflects a very broad range of commercial and professional skills across geographies and industries and each of the Directors has experience in public markets.

The Board recognises that it currently has a limited diversity and this will form a part of any future recruitment consideration if the Board concludes that replacement or additional directors are required.

The Board shall review annually the appropriateness and opportunity for continuing professional development whether formal or informal. Currently each of the board are involved in financial markets and increase their awareness and skills via reading and participation in commercial transactions from time to time.

Mr Rupert Labrum
Executive Chairman
Rupert Labrum is a former investment banker, who retired after a successful career in the City of London. He was involved with Treasury and funding operations of international banks and building societies. He worked as a fund manager at Gartmore Investment Management and previously ran a proprietary derivatives trading desk at Deutsche Bank. Over the last several years, Mr Labrum has been an active investor in multiple private and publicly quoted companies. He has held notifiable positions in several AIM-quoted companies, and is the Company's largest shareholder, holding an aggregate interest in its shares of approximately 21%.

Mr Hedley Clark
Non-executive Director
Hedley Clark is a Fellow of the Institute of Chartered Accountants in England and Wales. After nine years working in private practice, the last five at KPMG, he left to take up senior financial and management roles in various companies where he gained a wealth of international business experience. This included two successful start-ups. For the last 11 years, Mr Clark's principal role has been as the managing director of Credence Background Screening Limited, a successful background screening company which, since his initial involvement in 2009, has seen significant revenue and profits growth.

CORPORATE GOVERNANCE STATEMENT (continued)

Mr Matthew Beardmore
Independent Non-executive Director
Matthew Beardmore is a practising solicitor and commercial manager. He has acted on many investments, commercial transactions, property transactions and major projects amounting to several billion pounds during his career. Mr Beardmore was previously a non-executive director of AIM-quoted InfraStrata plc, where he was instrumental in both completing and managing the company's EU grant applications.

7. **Principle Seven**
Evaluation of Board Performance
Internal evaluation of the Board, the Committee and individual Directors is undertaken on an annual basis in the form of informal discussions.

The annual report details the progress which the board and company has made for the year.

No succession planning is deemed necessary at this point due to the small size of the company.

Each director is also assessed by shareholders on a three year rotation basis at AGM when their re-appointment is due.

8. **Principle Eight**
Corporate Culture
The Board recognises that its decisions regarding strategy and risk will impact the corporate culture of the Company as a whole and that this will impact the performance of the Company. The Board is aware that the tone and culture set by the Board will greatly impact all aspects of the Company as a whole and the way that employees behave. The corporate governance arrangements that the Board has adopted are designed to ensure that the Company delivers long term value to its shareholders and that shareholders have the opportunity to express their views and expectations for the Company in a manner that encourages open dialogue with the Board.

A large part of the Company's activities are centred upon what needs to be an open and respectful dialogue with investee companies and investors and other stakeholders. Therefore, the importance of sound ethical values and behaviours is crucial to the ability of the Company to successfully achieve its corporate objectives. The Board places great import on this aspect of corporate life and seeks to ensure that this flows through all that the Company does.

The directors consider that at present the Company has an open culture facilitating comprehensive dialogue and feedback and enabling positive and constructive challenge. The Company has adopted a code for Directors' and employees' dealings in securities which is appropriate for a company whose securities are traded on AIM and is in accordance with the requirements of the Market Abuse Regulation which came into effect in 2016.

9. **Principle Nine**
Maintenance of Governance Structures and Processes
Ultimate authority for all aspects of the Company's activities rests with the Board, the respective responsibilities of the Chairman and Executive Director arising as a consequence of delegation by the Board. The Board has adopted appropriate delegations of authority which set out matters which are reserved to the Board. The Chairman is responsible for the effectiveness of the Board, management of the Company's business and primary contact with shareholders.

CORPORATE GOVERNANCE STATEMENT (continued)

Audit Committee
During the current financial year, the Audit Committee comprised of Hedley Clark (Chairman) and Rupert Labrum. This committee has primary responsibility for monitoring the quality of internal controls and ensuring that the financial performance of the Company is properly measured and reported. It receives reports from the executive management and auditors relating to the interim and annual accounts and the accounting and internal control systems in use throughout the Company. Following the resignation of the previous auditors the Audit Committee recommended to the board of directors to appoint PKF Littlejohn LLP as auditors of the Company. The Audit Committee shall meet not less than twice in each financial year and it has unrestricted access to the Company's auditors.

Remuneration Committee
The Remuneration Committee comprises Matthew Beardmore (Chairman) and Hedley Clark. The Remuneration Committee reviews the performance of the executive directors and employees and makes recommendations to the Board on matters relating to their remuneration and terms of employment. The Remuneration Committee also considers and approves the granting of share options pursuant to the share option plan and the award of shares in lieu of bonuses pursuant to the Company's Remuneration Policy. Sees notes 4 and 13 below regarding directors remuneration.

Nominations Committee
The Board has agreed that appointments to the Board will be made by the Board as a whole and so has not created a Nominations Committee.

Non-Executive Directors
The Board has appointed 2 Non-Executive Directors.

Due to the small size of the Company, it is deemed not necessary to appoint further non-executive directors until the Company's market capitalisation is over £10m.

In accordance with the Companies Act 2006, the Board complies with: a duty to act within their powers; a duty to promote the success of the Company; a duty to exercise independent judgement; a duty to exercise reasonable care, skill and diligence; a duty to avoid conflicts of interest; a duty not to accept benefits from third parties and a duty to declare any interest in a proposed transaction or arrangement. There is no plans at this stage to increase the governance framework until the company achieves minimum £10m market capitalisation.

10. **Principle Ten**
Shareholder Communication
The Board is committed to maintaining good communication and having constructive dialogue with its shareholders. The Company has close ongoing relationships with its private shareholders. shareholders and analysts have the opportunity to discuss issues and provide feedback at meetings with the Company. In addition, all shareholders are encouraged to attend the Company's Annual General Meeting (subject to any COVID restrictions which may prevail at the time).

Investors also have access to current information on the Company though its website, www.primorusinvestments.com, and via Rupert Labrum, Executive Chairman, who is available to answer investor relations enquiries. The company is currently considering , subject to the necessary formalities, to move to electronic communications with shareholders in order to maximise efficiency. The company's website details various information: annual reports, AGM notice of meetings and RNS announcements detailing results of meetings and other relevant information.

The Company shall include, when relevant, in its annual report, any matters of note arising from the audit or remuneration committees.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF PRIMORUS INVESTMENTS PLC

Opinion

We have audited the financial statements of Primorus Investments Plc (the 'company') for the year ended 31 December 2020 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 to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and international accounting standards in conformity with the requirements of the Companies Act 2006.

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006; 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 as applied to listed entities, 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included:

- Reviewing the cash flow forecasts prepared by management for the period up to June 2022 corroborating, providing challenge to key assumptions and reviewing for reasonableness;
- A comparison of actual results for the year to past budgets to assess the forecasting ability/accuracy of management;
- Reviewing post-year end RNS announcements and holding discussions with management on future plans; and
- Assessing the adequacy of going concern disclosures within the Annual Report and Financial Statements.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Our application of 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 £130,000 based on approximately 1.5% of gross assets on the basis that the Company's investments are the main components of the Statement of Financial Position.

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 60% of overall 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 Audit Committee to report to it all identified errors in excess of £6,500, which is based on 5% of overall materiality. Errors below that threshold would also be reported to it if, in our opinion as auditor, disclosure was required on qualitative grounds.

Our approach to the audit

In designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular we looked at areas involving significant accounting estimates and judgements by the Directors in respect of the carrying values of the Company's investments and considered future events that are inherently uncertain. We also addressed the risk of management override of internal controls, including evaluation whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

Key audit matters

Key audit matters are those matters that, in our professional judgment, 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) we identified, including 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.

Key Audit Matter	How our scope addressed this matter
Valuation, classification and impairment of investments (Note 7)	
The Company held investments with a value of £4.6m as at 31 December 2020. These are valued in accordance with IFRS 13 and the fair value hierarchy; and classified as per IFRS 9. **There is the risk that these investments have not been valued in accordance with IFRS 13 and IFRS 9 and require impairment.**	Our work in this area included; • Reviewing the valuation methodology for the investments held and ensuring that the carrying values are supported by sufficient and appropriate audit evidence; • Ensuring that all asset types are categorised according to IFRS, including the accounting disclosures as required under IFRS 9; • Reviewing the movement in investments to ensure they are accounted for and disclosed correctly in line with IFRS 9; • Reviewing disclosures in relation to said assets; • Ensuring that Primorus Investments Plc has full title to the investments held; • Ensuring that appropriate disclosures surrounding the estimates made in respect of

	any valuations are included in the financial statements; and • Considering whether the transactions have been accounted for correctly within the financial statements. As a result of the procedures performed above, a prior year restatement in respect of the classification of the investments held, was reflected within the financial statements. The conclusion of our work was that the investments are fairly stated in the financial statements, and we consider that management's judgement in respect of the carrying value and classification of financial investments is materially reasonable.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 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 year 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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, 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the company and the sector in which it operates to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management, industry research, application of cumulative audit knowledge and experience of the sector etc. This is evidenced by discussion of laws and regulations with the management, reviewing minutes of meetings of those charged with governance and RNSs and review of legal or professional expenditures.

- We determined the principal laws and regulations relevant to the company in this regard to be those arising from Companies Act 2006, AIM rules, GDPR, Employment Law, Health and Safety Law, Anit-Bribery and Money Laundering Regulations and QCA compliance.

- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the company with those laws and regulations. These procedures included, but were not limited to:
    - Discussion with management regarding potential non-compliance;
    - Review of legal and professional fees to understand the nature of the costs and the existence of any non-compliance with laws and regulations; and
    - Review of minutes of meetings of those charged with governance and RNSs

- We also identified the risks of material misstatement of the financial statements due to fraud. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls, that the potential for management bias was identified in relation to the carrying value of the investments.

- As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business and review of bank statements during the year to identify any large and unusual transactions where the business rationale is not clear.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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.

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.

Zahir Khaki

Zahir Khaki (Senior Statutory Auditor)
For and on behalf of PKF Littlejohn LLP
Statutory Auditor

15 Westferry Circus
Canary Wharf
London
E14 4HD

7 June 2021

PRIMORUS INVESTMENTS PLC

FINANCIAL STATEMENTS

STATEMENT OF COMPREHENSIVE INCOME
YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £'000	2019 £'000
Income			
Investment income	2	14	24
Realised gain/lLoss) on financial investments	2	6,033	(62)
Unrealised (loss)/gain on financial investments	2	(323)	228
		5,724	190
Operating expenses			
Operating costs	3	(475)	(591)
		(475)	(591)
Impairment of financial investments	7	(633)	-
Profit/(Loss) before tax		4,616	(401)
Taxation	5	(447)	-
Profit/(Loss) for the year attributable to equity shareholders of the company		4,169	(401)
Other comprehensive income for the year net of tax		-	-
Total comprehensive income/(expenditure) for the year		4,169	(401)
Profit/(Loss) per Share			
Basic and diluted (loss) per share (pence)	6	2.98	(0.29)

The Accounting Policies and Notes on pages 25 to 39 form an integral part of these Financial Statements.

PRIMORUS INVESTMENTS PLC

STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2020
Company Number 03740688

ASSETS	Notes	2020 £'000	2019 (Restated) £'000
Non-Current Assets			
Financial Investments	7	4,612	4,805
		4,612	4,805
Current Assets			
Investments	7	113	-
Trade and other receivables	8	3	15
Cash and cash equivalents	9	4,673	45
		4,789	60
Total Assets		9,401	4,865
LIABILITIES			
Current Liabilities			
Trade and other payables	10	(502)	(108)
Loans and borrowings	10	(113)	-
Total Liabilities		(615)	(108)
Net Assets		8,786	4,757
EQUITY			
Equity Attributable to Equity Holders of the Company			
Share capital	12	15,391	15,391
Share premium account		35,296	35,296
Share based payment reserve		-	683
Retained earnings		(41,901)	(46,613)
Total Equity		8,786	4,757

These Financial Statements were approved by the Board of Directors and authorised for issue on 7th June 2021.

Rupert Labrum
Director

Hedley Clark
Director

The Accounting Policies and Notes on pages 25 to 39 form an integral part of these Financial Statements.

PRIMORUS INVESTMENTS PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020

	Share capital £'000	Share premium £'000	Share based payment reserve £'000	Retained earnings £'000	Total attributable to owners of the company £'000
Balance at 31 December 2018	15,391	35,296	683	(46,212)	5,158
Loss for the year	-	-	-	(401)	(401)
Total comprehensive income for the year	-	-	-	(401)	(401)
Balance at 31 December 2019	15,391	35,296	683	(46,613)	4,757
Profit for the year	-	-	-	4,169	4,169
Total comprehensive income for the year	-	-	-	4,169	4,169
Termination and settlement of share options	-	-	(140)	-	(140)
Cancellation of share options	-	-	(543)	543	-
Balance at 31 December 2020	15,391	35,296	-	(41,901)	8,786

The accounting policies and notes on pages 25 to 39 form part of these financial statements.

PRIMORUS INVESTMENTS PLC

STATEMENT OF CASH FLOWS
YEAR ENDED 31 DECEMBER 2020

	2020	2019
	£'000	£'000
Cash Flows from Operating Activities		
Profit/(Loss) before tax	4,616	(401)
(Profit)/Loss on disposal of financial investments	(6,033)	62
Fair value movements on listed investments	323	(228)
Impairment provision on unlisted investments	633	-
Decrease in trade and other receivables	12	72
Decrease in trade and other payables	(53)	(10)
Foreign exchange gain	(65)	1
Share based payment	(140)	-
Taxation (paid)	-	-
Net Cash used in Operating Activities	(707)	(504)
Cash follow from investing activities		
Disposal proceeds from sale of financial investments	6,939	663
Payments for financial investments	(1,717)	(522)
Cash Flows from Financing Activities		
Net Cash in generated from Financing Activities	-	-
Net Change in Cash and Cash Equivalents	4,515	(363)
Cash and Cash Equivalents at beginning of year	45	408
Cash and Cash Equivalents at end of year	4,560	45
Cash and Cash equivalents comprise:		
Cash and cash in bank	4,673	45
Bank loans and overdrafts	(113)	-
	4,560	45

The accounting policies and notes on pages 25 to 39 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2020

1 Accounting Policies

Basis of Preparation
Primorus Investments plc is a company incorporated in the United Kingdom. The Company's registered office is 48 Chancery Lane, London, WC2A 1JF. The Company's shares are listed on the AIM market of the London Stock Exchange.

The Financial Statements are for the year ended 31 December 2020 and have been prepared under the historical cost convention).

The financial statements have been prepared in accordance with the Companies Act 2006 and International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) and related interpretations.

These Financial Statements (the "Financial Statements") have been prepared and approved by the Directors on 7th June 2021 and signed on their behalf by Rupert Labrum and Hedley Clark.

The accounting policies have been applied consistently throughout the preparation of these Financial Statements, and the financial report is presented in Pound Sterling (£) and all values are rounded to the nearest thousand pounds (£'000) unless otherwise stated.

Investing Policy
The Company's current investing policy is to acquire a diverse portfolio of direct and indirect interests in exploration and producing projects and assets in the natural resources sector in addition to acquisition(s) in the leisure, corporate services, consultancy and brand licensing sectors. The Company will consider possible opportunities anywhere in the world.

The Directors have considerable experience investing, both in structuring and executing deals and in raising funds. The Directors will use this experience to identify and investigate investment opportunities, and to negotiate acquisitions. Wherever necessary the Company will engage suitably qualified technical personnel to carry out specialist due diligence prior to making an acquisition or an investment.

The Company may invest by way of outright acquisition or by the acquisition of assets, including the intellectual property, of a relevant business, or by entering into partnerships or joint venture arrangements. Such investments may result in the Company acquiring the whole or part of a company or project (which in the case of an investment in a company may be private or listed on a stock exchange, and which may be pre-revenue), and such investments may constitute a minority stake in the company or project in question.

The Company may be both an active and a passive investor depending on the nature of the individual investments in its portfolio. Although the Company intends to be a long-term investor, the Directors will place no minimum or maximum limit on the length of time that any investment may be held.

The Directors may offer new Ordinary Shares by way of consideration as well as cash, thereby helping to preserve the Company's cash for working capital and as a reserve against unforeseen contingencies including by way of example, and without limitation, delays in collecting accounts receivable, unexpected changes in the economic environment and unforeseen operational problems. The Company may in appropriate circumstances issue debt securities or otherwise borrow money to complete an investment. The Directors do not intend to acquire any cross-holdings in other corporate entities that have an interest in the Ordinary Shares.

There are no restrictions in the type of investment that the Company might make nor on the type of opportunity that may be considered other than set out in this Investing policy.

In addition, the Directors may consider from time to time other means of facilitating returns to Shareholders including dividends, share repurchases, demergers, and schemes of arrangements or liquidation.

1 Accounting Policies (continued)

Going Concern
The Directors noted the profits that the Company has made for the Year Ended 31 December 2020. The Directors have prepared cash flow forecasts for the period ending 30 June 2022 which take account of the current cost and operational structure of the Company.

The cost structure of the Company comprises a high proportion of discretionary spend and therefore in the event that cash flows become constrained, costs can be quickly reduced to enable the Company to operate within its available funding.

These forecasts demonstrate that the Company has sufficient cash funds available to allow it to continue in business for a period of at least twelve months from the date of approval of these financial statements. Accordingly, the financial statements have been prepared on a going concern basis.

It is the prime responsibility of the Board to ensure the Company remains a going concern. At 31 December 2020 the Company had cash and cash equivalents of £4.560m, net of borrowings. The Company has minimal contractual expenditure commitments and the Board considers the present funds together with future disposals of its financial investments sufficient to maintain the working capital of the Company for a period of at least 12 months from the date of signing the Annual Report and Financial Statements. For these reasons the Directors adopt the going concern basis in the preparation of the Financial Statements.

New standards, amendments and interpretations adopted by the Company
The company has applied the following standards and amendments for the first time for its annual reporting period commencing 1 January 2020:

- Definition of Material – Amendments to IAS 1 and IAS 8;
- Definition of a Business – Amendments to IFRS 3;
- Interest Rate Benchmark Reform – Amendments to IFRS 9 , IAS 39 and IFRS 7;
- Revised Conceptual Framework for Financial Reporting;
- Annual Improvements to IFRS Standards 2018-2020 Cycle; and COVID-19 related rent concessions – amendments to IFRS 16

Other than the treatment of financial assets at fair value through profit or loss in accordance with IFRS 9, the adoption of the above has not had any material impact on the disclosures or amounts reported in the financial statements.

New standards, amendments and interpretations not yet adopted
There are no IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company.

Key accounting judgements and estimates
The preparation of the Financial Statements requires the Company to make estimates, judgements and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and related disclosure of contingent assets and liabilities. The Directors base their estimates on historic experience and various other assumptions that they believe are reasonable under the circumstances, the results of which form the basis of making judgements about the carrying value of assets and liabilities that are not readily apparent from other sources.

Actual results may differ from these estimates under different assumptions or conditions. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision only affects that period, or in the period of the revision and future periods if the revision affects both current and future periods.

1 Accounting Policies (continued)

Unlisted investments
The Company is required to make judgments over the carrying value of investments in unquoted companies where fair values cannot be readily established and evaluate the size of any impairment required. It is important to recognise that the carrying value of such investments cannot always be substantiated by comparison with independent markets and, in many cases, may not be capable of being realised immediately. Management's significant judgement in this regard is that the value of their investment represents their cost less previous impairment. Further details relating to management's assessment of the carrying value of unlisted investments can be found in the Chairman's Report.

Income
Income is measured by reference to the fair value of consideration received or receivable by the Company for services provided, excluding VAT and trade discounts. Income is credited to the Income Statement in the period it is deemed to be earned.

Interest income from financial assets at FVPL is included in the net fair value gains/(losses) on these assets. Interest income on financial assets at amortised cost and financial assets at, available-for-sale securities, held-to-maturity investments and loans and receivables is calculated using the effective interest method is recognised in the statement of profit or loss as part of investment or other income.

Finance Income and Costs
Finance income and costs are reported on an accruals basis.

Segment reporting
Segmental analysis is not applicable as there is only one operating segment of the continuing business – investment activities.

Prior year restatement
During the year, the prior year accounting treatment of the investments held, which were classified as available for sale investments, has been revisited. The investments should be treated as financial assets at fair value through profit or loss in accordance with IFRS 9. As a result, a prior year restatement in respect of the classification of the investment held has been reflected within the financial statements. See note 18 for details of the impact on the financial statements.

Taxation
Current tax is the tax currently payable based on taxable profit for the year.

Deferred income taxes are calculated using the liability method on temporary differences. Deferred tax is generally provided on the difference between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of goodwill, nor on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Deferred tax on temporary differences associated with shares in subsidiaries and joint ventures is not provided if reversal of these temporary differences can be controlled by the Company and it is probable that reversal will not occur in the foreseeable future. In addition, tax losses available to be carried forward as well as other income tax credits to the Company are assessed for recognition as deferred tax assets.

1 Accounting Policies (continued)

Deferred tax liabilities are provided in full, with no discounting. Deferred tax assets are recognised to the extent that it is probable that the underlying deductible temporary differences will be able to be offset against future taxable income. Current and deferred tax assets and liabilities are calculated at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted at the balance sheet date.

Changes in deferred tax assets or liabilities are recognised as a component of tax expense in the income statement, except where they relate to items that are charged or credited directly to equity in which case the related deferred tax is also charged or credited directly to equity.

Foreign Currencies

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. Non-monetary items that are measured at historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Any exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were initially recorded are recognised in the profit or loss in the period in which they arise. Exchange differences on non-monetary items are recognised in other comprehensive income to the extent that they relate to a gain or loss on that non-monetary item taken to other comprehensive income, otherwise such gains and losses are recognised in the income statement.

The Company's functional currency and presentational currency is Sterling.

Equity

Equity comprises the following:

- "Share capital" representing the nominal value of equity shares.
- "Share premium" representing the excess over nominal value of the fair value of consideration received for equity shares, net of expenses of the share issue.
- “Share based payment reserve” represents the value of equity benefits provided to employees and directors as part of their remuneration and provided to consultants and advisors hired by the Company from time to time as part of the consideration paid.
- "Retained earnings" representing retained profits.

Share capital

Financial instruments issued by the Company are treated as equity only to the extent that they do not meet the definition of a financial liability. The Company’s ordinary shares are classified as equity instruments.

Fair value measurement

IFRS 13 establishes a single source of guidance for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The resulting calculations under IFRS 13 affected the principles that the Company uses to assess the fair value, but the assessment of fair value under IFRS 13 has not materially changed the fair values recognised or disclosed. IFRS 13 mainly impacts the disclosures of the Company. It requires specific disclosures about fair value measurements and disclosures of fair values, some of which replace existing disclosure requirements in other standards.

1 Accounting Policies (continued)

Financial instruments

Financial investments
Non-derivative financial assets comprising the Company's strategic financial investments in entities not qualifying as subsidiaries, associates or jointly controlled entities. These assets are classified as financial assets at fair value through profit or loss. They are carried at fair value with changes in fair value recognised through the income statement. Where there is a significant or prolonged decline in the fair value of a financial investment (which constitutes objective evidence of impairment), the full amount of the impairment is recognised in the income statement.

Due to the nature of these assets being unlisted investments or held for the longer term, the investment period is likely to be greater than 12 months and therefore these financial assets are shown as non-current assets in the Statement of financial position.

Listed investments are valued at closing bid price on 31 December 2020. For measurement purposes, financial investments are designated at fair value through income statement. Gains and losses on the realisation of financial investments are recognised in the income statement for the period. The difference between the market value of financial instruments and book value to the Company is shown as a gain or loss in the income statement for the period.

Trade and other receivables
Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Trade and other receivables are accounted for at original invoice amount less any provisions for doubtful debts. Provisions are made where there is evidence of a risk of non-payment, taking into account the age of the debt, historical experience and general economic conditions. If a trade debt is determined to be uncollectable, it is written off, firstly against any provisions already held and then to the statement of comprehensive income. Subsequent recoveries of amounts previously provided for are credited to the statement of comprehensive income.

Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss in accordance with the expected credit loss model under IFRS 9. For trade and other receivables which do not contain a significant financing component, the Company applies the simplified approach. This approach requires the allowance for expected credit losses to be recognised at an amount equal to lifetime expected credit losses. For other debt financial assets the Company applies the general approach to providing for expected credit losses as prescribed by IFRS 9, which permits for the recognition of an allowance for the estimated expected loss resulting from default in the subsequent 12-month period. Exposure to credit loss is monitored on a continual basis and, where material, the allowance for expected credit losses is adjusted to reflect the risk of default during the lifetime of the financial asset should a significant change in credit risk be identified.

The majority of the Company's financial assets are expected to have a low risk of default. A review of the historical occurrence of credit losses indicates that credit losses are insignificant due to the size of the Company's clients and the nature of its activities. The outlook for the natural resources industry is not expected to result in a significant change in the Company's exposure to credit losses. As lifetime expected credit losses are not expected to be significant the Company has opted not to adopt the practical expedient available under IFRS 9 to utilise a provision matrix for the recognition of lifetime expected credit losses on trade receivables. Allowances are calculated on a case-by-case basis based on the credit risk applicable to individual counterparties.

Trade and other payables
Trade and other payables are held at amortised cost which equates to nominal value.

Cash and cash equivalents
Cash and cash equivalents comprise cash in hand, current balances with banks and similar institutions and liquid investments generally with maturities of 3 months or less. They are readily convertible into known amounts of cash and have an insignificant risk of changes in values.

1 Accounting Policies (continued)

Share-Based Payments
The Company has a share-based compensation plan, under which the entity receives services from employees as consideration for equity instruments (options) of the Company. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted, which is calculated by reference to Black Scholes model:

- including any market performance conditions;
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability or sales growth targets, or remaining an employee of the entity over a specified time period; and
- including the impact of any non-vesting conditions (for example, the requirement for employees to save).

Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

In addition, in some circumstances, employees may provide services in advance of the grant date, and therefore the grant-date fair value is estimated for the purposes of recognising the expense during the period between service commencement period and grant date.

At the end of each reporting period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

When the options are exercised, the Company issues new shares. The proceeds received, net of any directly attributable transaction costs, are credited to share capital (nominal value) and share premium.

2 Segment Reporting
The Company operates a single primary activity to invest in businesses so as to generate a return for the shareholders.

	2020 £000	2019 £000
Income		
Investment income – interest received on loan notes	14	24
Realised gain/(loss) on financial investments	6,033	(62)
Unrealised (loss)/gain on financial investments	(323)	228
	5,724	**190**

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2020 (continued)

3 Profit/(Loss) for the year

	2020 £000	2019 £000
Included within results from operating activities are the following:		
Fees payable to the Company's auditors for audit of the Company's financial statements:		
- Previous auditors	-	10
- Current auditors	18	-
Total auditor's fees	**18**	**10**
Other costs		
Operating lease rentals – land and buildings	9	9
Legal fess	7	2
Foreign exchange (gain)/loss	(65)	2
Other general overheads	506	568
Total other costs	**457**	**581**

4 Information Regarding Directors and Employees

	2020 £000	2019 £000
Employment costs, including Directors, during the year:		
Wages and salaries	283	343
Social security costs	31	39
	314	**382**
Average number of persons, including Directors employed	**No.**	**No.**
Administration	4	4
	4	**4**
Directors' remuneration	**£000**	**£000**
Emoluments	269	323
Social security costs	30	37
	299	**360**

The Company operates only the basic pension plan required under UK legislation, contributions thereto during the year amounted to £1,400 (2019: £nil).

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2020 (continued)

4 Information Regarding Directors and Employees (continued)

Emoluments of the Individual Directors

	Fees and salaries	Share based payments	Total
2020	**£'000**	**£'000**	**£'000**
A Clayton[1]	157	-	157
D Strang[2]	47	-	47
J Taylor Firth[1]	48	-	48
R Labrum[3]	6	-	6
M Beardmore[3]	4	-	4
H Clark[3]	4	-	4
	269	**-**	**269**
2019	**£'000**	**£'000**	**£'000**
A Clayton	200	-	200
J Taylor Firth	60	-	60
D Strang	63	-	63
	323	**-**	**323**

[1] Resigned 12th November 2020
[2] Resigned 27th October 2020
[3] Appointed 27th October 2020

Pension contributions of £1,400 were paid on behalf of the former directors (2019: £nil).

Directors' fees totalling £nil have been accrued and remain unpaid as at 31 December 2020 (2019: £43,000). This amount is included within trade and other payables, Note 10.

Directors' interest in share options is set out in Note 13.

Key Management Personnel
The key management personnel are considered to be the Directors. Their remuneration is included in Note 4 above.

5 Taxation

	2020 £000	2019 £000
Profit/(loss) for the year before tax	4,616	(401)
Tax rate	19%	19%
Expected tax charge/(credit)	877	(76)
Expenses not deductible for tax purposes	184	-
Income not taxable for tax purposes	(1,146)	-
Set off against tax losses	(431)	76
Deferred tax asset not recognised	990	-
Other deductions for tax purposes	(27)	-
Current tax charge	**447**	**-**

5 Taxation (continued)

Deferred Tax
The amount of approximate unused tax losses for which no deferred tax asset is recognised in the statement of financial position is £nil (2019: £1,835,000).

6 Profit per Share

		Weighted average No. of shares	Basic per share amount
2020	**£000**		**(pence)**
Profit after tax	4,169		
Earnings attributable to ordinary shareholders	4,169		
Weighted average number of shares		139,830,968	
Total basic and diluted loss per share			2.98
2019	**£000**		**(pence)**
Loss after tax	(401)		
Earnings attributable to ordinary shareholders	(401)		
Weighted average number of shares		139,830,968	
Total basic and diluted loss per share			(0.2868)

7 Financial investments

Financial assets at fair value through profit or loss:	£000	£000	£000	£000
	Level 1	Level 2	Level 3	Total
Fair Value at 31 December 2019	**1,205**	**-**	**3,600**	**4,805**
Additions	**252**	**-**	**1,354**	**1,606**
Fair value changes	**(325)**	**-**	**-**	**(325)**
Gains on disposals	**6,033**	**-**	**-**	**6,033**
Disposal	**(6,939)**	**-**	**-**	**(6,939)**
Impairment provision	**-**	**-**	**(633)**	**(633)**
Foreign Exchange	**-**	**-**	**65**	**65**
Fair Value at 31 December 2020	**226**	**-**	**4,386**	**4,612**
The financial assets splits are as below:				
Non-current assets - listed	**226**	**-**	**-**	**226**
Non-current assets - unlisted	**-**	**-**	**4,365**	**4,365**
Non-current assets – unlisted convertible loans	**-**	**-**	**21**	**21**
Total	**226**	**-**	**4,386**	**4,612**
Gains on investments held at fair value through profit or loss				
Fair value gain on investments	**323**	**-**	**-**	**323**
Realised gain on disposal of investments	**6,033**	**-**	**-**	**6,066**
Net gain on investments held at fair value through profit or loss	**6,356**	**-**	**-**	**6,356**

7 Financial investments (continued)

Level 1	represents those assets, which are measured using unadjusted quoted prices for identical assets.
Level 2	applies inputs other than quoted prices that are observable for the assets either directly (as prices) or indirectly (derived from prices).
Level 3	applies inputs, which are not based on observable market data.

Investments are held at fair value through profit and loss using a three-level hierarchy for estimating fair value.

The Directors have reviewed the carrying value of the unlisted investments, and have determined an impairment is required of £633,000 (2019: £nil).

Investments comprise both listed and unlisted investments. The listed investments are traded on stock markets throughout the world and are held by the Company as a mix of strategic and short term investments.

Significant additions and disposals during the year
Further investment in Zuuse Limited
In September 2020 the Company completed a subscription for 2,000,000 share in Zuuse Limited for £1,034,344. Following the completion of the investment the company held, along with an option to acquire a further 1,000,000 share at A$0.50, approximately 1.7% of Zuuse Limited's share capital on a fully diluted basis.

Disposal in Greatland Gold PLC
During the year the Company disposed of the remainder of its holding in Greatland Gold PLC for an average realised prices of 17.91p per share. The disposal proceeds received were £6.6m resulting in a gain on disposal of £5.8m.

8 Trade and Other Receivables

Current trade and other receivables	**2020 £000**	**2019 £000**
Other receivables	1	4
Prepayments and accrued income	2	11
	3	15

The Directors consider that the carrying amount of trade and other receivables approximates to their fair value.

9 Cash at Bank and Cash Equivalents

	2020 £000	**2019 £000**
Cash at Bank	4,673	45

Reconciliation to statement of cash flows	**2020 £000**	**2019 £000**
Balance as above	4,673	45
Bank loans and overdrafts	(113)	-
Balances per statement of cash flows	4,560	45

10 Trade and Other Payables

	2020	2019
Current trade other payables	**£000**	**£000**
Bank Loans and Overdrafts	113	-
Trade payables	20	20
Other payables	1	43
Taxation and social security	-	26
Corporation tax payable	447	-
Accruals and deferred income	34	19
	615	108

All amounts are short term and the carrying values are considered to be a reasonable approximation of fair value.

11 Risk Management Objectives and Policies
Financial assets by category

The categories of financial asset included in the balance sheet and the headings in which they are included are as follows:

Current assets	**2020**	**2019**
	£000	**£000**
Trade and other receivables	3	15
Cash	4,673	45
	4,676	60

Financial Liabilities by Category
The categories of financial liability included in the balance sheet and the headings in which they are included are as follows:

Current liabilities	**2020**	**2019**
	£000	**£000**
Bank loans and overdrafts	113	-
Trade and other payables	55	108
Corporation tax payable	447	-
	615	108

The Company is exposed to market risk through its use of financial instruments and liquidity risk which result from both its operating and investing activities. The Company's risk management is coordinated at its headquarters, in close co-operation with the Board of Directors, and focuses on actively securing the Company's short to medium term cash flows by minimising the exposure to financial markets. Long term financial investments are managed to generate lasting returns. In order to provide on-going working capital the Company engages in the short term trading of financial assets but does it write options. The most significant financial risks to which the Company is exposed to are described below.

Interest rate sensitivity
The Company is not substantially exposed to interest rate sensitivity, other than in relation to interest bearing bank accounts.

Credit risk analysis
None of the Company's financial assets are secured by collateral or other credit enhancements.

The credit risk for liquid funds and other short-term financial assets is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

11 Risk Management Objectives and Policies (continued)

Currency risk
The Company holds certain financial investments in foreign currencies, notably US Dollars and Australian Dollars, which expose the Company to the risk that the exchange rates against pound sterling will change in a manner which adversely impacts the Company’s net profit and net assets attributable to shareholders. A 10% decrease in the value of sterling would result in an increase in fair value of financial investments by £191,000 and a corresponding increase in the value of sterling would result in a decrease in the value of financial investments by £156,000.

Liquidity risk analysis
The Company’s continued future operations depend on the ability to raise sufficient working capital through the issue of equity share capital. The Directors are confident that adequate funding will be forthcoming with which to finance operations. Controls over expenditure are carefully managed.

Capital Management
The Company's capital management objectives are:

- to ensure the Company's ability to continue as a going concern; and
- to provide a return to shareholders

The capital structure of the Company consists of total shareholders’ equity as set out in the ‘Consolidated statement of changes in equity’. All working capital requirements are financed from existing cash resources.

Capital is managed on a day to day basis to ensure the Company is able to operate as a going concern.

Market risk
Market price risk arises from uncertainty about the future valuations of financial instruments held in accordance with the Company’s investment objectives. These future valuations are determined by many factors but include the operational and financial performance of the underlying investee companies, as well as market perceptions of the future of the economy and its impact upon the economic environment in which these companies operate.

Fair value of financial assets and liabilities
Financial assets and liabilities are carried in the Statement of Financial Position at either their fair value (financial investments) or at a reasonable approximation of the fair value (trade and other receivables, trade and other payables and cash at bank).

The fair values are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2020 (continued)

12 Share capital and share premium account

Share capital issued and fully paid	Number of shares	Ordinary share capital £000	Deferred share capital £000	Share premium £000
At 31 December 2018	290,015,115	279	15,112	35,296
At 31 December 2019	290,015,115	279	15,112	35,296
At 31 December 2020	290,015,115	279	15,112	35,296

	Number of Shares	2020 £000	2019 £000
Allotted, issued and fully paid			
Ordinary shares of 0.20p each	139,830,968	279	279
Deferred shares of 45p each	28,976,581	13,040	13,040
A deferred shares of 4p each	28,976,581	1,159	1,159
B deferred shares of 0.99p each	92,230,985	913	913
		15,391	15,391

Movements in equity

Share capital represents the nominal value of the amount subscribed for shares. Share premium represents the amount subscribed for shares in excess of their nominal value less costs of subscription. Ordinary shares carry the rights to one vote per share at general meetings of the Company and the rights to share in any distributions of profits or returns of capital and to share in any residual assets available for distribution in the event of a winding up.

The share-based payment reserve represents amounts arising from the requirement to expense the fair value of share-based remuneration in accordance with IFRS 2 'Share-based Payments'.

Retained earnings are the cumulative net losses recognised in the income statement and other comprehensive income.

Movements on these reserves are set out in the statement of changes in equity.

13 Share schemes

During the year no options were granted (2019: nil), exercised or expired.

During the year the Company entered into a deed of termination and settlement with individual option holders (the "Option holders") who held options to subscribe for ordinary shares of 0.2 pence each in the capital of the Company (the "Share Options"), pursuant to which all Share Options in issue, being an aggregate of 17,800,000 Share Options, were cancelled.

Full details of the Share Options, including their exercise prices and periods, are set out below:

	At 1 January 2020	Issued during the year	Terminated during the year	At 31 December 2020	Exercise Price	Date from which exercisable	Expiry date
	No.	**No.**	**No.**	**No.**	**£**		
Share options							
D. Strang	500,000	-	500,000	-	0.08	14/11/2013	14/11/2023
D. Strang	600,000	-	600,000	-	0.06	30/11/2015	31/12/2020
A Clayton	600,000	-	600,000	-	0.06	30/11/2015	31/12/2020
J Taylor-Firth	600,000	-	600,000	-	0.06	30/11/2015	31/12/2020
Consultants	500,000	-	500,000	-	0.08	14/11/2013	14/11/2023
D Strang	3,750,000	-	3,750,000	-	0.06	03/08/2017	03/08/2022
A Clayton	3,750,000	-	3,750,000	-	0.06	03/08/2017	03/08/2022
A Clayton	3,750,000	-	3,750,000	-	0.06	09/01/2018	09/01/2025
J Taylor-Firth	3,750,000	-	3,750,000	-	0.06	09/01/2018	09/01/2025
	17,800,000	-	17,800,000	-			

The weighted average values of options are as follows:	**2020**	**2019**
Weighted average exercise price of options granted	0.00p	6.11p
Weighted average exercise price of options exercisable at the end of the year	0.00p	6.11p
Weighted average option life remaining	0 years	3.53 years

The Company paid £140,000 (2019: nil) relating to the termination and settlement of the Share Options.

Following the year end the company granted 3 million share options to each of the directors and the company secretary, a total of 12 million share options.

The share options are exercisable at a price of £0.041 per Ordinary Share. One-third of the share options shall vest when the mid-market closing price of the Ordinary Shares ("Closing Price") reaches £0.06; one-third of the share options shall vest when the Closing Price reaches £0.08; and one-third of the share options shall vest when the Closing Price reaches £0.10. The share options are exercisable at any time, following vesting, prior to (and including) the day falling on the fifth anniversary of grant. If an option holder leaves the Company, such option holder shall retain any vested share options but any unvested share options shall lapse unless otherwise decided by the Board at its absolute discretion.

The share options represent approximately 8.58 per cent. of the current issued share capital of the Company. On a fully diluted basis, the share options represent approximately 7.9 per cent. of the enlarged issued share capital of the Company.

14 Capital Commitments

The Directors have confirmed that there were no contingent liabilities or capital commitments which should be disclosed at 31 December 2020. No provision has been made in the financial statements for any amounts in relation to any capital expenditure requirements of the Company’s associate or investments, and such costs are expected to be fulfilled in the normal course of the operations of the Company.

15 Related Party Transactions

Key Management Personnel
The key management personnel are considered to be the Directors. Included in their remuneration in Note 4 to the accounts, is an amount of £24,000 paid as consultancy fees to NW Consulting, a company controlled by Mr D Strang. There was no balance outstanding at the end of the year.

During the year, the Company sold shares it held in Doriemus PLC, a company in which Mr D Strang was a director. Furthermore, the Company also purchased and sold shares in Artemis Resources Limited, a company in which Mr A Clayton was a director, having been appointed on 29th January 2020.

16 Events after the end of the reporting period

Since the year end the Company made a further investment in Fresho Pty Limited ("Fresho") by way of a subscription for 2,000,000 new shares for total consideration of A$1,150,000 (approximately £637,000), thereby increasing its holding to approximately 5% on a fully diluted basis. The Company now holds, in aggregate, 3,415,723 shares in the issued share capital of Fresho.

Since the year end the Company made a US$2,500,000 investment in Mustang Energy PLC by way of a subscription of 50 convertible loan notes of US$50,000 each.

Following the year end the company granted 3 million share options to each of the directors and the company secretary, a total of 12 million share options. See note 13 above for more detailed information.

17 Ultimate Controlling Party

It is considered that there is no ultimate controlling party of the Company.

18 Prior year restatement

During the year, the prior year accounting treatment of the investments held, which were classified as available for sale investments, has been revisited. The investments should be treated as financial assets at fair value through profit or loss in accordance with IFRS 9.

The impact of the prior year restatement in respect of the classification of the investments held are as follows:

	2019 As presented £000	**Restatement £000**	**2019 As restated £000**
Available for Sale Investments	4,805	(4,805)	-
Financial investments	-	4,805	4,805