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Kennedy Ventures PLC
14 November 2014

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KENNEDY VENTURES plc

Preliminary announcement of audited results for the year ended 30 June 2014

Kennedy Ventures plc ("Kennedy Ventures" or "the Company") is pleased to announce its preliminary results for the year ended 30 June 2014.

The accounts will be sent to shareholders shortly and their dispatch will be announced and will also be available on the Company's website at www.kvplc.com.

Highlights

- Giles Clarke appointed Chairman, Nick Harrison appointed Director
- Placing raised gross proceeds of £550,000
- Kennedy Ventures' aim to develop as a Namibian tantalite producer
- Conditional agreement to acquire a tantalite project in Namibia

Giles Clarke, Chairman said:

"The shape and performance of the Company will be substantially different in the future as we build upon the initial tantalite acquisition, utilising wide ranging international financing options to create significant value for shareholders in a fully integrated business."

Chairman's statement

During the period under review, Kennedy Ventures has undergone some significant changes. In March 2014, the Company completed a placing to raise gross proceeds of £550,000 and, having participated in that placing, Nick Harrison and I joined the Board.

Since that time, we have identified and entered into a conditional agreement to acquire a tantalite project in Namibia (the "Transaction"). Under the terms of the Transaction the Company will acquire 75% of African Tantalum (Pty) Limited ("Aftan") for a total consideration of R12m (£0.66m), R4m (£0.22m) of which will be satisfied through the issuance of 4,523,113 ordinary shares in Kennedy Ventures at a price of 4.9p per share, (average closing price over 15 days up to and including 31 August 2014) and the remainder through a loan of R8m (£0.44m). Aftan has signed a conditional agreement with Magnum Mining and Exploration Limited to acquire 60% of the Tantalite Valley Project in Namibia, a mine which it is intended will be brought back into production of tantalite, used in the production of tantalum, within six months of completion of the Transaction.

The principal demand for tantalum is from the electronics industry, where tantalum capacitors are widely used in electronic equipment. In addition, tantalum is used to produce a variety of super alloys which can be used to manufacture high temperature cutting tools and other applications.

This is the first step in our intention to build Kennedy Ventures into a Namibian based producer of the highest grade of tantalum which, when certified, is a highly valuable commodity given its use in nearly every modern electronic device. Its origin matters to end users such as the world's large electronics companies due to their desire to comply with US regulations requiring companies reporting to the SEC to publicly disclose the origins of the tantalum they buy in order to restrict the use of conflict minerals.

Good progress is being made on satisfying the outstanding conditions and I am confident that the Transaction will complete by the year end.

The Board has carried out a review of the two unquoted investments held by the Company at the year end and has taken the view that, while some recovery in value may be possible in the future, it is prudent, in view of the uncertainties regarding the future of one of the companies concerned, to make a full provision against one of these unquoted investments. Furthermore, following the year end, the Company disposed of the other unquoted investment at cost. Meanwhile, Kennedy has continued to operate on a low-cost basis and incurred administrative expense losses of £131,000 during the period.

We believe, however, that the shape and performance of the Company will be substantially different in the future. We plan to build upon this initial tantalite acquisition, utilising wide ranging international financing options to create significant value for shareholders in a fully integrated business.

Giles Clarke
Chairman

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Income statement for the year ended 30 June 2014

	Note	Year ended 30 June 2014 £'000	Year ended 30 June 2013 £'000
Continuing operations:			
Loss on disposal of investments		-	(6)
Impairment of available for sale investments		(55)	-
Administration expenses		(131)	(133)
Loss before tax from continuing operations		(186)	(139)
Income tax	7	-	-
Loss for the year from continuing operations		(186)	(139)
LOSS FOR THE YEAR		(186)	(139)
Basic loss per share (pence)	8	(0.5)	(0.5)

Note:

There are no recognised gains or losses in either period other than the loss for that period and therefore no statement of comprehensive income is presented.

Statement of changes in equity for the year ended 30 June 2014

	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Share based payment reserve £'000	Retained earnings £'000	Total equity £'000

Balance at 1 July 2012	271	7,571	2,077	1,456	(11,137)	238
Loss for the financial period and total comprehensive income	-	-	-	-	(139)	(139)
Transfer to retained earnings	-	-	-	(1,456)	1,456	-
Balance at 30 June 2013	**271**	**7,571**	**2,077**	**-**	**(9,820)**	**99**
Loss for the financial period and total comprehensive income	-	-	-	-	(186)	(186)
Issue of share capital	440	110	-	-	-	550
Share issue costs	-	(8)	-	-	-	(8)
Share based payment expense	-	-	-	-	23	23
Balance at 30 June 2014	**711**	**7,673**	**2,077**	**-**	**(9,983)**	**478**

Balance sheet as at 30 June 2014

	Note	30 June 2014 £'000	30 June 2013 £'000
NON CURRENT ASSETS			
Available for sale investments	9	22	77
		22	77
CURRENT ASSETS			
Trade and other receivables	10	10	25
Cash and cash equivalents	11	531	206
		541	231
CURRENT LIABILITES			
Trade and other payables	12	85	59
		85	59
NET CURRENT ASSETS		456	172
NON CURRENT LIABILITIES			
Loan notes	13	-	150
		-	150
NET ASSETS		478	99
EQUITY			
Share Capital	14	711	271
Share premium account		7,673	7,571
Capital redemption reserve		2,077	2,077

Retained earnings	(9,983)	(9,820)
TOTAL EQUITY	478	99

Cash flow statement for the year ended 30 June 2014

	Note	Year ended 30 June 2014 £'000	Year ended 30 June 2013 £'000
NET CASH USED IN OPERATING ACTIVITIES	16	(67)	(297)
INVESTING ACTIVITIES			
Purchase of available for sale investments		-	(175)
Proceeds from the disposal of available for sale investments		-	114
NET CASH USED IN INVESTING ACTIVITIES		-	(61)
FINANCING ACTIVITIES			
Net proceeds from loan note issue		-	150
Repayment of loan notes		(150)	-
Net proceeds of share issue		542	-
NET CASH FROM FINANCING ACTIVITIES		392	150
NET (DECREASE)/INCREASE IN CASH		325	(208)
CASH AT THE BEGINNING OF PERIOD	11	206	414
CASH AT THE END OF THE PERIOD	11	531	206

Notes to the financial statements

1 GENERAL INFORMATION

Kennedy Ventures plc is a Company incorporated in the United Kingdom under the Companies Act. The address of the registered office is c/o Morrison & Foerster, CityPoint, One Ropemaker Street, London EC2Y 9AW.

These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the Company operates. There are no foreign operations.

2 ACCOUNTING POLICIES

Going concern

The financial statements have been prepared on the going concern basis.

The Directors have prepared cash flow forecasts to 30 June 2016, which show that the Company will have sufficient available cash resources to provide for its future requirements. In preparing their forecasts the Directors have given due regard to the risks and uncertainties affecting the business as set out in the Strategic report.

On this basis, the Directors have a reasonable expectation that the Company has adequate resources to continue operating for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the Company's financial statements.

Basis of preparation

The financial statements are prepared in accordance with applicable IFRS including standards and interpretations issued by the International Accounting Standards Board as adopted by the EU.

The financial statements have been prepared on the basis of historical cost, except for the revaluation of financial instruments. Cost is based on the fair values of the consideration given in exchange for assets.

In the application of IFRS management is required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. 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 the basis of making judgments. Actual results may differ from these estimates.

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

Judgments made by management in the application of IFRS that have significant effects on the financial statements and estimates with a significant risk of material adjustment in the next year are disclosed, where applicable, in the relevant notes to the financial statements.

Statement of compliance

The financial statements have been prepared and approved by the Directors in accordance with all relevant IFRSs as issued by the International Accounting Standards Board ("IASB"), and interpretations issued by the IFRS Interpretations Committee, endorsed by the European Union ("EU").

In the current year, the Company adopted the following standards and amendments:

IFRS 13 "Fair value measurement"

IFRS 13 establishes a single source of guidance under IFRS for fair value measurement and introduces new disclosures to help users better assess the valuation techniques and inputs used to measure fair value. The standard has been applied prospectively. Adoption of the standard has not had a significant impact on the financial statements.

2 ACCOUNTING POLICIES continued

IFRS 7 (Amended) "Financial instruments: Disclosures - Offsetting financial assets and financial liabilities

The amendments to IFRS 7 require entities to disclose information to enable users of the financial statements to evaluate the effect or potential effect of netting arrangements on the balance sheet. Adoption of the amendments has not had a significant impact on the financial statements.

		Effective for accounting periods beginning on or after:
IFRS 10	Consolidated financial statements	1 January 2014
IFRS 11	Joint arrangements	1 January 2014
IFRS 12	Disclosure of interests in other entities	1 January 2014
IAS 27	Separate financial statements	1 January 2014
IAS 28	Investments in associates	1 January 2014
IAS 32	Presentation: Offsetting financial assets and financial liabilities	1 January 2014
IFRIC 21	Levies	1 January 2014
IFRS	Annual improvements 2010 to 2012 and 2011 to 2013	1 July 2014
IFRS 15	Revenue from contracts with customers	1 January 2017
IFRS 9	Financial instruments	1 January 2018

The Directors anticipate that the adoption of the above Standards and Interpretations in future periods will have little or no impact on the financial statements of the Company when the relevant Standards come into effect for future reporting periods.

Taxation

The tax currently payable is based on taxable profit or loss for the period. Taxable profit or loss differs from net profit or loss as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying value of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted at the balance sheet date. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Impairment

Assets that have an indefinite useful life are not subject to amortisation but are reviewed for impairment annually and where there are indications that the carrying value may not be recoverable. An impairment loss is recognised for the amount by which the carrying value exceeds the recoverable amount.

2 ACCOUNTING POLICIES continued

Financial instruments

Financial assets and financial liabilities are recognised in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

The Company ceases to recognise a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

The Company ceases to recognise a financial liability when the Company's obligations are discharged, cancelled or they expire.

Financial instruments are classified as cash and cash equivalents, trade and other receivables, trade creditors, borrowings (including obligations under finance leases) and other payables (including social security and current tax liabilities).

Non-derivative financial assets are categorised as "loans and receivables" and non-derivative financial liabilities are categorised as "other financial liabilities".

Available for sale investments

All investments are classified as available for sale investments on initial recognition. Investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value in accordance with IAS 39. In respect of quoted investments, this is either the bid price at the period end date or the last traded price, depending on the convention of the exchange on which the investment is quoted, 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 or net asset value.

Gains and losses on measurement are recognised in other comprehensive income except for impairment losses and foreign exchange gains and losses on monetary items denominated in a foreign currency, which are recognised directly in profit or loss. Where the investment is disposed of or is determined to be impaired the cumulative gain or loss previously recognised in other comprehensive income is reclassified to profit or loss.

The Company assesses at each period end date whether there is any objective evidence that a financial asset or group of financial assets classified as available for sale has been impaired. An impairment loss is recognised if there is objective evidence that an event or events since initial recognition of the asset have adversely affected the amount or timing of future cash flows from the asset. A significant or prolonged decline in the fair value of a security below its cost shall be considered in determining whether the asset is impaired.

When a decline in the fair value of a financial asset classified as available for sale has been previously recognised in other comprehensive income and there is objective evidence that the asset is impaired, the cumulative loss is removed from other comprehensive income and recognised in profit or loss. The loss is measured as the difference between the cost of the financial asset and its current fair value less any previous impairment

The Company determines the fair value of its Investments based on the following hierarchy:

LEVEL 1 - Where financial instruments are traded in active financial markets, fair value is determined by reference to the appropriate quoted market price at the reporting date. Active markets are those in which transactions occur in significant frequency and volume to provide pricing information on an on-going basis.

LEVEL 2 - If there is no active market, fair value is established using valuation techniques, including discounted cash flow models. The inputs to these models are taken from observable market data including recent arm's length market transactions, and comparisons to the current fair value of similar instruments; but where this is not feasible, inputs such as liquidity risk, credit risk and volatility are used.

LEVEL 3 - Valuations in this level are those with inputs that are not based on observable market data.

Loans and receivables

Loans and receivables, as categorised above, 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.

2 ACCOUNTING POLICIES continued

Trade and other receivables

Trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date, which are classified as non-current assets and are measured at amortised cost less an allowance for any uncollectible amounts. The net of these balances are classified as "trade and other receivables" in the balance sheet.

Trade and other receivables are assessed for indicators of impairment at each balance sheet date and are impaired where there is objective evidence that the recovery of the receivable is in doubt.

Objective evidence of impairment could include significant financial difficulty of the customer, default on payment terms or the customer going into liquidation.

The carrying amount of trade and other receivables is reduced through the use of an allowance account. When a trade or other receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in the income statement.

Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand, deposits at call with banks, other short-term highly liquid investments with original maturity at acquisition of three months or less that are readily convertible to cash, net of bank overdrafts. For the purpose of the cash flow statement, cash and cash equivalents consist of the definition outlined above.

Financial liabilities

All non-derivative financial liabilities are classified as other financial liabilities and are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Other financial liabilities consist of borrowings and trade and other payables.

Financial liabilities are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Other financial liabilities

Other financial liabilities, as categorised above, are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis. Other financial liabilities are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Equity instruments

Equity instruments consist of the Company's ordinary share capital and are recorded at the proceeds received, net of direct issue costs.

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with the Company's accounting policies as disclosed in Note 2 requires management 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 the basis of 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 carrying value of assets is determined based on their fair value as supported by a management valuation less costs to sell. This estimate and assumption can present a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial period. The valuation of the options granted during the year involved making a number of critical estimates relating to price volatility, future dividend yields, expected life of the options and forfeiture rates. These assumptions have been described in more detail in note 15. The estimate and assumptions could materially affect the current year's Income Statement.

4 BUSINESS AND GEOGRAPHICAL REPORTING

The Company's operations are solely in the United Kingdom. Following the disposal of the Company's trading operations it has no trading activities and so no segmental analysis of operations is included.

5 LOSS FOR THE PERIOD

	Year ended 30 June 2014 £'000	Year ended 30 June 2013 £'000
Loss for the period has been arrived at after charging:		
Staff costs (see note 6)	40	65
Auditor's remuneration	9	5
The analysis of auditor's remuneration is as follows:		
Fees payable for the Company's annual audit	8	5
Total audit fees	8	5
Non audit services:		
Tax services	1	-
Total	9	5

6 STAFF COSTS

	Year ended 30 June 2014 Number	Year ended 30 June 2013 Number
Average number of persons employed (including directors)		
Administration	4	3

	4	3
	£'000	£'000
Staff costs during the period		
Wages and salaries	37	61
Social security costs	3	4
Other pension costs	-	-
	40	65

Directors' emoluments

An analysis of the directors' emoluments and pension entitlements and their interest in the share capital of the Company is contained in the Report of the Board on remuneration accompanying these financial statements.

7 TAXATION

	Year ended 30 June 2014 £'000	Year ended 30 June 2013 £'000
Analysis of tax charge in the period:		
Current taxation		
United Kingdom charge	-	-
	-	-
Taxation components		
Loss on ordinary activities before tax	(186)	(139)
Loss on ordinary activities multiplied by the standard rate of Corporation Tax of 21.5% (2013: 23.75%)	(40)	(33)
Effects of:		
Expenses not deductible for tax purposes	2	6
Effect of unrealised investment losses not deductible for tax purposes	12	-
Losses carried forward	26	27
Current tax charge based on loss for the period	-	-

Deferred tax

No deferred tax asset is recognised in respect of losses brought forward at a tax written down value of £3.6m (2013: £3.5m). The asset is not recognised as there is no certainty that sufficient taxable profits will arise within the next 12 months against which to utilise the losses. An asset would be recognised once it was reasonably certain that sufficient taxable profits would arise within the Company.

8 LOSS PER SHARE

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

	Year ended 30 June 2014 £'000	Year ended 30 June 2013 £'000
Loss for the financial period	(186)	(139)

Number of shares		
Weighted average number of shares for the purposes of basic earnings per share	38,791,151	27,098,022
Basic loss per ordinary share (pence)	(0.5)	(0.5)

The Company has outstanding warrants and options as disclosed under Note 14 which may be dilutive in future periods. The effect in respect of the current year would have been anti-dilutive (reducing the loss per share) and accordingly is not presented.

9 AVAILABLE FOR SALE INVESTMENTS

	2014 £'000	2013 £'000
Balance brought forward	77	-
Purchase of investments	-	197
Investment disposals	-	(114)
Loss on disposal of investments	-	(6)
Provision for impairment	(55)	-
Balance carried forward	22	77
Categorised as:		
Level 3 - Unquoted investments	22	77
	22	77

The table above 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.

All available for sale investments relate to Level 3 investments. The valuation techniques used by the Company are explained in note 2 under the heading 'Available for sale Investments'.

10 TRADE AND OTHER RECEIVABLES

	2014 £'000	2013 £'000
Other receivables	5	19
Prepayments	5	6

	10	25

11 CASH AND CASH EQUIVALENTS

	2014 £'000	2013 £'000
Cash and cash equivalents	531	206

Credit risk

The Company's principal financial assets are bank balances and cash and other receivables, which represent the Company's maximum exposure to credit risk in relation to financial assets. The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

12 TRADE AND OTHER PAYABLES

	2014 £'000	2013 £'000
Trade creditors	46	8
Other creditors	22	22
Accruals	17	29
	85	59

The Directors consider that the carrying amount of trade payables approximates to their fair value at the balance sheet date.

13 LOAN NOTES

On 10 May 2013 the Company issued £150,000 secured loan notes repayable on 31 October 2014, on which a facility fee at the rate of £2,000 per quarter was payable on redemption. The loan notes were redeemed at par in March 2014

14 SHARE CAPITAL AND PREMIUM

	Number of ordinary shares	Nominal value £'000	Share Premium £'000
Issued and fully paid			
At 1 July 2012, shares of 0.01p each	2,709,802,191	271	7,571
Share consolidation, shares of 1p each	(2,682,704,191)	-	-
At 30 June 2013, shares of 1p each	27,098,000	271	7,571
Share issue	44,000,000	440	110
Share issue expenses	-	-	(8)
At 30 June 2014, shares of 1p each	71,098,000	711	7,673

Share issue

On 25 March 2014, the Company issued 44,000,000 ordinary shares of 1p each at 1.25p per share by way of a private placing, raising £550,000 before expenses.

Warrants

On 25 May 2012 and in association with the CVA and Placing, the Company granted to Peterhouse Corporate Finance Limited by way of a deed a warrant to subscribe shares representing 3% of the Company's issued ordinary share capital from time to time exercisable at 2 pence per share at any time up to 20 March 2015. By an agreement of 24 March 2014, the number of ordinary shares the subject of this option was fixed at 1,142,940.

Options

On 25 March 2014 the Board resolved to grant options over up to 8,531,760 new ordinary shares exercisable at 1.25p per share and granted 3,199,410 of such options.

15 SHARE BASED PAYMENTS

Equity-settled share option scheme

The Company operates share-based payment arrangements to incentivise directors by the grant of share options. Equity-settled share-based payments are measured at fair value (excluding the effect of non-market based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of shares that will eventually vest and adjusted for the effect of non-market based vesting conditions.

On 25 March 2014 the Board resolved to grant options over up to 8,531,760 new ordinary shares exercisable at 1.25p per share and granted 1,599,705 such options each to G Clarke and N Harrison. The options are exercisable at any time up to 25 March 2018.

The significant inputs to the model in respect of the options granted were as follows:

Grant date share price	1.50p
Exercise share price	1.25p
No. of share options	3,199,410
Risk free rate	2.5%
Expected volatility	50%
Option life	4 years
Calculated fair value per share	0.517p

The total share-based payment expense recognised in the income statement for the year ended 30 June 2014 in respect of the share options granted was £22,582 (2013: £Nil).

Number of options at 1 July 2013	Issued in the year	Exercised in the year	Number of options at 30 June 2014	Exercise price	Vesting Date	Expiry date
–	3,199,410	–	3,199,410	1.25p	25.03.2014	25.03.2018

16 NOTES TO THE CASH FLOW STATEMENT

	2014 £'000	2013 £'000
Operating loss	(186)	(139)

Adjustments for:		
Loss on disposal of investments	-	6
Fair value movements in investments	55	-
Share based payment expense	23	-
Operating cash flows before movement in working capital	(108)	(133)
Decrease in receivables	15	9
Increase/(decrease) in payables	26	(173)
Net cash used in operating activities	(67)	(297)

Cash and cash equivalents (which are presented as a single class of asset on the face of the balance sheet) comprise cash at bank and other short term, highly liquid investments with a maturity of three months or less

17 CAPITAL COMMITMENTS

There were no capital commitments authorised by the Directors or contracted for at 30 June 2014 (2013: £nil).

18 CONTINGENT LIABILITIES

There were no contingent liabilities as at 30 June 2014 (2013: £nil).

19 RELATED PARTY TRANSACTIONS

The remuneration of the Directors, who are the key management personnel of the Company, is set out in the report of the Board on remuneration accompanying these financial statements. P Redmond, C Weinberg and C Yates participated in a placing to raise £550,000 in March 2014, subscribing respectively for 1,320,000, 1,810,000 and 1,720,000 new ordinary shares at 1.25p per share. G Clarke and N Harrison were both granted options to subscribe new ordinary shares as detailed in the report of the Board on remuneration. There have been no other material transactions with related parties.

20 POST BALANCE SHEET EVENT

In August 2014, the Company entered into a conditional agreement to acquire 75% of African Tantalite (Pty) Limited ("Aftan") for a total consideration of R12m (£0.66m). R4m of the consideration is to be satisfied through the issue of 4,523,113 new ordinary shares in the Company and the balance of R8m is to be satisfied through a loan. Aftan has signed a conditional agreement to acquire 60% of a mine in Namibia which is intended to be brought back into production within six months of completion of the Company's acquisition. Completion is conditional upon a number of conditions being satisfied by 31 December 2014 (or such later date as may be agreed), including confirmation of mining tenure for the mine and regulatory approvals in Namibia.

21 ULTIMATE CONTROLLING PARTY

The Directors are not aware that there is any single controlling party.

22 STATUS OF FINANCIAL INFORMATION

This preliminary announcement is authorised for issue by the Board on 13 November 2014.

The financial information set out in this preliminary announcement does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. The financial information contained in the announcement has been extracted from audited statutory financial statements for the year ended 30 June 2014 and from the audited accounts for the year ended 30 June 2013. The auditor's report on the financial statements for both years was unqualified.