28 June 2019

Path Investments plc

("Path" or "the Company")

Final Results for the Year Ended 31 December 2018

Path Investments plc (TIDM: PATH), is announces its audited results for the year ended 31 December 2018.

Highlights

- Broadened focus on the acquisition of producing natural resource assets.
- A number of transactions were considered and certain progressed in detail during the year.
- Withdrawal from Conditional Farm-In Agreement with 5P Energy GmbH.
- Subsequent to year-end, sale of legacy Turkish assets.

For further information:

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CHAIRMAN'S STATEMENT

Review

The Directors pro-actively reviewed a large number of opportunities as they presented themselves. Those assets found to be increasingly of interest are within the producing natural resources area.

In November 2018 the Company announced that it had decided to withdraw from its previously announced Conditional Farm-In Agreement with 5P Energy GmbH. Post the review period, in January 2019 the Company also announced the signing of a Heads of Agreement for the proposed acquisition of ARC Marlborough Pty. Limited. The Company withdrew from those negotiations in March 2019.

Whilst this was regrettable as considerable time and resources had been devoted to the task, there is a risk/reward trade-off to each transaction, whereby the risk to our shareholders may change over time, particularly during a negotiation period. This proved to be the case in both of these instances.

Subsequent to year end, the sale of the legacy Turkish assets was announced in January 2019. This was a welcome development and the result of patient discussion. Further details are contained within the Financial Review.

The Company recently announced the broadening of its strategic focus to that of the wider natural resources sector. The Directors are aware of a number of opportunities within that sector, at differing stages of transaction maturity, and have focused time and resources to advance one particular transaction. At this time a non-binding Letter of Intent has been entered into, which may lead to an acquisition in conformity with the Company's stated strategy. The Directors are working towards a binding commitment, but there can be no certainty until close. The Directors would hope to be in a position to be able to announce further information on this shortly

Nigel Brent Fitzpatrick
Non-Executive Chairman

CHIEF EXECUTIVE OFFICER'S REPORT

OPERATIONAL REVIEW

The Company was incorporated and registered in England and Wales on 2 June 2000 under the Companies Act 1985 as a public company limited by shares with the name Hallco 459 plc and with registered number 04006413. On 28 November 2000, the Company changed its name to The Niche Group PLC. On 20 February 2016, the Company changed its name to Path Investments Plc. It is domiciled and its principal place of business is in the United Kingdom and is subject to the City Code.

The strategy of the Company is focused on delivering a material acquisition in natural resources production or near production assets with the objective of providing the Company's shareholders with access to a low risk and, over time, diversified portfolio which can offer a dividend stream as well as offering development potential for capital growth. The Directors are looking to create a diversified portfolio of assets that is mindful of the maturity of asset developments, life of income stream and the potential for growth, and a number of opportunities have been evaluated and developed. The Company is open to ideas but intends that the Reverse Takeover will be of a business that can act as the cornerstone for building a substantial group within the sector.

The Company was admitted to the Official List by way of a Standard Listing and to trading on the London Stock Exchange's Main Market for listed securities on 30 March 2017. The Company's shares are currently suspended from trading pending completion of a binding transaction, for which there can be no guarantee of certainty.

The Company has not traded over the past twelve months. Over that period its expenses have related to pre-deal costs, professional and associated expenses related to advisory and consultancy fees, along with general administration expenses.

The previous sustained period of high commodity prices had seen companies in the sector raise their appetite for risk. The subsequent fall in commodity prices has led to pressure on project commitments and cash flow shortages which have left many proven and producing projects starved of capital. This is particularly acute at the smaller end of the quoted sector where capital commitment obligations are much higher.

The Directors believe that attractive opportunities currently exist to acquire interests in producing resource assets which are profitable and have future development potential. In addition to the decreased costs at which interests in assets can be acquired in the current climate, new entrant advantages include ongoing reductions in project costs along with, in many cases, the benefits of significant historically incurred costs, existing infrastructure and technical understanding. Revenue generation from some of these assets can be either immediate or imminent.

The Company intends to focus on identifying acquisition opportunities which are, in the opinion of the Directors, underperforming, undeveloped and/or currently undervalued, and where the Directors believe that their expertise and experience, in conjunction with that of the incumbent management, can be deployed to facilitate growth and unlock inherent value.

A number of transactions were considered and certain progressed in detail during the year. On 5th November 2018 the Company announced that it had decided to withdraw from its previously announced Conditional Farm-In Agreement with 5P Energy GmbH, under which Path will acquire a 50% Participating Interest in the Alfeld-Elze II License and field, subject to completion. Post the review period, on 18th January 2019 the Company also announced the signing of a Heads of Agreement for the proposed acquisition of ARC Marlborough Pty. Limited. The Company withdrew from negotiations on 13 March 2019.

Whilst this was regrettable, there is a risk/reward trade-off to each transaction, where the risk may change over time, particularly during a negotiation period. This proved to be the case in both of these instances.

FINANCIAL REVIEW

Loss for the year

In the year ended 31 December 2018, the Company recorded a loss of £1,059,060. There was no income in the period.

Cash flow

During the year, the Company issued convertible loan notes amounting to £93,000 pursuant to an instrument to issue £150,000 nominal convertible unsecured loan stock 2018 (see note 0).

On 30 January 2019, the Company disposed of its 5% interest in ARAR and Alpay Enerji AS for a consideration of £400,000, together with the transfer by their major shareholder of 357,412 Ordinary Shares in the Company to be held in Treasury and 357,412 Deferred Shares for cancellation. The Company currently has no distributable earnings from which a distribution to deferred shareholders can be made, and alternative methods of returning value to such shareholders are under consideration. Such funds received were therefore used towards the satisfaction of the Company's debts.

Going concern

The financial statements have been prepared on the assumption that the Company will continue as a going concern. Under this assumption, an entity is ordinarily viewed as continuing in business for the foreseeable future with neither the intention nor the necessity of liquidation, ceasing trading or seeking protection from creditors pursuant to laws or regulations. In assessing whether the going concern assumption is appropriate, the Directors take into account all available information for the foreseeable future, in particular for the twelve months from the date of approval of the financial statements.

The Directors consider the use of the going concern assumption to be appropriate. At the latest reported date of 31 December 2018, the Company had cash and cash equivalents totalling £473. On 30 January 2019, the Company disposed of its 5% interest in ARAR and Alpay Enerji AS for a consideration of £400,000 together with the transfer by their major shareholder of 357,412 Ordinary Shares in the Company to be held in Treasury and 357,412 Deferred Shares for cancellation. Such funds received were used towards the satisfaction of the Company's debts.

On 26 June 2019, the Company had cash equivalents totalling £16,227 and had a net current liabilities. The Company is therefore able to continue as a going concern only as a result of the support of its creditors and Directors. The Company plans to raise further funds by a placing of ordinary shares at the time of its announcement of a binding transaction by the Company. Should a placing not take place in a timely manner, or should the Company's creditors demand payment, the Directors will need to immediately raise additional funds in order to be able to continue as a going concern. The ability of the Company to raise additional funds is dependent upon investor appetite and if necessary the Directors' ability to obtain alternative sources of funding.

For the above detailed reasons, the Directors believe there is a material uncertainty over the Company's status as a going concern. However, the Directors have a reasonable expectation that the Company will be able to raise sufficient funding when required to allow it to cover its working capital for a period of at least twelve months from the date of approval of the financial statements. It is for this reason they continue to adopt the going concern basis of accounting in preparing the financial statements.

Due to the early stage of development of the Company, the responsibilities normally delegated to the Audit & Risk Committee were discharged by the full Board during the period. When operational, the committee will oversee the Company's financial reporting and internal controls, and provides a formal reporting link with the external auditors. The ultimate responsibility for reviewing and approving the Annual Report and Accounts and the half-yearly reports will remain with the Board.

The Company's external auditors and the board of directors will closely monitor the level of audit and non-audit services they provide to the Company. In the year ended 31 December 2018, the external auditors provided non-audit services to the Company in respect of its aborted conditional acquisition of a 50% participating interest in an onshore producing conventional gas field, the Alfeld-Elze II Licence and Gas Field in Germany and AIM admission.

Christopher Theis
Chief Executive Officer

STRATEGIC REPORT

The Directors present their strategic report on the company for the year ended 31 December 2018.

Principal Activities
Path Investments Plc is a public company incorporated under the Companies Act 1985 and domiciled in the United Kingdom. The strategy of the Company is focused on delivering a material acquisition in natural resources production or near production assets with the objective of providing the Company's shareholders with access to a low risk and, over time, diversified portfolio which can offer a dividend stream as well as offering development potential for capital growth.

Business Review
The Directors are looking to create a diversified portfolio of assets that is mindful of the maturity of asset developments, life of income stream and the potential for growth, and a number of opportunities have been evaluated and developed. The Company is open to ideas but intends that the Reverse Takeover will be of a business that can act as the cornerstone for building a substantial group within the sector.

The requirements of the enhanced business review are contained in the Chairman's Statement and in the Operational and Financial Reviews on pages 2 - 4 of this document.

Key performance indicators
The Company has not traded over the past twelve months and the Directors are of the opinion that analysis using key performance indicators is not necessary for an understanding of the business at the present time.

Position of the Company's business at the year-end
At the year-end, the Company's Statement of Financial Position shows net liabilities totalling £1,072,760.

The future plans of the Company
At this time a non-binding Letter of Intent has been entered into, which may lead to an acquisition in conformity with the Company's stated strategy. The Directors are working towards a binding commitment, but there can be no certainty until close. The Directors would hope to be in a position to be able to announce further information on this shortly.

Employees
The Company's only employees are its two Executive Directors. There are no other employees.

Employee gender diversity

	Male	Female
Directors of the company	4	-
Total number of employees	2	-

Principal risks and uncertainties

The Company is subject to various risks relating to investments, industry, business and financial conditions. The following risk factors, which are not exhaustive, are particularly relevant to the Company and its business activities:

Risk	**Mitigation**
Due diligence on potential investments	
Any due diligence by the Company in connection with a proposed investment may not reveal all relevant considerations or liabilities, which could have a material adverse effect on the Company's financial condition or results of operations. There can be no assurance that the due diligence undertaken with respect to a potential investment opportunity will reveal all relevant facts that may be necessary to evaluate such opportunity. The Company may also make subjective judgements regarding the results of operations, financial condition and prospects of a potential investment opportunity which by their nature may subsequently result in substantial impairment charges or other losses.	The Company intends to conduct such due diligence as it deems reasonably practicable and appropriate based on the facts and circumstances applicable to any potential investment prior to entering into any legally binding agreement in connection therewith to acquire any assets. The objective of the due diligence process will be to identify material issues which might affect the decision to proceed with any one particular investment opportunity or the consideration payable for that investment.
Lack of control over investment	
It is likely that, in many cases, the Company will acquire an interest in an underlying asset which does not confer upon it the ability to control the underlying asset. Accordingly, the Company's decision making authority may be limited. Such investments may also involve the risk that such other stakeholders may become insolvent or unable or unwilling to fund additional investments in the underlying asset.	The Company will seek the greatest protection it can when negotiating the investment instrument. The company considers contingency plans in the event of default or non-performance of partners or material counterparties.
Operational risk in sector	
Activities in the resources sector can be dangerous and may be subject to interruption. The assets in which the Company will make investments are subject to the significant hazards and risks inherent in the resources sector and countries in which the underlying assets are located. Disruption caused by such risks could affect the Company's performance, financial condition and business prospects.	The Company will make use of industry norm insurance arrangements as well as ensuring best operational practices are strictly adhered to.
Lack of operational control	
The Company will need to rely on third parties to operate its assets and will not have direct control over production from its assets. Any failure by an external contractor may lead to delays or curtailment of the production, transportation, or delivery of natural	The Company will, through its membership of each respective asset's Operational Committee, have direct involvement in day to day decisions.

resources products and result in adverse effect on the revenues to the Company.	
Additional cost contribution	
The Company may be required to contribute to unexpected costs in the underlying assets in which it invests.	Whilst it is difficult to mitigate against unexpected costs, best operational practices and tight budgetary control assist in the avoidance of such events.
Investments that do not proceed to completion	
The Company expects to incur certain third party costs associated with any investment opportunity that may ultimately lead to a completed transaction. The greater the number of these deals that do not reach completion, the greater the impact of such costs on the Company's performance, financial condition and business prospects.	The Company will seek to minimise such costs with reference to its current financial resources.
Resource Sector conditions	
The Company's revenues, profitability and future growth are substantially dependent on prevailing prices of the natural resources into which it chooses to invest and its ability to either enter into, realise or seek a return from its investments. The prices of natural resources are subject to large fluctuations in response to a number of factors including relatively minor changes in the supply of, and demand for natural resources, in addition to other factors beyond the control of the Company.	The Company takes a conservative approach to making investment decisions and these decisions are based upon a detailed assessment of expected natural resource prices. The methodologies used to assess investments against future natural resource prices are in line with best practice generally adopted in the natural resources industry.
Foreign currency exposure	
Investments in overseas assets will expose the Company to exchange rate fluctuations**.**	The Company may seek to manage its foreign exchange exposure by active use of hedging and derivative instruments.
Further funding for investments	
The Company's investments or future acquisitions, expansion, activity and/or business development will require additional capital, whether from equity or debt sources. There can be no guarantee that the necessary funds will be available on a timely basis, on favourable terms, or at all, or that such funds if raised, would be sufficient.	The Company will not enter into any binding agreement without assurance of requisite funding being in place. The company is actively seeking to diversify its sources of funding to mitigate against the risk of any single source becoming inaccessible.
Credit & Counterparty risks	
Any investment concluded by the Company could underperform due to one or more of the partners or counterparties (both suppliers and customers) to the project defaulting or not performing.	The Company considers the credit and counterparty risks of the different partners and customers in any investment it considers and where necessary seeks to transfer, insure or prepares contingency plans in the event of default or non-performance.
Regulatory Risks	
In all EU markets where access to markets and to most of the logistical infrastructure are regulated, the Company is exposed to changes in regulations that could substantially alter the economics of market access and logistics. In turn, this could alter the	The Company will invest in countries with established and stable regulatory regimes and actively monitors the regulatory policies and regimes to anticipate and wherever possible mitigate the impact of regulatory changes.

economics of investments in natural resources. Similarly, all markets have regulated fiscal regimes for natural resources and changes to these natural resource regimes could materially impact the returns on investments.	

The Strategic Report was approved by the board of Directors and signed on its behalf by:

Christopher Theis
Chief Executive Officer

INDEPENDENT AUDITORS' REPORT

Opinion

We have audited the financial statements of Path Investments Plc (the 'company') for the year ended 31 December 2018 which comprise the Statement of Comprehensive Income, the Statement of Changes in Equity, the Statement of Financial Position and the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to note 1.3 in the financial statements, which identifies conditions that may cast significant doubt on the company's ability to continue as a going concern. The company incurred a net loss of £1,059,060 during the year ended 31 December 2018 and, as of that date, the company held net current liabilities of £1,072,760.

The ability of the company to continue as a going concern is dependent on the continued financial support of its creditors and Directors and the ability to raise further equity funds.

As stated in note 1.3, these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

Our application of materiality

We have determined our overall financial statement Materiality to be £26,200 which is based on 2% of expenses incurred and 3% of loss before tax.

We consider these two benchmarks to be the most significant determinant of the company's financial performance used by shareholders. Until the company finds a suitable investment, it will be non-revenue generating and so we have based our assessment of materiality on total expenses and loss before tax to reflect activity during the period.

We set performance materiality at 65% of overall financial statement materiality.

An overview of the scope of our audit

In designing our audit, we determined materiality and assessed the risk of material misstatement in the financial statements. There were no areas within the financial statements which involved significant accounting estimates or judgements by the directors. We also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud. The company finance function is located in the United Kingdom. Our audit was conducted from our London office, with regular contact from the key individuals responsible for the accounting function.

Key audit matters

Except for the matter described in the Material uncertainty related to going concern section, we have determined that there are no key audit matters to communicate in our report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements and the part of the directors' remuneration report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Statement of directors' responsibility, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Other matters which we are required to address

We were appointed by the Board on 20 May 2019 to audit the financial statements for the year ended 31 December 2018. Our total uninterrupted period of engagement is 1 year.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the company and we remain independent of the company in conducting our audit.

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussions with the directors. We considered the extent of compliance with those laws and regulations as part of our procedures on the related financial statement items. We communicated identified laws and regulations throughout our audit team and remained alert to any indications of non-compliance throughout the audit. As with any audit, there remained a higher risk of non-detection of irregularities, as these may have involved collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

Our audit opinion is consistent with the additional report to the audit committee.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone, other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

David Thompson (Senior Statutory Auditor)
For and on behalf of PKF Littlejohn LLP
Statutory Auditor
27 June 2019

1 Westferry Circus
Canary Wharf
London E14 4HD

STATEMENT OF COMPREHENSIVE INCOME

	Note	Year ended 31 December 2018	Year ended 31 December 2017
		£	**£**
Administrative expenses		(965,608)	(585,533)
Operating loss	4	(965,608)	(585,533)
Finance income	7	81	56
Finance cost	7	(93,533)	(38,500)
Loss on ordinary activities before taxation		(1,059,060)	(623,977)
Income tax	8	-	-
Loss for the year and total comprehensive loss attributable to the equity holders		(1,059,060)	(623,977)
Loss per share			
- Basic & diluted attributable to the equity holders	9	(0.54)	(0.42)

All operating income and operating gains and losses relate to continuing activities.

There was no other comprehensive income for the year (2017:£Nil)

The notes form an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY

	Share Capital	Share Premium	Share based payments reserve	Retained earnings	Total
	£	£	£	£	£
As at 1 January 2017	8,805,838	24,134,750	715,752	(34,902,611)	(1,246,271)
Comprehensive income					
Loss for the period	-	-	-	(623,977)	(623,977)
Total Comprehensive loss	-	-	-	(623,977)	(623,977)
Issue of share capital	173,929	1,565,363	-	-	1,739,292
Issue costs	-	(286,496)	-	-	(286,496)
Lapsed or waived share options	-	-	(382,479)	382,479	-
Transfer to retained reserves	-	-	(333,273)	333,273	-
Share based payment	-	-	-	403,752	403,752
Total contributions by and distributions to owners of the company	173,929	1,278,867	(715,752)	1,119,504	1,856,548
As at 31 December 2017	**8,979,767**	**25,413,617**	**-**	**(34,407,084)**	**(13,700)**
Comprehensive income					
Loss for the period	-	-	-	(1,059,060)	(1,059,060)
As at 31 December 2018	**8,979,767**	**25,413,617**	**-**	**(35,466,144)**	**(1,072,760)**

The Share Capital represents the nominal value of the equity shares.

The Share Premium represents the amount subscribed for share capital, in excess of the nominal amount, less costs directly relating to the issue of shares.

The Retained Earnings reserve represents the cumulative net gains and losses less distributions made. Retained Earnings also includes the share based payment reserve which represents the cumulative fair value of options and warrants granted,

The notes form an integral part of the financial statements.

STATEMENT OF FINANCIAL POSITION

	Note	As at 31 December 2018	As at 31 December 2017
		£	£
ASSETS			
Non-current assets			
Investments – available for sale	10	-	-
		-	-
Current assets			
Trade and other receivables	11	2,220	8,978
Cash and cash equivalents	15	473	159,505
		2,693	168,483
LIABILITIES			
Current liabilities			
Trade and other payables	12	(1,075,453)	(182,183)
Net Current Liabilities		(1,075,453)	(13,700)
NET LIABILITIES		(1,072,760)	(13,700)
SHAREHOLDERS' EQUITY			
Called up share capital	13	195,943	195,943
Deferred shares	13	8,783,824	8,783,824
Share premium account		25,413,617	25,413,617
Retained earnings		(35,466,144)	(34,407,084)
TOTAL EQUITY		(1,072,760)	(13,700)

The financial statements were approved by the board of directors and authorised for issue on 27 June 2019 and signed on its behalf by:

Christopher Theis
Chief Executive Officer

The notes form an integral part of the financial statements.

STATEMENT OF CASH FLOWS

	Notes	Year ended 31 December 2018	Year ended 31 December 2017
		£	£
Cash flows from operating activities			
Cash expended from operations	14	(158,580)	(1,317,018)
Net cash outflow from operating activities		(158,580)	(1,317,018)
Cash flows from investing activities			
Interest received		81	56
Finance costs		(533)	-
Net cash generated from investing activities		(452)	56
Cash flows from financing activities			
Net proceeds from the issue of ordinary shares		-	1,452,795
Net cash inflow from financing activities		-	1,452,795
Net increase/(decrease) in cash and cash equivalents		(159,032)	135,833
Cash and cash equivalents at beginning of year		159,505	23,672
Cash and cash equivalents at end of year	15	473	159,505

The notes form an integral part of the financial statements

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

1.1 Basis of preparation

Path Investments Plc is a public limited company incorporated in the United Kingdom, registered under company number 04006413. The address of the registered office is Aston House, Cornwall Avenue, London, N3 1LF, England. The principal activity of the Company is the investment in both mining and oil and gas development and production companies.

The financial statements have been prepared and approved by the Directors in accordance with International Financial Reporting Standards as adopted by the European Union ('IFRS') and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

The financial statements are presented in UK pounds Sterling which is the Company's functional and presentational currency and all values are rounded to the nearest pound except where indicated otherwise.

The financial statements have been prepared under the historical cost convention or fair value where appropriate. The significant accounting policies adopted are described below.

The financial statements disclose information about the company only and not its group on the basis that its subsidiaries are dormant and have not traded (see note 20).

The preparation of the Financial statements in conformity with IFRS requires the use of certain critical accounting estimates, It also requires the board to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 1.9.

1.2 Property, plant and equipment

Property, plant and equipment are stated at cost on acquisition less accumulated depreciation and accumulated impairment losses.

Depreciation is provided on all property, plant and equipment categories at rates calculated to write off the cost, less estimated residual value on a straight line basis over their expected useful economic life. The depreciation rates are as follows:

	Basis of depreciation
Office equipment	3 years straight line

1.3 Going concern

The Directors have prepared the financial statements on a going concern basis. The Directors consider the use of the going concern assumption to be appropriate. At the latest reported date of 31 December 2018, the Company had cash and cash equivalents totalling £473. On 30 January 2019, the Company disposed of its 5% interest in ARAR and Alpay Enerji AS for a consideration of £400,000 (together with the transfer by their major shareholder of 357,412 Ordinary Shares in the Company to be held in Treasury and 357,412 Deferred Shares for cancellation). Such funds received were used towards the satisfaction of the Company's debt.As at 26 June 2019, the Company had cash equivalents totalling £16,227 and had a net current liabilities. The Company is therefore able to continue as a going concern only as a result of the support of its creditors and Directors.

The Company plans to to raise further funds by a placing of ordinary shares at the time of its announcement of a binding transaction by the Company. Should a placing not take place in a timely manner, or should the Company's creditors demand payment, the Directors will need to immediately raise additional funds in order to be able to continue as a going concern. The ability of the Company to raise additional funds is dependent upon investor appetite and if necessary the Directors' ability to obtain alternative sources of funding.

For the above detailed reasons, the Directors believe there is a material uncertainty over the Company's status as a going concern. However, the Directors have a reasonable expectation that the Company will be able to raise sufficient funding to allow it to cover its working capital for a period of twelve months from the date of approval of the financial statements. It is for this reason they continue to adopt the going concern basis of accounting in preparing the financial statements.

1.4 Financial instruments

The Company has elected to apply the limited exemption in IFRS 9 relating to classification, meaurment and impairing requirements for financial instruments, and accordingly comparative periods have not been restated and remain in line with the previous standard IAS 39 "Financial Instruments: Recognisiton and Measurement";

Classification and measurement

The Company classifies its financial assets into the following categories: those to be measured subsequently at fair value (either through other comprehensive income (FVOCI) or through the income statement (FVPL) and those to be held at amortised cost.

Classification depends on the business model for managing the financial assets and the contractual terms of the cash flows.

Management determines the classification of financial assets at initial recognition. The Company's policy with regard to financial risk management is set out in note 16. Generally, the Company does not acquire financial assets for the purpose of selling in the short term.

The Company's business model is primarily that of "hold to collect" (where assets are held in order to collect contractual cash flows). When the Company enters into derivative contracts, these transactions are designed to reduce exposures relating to assets and liabilities, firm commitments or anticipated transactions.

Financial Assets held at amortised cost

The classification applies to debt instruments which are held under a hold to collect business model and which have cash flows that meet the "solely payments of principal and interest" (SPPI) criteria.

Other financial assets are initially recognised at fair value plus related transaction costs, they are subsequently measured at amortised costs using the effective interest method. Any gain or loss on derecognition or modification of a financial asset held at amortised cost is recognised in the income statement.

Financial Assets held at fair value through other comprehensive income (FVOCI)

The classification applies to the following financial assets:

- Equity investments where the Company has irrevocably elected to present fair value gains and losses on revaluation of such equity investments, including any foreign exchange component, are recognised in other comprehensive income. When equity investment is derecognised, there is no reclassification of fair value gains or losses previously recognised in other comprehensive income to the income statement. Dividends are recognised in the income statement when the right to receive payment is established.

Financial Assets held at fair value through profit or loss (FVPL)

The classification applies to the following financial assets. In all cases, transaction costs are immediately expensed to the income statement.

- Debt instruments that do not meet the criteria of amortised costs or fair value through other comprehensive income. The Company has a significant proportion of trade receivables with embedded derivatives for professional pricing. These receivables are generally held to collect but do not meet the SPPI criteria and as a result must be held at FVPL. Subsequent fair value gains or losses are taken to the income statement.
- Equity investments which are held for trading or where the FVOCI election has not been applied. All fair value gains or losses and related dividend income are recognised in the income statement.
- Derivatives which are not designated as a hedging instrument. All subsequent fair value gains or losses are recognised in the income statement.

Financial liabilities

Borrowings and other financial liabilities (including trade payables but excluding derivative liabilities) are recognised initially at fair value, net of transaction costs incurred, and are subsequently measured at amortised costs.

Impairment of financial assets

A forward looking expected credit loss (ECL) review is required for: debt instruments measured at amortised costs are held at fair value through other comprehensive income: loan commitments and financial guarantees not measured at fair value through profit or loss; lease receivables and trade receivables that give rise to an unconditional right to consideration.

As permitted by IFRS 9, the Company applies the "simplified approach" to trade receivable balances and the "general approach" to all other financial assets. The general approach incorporates a review for any significant increase in counter party credit risk since inception. The ECL reviews including assumptions about the risk of default and expected loss rates. For trade receivables, the assessment takes into account the use of credit enhancements, for example, letters of credit. Impairments for undrawn loan commitments are reflected as a provision.

1.5 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and at bank and other short-term deposits. They are stated at carrying value which is deemed to be fair value.

1.6 New Standards and Interpretations

The IASB and IFRIC have issued the following standards and interpretations which are in issue but not in force at 31 December 2018:

		Effective date for accounting period beginning on or after
IFRS 3	(Amendments) Business Combinations	Not yet determined*
IFRS 16	Leases – new standard	1 January 2019
	Amendments resulting from Annual Improvements 2015–2017 Cycle (income tax consequences of dividends)	1 January 2019
IAS 19	Amendments regarding plan amendments, curtailments or settlements	1 January 2019
IAS 28	Long-term interests in associates and joint venture	1 January 2019
IFRIC 23	Uncertainty over Income tax treatments	1 January 2019

*Not yet endorsed in the EU

The Directors anticipate that the adoption of these Standards and Interpretations in future periods will have no material impact on the financial statements other than in terms of presentation.

1.7 Share-based payments

The Company operates a number of equity-settled share-based compensation plans, under which the entity receives services from employees or suppliers as consideration for equity instruments (options) of the Company. The fair value of the employee or supplier services received in exchange for the grant of options is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted:

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

Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each reporting period, the entity revises its estimates of the number of options that are expected to vest based on the non-marketing vesting conditions. It recognises the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to equity.

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

1.8 Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Deferred tax is recognised, using the liability method, in respect of temporary differences between the carrying amount of the Company's assets and liabilities and their tax base.

Deferred tax liabilities are offset against deferred tax assets. Any remaining deferred tax asset is recognised only when, on the basis of all available evidence, it can be regarded as probable that there will be suitable taxable profits, within the same jurisdiction, in the foreseeable future against which the deductible temporary difference can be utilised.

Deferred tax is determined using tax rates that are expected to apply in the periods in which the asset is realised or liability settled, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Current and deferred tax are recognised in the income statement, except when the tax relates to items charged or credited directly in equity, in which case the tax is also recognised in equity.

1.9 Sources of estimation uncertainty

The preparation of financial statements requires the use of estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statements and the reporting amount of income and expenses during the period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates.

Share based payments
The share-based payment charge is calculated using the Black-Scholes model which requires the estimation of share price volatility, expected life and the bid price discount.

2. SEGMENTAL REPORTING

a. Primary segment – business
The Company has only one business segment, which is investing in natural resources, primarily either by way of equity or convertible loans.

b. Secondary segment – geographical
The Company's loss for the period was derived wholly from activities undertaken in the United Kingdom.

The Company's net assets are located entirely in the United Kingdom.

3. EXPENSES BY NATURE

	2018	**2017**
	£	**£**
Staff costs	268,896	(620,838)
Share based payment	-	400,346
Other expenses	696,712	806,025
	965,608	585,533

4. OPERATING LOSS

The operating loss is stated after charging:

	2018	**2017**
	£	**£**
Auditors remuneration – audit services	16,000	24,000
Non- Audit Services		
Reporting accountants services in respect of the Company's Standard Listing	-	38,845
Services in relation to the aborted acquisition of a participating interest in a German licence and gas field and admission to the Alternative Investment Market	-	47,700
Total non-audit fees	-	86,545

5. EMPLOYEES

Number of employees
The average monthly number of employees (including Directors) during the period was:

	2018	**2017**
	Number	**Number**
Administration	4	**4**

	2018	2017
	£	£
Employment costs		
Wages and salaries (including benefits in kind)	237,060	(520,091)
Social security costs	31,723	(56,008)
Pension costs	113	(44,739)
	268,896	(620,838)

Included in employment costs above for 2017 is a waiver of accrued remuneration of £940,905.

Included in employment costs above for 2018 are Directors' accrued salaries, together with employer's national insurance contributions, amounting to £239,798.

6. DIRECTORS' REMUNERATION

	2018	2017
	£	£
Aggregate emoluments	237,060	(520,091)
Share based payment	-	400,346
Pension costs	113	(44,739)
	237,173	(164,484)

Remuneration for the highest paid director was £112,500 (2017: £186,496 including a gross bonus of £94,621 paid to C Theis in recognition of his efforts in assisting the company's listing on the Standard Market and associated fundraising). However, included in this amount at 31 December 2018 was remuneration accrued but not paid of £210,719.

During the period, retirement benefits are accruing to two Directors (2017: Nil).

7. FINANCE INCOME AND COSTS

	2018	2017
	£	£
Finance Income		
Bank interest	81	56
	81	56
Finance costs		
Bank charges	(533)	(1,000)
Convertible loan note interest	(93,000)	(37,500)
Net finance cost	(93,452)	(38,444)

8. TAXATION

No corporation tax charge arises in respect of the period due to the trading losses incurred. The Company has surplus management expenses available to carry forward and use against trading profits arising in future periods of approximately £5,704,000 (2017: £4,304,000). In addition, the Company has non-trading loan relationship debits to carry forward to offset against future non-trading loan relationship credits of approximately £18,917,000 (2017: £18,880,000).

	2018 £	2017 £
Current tax charge	-	-
Loss on ordinary activities before taxation	(1,059,060)	(623,977)
Loss on ordinary activities before taxation multiplied by average effective rate of corporation tax of 19% (2017: 19%)	(201,221)	(118,556)
Effects of:		
Non-deductible expenses	27,869	131,856
Short term timing differences	63,232	(178,771)
Other adjustments	-	-
Tax losses upon which no deemed tax asset is recognised	110,120	165,471
Current tax charge	-	-

A deferred tax asset of approximately £972,000 (2017: £873,000) in respect of losses has not been recognised due to the uncertainty regarding the availability of future profits against which the losses of the Company could be offset.

9. LOSS PER SHARE

The calculation of the basic and diluted loss per share is based on the loss on ordinary activities after taxation of £1,059,060 (2017: £623,977) and on the weighted average number of ordinary shares of 195,943,802 (2017: 149,164,700) in issue. The basic and diluted loss per share is 0.54p (2017: 0.42p). As the Company is loss making, there was no dilutive effect from the share options or warrants.

In order to calculate the diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares according to IAS33. Dilutive potential ordinary shares include convertible loan notes and share options granted to Directors and consultants where the exercise price (adjusted according to IAS 33) is less than the average market price of the Company's ordinary shares during the period.

10. INVESTMENTS – AVAILABLE FOR SALE

Unlisted investments are recorded at cost less impairment. Unlisted investments are instruments that do not have a quoted market price in an active market and their fair value cannot be measured reliably. The range of reasonable fair value estimates is significantly wide and the probabilities of the various estimates cannot be reasonably assessed as they relate to the underlying gas reserves in blocks which are currently being explored by a third party company.

The unlisted investments as at 31 December 2018 comprised of a 5 per cent. interest each in ARAR and Alpay Enerji as at an aggregate cost of £8 million. In 2016, Mr. S. Faith Alpay, the majority owner of ARAR and Alpay Enerji AS, made an initial offer to the Company of £1,050,000 for its 5% interest in both companies payable in instalments. However, since the offer was received, progress towards a legal sale and purchase agreement had not occurred, and as the payment was by instalment over a period of time, the directors considered the likelihood of finding an alternative buyer to be low and accordingly impaired the asset to £nil in the year ended 31 December 2016. On 30 January 2019, the Company disposed of its 5% interest in ARAR and Alpay Enerji AS for a consideration of £400,000 (together with the transfer by their major shareholder of 357,412 Ordinary Shares in the Company to be held in Treasury and 357,412 Deferred Shares for cancellation).

11. TRADE AND OTHER RECEIVABLES

	2018 £	2017 £
Prepayments	2,220	8,978
	2,220	8,978

12. TRADE AND OTHER PAYABLES

	2018 £	2017 £
Trade payables	369,939	38,711
Taxation and social security	-	8,542
Other payables (including convertible loan notes)	193,956	-
Accruals and deferred income	511,558	134,930
	1,075,453	182,183

Convertible Unsecured Loan Stock

In October and December 2016, the Company raised £75,500 under the Convertible Unsecured Loan Stock 2016 instrument issued on 26 October 2016. In January and February 2017, the Company raised a further£37,500 under the instrument. From the total of £113,000, the following amounts were raised from the directors:

Director	**£**
C Theis*	67,000
A Yeo	10,000
N Fitzpatrick***	10,000
T Corrado	3,000
D Boylan (resigned 22.5.17)	20,000
R Patel** (resigned 22.5.17)	3,000
Total	**113,000**

* £57,000 from Chris Theis's Pension fund and £10,000 from Networkguru Limited, a company owned and controlled by Chris Theis' son.

** Including £1,500 from Adler Shine LLP, a firm in which Rakesh Patel, a former director, has an interest.

*** From Ocean Park Developments Limited, a company controlled by N Fitzpatrick.

At the option of the loan stockholder, on an Admission of the Company to AIM or other recognised investment exchange, the loan would either be convertible into shares at the price at which the placing associated with the listing occurs or would be repayable out of the placing proceeds together with 100% interest to compensate for the risk associated with the loan.

On the Standard Listing of the Company in March 2017, the loans were either repaid or converted into shares. Directors loans of £198,000 (including related interest of £106,500) were converted into shares. In total £203,000 was converted into shares, and £23,000 was repaid of which £21,500 related to loans from Directors.

On 3 April 2018 the Company constituted an instrument to issue £150,000 nominal convertible unsecured loan stock 2018. On admission of the Company to AIM or other recognised investment exchange, the convertible loan notes are, at the option of the loan note holder, either convertible into shares at the price at which the placing associated with the listing occurs or will be repayable out of the placing proceeds together with 100% interest to compensate for the risk associated with the loan. If the listing did not occur before 31 July 2018 the loan note holder may convert the loan together with interest into fully paid Ordinary Shares in the Company at the nominal value of an Ordinary Share.

Subsequently the Company raised £93,000 under this instrument including the following amounts raised from the Directors:

Director	**Amount**
	£
C Theis[1]	50,000
A Yeo	25,000
Brent Fitzpatrick	8,000
Total	**83,000**

[1] The amount was provided by Networkguru Limited, a company owned and controlled by Chris Theis' son.

At 31 December 2018, the convertible loans amounting to £186,000 , including accrued interest of £93,000 remained outstanding. On 11 March 2019, £10,000 was repaid to the holder of a convertible loan note for £10,000 with interest thereon remaining due. The remaining loan note holders, all of whom were directors or their related parties, agreed to extend conversion or repayment of the loans from 31 July 2018 until 30 September 2019. or earlier if the company was admitted to the Standard List of the London Stock Exchange or a material transaction is completed.

13. SHARE CAPITAL

Allotted, called up and fully paid

	Ordinary Shares of 0.1p each		*Deferred shares of 39.9p each*	
	no	**£**	**no**	**£**
At 1 January 2017	**22,014,596**	**22,014**	**22,014,596**	**8,783,824**
On 30 March 2017 the company issued 1,400,000 Ordinary shares at par	140,000,000	140,000	-	-
On 16 May 2017 the company issued 20,300,000 Ordinary shares at par on conversion of loans	20,300,000	20,300	-	-
On 16 May 2017 the company issued 13,629,206 Ordinary shares at par in satisfaction of invoices	13,629,206	13,629	-	-
At 31 December 2017 and at 31 December 2018	**195,943,802**	**195,943**	**22,014,596**	**8,783,824**

The ordinary shares shall confer upon the holders the right to receive dividends and other distributions and participate in the income or profits of the company, provided that the Ordinary shares shall not confer upon the holders the rights to receive dividends paid, made or declared of the proceeds of the sale of assets held by the Company at 10 October 2016 and included on the Company's Balance Sheet as "Investments – Available for Sale" as at the date of the General Meeting (the "Legacy Assets").

The deferred shares shall confer upon the holders the following rights and shall be subject to the following restrictions, notwithstanding any other provisions in these Articles:

Return of Capital
On return of assets on a winding up of the Company after the holders of Ordinary shares have received the aggregate amount paid up thereon plus £10,000,000 for each such share held by them, there shall be a distribution to the holders of deferred shares an amount equal to the nominal value of shares held and thereafter any surplus held will be distributed to holders of ordinary shares.

Dividends
Holders of deferred shares have no rights to dividends or other distributions or to participate in the income and profits of the company, except that deferred shareholders have a right to receive any dividends declared, made or paid out of the proceeds of the sale of Legacy Assets.

Transfers
The company may acquire all or any of the deferred shares in issue at any time for no consideration.

14. RECONCILIATION OF OPERATING LOSS TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	2018	**2017**
	£	**£**
Operating loss	(965,608)	(585,533)
Decrease in debtors	6,758	81,722
Decrease in creditors within one year	893,270	(1,178,462)
Share based payment	-	403,755
Convertible loan note interest	(93,000)	(38,500)
Net cash outflow from operating activities	(158,580)	(1,317,018)

15. CASH & CASH EQUIVALENTS

	2018	**2017**
	£	**£**
Cash at bank and in hand	473	159,505

16. FINANCIAL INSTRUMENTS

The Company's financial instruments comprise cash and cash equivalents and various other items, such as available for sale investments and trade receivables and payables, which arise directly from its operations. It is, and has been throughout the period under review, the Company's policy to ensure that there is no trading in financial instruments. The main purpose of these financial instruments is to finance the Company's operations.

Categories of Financial Instruments

	2018	2017
	£	£
Financial Assets at amortised cost		
Cash and cash equivalents	473	159,505
Trade and other receivables	2,220	8,978
	2,693	168,483
Financial Liabilities at amortised cost		
Trade and other payables	889,451	182,183
Convertible loan notes	186,000	-
	1,075,451	182,183
Net Financial Liabilities	(1,072,758)	(13,700)

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

Financial Risk Factors
The Company's activities expose it to liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

Liquidity Risk
The Company has to date financed its operations from cash reserves funded from share issues. Management's objectives are now to manage liquid assets in the short term through closely monitoring costs.

The Company has no borrowing facilities that require repayment and therefore has no interest rate risk exposure.

Fair Values of Financial Assets and Liabilities
The Directors consider that the fair value of the Company's financial assets and liabilities are not considered to be materially different from their book values.

17. SHARE OPTIONS AND WARRANTS

The following share options have been granted by the Company and are outstanding:

Date of grant	Number of ordinary shares under option at 1 January 2017	Granted during year	Exercised during year	Lapsed/ waived during year	Number of ordinary shares under option at 31 December 2017	Weighted average exercise price	Expiry date
03/05/2011	750,000	-	-	(150,000)	600,000	£2.80	02/05/2021
03/05/2011	150,000	-	-	(150,000)	-	£2.80	02/05/2021
23/05/2013	1,375,000	-	-	(1,375,000)	-	40p	23/05/2020
30/03/2017	-	32,500,000	-	-	32,500,000	0.1p	29/03/2027
30/03/2017	-	28,375,000	-	-	28,375,000	1p	29/03/2027
30/03/2017	-	12,312,500	-	-	12,312,500	2p	29/03/2027
Total	**2,275,000**	**73,187,500**	**-**	**(1,675,000)**	**73,787,500**	**3p**	

Date of grant	Number of ordinary shares under option at 1 January 2018	Granted during year	Exercised during year	Lapsed/ waived during year	Number of ordinary shares under option at 31 December 2018	Weighted average exercise price	Expiry date
03/05/2011	600,000	-	-	-	600,000	£2.80	02/05/2021
03/05/2011	-	-	-	-	-	£2.80	02/05/2021
23/05/2013	-	-	-	-	-	40p	23/05/2020
30/03/2017	32,500,000	-	-	-	32,500,000	0.1p	29/03/2027
30/03/2017	28,375,000	-	-	-	28,375,000	1p	29/03/2027
30/03/2017	12,312,500	-	-	-	12,312,500	2p	29/03/2027
Total	**73,787,500**	**-**	**-**	**-**	**73,787,500**	**3p**	

All options outstanding at the year-end are exercisable at that date.

The following warrants have been granted by the Company:

Date of grant	Number of warrants at 1 January 2017	Granted during year	Exercised during year	Lapsed during year	Number of warrants at 31 December 2017	Weighted average exercise price	Exercise date
30/03/2017	-	1,400,000	-	-	1,400,000	1p	29/03/2019
Total	**-**	**1,400,000**	**-**	**-**	**1,400,000**	**1p**	

Date of grant	Number of warrants at 1 January 2018	Granted during year	Exercised during year	Lapsed during year	Number of warrants at 31 December 2018	Weighted average exercise price	Exercise date
30/03/2017	1,400,000	-	-	-	1,400,000	1p	29/03/2019
Total	**1.400,000**	**-**	**-**	**-**	**1,400,000**	**1p**	

The warrants have subsequently lapsed not having been exercised by the exercise date.

The fair value of equity settled share options and warrants granted is estimated at the date of grant using a Black-Scholes option pricing model, taking into account the terms and conditions upon which the options were granted. The following table lists the inputs to the model:

	Options	**Options**	**Warrants**
Date of grant	03 May 2011	30 Mar 2017	30 Mar 2017
Expected volatility	54%	33.9%	33.9%
Expected life	3.5 years	3 years	3 years
Risk-free interest rate	1.72%	0.18%	0.18%
Expected dividend yield	-	-	-
Possibility of ceasing employment before vesting	- -	- -	- -
Fair value per option/warrant	0.014p	0.9p/0.243p/0.1p	0.243p

The expense recognised by the Company for share based payments during the year ended 31 December 2018 was £Nil (2017: £403,755).

The average volatility is used in determining the share based payment expense to be recognised in the period. This was calculated by reference to the standard deviation of the share price over the preceding 12-month period.

Movement in the number of options and warrants outstanding and their related weighted average exercise price are as follows:

	At 31 December 2018		At 31 December 2017	
	Number of Options & Warrants	**Weighted average exercise price per share**	**Number of Options & Warrants**	**Weighted average exercise price per share**
At 1 January	75,187,500	3p	2,275,000	135p
Granted	-	-	73,187,500	1p
Exercised	-	-	-	-
Expired or waived	-	-	(1,675,000)	83p
At 31 December	75,187,500	3p	75,187,500	3p

The weighted average remaining contractual life of options as at 31 December 2018 was 8.2 years (2017: 9.2 years).

The warrants have subsequently lapsed not having been exercised by the exercise date.

18. RELATED PARTY TRANSACTIONS

The following share options were held by the directors during the year:

Director	Date of grant	Held at 1 January 2018	Lapsed during the year	Granted during the Year	Held at 31 December 2018	Exercise price
C Theis	30/03/2017	20,000,000	-	-	20,000,000	£0.001
C Theis	30/03/2017	16,000,000	-	-	16,000,000	£0.01
C Theis	30/03/2017	6,500,000	-	-	6,500,000	£0.02
A Yeo	30/03/2017	8,500,000	-	-	8,500,000	£0.001
A Yeo	30/03/2017	6,500,000	-	-	6,500,000	£0.01
A Yeo	30/03/2017	2,875,000	-	-	2,875,000	£0.02
		60,375,000	-	-	60,375,000	

As at 31 December 2018, included in other payables were the following convertible loan notes issued to the Directors together with accrued interest thereon.

Director	Outstanding at 31 December 2017 £	Convertible loan notes issued during year £	Interest accrued during the year £	Converted during the year £	Repaid during the year £	Outstanding at 31 December 2018 £
C Theis*	-	50,000	50,000	-	-	100,000
A Yeo	-	25,000	25,000	-	-	50,000
N Fitzpatrick	-	8,000	8,000	-	-	16,000
T Corrado	-	-	-	-	-	-
Total	**-**	**83,000**	**83,000**	**-**	**-**	**166,000**

* these loan notes were issued to Networkguru Limited, a company owned by Chris's Theis' son, who subscribed under the convertible loan note instrument.

Included in other payables are loans of £2,067 made by each of the Directors Andrew Yeo, Nigel Fitzpatrick and Chris Theis.

19. ULTIMATE CONTROLLING PARTY

The Company considers that there is no ultimate controlling party.

20. INVESTMENT IN SUBSIDIARIES

As at 31 December 2018, the company held more that 20% of the share capital in the following companies:

Subsidiary Undertaking	Country of Incorporation	Class	Shares held	Principal Activity
Path (Germany) Limited	UK	Ordinary	100%	Dormant

This company was dissolved on 21 May 2019 having never traded.

21. SUBSEQUENT EVENTS

On 30 January 2019, the Company disposed of its 5% interest in ARAR and Alpay Enerji AS for a consideration of £400,000 (together with the transfer by their major shareholder of 357,412 Ordinary Shares in the Company to be held in Treasury and 357,412 Deferred Shares for cancellation).