

REGISTERED NUMBER: 00255647 (England and Wales)

**STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2018
FOR
BWA GROUP PLC**

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BWA GROUP PLC

**COMPANY INFORMATION
FOR THE YEAR ENDED 30 APRIL 2018**

DIRECTORS:

R G Battersby
J M V Butterfield
M A Borrelli

SECRETARY:

J M V Butterfield

REGISTERED OFFICE:

50 Broadway
Westminster
London
SW1H 0BL

REGISTERED NUMBER:

00255647 (England and Wales)

AUDITORS:

Welbeck Associates
Statutory Auditors
30 Percy Street
London
W1T 2DB

SOLICITORS:

Bircham Dyson Bell
50 Broadway
Westminster
London
SW1H 0BL

CORPORATE ADVISORS:

Peterhouse Corporate Finance Limited
New Liverpool House
15 Eldon Street
London
EC2M 7LD

The directors present their strategic report for the year ended 30 April 2018.

REVIEW OF BUSINESS

As you are aware, the objective of the Company is to find a suitable candidate for a reverse take-over and, in the meantime, to invest in smaller opportunities that may arise. As shareholders will also be aware, finding suitable candidates is a time-consuming process but the Board continues to try hard to bring a transaction to fruition.

Your Directors have continued to nurture the two early stage investments in which the Company already has a direct interest, namely Prepaid Global Services Limited (formerly Prego International Limited) and Mineralfields Group Limited. Both investments are held as Available-For-Sale as it is the intention to realise their value as soon as practicable.

Mineralfields Group Limited is the holding company of a small group which has been attempting to obtain mining licences in Cameroon. Progress has been hampered by the company not being listed so during the year BWA decided, in agreement with Mineralfields Group, to make its own application for 5 licences each of 500 sq.km. through a wholly-owned subsidiary in Cameroon, BWA Resources Cameroon Limited. This is the maximum area for which any one company can apply. In the last twelve months there have been two visits to Cameroon to meet the Minister of Mines and his senior staff to seek to expedite the issue of the licences for which we have applied. The British High Commissioner in Cameroon is following the applications on our behalf. In the event our application is successful BWA will negotiate an operating agreement with Mineralfields Group. The Company's holding in Mineralfields has been valued at 0.1p per share which is the price at which shares were issued in the most recent funding round and which accounts for the value attributed to them in these accounts of £293,261. To finance the activities of both Mineralfields Group and BWA Resources Cameroon Limited, in February 2018, BWA Group plc issued £220,000 nominal of convertible loan notes (of which £150,000 was issued for cash). The convertible loan notes are convertible on 31 December 2019 for BWA Group plc shares at a price of 0.5p per share. The whole of the company's investment in Cameroon, including loans made to Mineralfields and BWA Resources (UK) Limited is carried in the balance sheet at £453,963.

Prepaid Global Services Limited is a programme manager for the issuance of Prepaid Master- and Visa-Cards, targeted at migrant workers in the Far East and Europe, with an initial concentration in the case of Europe on Norway and the Scandinavian countries. Prepaid's development has been considerably slower than we originally hoped but and we are working to produce an acceptable result for our shareholders. Prepaid's intention remains to list its shares on a European stock exchange at the earliest opportunity, possibly by means of a takeover. The Company's investment in Prepaid is valued at £314,364 which is the price at which BWA last sold a small part of its holding.

The Board is hopeful that these two investments will yield a return over the medium term having obtained the additional finance they require, obtained market listings or been the subject of trade sales. In the meantime, your Directors will continue their search for suitable opportunities in the Mining and FinTech fields or other transactions which will transform the Company's activities.

KEY PERFORMANCE INDICATOR

The key performance indicator of the company is the valuation of its investment portfolio. At 30 April 2018 the value of the company's portfolio was £610,046 (2017: £618,271).

RISK REVIEW

The risks inherent in the company's investment activities are kept under constant review by the Board. The following risks have been identified as capable of affecting the value of the company's investments:

- o Investment risk is the risk of investing cash and resources on projects which may not provide a return. The company addresses this risk by using its skills and experience as well as the knowledge of local management to invest in established ventures which contain profitable assets and/or the most promising development potential.
- o The main type of financial risk faced by the company is liquidity risk. Liquidity risk is the risk of insufficient working and investment capital. The company's aim is to finance its investment activities from cash flow but in the early stages the business will seek to raise additional funding if required.

INTERNAL FINANCIAL CONTROL AND RISK MANAGEMENT

The directors are responsible for the company's system of internal financial control and also for identifying the major business risks faced by the company. The system of internal financial control is designed to provide reasonable, but not absolute, assurance against material misstatement or loss. In fulfilling these responsibilities, the Board has reviewed the effectiveness of the system of internal financial control. The directors have established procedures for planning, budgeting and for monitoring, on a regular basis, the performance of the company and for determining the appropriate course of action to manage any major business risks. The Board has considered the need for an internal audit function but has decided the size of the company does not justify it at present. However it will keep the decision under annual review.

FINANCIAL RISK MANAGEMENT

Information relating to the company's financial risk management is set out on page 19 of the financial statements.

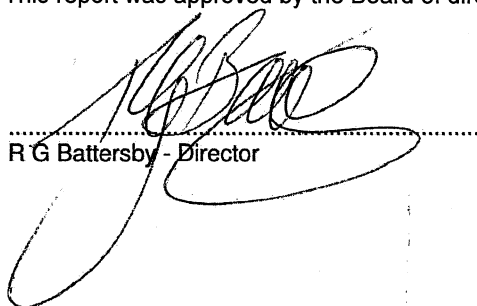
FUTURE DEVELOPMENTS

The directors will use their experience to identify appropriate targets, carry out due diligence and negotiate acquisitions and investments. When appropriate, the directors may consider further fundraising to provide additional resources for the company ahead of such an acquisition or investment.

EVENTS SINCE THE BALANCE SHEET DATE

There were no post balance sheet events.

This report was approved by the Board of directors on 28 September 2018 and signed on its behalf by:



.....
R G Battersby - Director

BWA GROUP PLC

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 30 APRIL 2018

The directors present their report with the financial statements of the company for the year ended 30 April 2018.

DIVIDENDS

No dividends will be distributed for the year ended 30 April 2018 (2017: none).

DIRECTORS

The directors shown below have held office during the whole of the period from 1 May 2017 to the date of this report.

R G Battersby
J M V Butterfield
M A Borrelli

The beneficial interests of the directors holding office on 30 April 2018 in the issued share capital of the company were as follows:

	30 April 2018	30 April 2017
Ordinary 0.5p shares		
R G Battersby	16,760,822	16,510,822
J M V Butterfield	18,666,271	17,742,737
M A Borrelli	2,378,970	1,475,636

Details of options held by the Directors are set out in note 18.

SUBSTANTIAL SHAREHOLDINGS

Other than the interests of the directors disclosed above and save as disclosed below, the directors are not aware of any other individual interest or group of interests held by persons acting together which, at the date of this report, exceeds 3% of the company's issued share capital.

	Number	%
Ordinary 0.5p shares		
Early Equity Plc	12,025,850	9.98%
Fiske Nominees Limited	8,375,000	6.95%
Agneash Soft Commodities Plc	7,500,000	6.22%
David Cass	5,070,726	4.21%
John Byfield	5,000,000	4.15%
New Resource Management Services Limited	5,000,000	4.15%
HSBC Global Nominees (UK) Limited	4,360,826	3.62%
Dwight Mighty	4,290,700	3.56%

CORPORATE GOVERNANCE

The company is listed on the NEX Exchange Growth Market and is therefore not required to comply with the provisions of the Combined Code. It is intended to establish governance procedures and policies that the Board consider appropriate to the nature and size of the company as the company's projects develop.

FAIR VALUE ESTIMATION

The directors consider that the carrying amount of the company's financial assets and liabilities approximate to their realisable value at each balance sheet date and that such value equates to their fair value.

GOING CONCERN

On the basis of current financial projections and facilities available to the company and after making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in business for the foreseeable future. To date, the company has benefited from capital injections from its shareholders. Going forwards the directors fully expect the company's operations to be financed from the profitable realisation of investments and projected revenue streams. For this reason they have adopted the going concern basis in preparing the financial statements.

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30 APRIL 2018**

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Report of the Directors 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 in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and 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 accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.
- state whether applicable UK Accounting Standards have been followed subject to any material departures disclosed and explained in the financial statements.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are 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.

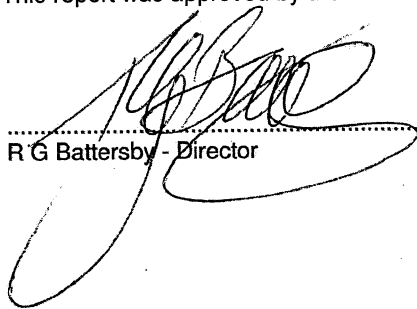
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

Welbeck Associates have expressed their willingness to remain in office as auditors of the company.

This report was approved by the Board of directors on 28 September 2018 and signed on its behalf by:



.....
R G Battersby - Director

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF BWA GROUP PLC

Opinion

We have audited the financial statements of BWA Group plc (the 'company') for the year ended 30 April 2018 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 April 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Emphasis of matter - Valuation of investments

We draw your attention to note 3 of the financial statements, which describes the uncertainties regarding the valuation of unquoted investments. Our opinion is not modified in respect of this matter.

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, 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.

Opinion 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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors 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 Report of the Directors.

We have nothing to report in respect of the following matters where 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.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF BWA GROUP PLC

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page five, 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 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.

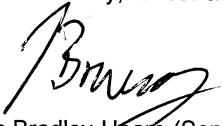
Auditors' responsibilities for the audit of the financial statements

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 a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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 a Report of the Auditors 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.



Jonathan Bradley-Hoare (Senior Statutory Auditor)
for and on behalf of Welbeck Associates
Statutory Auditors
30 Percy Street
London
W1T 2DB

Date: 28/9/18

BWA GROUP PLC**INCOME STATEMENT
FOR THE YEAR ENDED 30 APRIL 2018**

	Notes	2018 £	2017 £
TURNOVER		-	-
Administrative expenses		<u>62,232</u>	<u>31,322</u>
		(62,232)	(31,322)
Other operating income		<u>891</u>	<u>12,000</u>
OPERATING LOSS	5	(61,341)	(19,322)
Interest receivable and similar income		<u>10</u>	<u>16</u>
		(61,331)	(19,306)
Interest payable and similar expenses	7	<u>(7,510)</u>	-
LOSS BEFORE TAXATION		(68,841)	(19,306)
Tax on loss	8	-	-
LOSS FOR THE FINANCIAL YEAR		<u>(68,841)</u>	<u>(19,306)</u>
Earnings per share expressed in pence per share:	9		
Basic		-0.06	-0.02
Diluted		<u>-0.06</u>	<u>-0.02</u>

The notes form part of these financial statements

BWA GROUP PLC**OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 APRIL 2018**

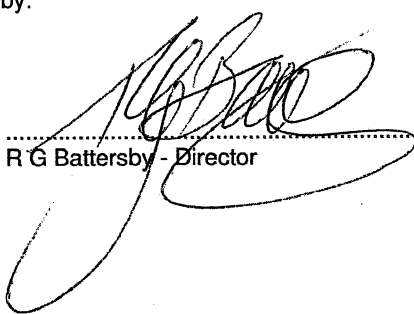
	Notes	2018 £	2017 £
LOSS FOR THE YEAR		(68,841)	(19,306)
OTHER COMPREHENSIVE INCOME			
Unrealised gain/(loss) on revaluation of investments		(8,226)	(206)
Income tax relating to other comprehensive income		<u>-</u>	<u>-</u>
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX		<u>(8,226)</u>	<u>(206)</u>
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		<u>(77,067)</u>	<u>(19,512)</u>

The notes form part of these financial statements

BALANCE SHEET
30 APRIL 2018

	Notes	2018 £	2017 £
FIXED ASSETS			
Available-for-sale investments	10	610,046	618,271
CURRENT ASSETS			
Debtors	11	160,701	15,774
Cash at bank		<u>76,345</u>	<u>16,980</u>
		237,046	32,754
CREDITORS			
Amounts falling due within one year	12	<u>(82,742)</u>	<u>(80,611)</u>
NET CURRENT ASSETS/(LIABILITIES)		<u>154,304</u>	<u>(47,857)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>764,350</u>	<u>570,414</u>
CAPITAL AND RESERVES			
Called up share capital	14	602,659	560,788
Share premium	15	12,663	12,663
A-F-S revaluation reserve	15	609,655	617,881
Capital redemption reserve	15	288,625	288,625
Equity reserves	15	225,364	-
Retained earnings	15	<u>(974,616)</u>	<u>(909,543)</u>
SHAREHOLDERS' FUNDS		<u>764,350</u>	<u>570,414</u>

The financial statements were approved by the Board of Directors on 28 September 2018 and were signed on its behalf by:



.....
R G Battersby - Director

BWA GROUP PLC

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 APRIL 2018**

	Called up share capital £	Retained earnings £	Share premium £
Balance at 1 May 2016	560,788	(899,617)	12,663
Changes in equity			
Total comprehensive loss	-	(19,306)	-
Share-based payments	<u>-</u>	<u>9,380</u>	<u>-</u>
Balance at 30 April 2017	<u>560,788</u>	<u>(909,543)</u>	<u>12,663</u>
Changes in equity			
Issue of share capital	41,871	-	-
Total comprehensive loss	-	(68,841)	-
Share-based payments	<u>-</u>	<u>3,768</u>	<u>-</u>
Balance at 30 April 2018	<u>602,659</u>	<u>(974,616)</u>	<u>12,663</u>

	A-F-S revaluation reserve £	Capital redemption reserve £	Equity reserves £	Total equity £
Balance at 1 May 2016	618,087	288,625	-	580,546
Changes in equity				
Total comprehensive loss	(206)	-	-	(19,512)
Share-based payments	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,380</u>
Balance at 30 April 2017	<u>617,881</u>	<u>288,625</u>	<u>-</u>	<u>570,414</u>
Changes in equity				
Issue of share capital	-	-	-	41,871
Total comprehensive loss	(8,226)	-	-	(77,067)
Share-based payments	-	-	-	3,768
Convertible loan notes issued	-	-	220,000	220,000
Convertible loan note interest	<u>-</u>	<u>-</u>	<u>5,364</u>	<u>5,364</u>
Balance at 30 April 2018	<u>609,655</u>	<u>288,625</u>	<u>225,364</u>	<u>764,350</u>

The notes form part of these financial statements

BWA GROUP PLC

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 APRIL 2018**

	Notes	2018 £	2017 £
Cash flows from operating activities			
Cash generated from operations	1	(43,212)	(43,292)
Interest paid		<u>(5,364)</u>	<u>-</u>
Net cash from operating activities		<u>(48,576)</u>	<u>(43,292)</u>
Cash flows from investing activities			
Purchase of fixed asset investments		(1)	-
Sale of fixed asset investments		-	12,500
Loans to group undertakings		(42,068)	-
Interest received		<u>10</u>	<u>16</u>
Net cash from investing activities		<u>(42,059)</u>	<u>12,516</u>
Cash flows from financing activities			
New loans in year		150,000	-
Amount withdrawn by directors		<u>-</u>	<u>(601)</u>
Net cash from financing activities		<u>150,000</u>	<u>(601)</u>
Increase/(decrease) in cash and cash equivalents		<u>59,365</u>	<u>(31,377)</u>
Cash and cash equivalents at beginning of year	2	<u>16,980</u>	<u>48,357</u>
Cash and cash equivalents at end of year	2	<u><u>76,345</u></u>	<u><u>16,980</u></u>

The notes form part of these financial statements

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 APRIL 2018**
1. RECONCILIATION OF LOSS BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2018	2017
	£	£
Loss before taxation	(68,841)	(19,306)
Share-based payment	3,768	9,380
Finance costs	7,510	-
Finance income	<u>(10)</u>	<u>(16)</u>
	(57,573)	(9,942)
Decrease/(increase) in trade and other debtors	16,912	(8,149)
Decrease in trade and other creditors	<u>(2,551)</u>	<u>(25,201)</u>
Cash generated from operations	<u>(43,212)</u>	<u>(43,292)</u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 30 April 2018

	30 April 2018	1 May 2017
	£	£
Cash and cash equivalents	<u>76,345</u>	<u>16,980</u>

Year ended 30 April 2017

	30 April 2017	1 May 2016
	£	£
Cash and cash equivalents	<u>16,980</u>	<u>48,357</u>

1. GENERAL INFORMATION

The principal activity of BWA Group Plc ('BWA') is that of an investment vehicle set up principally to acquire one or more businesses and to make investments.

BWA is a public company limited by shares and is incorporated in England and Wales. The company's shares are quoted on the NEX Exchange Growth Market. The address of its registered office is 50 Broadway, Westminster, London SW1H 0BL.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with UK Accounting Standards, including Financial Reporting Standard 102 - The Financial Reporting Standard applicable in the UK and Republic of Ireland" (FRS 102) and the requirements of the Companies Act 2006.

3. ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared under the historical cost convention as modified by the recognition of certain fixed assets measured at fair value. The principal accounting policies are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

The financial statements are prepared in pounds sterling because that is the currency of the primary economic environment in which the company operates. Monetary amounts in these financial statements are rounded to the nearest £.

Going concern

These financial statements have been prepared on the going concern basis which assumes that the company will continue in operational existence for the foreseeable future.

Investments of £610,046 are stated in the balance sheet at their fair value at 30 April 2018. This includes £314,365 in respect of Prepaid Global Services Limited ("Prepaid") (formerly Prego International Limited) and £293,260 in respect of Mineralfields Group Limited ('MFG') which are unlisted investments. The valuation of unlisted investments requires management to make judgements, estimates and assumptions that are believed to be reasonable under the circumstances but which affect the reported fair value of those investments.

The recoverability of the investments in Prepaid and MFG is dependent on the future profitability of the underlying businesses. The directors have reviewed the current position and after taking into account a number of factors believe that the valuations at 30 April 2018 remain appropriate.

The directors are confident that they can generate sufficient funds through the profitable realisation of investments and projected revenue streams to finance the company's future operations.

The directors are committed to providing continued financial support to the company in order to ensure third party liabilities can be settled as and when they fall due and have taken steps to keep on-going administration costs to a minimum. In addition they have agreed not to draw remuneration until the company is generating revenues, and the directors of both the company and of Bath Group Limited have agreed that amounts owed to them will not be called until all other third party liabilities have been satisfactorily settled.

On this basis the directors have a reasonable expectation that the company will have adequate resources to continue in business for the foreseeable future and are of the opinion that it is appropriate for the accounts to be prepared on the going concern basis.

Preparation of consolidated financial statements

The financial statements contain information about BWA Group plc as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 399(2A) of the Companies Act 2006 from the requirements to prepare consolidated financial statements.

3. ACCOUNTING POLICIES - continued

Significant judgements and estimates

The preparation of the financial statements requires the directors to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form a basis for making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on a regular basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of revision and future periods if the revision affects both current and future periods.

The directors consider that the most significant areas of accounting estimates and judgements are as follows:

- o The valuation of unlisted investments; The techniques used to determine the fair value of the unlisted investments are significantly affected by certain key assumptions, such as market liquidity and the investees ability to achieve certain milestones. It is important to recognize that in that regard, the derived fair value estimates cannot always be substantiated by comparison with independent markets and, in many cases, may not be capable of being realised immediately.
- o The likelihood that deferred tax assets can be realised;
- o Share-based payments; In determining the fair value of options granted and the related charge to the profit and loss account, the company makes assumptions about future events and market conditions. In particular, judgement must be made as to the volatility of the company's share price. Different assumptions about these factors to those made by the company could materially affect the reported value of share-based payments;
- o Exceptional items; considering the nature of the item of income or expenditure, whether it would reasonably be considered to be outside of the normal business operations of the company and whether it was of a non-recurring nature;
- o Provision for impairment in the value of assets.

Investments in subsidiaries

Investments in subsidiary undertakings are held as available-for-sale investments.

Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

3. ACCOUNTING POLICIES - continued

Share-based payments

The company provides share-based payment arrangements to the directors.

Equity-settled arrangements are measured at fair value of the equity instruments (excluding the effect on non-market based vesting conditions) at the date of the grant. The fair value is expensed on a straight-line basis over the vesting period. The amount recognised as an expense is adjusted to reflect the actual number of shares or options that will vest.

Where equity-settled arrangements are modified, and are of benefit to the employee, the incremental fair value is recognised over the period from the date of modification to date of vesting. Where a modification is not beneficial to the employee there is no change to the charge for share-based payment. Settlements and cancellations are treated as an acceleration of vesting and the unvested amount is recognised immediately in the income statement.

The company has no cash-settled arrangements.

3. ACCOUNTING POLICIES - continued

Financial Instruments

The company has chosen to apply the recognition and measurement provisions of IAS 39 'Financial Instruments: Recognition and Measurement' in place of those in Sections 11 and 12 of FRS 102. The presentation and disclosure requirements of FRS 102 apply.

The following policies for financial instruments have been applied in the preparation of the company's financial statements. Financial assets and financial liabilities are recognised on the company's balance sheet when the company becomes a party to the contractual provisions of the instrument.

Available-for-sale investments

Investments are stated at their fair value at the balance sheet date.

Realised gains or losses on the disposal of investments and permanent impairments in the value of investments are recognised in the profit and loss account. Unrealised gains and losses on the revaluation of investments are recognised in other comprehensive income.

Unrealised gains and losses that have been recognised in other comprehensive income are taken to the available-for-sale (fair value) reserve - unrealised. Gains and losses are transferred from the available-for-sale reserve to the profit and loss account when they are realised.

When a decline in the fair value of an available-for-sale financial asset has been recognised through other comprehensive income and there is objective evidence that the asset is impaired, the cumulative loss that had been recognised directly in other comprehensive income is removed and recognised in the profit and loss account even though the financial asset has not been derecognised.

Investments which are listed on a stock market such as AIM or similar markets are valued at their closing mid-price.

Where listed investments are subject to restrictions on sale or the marketability of the holding is limited then a discount to the listed market price may be applied.

Valuation methods used for unlisted shares are at fair value in accordance with the International Private Equity and Venture Capital Valuation Guidelines. In estimating fair value a valuation methodology is applied that is appropriate in light of the nature, facts and circumstances of the investment and its materiality in the context of the total investment portfolio. The methodologies used include:

- Price of recent investment
- Earnings multiple
- Net assets
- Discounted cash flows or earnings of the underlying business
- Discounted cash flows from the investment
- Industry valuation benchmarks

For investments in start-up or early-stage businesses, the "Price of Recent Investment" methodology is the most appropriate for a limited period following the date of investment. Thereafter the fair value is measured using the most appropriate methodology. If fair value cannot be reliably measured then the investment is measured at cost less impairment.

Loans and receivables

Trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents.

3. ACCOUNTING POLICIES - continued

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit and loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit and loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Financial liabilities

Financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised costs using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

Financial and equity liability

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs.

Equity

Equity comprises the following:

'Share capital' represents the nominal value of equity shares.

'Capital redemption reserve' represents amounts transferred from issued share capital on a purchase or redemption of own shares.

'Available-for-sale revaluation reserve' represents increases and decreases in the market value of available-for-sale investments held at the year end.

'Profit and loss reserve' represents retained earnings.

3. ACCOUNTING POLICIES – continued

Borrowings

Interest-bearing loans and overdrafts are recorded at the proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption, are accounted for on an accrual basis and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise and recognised in profit and loss over the term of the borrowing using the effective interest rate method.

Financial risk management

The directors review and agree policies for managing the risks arising from the company's financial instruments and these are summarised below.

Short term receivables and payables have been excluded from the following disclosures.

Liquidity risk

The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably.

Credit risk

The company is exposed to credit risk in respect of amounts owed in respect of shares sold to other parties. The directors mitigate this risk by only offering credit to companies and individuals known to them and that have the resources to repay the balance if necessary.

The directors are responsible for managing and analysing the credit risk for each new transaction before terms of business are offered. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board. The utilisation of credit limits is regularly monitored.

For cash and cash equivalents, the company uses only recognised banks with high credit ratings. For trade and trade receivables, the directors consider that the credit risk is minimal and the total is spread across many transactions.

Market risk

The company is exposed to market risk in respect of its listed investments

Borrowing facilities and interest rate risk

The company had borrowings in the form of convertible loan notes at 30 April 2018 (2017 - no borrowings). The notes carry a fixed rate of interest and therefore the company does not consider itself to be subject to significant interest rate risk.

Capital risk management

The Board's principal objective when managing the capital of the company is to safeguard its ability to continue as a going concern, with the intention of providing future returns for shareholders.

The Board manages the capital structure of the company by making changes based on the economic conditions and the future outlook. Total equity, as defined on the consolidated balance sheet, is used as a key indicator of capital used in the business.

Exceptional items

The company classifies certain one-off charges or credits that have a material impact on the company's financial results as 'exceptional items'. These are disclosed separately to provide further understanding of the financial performance of the company.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2018

4. EMPLOYEES AND DIRECTORS

Remuneration in respect of the directors during the period was as follows:

	2018	2017
	£	£
Share-based payments (note 18)	<u>3,768</u>	<u>9,380</u>

There were no other directors' emoluments, staff costs, social security or other pension costs for the year ended 30 April 2018 nor for the year ended 30 April 2017.

There were no employees during the year other than the three directors (2017: three directors). The directors are the key management personnel.

Share options

During the year ended 30 April 2015, share options were awarded to directors under the terms of an Unapproved Share Option Plan. Details of the award are set out in note 18.

5. OPERATING LOSS

The operating loss is stated after charging:

	2018	2017
	£	£
Auditors' remuneration - audit work	8,500	7,000
Share-based payment (note 18)	<u>3,768</u>	<u>9,380</u>

6. EXCEPTIONAL ITEMS

	2018	2017
	£	£
Exceptional item - supplier balances written off	<u>-</u>	<u>32,157</u>

7. INTEREST PAYABLE AND SIMILAR EXPENSES

	2018	2017
	£	£
Loan note interest	<u>7,510</u>	<u>-</u>

8. TAXATION**Analysis of the tax charge**

No liability to UK corporation tax arose for the year ended 30 April 2018 nor for the year ended 30 April 2017.

8. TAXATION - continued

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2018 £	2017 £
Loss before tax	<u>(68,841)</u>	<u>(19,306)</u>
Loss multiplied by the standard rate of corporation tax in the UK of 19% (2017 - 19.917%)	(13,080)	(3,845)
Effects of:		
Expenses not deductible for tax purposes	716	1,868
Losses to relieve in future periods	<u>12,364</u>	<u>1,977</u>
Total tax charge	<u>-</u>	<u>-</u>

No deferred tax asset has been recognised in the financial statements in respect of trading losses carried forward of £3,760,115 due to the uncertainty as to whether future taxable profits will arise against which the losses can be relieved.

The unrealised net gain on the valuation of available-for-sale investments of £558,789 has been offset against capital losses carried forward of £8,031,506. No deferred tax asset has been recognised in respect of the remaining losses due to the uncertainty as to whether future taxable profits will arise against which the losses can be relieved.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2018

9. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share is calculated using the weighted average number of shares adjusted to assume the conversion of all dilutive potential ordinary shares. The company has potential ordinary shares in the form of share options and convertible loan notes. The potential ordinary shares are anti-dilutive for the years ended 30 April 2018 and 30 April 2017.

Reconciliations are set out below.

	Earnings £	2018 Weighted average number of shares	Per-share amount pence
Basic EPS			
Earnings attributable to ordinary shareholders	(68,841)	115,186,170	-0.06
Effect of dilutive securities	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Diluted EPS			
Adjusted earnings	<u>(68,841)</u>	<u>115,186,170</u>	<u>-0.06</u>

	Earnings £	2017 Weighted average number of shares	Per-share amount pence
Basic EPS			
Earnings attributable to ordinary shareholders	(19,306)	112,157,725	-0.02
Effect of dilutive securities	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Diluted EPS			
Adjusted earnings	<u>(19,306)</u>	<u>112,157,725</u>	<u>-0.02</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2018

10. AVAILABLE-FOR-SALE INVESTMENTS

At valuation	At fair value £	Totals £
<u>Year ended 30 April 2017</u>		
At 1 May 2016	678,344	678,344
Additions	-	-
Fair value movement	(206)	(206)
Disposals	-	-
At 30 April 2017	678,138	678,138
<u>Year ended 30 April 2018</u>		
At 1 May 2017	678,138	678,138
Additions	1	1
Fair value movement	(8,226)	(8,226)
Disposals	-	-
At 30 April 2018	669,913	669,913
Provision for Impairment		
<u>Year ended 30 April 2017</u>		
At 1 May 2016	59,867	59,867
Impairment in year	-	-
Disposals	-	-
At 30 April 2017	59,867	59,867
Carrying amount at 30 April 2017	618,271	618,271
<u>Year ended 30 April 2018</u>		
At 1 May 2017	59,867	59,867
Impairment in year	-	-
Disposals	-	-
At 30 April 2018	59,867	59,867
Carrying amount at 30 April 2018	610,046	610,046

Available-for-sale investments include both listed and unlisted investments. The fair value of the investments has been determined by the Directors as follows:

Basis of valuation	Carrying amount £
Price at which company last sold a small part of its holding	314,365
Price at which shares were last issued in most recent funding round by the investee company	293,260
Expected discounted cash flows from the investment	1,000
Quoted market price in an active market	1,420
Price of recent investment	1
	<u>610,046</u>

The investment stated at 'Price of recent investment' relates to BWA Resources (UK) Limited, a wholly owned subsidiary which was incorporated during the year. Given the early stage of this investment the directors consider the 'Price of recent investment' methodology (being the issued share capital) to be the most appropriate. BWA Resources (UK) Limited was incorporated in England & Wales on 6 February 2018. BWA Group Plc owns 100% of the Ordinary shares. The first financial statements of this company are not yet available. BWA Resources (UK) Limited owns 100% of the issued share capital of BWA Resources Cameroon Limited, a company incorporated in Cameroon on 26 March 2018.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2018

The following information relates to investments whose carrying amount exceeds one-fifth of the company's assets at the end of the financial year:

Name	Place of incorporation	Holding	Proportion of voting rights and shares held	Carrying amount £
Prepaid Global Services Ltd	Guernsey	Ordinary shares	1.1%	314,365
Mineralfields Group Limited	England & Wales	Ordinary shares	12.2%	293,260

Prepaid Global Services Limited was formerly known as Prego International Limited.

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2017 £
Amounts owed by group undertakings	42,068	-
Other debtors	118,633	8,049
Prepayments	-	7,725
	<u>160,701</u>	<u>15,774</u>

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2017 £
Trade creditors	14,748	24,486
Other creditors	28,439	26,789
Directors' loan accounts	26,943	19,387
Accrued expenses	12,612	9,949
	<u>82,742</u>	<u>80,611</u>

13. FINANCIAL INSTRUMENTS

The company's financial instruments were categorised as follows:

	2018 £	2017 £
Financial assets measured at fair value:		
- Available-for-sale investments	<u>610,046</u>	<u>618,271</u>
Financial assets that are debt instruments measured at amortised cost:		
- Amounts owed by group undertakings	42,068	-
- Other debtors	118,633	8,049
	<u>160,701</u>	<u>8,049</u>
Financial liabilities measured at amortised cost:		
- Trade creditors	14,748	24,486
- Other creditors	28,439	26,789
- Directors' loans	26,943	19,387
- Accrued expenses	12,612	9,949
	<u>82,742</u>	<u>80,611</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2018

14. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value: 0.5p	2018 £	2017 £
120,531,833	Ordinary		<u>602,659</u>	<u>560,788</u>

During the year, 8,374,108 ordinary shares of 0.5p each were issued at par value to settle certain outstanding obligations of Mineralfields Group Limited.

15. RESERVES

	Retained earnings £	Share premium £	A-F-S revaluation reserve £
At 1 May 2017	(909,543)	12,663	617,881
Deficit for the year	(68,841)		
Revaluation of investments	-	-	(8,226)
Share-based payments	<u>3,768</u>	<u>-</u>	<u>-</u>
At 30 April 2018	<u>(974,616)</u>	<u>12,663</u>	<u>609,655</u>
	Capital redemption reserve £	Equity reserves £	Totals £
At 1 May 2017	288,625	-	9,626
Deficit for the year			(68,841)
Revaluation of investments	-	-	(8,226)
Share-based payments	-	-	3,768
Convertible loan notes issued	-	220,000	220,000
Convertible loan note interest	<u>-</u>	<u>5,364</u>	<u>5,364</u>
At 30 April 2018	<u>288,625</u>	<u>225,364</u>	<u>161,691</u>

Equity reserves comprise 14% Convertible Unsecured Loan Notes which were issued during the year (see note 19).

16. RELATED PARTY DISCLOSURES

Bath Group Limited is a company in which Richard Battersby has a material interest as a director and shareholder. During the year, Bath Group Limited provided an interest free loan to the Company. At 30 April 2018 the balance due from the Company, included within other creditors falling due within one year was £28,439 (2017 - £26,789). No security has been given by the Company in respect of this loan. The Company has also awarded Bath Group Limited share options for the services of Richard Battersby as a director of the Company. Details of the award are provided in Note 18.

During the year, the Company also issued £120,000 of loan notes to Bath Group Limited. Of this total, £50,000 of loan notes were issued for cash, and £70,000 were issued to settle amounts due to Bath Group Limited from Mineralfields Group Limited.

James Butterfield and Alex Borrelli were directors of Prepaid Global Services Limited (formerly Prego International Limited) during the year. The Company holds an investment in Prepaid Global Services Limited in the form of unlisted shares valued by the directors at £314,365 as at 30 April 2018 (2017 - £314,365).

James Butterfield, Richard Battersby and Alex Borrelli were also directors of Mineralfields Group Limited ("Mineralfields") during the year (Richard Battersby resigned as a director on 6 August 2017). The Company holds an investment in Mineralfields in the form of unlisted shares valued by the directors at £293,260 as at 30 April 2018 (2017 - £293,260). This investment was acquired at a cost of £256.

On 20 December 2017, the Company issued 8,374,108 ordinary shares of 0.5p each at par value to settle certain outstanding obligations of Mineralfields. Of these ordinary shares, 923,534 have been allotted to James Butterfield and 903,334 have been allotted to Alex Borrelli in settlement of sums owed to them by Mineralfields. As a result of this transaction, and the £70,000 of loan notes issued to Bath Group Limited as detailed above, there was a balance of £118,633 owed by Mineralfields to the Company as at 30 April 2018. This balance is unsecured, interest free and has no fixed date for repayment.

James Butterfield and Alex Borrelli each provided interest free loans to the Company during the year. At 30 April 2018 the balances due from the Company, included within other creditors falling due within one year were £11,836 (2017 - £7,717) due to James Butterfield and £15,107 (2017 - £11,670) due to Alex Borrelli. The loans are repayable on demand.

BWA Resources (UK) Limited is a wholly owned subsidiary of the Company. During the year, the Company provided a loan to BWA Resources (UK) Limited. At 30 April 2018, the balance due to the Company was £42,068 (2017 - £nil). This loan is unsecured, interest free and has no fixed date for repayment.

17. ULTIMATE CONTROLLING PARTY

Significant shareholders are disclosed in the director's report. There is no overall controlling party.

18. SHARE-BASED PAYMENT TRANSACTIONS

Share options

Share options have been awarded at nil cost for services provided by the directors under the terms of an Unapproved Share Option Plan as follows:

Recipient	Date of grant	At 01/05/17 No.	Options granted No.	At 30/04/18 No.
J M V Butterfield	11/02/15	5,871,262	-	5,871,262
M A Borrelli	11/02/15	5,871,262	-	5,871,262
Bath Group Limited	11/02/15	<u>5,871,262</u>	<u>-</u>	<u>5,871,262</u>
		<u>17,613,786</u>	<u>-</u>	<u>17,613,786</u>

The options are exercisable at a price of 0.65p per share and vest as to one third on the first anniversary of grant, one third on the second anniversary of grant and the remaining third on the third anniversary of grant. The options will lapse if not exercised by the fifth anniversary of the date of grant.

The company has no legal or constructive obligation to repurchase or settle the options in cash.

The company is unable to directly measure the fair value of directors' services received. Instead the fair value of the share options granted during the year is determined using the Black-Scholes model. The model is internationally recognised as being appropriate to value employee share schemes similar to the Unapproved Share Option Plan.

The total profit and loss account charge for the year recognised in respect of share options granted to directors was £3,768 (2017: £9,380). As at 30 April 2018, none of the options granted on 11 February 2015 had been exercised. This amount will be equity-settled.

19. CONVERTIBLE LOAN NOTES

The company issued 14% Convertible Unsecured Loan Notes during the year. The loan notes will be settled in cash only in the event of a sale of the entire issued share capital of the company. If no such sale occurs by 31 December 2019, the notes will be automatically converted into ordinary shares of 0.5p each on the basis of one ordinary share for each loan note (the notes were issued in denominations of 0.5p each).

Interest will be paid at an annual rate of 14% per annum on the principal amount, with 4% being paid in cash and the remaining 10% being rolled up and convertible along with the principal amount. Interest is payable half yearly in arrears on 30 June and 31 December.

The entire principal amount has been classified as equity on the basis that it will only be settled in cash following a sale of the entire issued share capital of the company, the occurrence of which is highly uncertain. The rolled up element of the interest is credited to equity on an accruals basis.

A summary of the transactions relating to loan notes included in the financial statements is as follows:

Loan Note Principal

	£
Loan notes issued for cash	150,000
Loan notes issued to settle liabilities of Mineralfields Group Limited	<u>70,000</u>
Total loan note proceeds credited to equity reserve	<u><u>220,000</u></u>

The balance of £70,000 relating to the issue of loan notes to settle certain liabilities in Mineralfields Group Limited is included within other debtors as a loan due from Mineralfields.

Loan Note Interest

	£
Loan note interest charged to the profit and loss account on accruals basis	<u>7,510</u>
Allocated in balance sheet as follows:	
Cash element included within creditors falling due within one year	2,146
Rolled up element credited to equity reserve	<u>5,364</u>
	<u><u>7,510</u></u>

20. POST BALANCE SHEET EVENTS

There were no post balance sheet events.