

# Regulatory Story

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**Company** Carlton Resources PLC  
**TIDM** CLN  
**Headline** Final Results  
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## **Carlton Resources plc ("Carlton" or the "Company")**

### **Final results for the year ending 30 June 2009**

Carlton is pleased to announce its final results for the period ending 30 June 2009. The full annual report will be posted to shareholders tomorrow, and is available on the Company's website, [www.carltonresourcesplc.com](http://www.carltonresourcesplc.com).

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#### **Chairman's Statement**

In January 2009, in response to the downturn in global financial markets, your directors took the decision to dispose of the operating assets of Carlton Resources Plc ("Carlton" or the "Company") and to re-classify it as an "investing company" pursuant to Rule 15 of the AIM Rules. The Company's investing strategy, as approved by its shareholders at the EGM held in January, was established as being the acquisition of minority or controlling interests in a number of privately held or publicly listed resource projects in Africa. In order to ensure that the Company was able to take advantage of opportunities in a wide variety of minerals sectors, it was decided that the projects in which the Company invests would not be limited to any single resource.

Pending the making of a suitable acquisition, in February 2009 the Board put in place a cash preservation strategy to minimise expenditure by the Company. The directors further agreed to forego any salaries or directors' fees until such time as the Company had acquired new operations. Subsequently, in June 2009, the Company raised approximately £400,000 to cover working capital requirements and to meet certain outstanding liabilities. The Board has been successful in preserving the large majority of this cash.

Throughout this period, and in the subsequent months to the date of this report, the directors of the Company, all of whom have experience in operating and investing in resource projects in Africa, have considered and evaluated numerous opportunities with a view to identifying and pursuing new businesses with the potential to add value for shareholders. In many cases, the evaluation of those opportunities has progressed to a relatively advanced stage of due diligence. The Company is confident of being able to announce a suitable acquisition shortly (and in this respect your directors are fully aware of the requirements for investing companies under the AIM Rules in terms of the timeframe to acquire new operations). Rest assured that your Board is working tirelessly in this regard and looks forward to bringing you positive news as soon as possible. As you would appreciate, given that any such transaction will constitute a “reverse takeover” for the purposes of the AIM Rules, there is a significant amount of work to be done in meeting the various regulatory and other requirements and preparing the necessary transaction documentation.

Finally, I would like to thank you for your patience and continued support in what has been an extremely challenging period for your Company. The Board joins with me in reinforcing the total commitment of your directors for Carlton to emerge from this phase with a fresh outlook, an exciting project capable of delivering significant value to shareholders, and positive prospects for the future.

## Consolidated income statement for the year ended 30 June 2009

	Year ended 30 June 2009	Year ended 30 June 2008	Year ended 30 June 2009	Year ended 30 June 2008
	£	£	£	£
Administrative expenses	(601,917)	(1,069,939)	(601,917)	(15,140,753)
Loss from operations	(601,917)	(1,069,939)	(601,917)	(15,140,753)
Finance income	1,069	53,400	1,069	209,106
Finance expense	(3,823)	(3,506)	(3,823)	(3,506)
Loss before income tax expense	(604,671)	(1,020,045)	(604,671)	(14,935,153)
Income tax expense	-	-	-	-
Loss for the year from continuing operations	(604,671)	(1,020,045)	(604,671)	(14,935,153)
Loss for the year from discontinued operations	(1,031,267)	(8,348,930)	(1,527,210)	-
Loss for the year after income tax expense attributable to equity holders of the parent	(1,635,938)	(9,368,975)	(2,131,881)	(14,935,153)
Loss per share expressed in pence per share				
<i>From continuing operations</i>				
Basic and diluted	(0.23)p	(0.43)p		
<i>From discontinued operations</i>				
Basic and diluted	(0.38)p	(3.51)p		
<i>Total operations</i>				
Basic and diluted	(0.61)p	(3.94)p		

## Consolidated balance sheet as at 30 June 2009

Notes	Group		Company	
	As at 30 June 2009 £	As at 30 June 2008 £	As at 30 June 2009 £	As at 30 June 2008 £

## ASSETS

### Non-current assets

Property, plant and equipment	-	3,402,861	-	1,867
Trade and other receivables	-	256,779	-	-
Investments	-	-	-	1,727,208
	-	3,659,640	-	1,729,075

### Current assets

Inventories	-	453,559	-	-
Trade and other receivables	4,911	320,288	4,911	38,150
Cash and cash equivalents	414,073	657,368	414,073	102,390
	418,984	1,431,215	418,984	140,540

### Total assets

	418,984	5,090,855	418,984	1,869,615
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## Liabilities

### Non-current liabilities

Borrowings	-	1,601,772	-	-
Deferred tax liability	-	22,872	-	-
	-	1,624,644	-	-

### Current liabilities

Trade and other payables	52,554	864,802	52,554	132,147
Borrowings	125,244	530,623	125,244	-
Provisions	-	333,318	-	-
	177,798	1,728,743	177,798	132,147

### Total liabilities

	177,798	3,353,387	177,798	132,147
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### Total net assets

	241,186	1,737,468	241,186	1,737,468
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## Consolidated balance sheet as at 30 June 2009 (continued)

	Group		Company	
	As at 30 June 2009 £	As at 30 June 2008 £	As at 30 June 2009 £	As at 30 June 2008 £
<b>Equity attributable to equity holders of the parent</b>				
Share capital	1,484,185	1,341,328	1,484,185	1,341,328
Share premium reserve	7,841,940	7,584,797	7,841,940	7,584,797
Merger reserve	-	8,063,023	-	8,998,023
Foreign exchange reserve	-	495,943	-	-
Warrant reserve	53,653	53,653	53,653	53,653
Reverse takeover reserve	-	(8,646,921)	-	-
Other reserve	11,822,473	11,822,473	-	-
Retained earnings	(20,961,065)	(18,976,828)	(9,138,592)	(16,240,333)
<b>Total equity</b>	<b>241,186</b>	<b>1,737,468</b>	<b>241,186</b>	<b>1,737,468</b>

## Consolidated statement of changes in equity for the year ended 30 June 2009

	Share Capital £	Share Premium £	Warrant Reserve £	Merger Reserve £	Foreign Exchange Reserve £	Reverse Takeover Reserve £	Other Reserve £	Retained Earnings £	Total Equity attributable to shareholders of the Parent £
<b>Balance at 1 July 2007</b>	1	-	-	-	(168,613)	-	-	(9,739,138)	(9,907,750)
Foreign exchange on translation of foreign operations	-	-	-	-	664,556	-	-	-	664,556
<b>Net gain recognised directly in equity</b>	-	-	-	-	664,556	-	-	-	664,556
Loss for the year	-	-	-	-	-	-	-	(9,368,975)	(9,368,975)
<b>Total recognised income and expense for the year</b>	-	-	-	-	664,556	-	-	(9,368,975)	(8,704,419)
Issue of share capital	333,450	4,001,400	-	-	-	-	-	-	4,334,850
Issue costs	-	(224,042)	-	-	-	-	-	-	(224,042)
Issue of warrants	-	-	53,653	-	-	-	-	-	53,653
Equity settled share- based payments	-	-	-	-	-	-	-	131,285	131,285
Capital contribution	-	-	-	-	-	-	11,822,473	-	11,822,473
Reverse acquisition	1,007,877	3,807,439	-	8,063,023	-	(8,646,921)	-	-	4,231,418
<b>Balance as of 30 June 2008</b>	1,341,328	7,584,797	53,653	8,063,023	495,943	(8,646,921)	11,822,473	(18,976,828)	1,737,468

	Share Capital £	Share Premium £	Warrant Reserve £	Merger Reserve £	Foreign Exchange Reserve £	Reverse Takeover Reserve £	Other Reserve £	Retained Earnings £	Total Equity attributable to shareholders of the Parent £
<b>Balance at 1 July 2008</b>	1,341,328	7,584,797	53,653	8,063,023	495,943	(8,646,921)	11,822,473	(18,976,828)	1,737,468

Foreign exchange on translation of foreign operations	-	-	-	-	233,607	-	-	-	233,607
<b>Net gain recognised directly in equity</b>	-	-	-	-	<b>233,607</b>	-	-	-	<b>233,607</b>
Loss for the year	-	-	-	-	-	-	-	(1,635,938)	(1,635,938)
<b>Total recognised income and expense for the year</b>	-	-	-	-	<b>233,607</b>	-	-	<b>(1,635,938)</b>	<b>(1,402,331)</b>
Issue of share capital	142,857	257,143	-	-	-	-	-	-	400,000
Equity settled share-based payments	-	-	-	-	-	-	-	235,599	235,599
Transfer to profit and loss	-	-	-	-	(729,550)	-	-	-	(729,550)
Transfer of reserves <sup>1</sup>	-	-	-	(8,063,023)	-	8,646,921	-	(583,898)	-
<b>Balance as of 30 June 2009</b>	<b>1,484,185</b>	<b>7,841,940</b>	<b>53,653</b>	-	-	-	<b>11,822,473</b>	<b>(20,961,065)</b>	<b>241,186</b>

<sup>1</sup> Following the disposal of all subsidiaries, certain reserves arising at group level on consolidation have been transferred to retained earnings.

### Consolidated cash flow statement for the year ended 30 June 2009

	Group		Company	
	Year ended 30 June 2009	Year ended 30 June 2008	Year ended 30 June 2009	Period ended 30 June 2008
	£	£	£	£
<b>Cash flow from operating activities</b>				
Loss before tax	(1,658,810)	(10,053,326)	(2,131,881)	(14,935,153)
Adjustments for:				
Finance expense	95,172	201,923	3,823	3,506
Finance income	(27,502)	(80,825)	(1,069)	(209,106)
Depreciation	199,522	478,853	-	1,669
Impairment losses	-	4,915,096	-	14,059,836
Equity settled share-based payment expense	235,599	131,285	235,599	131,285
Loss on disposal of discontinued operations / subsidiaries	658,801	-	1,527,208	-
Loss on disposal of fixed assets	1,867	-	1,867	-
Foreign exchange difference	(729,549)	536,046	-	209,356
<b>Net cash from operating activities before changes in working capital</b>	<b>(1,224,900)</b>	<b>(3,870,948)</b>	<b>(364,453)</b>	<b>(738,607)</b>
Increase / (decrease) in trade and other payables	(200,459)	126,344	(79,593)	18,214
(Increase) / decrease in trade and other receivables	(102,202)	(121,152)	33,239	(10,105)
Increase in inventories	169,699	(259,986)	-	-
Increase in provisions	47,468	28,803	-	-
Taxation	-	684,351	-	-
<b>Net cash flow from operating activities</b>	<b>(1,310,394)</b>	<b>(3,412,588)</b>	<b>(410,807)</b>	<b>(730,498)</b>

<b>Investing activities</b>				
Interest received	27,502	80,825	1,069	53,403
Proceeds from the sale of subsidiaries	200,000	-	200,000	-
Purchase of property, plant and equipment	-	(675,322)	-	(1,668)
Cash held in subsidiary at the date of acquisition	-	84,991	-	-
Loans issued	-	-	-	(3,362,027)
Acquisition costs	-	-	-	(704,926)
<b>Net cash flow from investing activities</b>	<b>227,502</b>	<b>(509,506)</b>	<b>201,069</b>	<b>(4,015,218)</b>
<b>Financing activities</b>				
Proceeds from issue of ordinary shares	400,000	4,334,850	400,000	4,584,852
Issue costs	-	(224,044)	-	(224,044)
Proceeds from loans raised	1,255,998	530,623	125,244	-
Re-payment of loan	(194,025)	(40,602)	-	-
Interest paid	(95,179)	(185,878)	(3,823)	(3,506)
<b>Net cash from financing activities</b>	<b>1,366,794</b>	<b>4,414,949</b>	<b>521,421</b>	<b>4,357,302</b>

**Consolidated cash flow statement for the year ended 30 June 2009 (continued)**

	Group		Company	
	Year ended 30 June 2009 £	Year ended 30 June 2008 £	Year ended 30 June 2009 £	Year ended 30 June 2008 £
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>283,902</b>	<b>492,855</b>	<b>311,683</b>	<b>(388,414)</b>
Cash and cash equivalents at the beginning of the year	657,368	181,145	102,390	490,804
Cash balances included in discontinued operations	(603,121)	-	-	-
Exchange losses on cash and cash equivalents	75,924	(16,632)	-	-
<b>Cash and cash equivalents at the end of the year</b>	<b>414,073</b>	<b>657,368</b>	<b>414,073</b>	<b>102,390</b>

**Classified as:**

	Group		Company	
	Year ended 30 June 2009 £	Year ended 30 June 2008 £	Year ended 30 June 2009 £	Year ended 30 June 2008 £
Continuing operations	414,073	102,309	414,073	102,309
Discontinued operations	-	555,059	-	-
	<b>414,073</b>	<b>657,368</b>	<b>414,073</b>	<b>102,309</b>