RNS Number : 7450D
ADM Energy PLC
28 June 2019

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ADM Energy plc

("ADM Energy", the "Group" or "Company")

Full Year Results

Publication of Annual Report and Notice of AGM

ADM Energy plc (AIM: ADME), an oil and gas investing company quoted on AIM, announces its audited full year results for the year ended 31 December 2018.

Highlights

- Revenue increased 82% to £3.1m (2017: £1.7m)
- Loss after tax reduced to £849,000 (2017: £3,435,000 loss)
- Aje Field asset, in which ADM Energy holds 5% equity investment, continued to perform well:
    - Oil is being produced at a stable rate from two wells in the Aje Field (Aje-4 and Aje-5), part of OML 113, in which the Company has an investment.
    - Two wells achieved a total produced volume of approximately 1,200,000 barrels of oil in 2018.
    - Combined production from the two wells (as of April 2019) approximately 3,100 bopd (155 bopd net to ADM Energy).
    - Significant increase in reserves outlined by the Competent Person's Report ("CPR") completed in 2018 and updated in April 2019.
    - Renewal of the OML 113 licence for another 20 years approved by the Minister of Petroleum Resources.
    - Field Development Plan for the Turonian Aje gas project ("FDP") approved by the Nigerian Government.
    - Plan for the next phase of the Aje Field expansion is being developed.

Post Period

- In March 2019, Aje completed its 10th lifting, equating to 17,323 barrels sold by the joint operators at $66.97 per barrel. At the project level, the Company's investment produced $1.16m revenue and net profit of approximately $600,000.
- Aje partnership has fully paid the $9.8m licence renewal fee, thereby securing a 20 year extension of OML 113 (Aje field) licence.
- In April 2019, the Private office of His Highness Shaikh Ahmed Bin Dalmook Al Maktoum subscribed for 1,335,000,000 shares (equating to £534,000) and, as a result, holds 28.7% of the Company's shares.
- On 11 June 2019, the Company changed its name from MX Oil to ADM Energy.
- Ordinary share consolidation on the basis of 1 share for every 100 shares, thereby reducing the number of shares in issue, from 4,471,349,700 to 44,713,497 (the "Consolidation").

Richard Carter, Chairman of ADM Energy, stated: "The Aje partnership made excellent progress in 2018. The updated CPR demonstrated a material increase in the project's reserves and resource position which highlights the future potential of the Aje Field. Based on the current performance of wells Aje-4 and Aje-5, and assuming no significant increase in the Company's overheads, ADM Energy is aiming to become cashflow positive in 2020, subject to continued production, sustained oil prices and no unforeseen expenditure at project level, a significant milestone. In addition to the progress at Aje, the support received from the Private Office of His Highness Shaikh Ahmed Bin Dalmook Al Maktoum, and his subsequent appointment as President, will add considerable experience, enhanced networks and access to capital.

"Looking ahead, our strategy is to build a larger, balanced portfolio of investments in projects in line with ADM Energy's investing strategy. ADM Energy will target investment opportunities in undervalued production and near-production assets, primarily in Africa. The recruitment process for key executive management positions and independent non-executive Directors is underway to provide additional support for what the Board believes is a significant opportunity to grow the business and create value for shareholders."

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For further information please contact:

ADM Energy plc +44 20 7786 3555
Richard Carter, Chairman

Cairn Financial Advisers LLP +44 20 7213 0880
(Nominated Adviser)
Jo Turner, James Caithie

Pello Capital Limited +44 20 3700 2500
(Broker)
Dan Gee

Luther Pendragon +44 20 7618 9100
(Financial PR)
Harry Chathli, Alexis Gore, Joe Quinlan

Annual report and accounts and Notice of AGM

The Company will shortly be publishing its annual report and accounts including a notice of AGM. These will be made available on the Company's investor relations website at www.admenergyplc.com. The AGM is to be held at 10.00 am on Friday 2 August 2019 at the offices of Keystone Law, 48 Chancery Lane, London WC2A 1JF.

Operating Review

ADM Energy has continued to pursue its strategy as an oil and gas investing company and is focused principally on its investment in Nigeria, the Aje Field, where the two wells within block OML 113 have continued to produce at very steady rates with very limited decline. At the same time, new opportunities are continuously being evaluated in order to expand the portfolio of the Company.

Aje Field

ADM Energy holds a 5% equity investment in this field in OML 113, which covers an area of 835 sq km offshore Nigeria. Aje has multiple oil, gas and gas condensate reservoirs in the Turonian, Cenomanian and Albian sandstones with five wells drilled to date.

In 2018, operations at the OML 113 licence continued to make good progress, underpinned by strong performance of the Turonian and Cenomanian reservoirs which continue in line with the operating partners' expectations.

Combined production from the two wells in the Aje Field within block OML 113, Aje-4 and Aje-5, has, as of April 2019, stabilised at around 3,100 bopd (155 bopd net to ADM Energy). In total, the two wells achieved production of approximately 1,200,000 barrels of oil in 2018.

Material increase in Aje Field reserves

In 2018, the partners commissioned an updated CPR - the first since July 2014 - to re-evaluate the Aje Field and gain a better understanding of its hydrocarbon reserves. This CPR deployed new data about the underlying reservoir and related geology generated since the drilling of the Aje-5 well and its two side tracks (Aje-5ST1 and Aje-5ST2).

The CPR was completed by AGR TRACS International Limited ("AGR TRACS") in April 2018 for the period to 31 December 2017. It revealed that the partners' operations in the Aje Field since 2016 had unlocked a material increase in the project's reserves and resource position.

As a result of production levels ahead of expectations at the Aje-4 and Aje-5 wells during 2018, a revised CPR was produced in April 2019 to further enhance the partners' understanding of the Aje Field using production history up to 31 December 2018.

The reserves reported in this latest CPR and from the 2018 CPR, completed by AGR TRACS, are summarised in the table below:

Reserves	**2019**	**2019**	**2018**	**2018**
	Gross MMboe	**Net entitlement to MXO MMboe**	**Gross MMboe**	**Net entitlement to MXO MMboe**
1P Proven Reserves	82.4	5.2	78.2	5.0
2P Proven and Probable Reserves	138.2	8.9	127.1	8.2
3P Proven, Probable and Possible Reserves	220.8	12.8	215.0	12.7

The level of reserves reported in the 2019 CPR update represented a further increase compared to the previous report and highlighted the future potential of the Aje Field. Whilst the increase in the overall reserves estimate from the 2018 CPR is modest, the 2P recoverable oil reserves relating to the two producing wells have risen significantly from 2.96 MMbbls gross in 2018 to 4.73 MMbbls gross in 2019, a 60% increase despite the field having produced over 1m gross barrels over the course of 2018.

These CPR results confirm the commerciality of the Aje gas development and highlight the need for a revision of the development plan once the field development scenario studies are completed. This will underpin a final investment decision on the development of the Aje Field reserves in the future.

In estimating reserves, contingent and prospective resources AGR TRACS has used the standard petroleum engineering techniques. These estimates are based on the joint definitions of the Society of Petroleum Engineers, the World Petroleum Congress, the American Association of Petroleum Geologists and the 2007 PRMS (Petroleum Resources Management System).

The updated CPR announcement released by the Company on 30 April 2019 and 2 May 2019 was reviewed by Wim Burgers, a qualified production geologist with more than 40 years' experience in the oil and gas industry, who has also reviewed the AGR TRACS report to which it relates.

Field Development Plan

A Field Development Plan for the Turonian Aje gas project was approved by the Nigerian Government in 2018. The FDP comprises several production wells in the Turonian, tied back to existing and new infrastructure. Consequently, in October 2018, the partners in the licence commissioned the preparation of static and dynamic modelling work by RPS Energy Consultants Ltd ("RPS"), to conduct an assessment of the potential development activity associated with the additional upside oil resources. The assessment was completed in April 2019.

Licence renewal

The operator of the offshore licence in Nigeria, OML 113 has received consent from the Minister of Petroleum Resources for its renewal for another term of 20 years. The renewal is subject to the satisfaction of certain conditions, including a commitment to develop the gas potential of the licence. In addition, the Aje partners have now paid the $9.8m licence renewal fee in full.

Financial Review

For the year ended 31 December 2018, the Group increased revenue by 82% to £3.1m (2017: £1.7m). Loss after taxation reduced to £849,000 (2017: £3,435,000 loss). The Directors do not propose a dividend (2017: £nil). Cash and cash equivalents as at 31 December 2018 was £216,000 (31 December 2017: £50,000)

Going Concern

The partners involved in the OML 113 licence were able to renew the licence for 20 years. The Group has raised equity finance post year end to provide for ongoing working capital and the Directors have prepared cashflow forecasts supporting the use of the going concern basis of accounting. However, in the short term the Group will require additional funding in order to meet its liabilities as they fall due. Against this background and, as disclosed in the annual report and accounts which will be published shortly, the Directors have a reasonable expectation that the Group has the ability to raise the additional equity finance required in order to continue in operational existence for the foreseeable future and they therefore continue to adopt the going concern basis of accounting in preparing these Financial Statements. However, given the uncertainty surrounding the ability and likely timing of securing such finance the Directors are of the opinion that a material uncertainty exists that may cast doubt on the Group's ability to continue as a going concern. The audit report includes an emphasis of matter in relation to going concern.

Funding

During the period, the Group raised additional equity of £1.5 million in two fund raisings, and since the year end has raised a further £680,000 before expenses.

Post-period, on 15 April 2019, the Group announced a placing to raise £680,000 before expenses, through the issue of 1,700,000,000 new ordinary shares at 0.04p per share. In connection with the placing, 800,000,000 warrants have been issued to the placees with an exercise price of 0.04p per share for a term of five years. A warrant exercised on 19 June 2019 raised £72,000. In the short term, as noted above, the Group will require additional funding in order to meet its liabilities as they fall due and have a reasonable expectation that additional equity finance can be raised in order to continue in operational existence for the foreseeable future.

Strategic Investor, Board and management changes

Shaikh Ahmed Bin Dalmook Al Maktoum Private Office Single Person Company LLC ("Strategic Investor") subscribed for 1,335,000,000 of the Placing Shares for £534,000, representing a shareholding of 28.7% of the enlarged issued share capital of the Company. The investment by this entity, which is the wholly owned private office of His Highness Shaikh Ahmed Bin Dalmook Al Maktoum, is a strategic investment in the Company. The Strategic Investor has a portfolio of privately held investments that focus on energy projects, LNG terminal development, commodity and oil trading as well as other industries. The Strategic Investor has the potential to add considerable value through the use of its knowledge, network, experience and access to capital.

As part of the agreement for this strategic stake, the Company has offered the Strategic Investor the right to appoint one person to the board of directors, subject to requisite regulatory approval and process. The intention is for the appointee to take over as Non-Executive Chairman of the Company. As announced on 11 June 2019, His Highness Shaikh Ahmed Bin Dalmook Al Maktoum has been appointed President of ADM Energy in a non-Board role. Specifically, it is intended by this role that His Highness will help leverage his network and bring new opportunities and contacts to the Company.

As announced in June 2019, Stefan Olivier informed the Board of his intention to step down as Chief Executive Officer. The Company will appoint a new Chairman and, upon appointment of a new Chairman, Richard Carter, current Non-Executive Chairman, will be appointed as Interim Chief Executive Officer. Mr. Olivier will remain with the Company until the appointment of a new Chairman to oversee an orderly handover.

The Company intends, in due course, to recruit into key executive management positions and appoint further independent non-executive Directors and has retained the services of a headhunting firm in this regard.

Corporate update

Further to the passing of a resolution at the General Meeting on 7 June 2019, the Company's change of name from MX Oil to ADM Energy plc has been effected.

In addition, a resolution was passed at the General Meeting to consolidate the ordinary shares on the basis of 1 consolidated ordinary share of 1p for every 100 existing ordinary shares of 0.01p each thereby reducing the number of shares in issue, after the issue of 36 shares, from 4,471,349,700 to 44,713,497 (the "Consolidation").

Outlook

The updated CPR report in 2019 provided an accurate and in-depth analysis of the Aje Field asset, with an increase in the level of reserves highlighting the future potential of the Aje Field.

The Aje partners have renewed the production licence for a further twenty years and the Company expects to see further development drilling in 2020. Modelling work to assess the best and most profitable development scenarios are ongoing, including the formation of plans to develop the hydrocarbon reserves in both the Turonian and Cenomanian for the highest return on investment.

Based on the current performance of wells Aje-4 and Aje-5, and assuming no significant increase in the Company's overheads, ADM Energy expects to become cashflow positive in 2020, subject to continued production, sustained oil prices and no unforeseen expenditure at project level, a significant milestone for the Company.

In addition to the progress at Aje, the support received from the Private Office of His Highness Shaikh Ahmed Bin Dalmook Al Maktoum, and subsequent appointment as President, will add considerable experience, enhanced networks, knowledge, and access to capital.

The Company's strategy is to build a larger, balanced portfolio of projects in line with its investing strategy. ADM Energy will target investment opportunities in undervalued production and near-production assets, primarily in Africa. The recruitment process for key executive management positions and independent non-executive Directors is underway to provide additional support for what the Board believes is a significant opportunity to grow the business and create value for shareholders.

Group Income Statement and Statement of Comprehensive Income
For the year ended 31 December 2018

	Note	2018 £'000	2017 £'000
Continuing operations			
Revenue	3	**3,127**	1,727
Operating costs		**(2,356)**	(2,565)
Administrative expenses		**(1,620)**	(1,495)
Operating loss	4	**(849)**	(2,333)
Other gains and losses	5	–	27
Finance costs	6	–	(1,129)
Loss on ordinary activities before taxation		**(849)**	(3,435)
Taxation	8	–	–
Loss for the year		**(849)**	(3,435)
Other Comprehensive income:			
Exchange translation movement		**404**	(746)
Total comprehensive income for the year		**(445)**	(4,181)
Basic and diluted loss per share:	9		
From continuing and total operations		**(0.04)p**	(0.24)p

The accompanying notes form an integral part of these financial statements

Group and Company Statements of Financial Position
as at 31 December 2018

		GROUP		COMPANY	
		2018	2017	**2018**	2017
	Notes	**£'000**	£'000	**£'000**	£'000
NON-CURRENT ASSETS					
Intangible assets	**10**	**16,362**	14,984	–	–
Investment in subsidiaries	**11**	–	–	**14,738**	14,634
		16,362	14,984	**14,738**	14,634
CURRENT ASSETS					
Investments held for trading	**12**	**200**	179	**200**	179
Trade and other receivables	**13**	**29**	35	**29**	35
Cash and cash equivalents	**14**	**216**	50	**216**	50
		445	264	**445**	264
CURRENT LIABILITIES					
Trade and other payables	**15**	**1,643**	1,049	**1,104**	609
		1,643	1,049	**1,104**	609
NET CURRENT LIABILITIES		**(1,198)**	(785)	**(659)**	(345)
NET ASSETS		**15,164**	14,199	**14,079**	14,289
EQUITY					
Share capital	**17**	**8,499**	8,389	**8,389**	8,389
Share premium	**17**	**32,833**	31,533	**31,533**	31,533
Reserve for options granted		**172**	172	**172**	172
Reserve for warrants issued		**783**	783	**783**	783
Currency translation reserve		**(342)**	(746)	–	–
Retained deficit		**(26,781)**	(25,932)	**(28,208)**	(26,588)
Equity attributable to owners of the Company and total equity		**15,164**	14,199	**14,079**	14,289

The accompanying notes form an integral part of these financial statements

Group Statement of Changes in Equity
For the year ended 31 December 2018

	Share capital	Share premium	Loan note equity reserve	Reserve for options granted	Reserve for warrants issued	Exchange translation reserve	Retained deficit	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
At 1 January 2017	**8,336**	**25,460**	–	**172**	**783**	–	**(22,497)**	**12,254**
Loss for the year	–	–	–	–	–	–	(3,435)	**(3,435)**
Exchange translation movement	–	–	–	–	–	(746)	–	**(746)**

Total comprehensive expense for the year	–	–	–	–	–	(746)	(3,435)	**(4,181)**
Issue of new shares	53	6,522	–	–	–	–	–	**6,575**
Share issue costs	–	(449)	–	–	–	–	–	**(449)**
At 31 December 2017	**8,389**	**31,533**	–	**172**	**783**	**(746)**	**(25,932)**	**14,199**
Loss for the year	–	–	–	–	–	–	(849)	**(849)**
Exchange translation movement	–	–	–	–	–	404	–	**404**
Total comprehensive expense for the year	–	–	–	–	–	404	(849)	**(445)**
Issue of new shares	110	1,390	–	–	–	–	–	**1,500**
Share issue costs	–	(90)	–	–	–	–	–	**(90)**
At 31 December 2018	**8,499**	**32,833**	–	**172**	**783**	**(342)**	**(26,781)**	**15,164**

The accompanying notes form an integral part of these financial statements

Company Statement of Changes in Equity
For the year ended 31 December 2018

	Share capital £'000	Share premium £'000	Loan note equity reserve	Reserve for options granted £'000	Reserve for warrants issued £'000	Retained deficit £'000	Total equity £'000
At 1 January 2017	**8,336**	**25,460**	–	**172**	**783**	**(24,055)**	**10,696**
Loss for the period and total comprehensive expense	–	–	–	–	–	(2,533)	**(2,533)**
Issue of new shares	53	6,522	–	–	–	–	**6,575**
Share issue costs	–	(449)	–	–	–	–	**(449)**
At 31 December 2017	**8,389**	**31,533**	–	**172**	**783**	**(26,588)**	**14,289**
Loss for the period and total comprehensive expense	–	–	–	–	–	(1,620)	**(1,620)**
Issue of new shares	110	1,390	–	–	–	–	**1,500**
Share issue costs	–	(90)	–	–	–	–	**(90)**
At 31 December 2018	**8,499**	**32,833**	–	**172**	**783**	**(28,208)**	**14,079**

The accompanying notes form an integral part of these financial statements

Group and Company Statements of cash flows
For the year ended 31 December 2018

	GROUP	COMPANY

	Note	2018 £'000	2017 £'000	2018 £'000	2017 £'000
OPERATING ACTIVITIES					
Loss for the period		**(849)**	(3,435)	**(1,620)**	(2,533)
Adjustments for:					
Loss/(gain) on disposal of investments		–	(7)	–	(7)
Finance costs		–	1,129	–	1,072
Foreign exchange adjustments		–	(35)	–	(35)
Operating cashflow before working capital changes		**(849)**	(2,348)	**(1,620)**	(1,503)
Decrease in receivables		**6**	164	**6**	31
Increase/(decrease) in trade and other payables		**594**	(1,072)	**495**	(30)
Net cash outflow from operating activities		**(249)**	(3,256)	**(1,119)**	(1,502)
INVESTMENT ACTIVITIES					
Proceeds from disposal of investments		**4**	303	**4**	303
Purchase of investments held for trading		**(25)**	(475)	**(25)**	(475)
Development costs		**(952)**	(1,113)	–	–
Loans to subsidiary operation		–	–	**(104)**	(3,080)
Net cash outflow from investment activities		**(973)**	(1,285)	**(125)**	(3,252)
FINANCING ACTIVITIES					
Continuing operations:					
Issue of ordinary share capital		**1,500**	6,575	**1,500**	6,575
Share issue costs		**(90)**	(449)	**(90)**	(449)
Net proceeds from short term borrowings		–	1,710	–	1,710
Repayment of short term borrowings		–	(2,919)	–	(2,919)
Finance costs paid		–	(504)	–	(447)
Net cash inflow from financing activities		**1,410**	4,413	**1,410**	4,470
Net (decrease)/increase in cash and cash equivalents from continuing and total operations		**188**	(128)	**166**	(284)
Exchange translation difference		**(22)**	(156)	–	–
Cash and cash equivalents at beginning of period		**50**	334	**50**	334
Cash and cash equivalents at end of period	14	**216**	50	**216**	50

The accompanying notes form an integral part of these financial statements

Notes to the financial statements
For the year ended 31 December 2018

1

GENERAL INFORMATION

The Company is a public limited company incorporated in the United Kingdom and its shares are listed on the AIM market of the London Stock Exchange. The Company is an investment company, mainly investing in natural resources, minerals, metals, and oil and gas projects. The registered office of the Company is as detailed in the Company Information on page 2.

2 PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied throughout all periods presented in the financial statements.

As in prior periods, the Group financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. The financial statements have been prepared using the measurement bases specified by IFRS for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies below.

The current period covered by these financial statements is the year to 31 December 2018. The comparative figures relate to the year ended 31 December 2017. The financial statements are presented in pounds sterling (£) which is the functional currency of the Group.

An overview of standards, amendments and interpretations to IFRSs issued but not yet effective, and which have not been adopted early by the Group are presented below under 'Statement of Compliance'.

GOING CONCERN

At 31 December 2018, the Group recorded a loss for the year of £849,000 and had net current liabilities of £1,198,000, after allowing for cash balances of £216,000.

In addition, the Group received an advance of £650,000 in connection with performing appraisal activities of certain oil and gas licences in Grenada. No appraisal activities have been performed to date and the amount is repayable on demand.

In the short term the Group will require additional funding in order to meet its liabilities as they fall due.

The Directors have a reasonable expectation that the Group has the ability to raise the additional funds required in order to continue in operational existence for the foreseeable future and they therefore continue to adopt the going concern basis of accounting in preparing these Financial Statements.

However, given the uncertainty surrounding the ability and likely timing of securing such finance the Directors are of the opinion that a material uncertainty exists that may cast doubt on the Group's ability to continue as a going concern. The financial statements do not include any adjustments that would result if the Group was unable to continue as a going concern.

PRINCIPAL ACCOUNTING POLICIES (continued)

2

1.1 STATEMENT OF COMPLIANCE

The following standard is effective for the first time for the financial period beginning 1 January 2018 and is relevant to the Company's operations:

• IFRS 9, 'Financial Instruments'. The standard sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39, 'Financial Instruments: Recognition and Measurement.' The adoption of this standard has not had a significant effect on the Company's accounting policies related to financial assets and liabilities as majority are classified at fair value through profit or loss. The adoption of this standard did not require the restating of comparatives.

The following standards and amendments have been issued and are mandatory for accounting periods beginning on or after 1 January 2018 but are not relevant or have no material effect on the Company's operations or financial statements:

- IFRS 15, 'Revenue from Contracts with Customers'. This standard establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaced IAS 18, 'Revenue', IAS 11, 'Construction Contracts' and related interpretations.
- Amendments to IFRS 15 Clarifications to IFRS 15 Revenue from Contracts with Customers
- Classification and Measurement of Share-based Payment Transactions - Amendments to IFRS 2
- Transfers of Investment Property - Amendments to IAS 40
- IFRIC Interpretation 22 Foreign Currency Transactions and Advance Consideration
- Annual Improvements to IFRSs - 2014-2016 Cycle: IFRS 1 First-time Adoption of International Financial Reporting Standards - Deletion of short-term exemptions for first-time adopters
- Annual Improvements to IFRSs - 2014-2016 Cycle: IAS 28 Investments in Associates and Joint Ventures - Clarification that measuring investees at fair value through profit or loss is an investment - by - investment choice
- Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts - Amendments to IFRS 4

Other standards in issue, but not yet effective, are not expected to have a material effect on the financial statements of the Company in future periods and have not been disclosed.

KEY ESTIMATES AND ASSUMPTIONS

Estimates and assumptions used in preparing the financial statements are reviewed on an ongoing basis and are based on historical experience and various other factors that are believed to be reasonable under the circumstances. The results of these estimates and assumptions form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources.

AVAILABLE FOR SALE INVESTMENTS

Note 10 summarises the Group's indirect investment in the Aje Field. The Directors have reviewed the value of the Group's investment and consider that the fair value of this investment should be stated at the original cost of the investment plus the value of the cash calls that the Group has paid and is liable for as at the year-end, which the Directors consider represents the fair value of the Group's interest.

SHARE BASED PAYMENTS

The Group has made awards of options and warrants over its unissued share capital to certain Directors, employees and professional advisers as part of their remuneration.

The fair value of options is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions. In accordance with IFRS 2 'Share Based Payments', the Group has recognised the fair value of options, calculated using the Black-Scholes option pricing model. The Directors have made assumptions particularly regarding the volatility of the share price at the grant date in order to reach a fair value. Further information is disclosed in Note 18.

2 PRINCIPAL ACCOUNTING POLICIES (continued)

SALES REVENUE

Sales of petroleum production are recognised when goods are delivered or the title has passed to the customer.

TAXATION

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting period, that are unpaid at the statement of financial position date. They are calculated according to the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable result for the year. All changes to current tax assets or liabilities are recognised as a component of tax expense in the income statement.

Deferred income taxes are calculated using the liability method on temporary differences. This involves the comparison of the carrying amounts of assets and liabilities in the consolidated financial statements with their respective 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. In addition, tax losses available to be carried forward as well as other income tax credits to the Group are assessed for recognition as deferred tax assets.

Deferred income taxes are calculated using the liability method on temporary differences. This involves the comparison of the carrying amounts of assets and liabilities in the consolidated financial statements with their respective 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. In addition, tax losses available to be carried forward as well as other income tax credits to the Group are assessed for recognition as deferred tax assets.

Deferred tax liabilities are always provided for in full. Deferred tax assets are recognised to the extent that it is probable that they will be able to be offset against future taxable income. Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted at the statement of financial position date.

Most changes in deferred tax assets or liabilities are recognized as a component of tax expense in the income statement. Only changes in deferred tax assets or liabilities that relate to a change in value of assets or liabilities that is charged directly to equity are charged or credited directly to equity.

EXPLORATION, EVALUATION and DEVELOPMENT COSTS

Exploration, evaluation and development costs relate to expenditure incurred on the development and evaluation of mineral resources. These costs are recorded as intangible assets until the mineral resource reaches the production stage. Upon completion of development and commencement of production, capitalised development costs as well as evaluation expenditures are fair valued on a net present value basis.

Development costs incurred on specific projects are capitalised when all the following conditions are satisfied:

- completion of the intangible asset is technically feasible so that it will be available for use or sale
- the Group intends to complete the intangible asset and use or sell it
- the Group has the ability to use or sell the intangible asset
- the intangible asset will generate probable future economic benefits
- there are adequate technical, financial and other resources to complete the development and to use or sell the intangible asset, and
- the expenditure attributable to the intangible asset during its development can be measured reliably.

Other development expenditure that does not meet these criteria is recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

PRINCIPAL ACCOUNTING POLICIES (continued)

FINANCIAL ASSETS

Financial assets are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

The Group's financial assets are classified into the following specific categories: 'investments held for trading', and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

All Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

INVESTMENTS HELD FOR TRADING

All investments determined upon initial recognition as held at fair value through profit or loss were designated as investments held for trading. Investment transactions are accounted for on a trade date basis. Assets are de-recognised at the trade date of the disposal. Assets are sold at their fair value, which comprises the proceeds of sale less any transaction cost. The fair value of the financial instruments in the statement of financial position is based on the quoted bid price at the statement of financial position date, with no deduction for any estimated future selling cost. Unquoted investments are valued by the directors using primary valuation techniques such as recent transactions, last price and net asset value. Changes in the fair value of investments held at fair value through profit or loss and gains and losses on disposal are recognised in the consolidated statement of comprehensive income as "Net gains on investments". Investments are initially measured at fair value plus incidental acquisition costs. Subsequently, they are measured at fair value in accordance with IAS 39. This is either the bid price or the last traded price, depending on the convention of the exchange on which the investment is quoted.

BASIS OF CONSOLIDATION

The consolidated financial statements present the results of ADM Energy plc and its subsidiaries ("the Group") as if they formed a single entity. Intercompany transactions and balances between Group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of Financial Position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Income Statement

CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

EQUITY

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 comprises the following:

- Share capital represents the nominal value of equity shares issued.
- The share premium account represents premiums received on the initial issuing of the share capital. Any transaction costs associated with the issuing of shares are deducted from share premium, net of any related income tax benefits.
- Option reserve represents the cumulative cost of share based payments in respect of options granted.
- Warrant reserve represents the cumulative cost of share based payments in respect of warrants issued.
- Retained earnings include all current and prior period results as disclosed in the statement of comprehensive income.

2 PRINCIPAL ACCOUNTING POLICIES (continued)

FINANCIAL LIABILITIES

Financial liabilities are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument. All interest related charges are recognised as an expense in finance cost in the income statement using the effective interest rate method.

The Group's financial liabilities comprise trade and other payables.

Trade payables are recognised initially at their fair value and subsequently measured at amortised cost less settlement payments.

SHARE BASED PAYMENTS

Where share options are awarded, or warrants issued to employees, the fair value of the options/warrants at the date of grant is charged to the statement of comprehensive income over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognized over the vesting period is based on the number of options/warrants that eventually vest. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

Where warrants or options are issued for services provided to the Group, the fair value of the service is charged to the statement of comprehensive income or against share premium where the warrants or options were issued in exchange for services in connection with share issues. Where the fair value of the services cannot be reliably measured, the service is valued using Black Scholes valuation methodology taking into consideration the market and non-market conditions described above.

Where the share options are cancelled before they vest, the remaining unvested fair value is immediately charged to the statement of comprehensive income.

FOREIGN CURRENCIES

The Directors consider Sterling to be the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. The financial statements are presented in Sterling, which is the Group's functional and presentation currency.

Foreign currency transactions are translated into Sterling using the exchange rates prevailing at the date of the transactions. Foreign currency exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in the income statement. Non-monetary items that are measured at historical costs 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 into the functional currency using the exchange rates at the date when the fair value was determined.

SEGMENTAL REPORTING

A segment is a distinguishable component of the Group's activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the Group's chief operating decision maker to make decisions about the allocation of resources and assessment of performance and about which discrete financial information is available.

As the chief operating decision maker reviews financial information for and makes decisions about the Group's investment activities as a whole, the directors have identified a single operating segment, that of holding and trading in investments in natural resources, minerals, metals, and oil and gas projects. The Directors consider that it would not be appropriate to disclose any geographical analysis of the Group's investments.

No segmental analysis has been provided in the financial statements as the Directors consider that the Group's operations comprise one segment.

3 REVENUE

All the Group's revenue is derived from its operations in Nigeria.

4 OPERATING LOSS

	2018	2017
	£'000	£'000
Loss from continuing operations is arrived at after charging:		
Directors' remuneration	**798**	650
Employee salaries and other benefits	**44**	36
Auditors' remuneration:		
fees payable to the principal auditor for the audit of the Group's financial statements	**24**	18

5 OTHER GAINS AND LOSSES

	2018	2017
	£'000	£'000
Gain/(loss) on disposal of investments	–	7
Refund of FX margin deposit previously written off	–	20
	–	27

6 FINANCE COSTS

	2018	2017
	£'000	£'000
Interest on convertible loan stock	–	–

Finance costs of other loan facilities	–	**1,072**
Interest on overdue cash calls	–	**57**
	–	**1,129**

7 EMPLOYEE REMUNERATION

The expense recognised for employee benefits for continuing operations is analysed below:

	2018	2017
	£'000	£'000
Wages and salaries (including directors)	**766**	626
Social security costs	**76**	60
	842	686
Directors' remuneration:		
Wages and salaries (including employee benefits)	**726**	593
Social security costs	**72**	57
	798	650

Further details of Directors' remuneration are included in the Report on Directors' Remuneration.

Only the directors are deemed to be key management. The average number of employees in the Group was 5 (2017:4).

8 INCOME TAX EXPENSE

	2018	2017
	£'000	£'000
Current tax - continuing operations	–	–

	2018	2017
	£'000	£'000
Loss before tax from continuing operations	**(849)**	(3,435)
Loss before tax multiplied by rate of corporation tax in the UK of 19% (2017: 19.25%)	**(161)**	(661)
Expenses not deductible for tax purposes	**6**	21
Unrelieved tax losses carried forward	**155**	640
Total tax charge for the year	–	–

There are unrelieved tax losses of approximately £20,400,000 (2017: £16,900,000) which may be available to offset against future taxable profits. No deferred tax asset has been recognised in respect of the losses as recoverability is uncertain.

9 EARNINGS PER SHARE

The basic and diluted earnings per share is calculated by dividing the loss attributable to owners of the Group by the weighted average number of ordinary shares in issue during the year.

	2018	2017
	£'000	£'000
Loss attributable to owners of the Group		
- Continuing operations	**(849)**	(3,435)
Continuing and discontinued operations	**(849)**	(3,435)

	2018	2017
Weighted average number of shares for calculating basic and fully diluted earnings per share	**1,949,157,883**	1,439,477,518

	2018	2017
	pence	pence

Earnings per share:		
Loss per share from continuing and total operations	**(0.04)**	(0.24)

The weighted average number of shares used for calculating the diluted loss per share for 2018 and 2017 was the same as that used for calculating the basic loss per share as the effect of exercise of the outstanding share options was anti-dilutive.

10 INTANGIBLE ASSET

GROUP

The intangible asset relates to the acquisition of a 5% revenue interest in the OML 113 licence, which includes the Aje Field ("Aje") and the further costs of bringing the Aje 4 and Aje 5 wells into production.

	2018	2017
	£'000	£'000
Cost of investment in Jacka Resources Nigeria Holdings Limited	**14,984**	14,461
Cash calls in respect of Aje 4 and Aje 5 wells	**952**	1,113
Foreign currency exchange translation difference	**426**	(590)
	16,362	14,984

The Directors have reviewed the value of the Group's investment and consider that the fair value of this investment should be stated at the original cost of the investment plus the value of the cash calls that the Group has paid and is liable for as at the year-end, which the Directors consider represents the fair value of the Group's interest; so no impairment provision is required. As the joint venture partners have been granted a new 20 year lease in 2018 the directors do not consider that any provision for decommissioning is required.

11 INVESTMENT IN SUBSIDIARIES

On 10 August 2016, the Group completed the agreement for the acquisition of Jacka Resources Nigeria Holdings Limited ("JRNH"), a BVI registered company, in which Jack Resources Limited ("JRL") held the single issued share. JRNH's sole asset is its wholly owned subsidiary, P R Oil & Gas Nigeria Limited ("PROG"), a Nigerian registered company. PROG has a 5% revenue interest in the OML 113 licence, offshore Nigeria, which includes the Aje Field ("Aje"), where oil production commenced in May 2016.

	2018	2017
	£'000	£'000
Balance at beginning of period	**14,634**	11,554
Advances to PROG	**104**	3,080
Balance at end of period	**14,738**	14,634

The Group's subsidiary companies are as follows:

Name	Principal activity	Country of incorporation and principal place of business	Proportion of ownership interest and voting rights held by the Group
Jacka Resources Nigeria Holdings Limited	Holding company	British Virgin Islands Maples Corporate Services (BVI) Ltd Kingston Chambers P.O. Box 173, Road Town, Tortola	100%
*P R Oil & Gas Nigeria Limited	Oil exploration & production	Nigeria 1, Murtala Muhammed Drive Ikoyi, Lagos	100%
Geo Estratos MXOil, SAPI de CV	Oil exploration	Mexico Lago Alberto 319, Piso 6 IZA Punto Polanco Col. Granada, Del. Miguel Hidalgo CP 11520, Ciudad de Mexico	100%

*Indirectly held

12 INVESTMENTS HELD FOR TRADING

The table of investments sets out the fair value measurements using the IFRS 7 fair value hierarchy. Categorisation within the hierarchy has been determined on the basis of the lowest level of input that is significant to the fair value measurement of the relevant asset as follows (see note 19)

The investments held by the Group are designated as at fair value through profit or loss.

	GROUP AND COMPANY	
	2018	2017
	£'000	£'000
Fair value of investments brought forward	**179**	-
Purchases of investments	**25**	475
Proceeds from the disposal of investments	**(4)**	(303)
(Loss)/gain on disposal of investments	–	7
Movement in fair value of investments held at year end	–	–
Fair value of investments held for trading	**200**	179
Investments held at the year end were categorised as follows		
Level 1	–	4
Level 3	**200**	175
	200	179

The table of investments sets out the fair value measurements using the IFRS 7 fair value hierarchy. Categorisation within the hierarchy has been determined on the basis of the lowest level of input that is significant to the fair value measurement of the relevant asset as follows:

Level 1 - valued using quoted prices in active markets for identical assets.

Level 2 - valued by reference to valuation techniques using observable inputs other than quoted prices included within Level 1.

Level 3 - valued by reference to valuation techniques using inputs that are not based on observable market data.

The valuation techniques used by the company are explained in the accounting policy note, "Investments held for trading".

There were no transfers between Level 1 and Level 3 investments during the year.

13 TRADE AND OTHER RECEIVABLES

	GROUP		COMPANY	
	2018	2017	**2018**	2017
	£'000	£'000	**£'000**	£'000
Trade receivables	–	–	–	–
Other receivables	**13**	13	**13**	13
Prepayments and accrued income	**16**	22	**16**	22
	29	35	**29**	35

The fair value of trade and other receivables is considered by the Directors not to be materially different to carrying amounts. Trade receivables are due in 30 days. At the date of the Statement of Financial Position in 2018 and 2017 there were no trade receivables past due.

14 CASH AND CASH EQUIVALENTS

	GROUP AND COMPANY	
	2018	2017
	£'000	£'000

Cash at bank	**216**	50
Cash and cash equivalents	**216**	50

The fair value of cash and cash equivalents is considered by the Directors not to be materially different to carrying amounts.

15 TRADE AND OTHER PAYABLES

	GROUP		COMPANY	
	2018	2017	**2018**	2017
	£'000	£'000	**£'000**	£'000
Trade payables	**52**	91	**52**	91
Tax and social security	**24**	66	**24**	66
Other payables	**843**	824	**316**	394
Accruals and deferred income	**724**	68	**712**	58
	1,643	1,049	**1,104**	609

The fair value of trade and other payables is considered by the Directors not to be materially different to carrying amounts.

Included in accruals and deferred income is £650,000 advance received in connection with performing appraisal activities of certain oil and gas licences in Grenada. No appraisal activities have been performed to date and the amount is repayable on demand. The Directors have a reasonable expectation that the Group has the ability to raise additional funds required to repay this advance.

16 BORROWINGS

	GROUP AND COMPANY	
	2018	2017
	£'000	£'000
As at 1 January	–	584
Net proceeds of loans	–	1,710
Arrangement fees	–	90
Other finance charges	–	982
Exchange difference	–	–
	–	3,366
Settled by cash	–	(1,791)
Settled by the issue of shares	–	(1,575)
As at 31 December	–	–

17 CALLED UP SHARE CAPITAL

	Number of ordinary shares	**Value £'000**	**Number of deferred shares**	**Value £'000**	**Total value £'000**	**Share Premium £'000**
Issued and fully paid						

At 1 January 2017 (ordinary shares of 0.01p)	1,141,141,331	114	8,222,439,370	8,222	8,336	25,460
Shares issued (see note below)	530,208,333	53	–	–	53	6,522
Share issue costs	–	–	–	–	–	(449)
At 31 December 2017	**1,671,349,664**	**167**	**8,222,439,370**	**8,222**	**8,389**	**31,533**
Shares issued (see note below)	1,100,000,000	110	–	–	110	1,390
Share issue costs	–	–	–	–	–	(90)
At 31 December 2018	**2,771,349,664**	**277**	**8,222,439,370**	**8,222**	**8,499**	**32,833**

The deferred shares have restricted rights such that they have no economic value.

Share issues in year

On 20 February 2018, 100,000,000 new ordinary shares of 0.01p were issued at 0.5p each as a result of a placing, raising £500,000 before expenses.

On 22 October 2018, 1,000,000,000 new ordinary shares of 0.01p were issued at 0.1p each as a result of a placing, raising £1,000,000 before expenses.

18 SHARE WARRANTS

As at 31 December 2015, the Company had approved the issue of 162,500,000 warrants, of which 90,000,000 have not yet vested and it is unlikely that the conditions for vesting will be met in the short to medium term. Of the vested warrants 3,250,000 have been exercised and 49,250,000 have lapsed, so that as at 31 December 2018 there are 20,000,000 warrants outstanding that were capable of being exercised.

In February 2016, the Company issued 4,116,000 warrants to the Company's broker and certain other parties. The warrants were exercisable at 1.25p per share for a period of 2 years from the date of issue and therefore lapsed during the year.

In March 2016, the Company issued 66,666,667 warrants to the Company's broker and certain other parties. The warrants were exercisable at 1p per share for a period of 3 years from the date of issue and were still exercisable at 31 December 2018, but lapsed in March 2019.

In total, at 31 December 2018, the Group has issued 143,282,667 warrants of which 3,250,000 have been exercised, 53,366,000 have lapsed, leaving 86,666,667 warrants exercisable at 31 December 2018. In addition there are 90,000,000 warrants which have been authorised for issue but have not been issued as the vesting conditions have yet to be met.

The 90,000,000 warrants that have not yet vested are subject to certain vesting conditions as detailed below.

- 60,000,000 warrants to certain directors and other third parties exercisable at 3p per share. Of these, 12,552,632 have been allocated to Stefan Olivier and 47,447,368 have been allocated to third parties. Vesting of these warrants will be conditional upon the Group securing an interest in a concession or asset in Mexico. The warrants will vest in three equal tranches as follows: one third vesting upon the Group's average mid-market closing share price trading at 6p for 60 consecutive days; one third vesting upon the Group's average mid-market closing share price trading at 12p for 30 consecutive days; and the final third vesting upon the Group's average mid-market closing share price trading at 18p for 60 consecutive days. In addition, the first and second tranches of options will lapse if, in each case, they have not been exercised within 90 days of the trading price vesting condition being satisfied.
- 30,000,000 warrants to certain third parties exercisable at 2p per share and vesting once the Group secures a concession in Mexico. If after the Group secures a concession the average mid-market closing price of shares in the Group trades at 4p or more for 60 consecutive days, these warrants will lapse if they have not been exercised within 90 days of the trading price vesting condition being satisfied.

	2018		2017	
		Weighted average exercise price		Weighted average exercise price
	Number	**(pence)**	Number	(pence)
Outstanding at 1 January	**90,782,667**	**1.23**	140,032,667	1.15
Issued	–	–	–	–
Exercised	–	–	–	–
Lapsed	**4,116,000**	–	(49,250,000)	1.00

Outstanding at 31 December	**86,666,667**	**1.23**	90,782,667	1.23

The total share-based payment expense recognised in the income statement for the year ended 31 December 2018 in respect of the warrants issued during the year was £Nil (2017: £Nil).

The figures above are before the 1 for 100 share consolidation approved by the shareholders on 7 June 2019.

19 RISK MANAGEMENT OBJECTIVES AND POLICIES

CAPITAL RISK MANAGEMENT

The Group's objectives when managing capital are:

- to safeguard the Group's ability to continue as a going concern, so that it continues to provide returns and benefits for shareholders;
- to support the Group's growth; and
- to provide capital for the purpose of strengthening the Group's risk management capability.

The Group actively and regularly reviews and manages its capital structure to ensure an optimal capital structure and equity holder returns, taking into consideration the future capital requirements of the Group and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities. Management regards total equity as capital and reserves, for capital management purposes.

The Group is exposed to a variety of financial risks which result from both its operating and investing activities. The Group's risk management is coordinated by the board of directors, and focuses on actively securing the Group's short to medium term cash flows by minimising the exposure to financial markets.

Management review the Group's exposure to currency risk, interest rate risk, liquidity risk on a regular basis and consider that through this review they manage the exposure of the Group on a near term needs basis

There is no material difference between the book value and fair value of the Group's cash.

MARKET PRICE RISK

The Group's exposure to market price risk mainly arises from potential movements in the fair value of its investments. The Group manages this price risk within its long-term investment strategy to manage a diversified exposure to the market. If each of the Group's equity investments were to experience a rise or fall of 10% in their fair value, this would result in the Group's net asset value and statement of comprehensive income increasing or decreasing by £20,000 (2017: £4,000).

INTEREST RATE RISK

The Group and Company manage the interest rate risk associated with the Group's cash assets by ensuring that interest rates are as favourable as possible, whilst managing the access the Group requires to the funds for working capital purposes.

The Group's cash and cash equivalents are subject to interest rate exposure due to changes in interest rates. Short-term receivables and payables are not exposed to interest rate risk.

CREDIT RISK

The Group's financial instruments, which are exposed to credit risk, are considered to be mainly loans and receivables, and cash and cash equivalents. The credit risk for cash and cash equivalents is not considered material since the counterparties are reputable banks. The maximum exposure to credit risk for loans and receivables is as set out in the table below, and relates to the financing of the Group's joint venture interests.

The Group's exposure to credit risk is limited to the carrying amount of the financial assets recognised at the balance sheet date, as summarised below:

	2018	2017
	£'000	£'000
Cash and cash equivalents	**216**	50
Loans and receivables	**13**	13
	229	63

LIQUIDITY RISK

Liquidity risk is managed by means of ensuring sufficient cash and cash equivalents are held to meet the Group's payment obligations arising from administrative expenses. The cash and cash equivalents are invested such that the maximum available interest rate is achieved with minimal risk.

20 FINANCIAL INSTRUMENTS

The Group uses financial instruments, other than derivatives, comprising cash to provide funding for the Group's operations.

CATEGORIES OF FINANCIAL INSTRUMENTS

The IFRS 9 categories of financial asset included in the statement of financial position and the headings in which they are included are as follows:

	2018	2017
	£'000	£'000
FINANCIAL ASSETS:		
Cash and cash equivalents	216	50
Investments held for trading (see fair value measurements below)	200	179
Loans and receivables	13	13
Investments available for sale	14,738	14,634
FINANCIAL ASSETS BY IFRS 7 FAIR VALUE HIERARCHY		
Level 1 - Investments held for trading	–	4
Level 3 - Loans and receivables	13	13
Investments held for trading	200	175
Investments available for sale	14,738	14,634
	14,951	14,822

FAIR VALUE MEASUREMENTS

The Group holds quoted investments that are measured at fair value at the end of each reporting period using the IFRS 7 fair value hierarchy as set out below.

Level 1 - valued using quoted prices in active markets for identical assets.

Level 2 - valued by reference to valuation techniques using observable inputs other than quoted prices included within Level 1.

Level 3 - valued by reference to valuation techniques using inputs that are not based on observable market data.

The valuation techniques used by the Group are explained in the accounting policy note, "Investments held for trading".

20 FINANCIAL INSTRUMENTS continued

FINANCIAL LIABILITIES AT AMORTISED COST:

The IFRS 9 categories of financial liabilities included in the statement of financial position and the headings in which they are included are as follows:

	2018	2017
	£'000	£'000
Trade and other payables	919	981
Borrowings	–	–

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest repayment date on which the Group can be required to pay. The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from the interest rate curves at the balance sheet date. The contractual maturity is based on the earliest date on which the Group may be required to pay.

	Less than 1 month	1-3 months	3 months to 1 year	1-5 years	Over 5 years
	£'000	£'000	£'000	£'000	£'000
2018					
Interest bearing:					
Borrowings	–	–	–	–	–
Non-interest bearing:					
Trade and other payables	–	919	–	–	–
2017					
Interest bearing:					
Borrowings	–	–	–	–	–
Non-interest bearing:					
Trade and other payables	–	981	–	–	–

21 CONTINGENT LIABILITIES

There were no contingent liabilities as at 31 December 2018 (2017: £Nil)

22 RELATED PARTY TRANSACTIONS

The remuneration of the Directors, who are key management personnel of the Group, is set out in the report on Directors' Remuneration.

During the year, £30,000 of Nicholas Lee's total remuneration was invoiced by ACL Capital Limited, a company controlled by him. This amount was settled by the issue of shares.

During the year, the remuneration for Richard Carter of £74,000 was invoiced by Bryant Park Consulting Ltd, a company controlled by him. £12,000 of this amount was settled by the issue of shares.

23 ULTIMATE CONTROLLING PARTY

The Directors do not consider there to be a single ultimate controlling party.

24 POST PERIOD END EVENTS

Events since the year end are detailed in the Report of the Directors.