

SUMO RESOURCES PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016



SUMO RESOURCES PLC

COMPANY INFORMATION

Directors	AB Odendaal HA Claassen
Company secretary	@Ukplc Client Secretary Ltd
Registered number	08330294
Registered office	5 Jupiter House Calleva Park, Aldermaston Reading Berkshire RG7 8NN
Independent auditors	Fisher Michael Chartered Accountants The Old Grange Warren Estate Lordship Road Chelmsford CM1 3WT

SUMO RESOURCES PLC

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SUMO RESOURCES PLC

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2016

Introduction

Sumo Resources is a group of companies focused on the trade and extraction of rare minerals like Tantalum, Niobium, Gold and Diamonds. These minerals, specifically Tantalum, are essential in the manufacture of electronic components for mobile devices, medical equipment, specialised steel alloys, lenses and engineering supplies to name a few. The group targets geographical areas that are rich in minerals but with an underdeveloped mining sector typically due to a lack of infrastructure.

Business review

Business Structure

The group structure includes a holding company, a trading company and geographical subsidiaries. Sumo Resources Plc, incorporated in England, is the holding company for the group. Sumo Resources Limited, incorporated in Hong Kong, is one hundred percent owned by Sumo Resources Plc and is the trading company for the group. All sales outside the group are done via this entity. Subsidiaries are entities incorporated in the geographical areas where the group chooses to operate and establish projects to source rare minerals. These entities are typically majority owned by Sumo Resources. The balance of shareholding belongs to locals that add value through local knowledge of the geographical region.

Business Model

In our business model Sumo Resources Plc is used to attract capital for the group operations. Sumo Resources Limited is the central trading company in the group. It may source and sell a wide variety of resources to the external customers. In order to provide a dedicated flow of resources Sumo Resources Limited establishes its own mining and trading operations in geographical areas that meet its criteria.

The typical projects that the subsidiaries get involved in is high value rare minerals, like Tantalum, that can be extracted by small scale surface mining operations that do not require large investments. The group provides funding for the projects and in return the subsidiaries sell all production to Sumo Resources at a predetermined margin on cost.

Business Activities

During the reporting period the activities of the company were focused on its subsidiary SR Tanmin in the Democratic Republic of Congo.

Due diligence was completed on a company in the DRC holding a mining licence for gold and diamonds. Upon conclusion it was decided not to continue with plans to acquire a seventy percent stake as we were of the opinion that there are likely large undisclosed creditors.

SR Tanmin completed its application for a gold trading licence in Maniema province which was granted in December 2016. The process to apply for a Tantalite processing facility in Maniema province was completed and the application, including completed environmental studies, was submitted in November 2016 after receiving provincial approval.

During 2016 SR Tanmin has through its exploration activities identified eight concession areas which may contain deposits of gold or tantalite. In December 2016 applications were lodged for exploration rights over these areas in Maniema and Tanganyika provinces.

Events subsequent to the end of the reporting period

In March of 2017 SR Tanmin was granted a licence to process and trade Tantalite in Maniema province.

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GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

Next Steps

The next steps are to establish a basic Tantalite processing facility in Maniema province. In order to do this the company must register and be authorized with all the relevant bodies in the tantalite supply chain. In parallel infrastructure for the processing plant must be established and supply agreements finalized. The target is to start shipping Tantalite to clients in the second part of 2017.

The gold trading business is less intensive and will be established alongside the tantalite processing facility.

The research concessions SR Tanmin applied for are awaiting approval from the Mining Ministry in the DRC as all other application conditions have been met. Upon granting of these exploration plans will be acted on.

The company is also considering moving its international trading activities from Hong Kong to Dubai due to logistical reasons and trade benefits. A decision will be made in due course.

Principal risks and uncertainties

Funding

The principal risk for the business remains future funding for projects and specifically the global appetite for funding mining in Africa.

Demand for Rare Minerals

Rare minerals are critical for the manufacturing industry as a whole. However due to the unpredictable global economy it is not certain what the demand for the group's production, and therefore revenue, may be in the future. The board of directors decided to use conservative market prices in its assumptions for revenue forecast.

Financial key performance indicators

The group results are reviewed regularly to monitor expenditure levels against expectations. As income is generated different key performance indicators will be needed and these will be reviewed over time.

Corporate Social Responsibility

The group is committed to contribute to social upliftment as the target areas for its projects are typically underdeveloped rural areas. Special emphasis is to be placed on clean drinking water, health, education and the use of renewable technologies.

This report was approved by the board on 23/06/17 and signed on its behalf.


M. Odendaal
Director

SUMO RESOURCES PLC

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2016

The directors present their report and the financial statements for the year ended 31 December 2016.

Directors' responsibilities statement

The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results and dividends

The loss for the year, after taxation and minority interests, amounted to £223,875 (2015 - loss £116,799).

Directors

The directors who served during the year were:

AB Odendaal
HA Claassen

Matters covered in the strategic report

The company has chosen in accordance with section 414C(11) to set out all information regarding future developments within the company's strategic report.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved have confirmed that:

- so far as the directors are aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and

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**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2016**

- the directors have taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

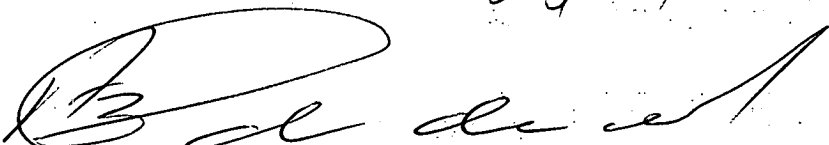
Post balance sheet events

There have been no significant events affecting the Group since the year end

Auditors

The auditors, Fisher Michael Chartered Accountants, will be proposed for reappointment in accordance with section 489 of the Companies Act 2006.

This report was approved by the board on 23/06/2017 and signed on its behalf.



AB Odendaal
Director

SUMO RESOURCES PLC

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF SUMO RESOURCES PLC

We have audited the financial statements of Sumo Resources PLC for the year ended 31 December 2016, set out on pages 7 to 21. The relevant financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 Auditors' 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.

Respective responsibilities of Directors and Auditors

As explained more fully in the Directors' Responsibilities Statement on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Group's and the parent Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Group Strategic Report and the Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and the parent Company's affairs as at 31 December 2016 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF SUMO RESOURCES PLC

Opinion on other matter prescribed by the Companies Act 2006

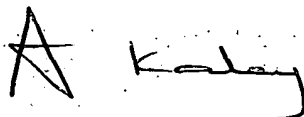
In our opinion, based on the work undertaken in the course of the audit, the information given in the Group Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with those financial statements and such reports have been prepared in accordance with applicable legal requirements.

In the light of our knowledge and understanding of the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report and the Directors' Report.

Matters on which we are required to report by exception

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

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



Andrea Kaley (Senior Statutory Auditor)

for and on behalf of
Fisher Michael Chartered Accountants

The Old Grange
Warren Estate
Lordship Road
Chelmsford
CM1 3WT

Date: 23 June 2017

SUMO RESOURCES PLC

**CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Note	2016 £	2015 £
Administrative expenses		(696,643)	(116,799)
Operating loss	4	<u>(696,643)</u>	<u>(116,799)</u>
Loss for the year		<u>(696,643)</u>	<u>(116,799)</u>
Loss for the year attributable to:			
Non-controlling interests		(45,479)	(2,667)
Owners of the parent		(651,164)	(114,132)
		<u>(696,643)</u>	<u>(116,799)</u>

There were no recognised gains and losses for 2016 or 2015 other than those included in the consolidated profit and loss account.

The notes on pages 16 to 21 form part of these financial statements.

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**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2016**


	2016 £	2015 £
Loss for the financial year	(696,643)	(116,799)
Other comprehensive income		
Gain/(Loss) from foreign exchange	(19,318)	-
Other comprehensive income for the year	(19,318)	-
Total comprehensive income for the year	<u>(715,961)</u>	<u>(116,799)</u>
(Loss) for the year attributable to:		
Non-controlling interest	(45,479)	(2,667)
Owners of the parent Company	(651,164)	(114,132)
	<u>(696,643)</u>	<u>(116,799)</u>
Total comprehensive income attributable to:		
Non-controlling interest	(45,479)	(2,667)
Owners of the parent Company	(670,482)	(114,132)
	<u>(715,961)</u>	<u>(116,799)</u>

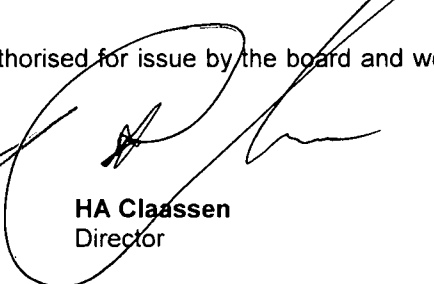
SUMO RESOURCES PLC

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016**

	Note	2016 £	2015 £
Fixed assets			
Intangible fixed assets	7	19,294	519,294
Current assets			
Debtors: amounts falling due within one year	9	-	203,943
Cash at bank and in hand	10	564,185	1,685
		<u>564,185</u>	<u>205,628</u>
Creditors: amounts falling due within one year	11	(33,602)	(9,084)
Net current assets		<u>530,583</u>	<u>196,544</u>
Total assets less current liabilities		<u>549,877</u>	<u>715,838</u>
 Capital and reserves			
Called up share capital	14	3,100,000	2,550,000
Non-Controlling interest		(56,897)	(11,418)
Profit and loss account	15	(2,493,226)	(1,822,744)
		<u>549,877</u>	<u>715,838</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:


AB Odendaal
 Director


HA Claassen
 Director

Date: 23 June 2017

The notes on pages 16 to 21 form part of these financial statements.

SUMO RESOURCES PLC

**COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016**

	Note	2016 £	2015 £
Fixed assets			
Investments	8	500,000	1,000,000
		500,000	1,000,000
Current assets			
Debtors: amounts falling due within one year	9	596,125	-
Cash at bank and in hand	10	170,590	1,685
		766,715	1,685
Creditors: amounts falling due within one year	11	(8,645)	(8,645)
		758,070	(6,960)
Net current assets/(liabilities)		758,070	(6,960)
Total assets less current liabilities		1,258,070	993,040
Creditors: amounts falling due after more than one year	12	(364,540)	(119,252)
		893,530	873,788
Net assets		893,530	873,788
Capital and reserves			
Called up share capital	14	3,100,000	2,550,000
Profit and loss account	15	(2,206,470)	(1,676,212)
		893,530	873,788

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

AB Odendaal
Director

HA Claassen
Director

Date: 23 June 2017

SUMO RESOURCES PLC

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Called up share capital	Profit and loss account	Equity attributable to owners of parent Company	Non-controlling interests	Total equity
	£	£	£	£	£
At 1 January 2016	2,550,000	(1,822,744)	727,256	(11,418)	715,838
Comprehensive income for the year					
Loss for the year	-	(651,164)	(651,164)	(45,479)	(696,643)
Gain/(Loss) in Foreign exchange	-	(19,318)	(19,318)	-	(19,318)
Total comprehensive income for the year	-	(670,482)	(670,482)	(45,479)	(715,961)
Shares issued during the year	550,000	-	550,000	-	550,000
At 31 December 2016	3,100,000	(2,493,226)	606,774	(56,897)	549,877

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2015**

	Called up share capital	Profit and loss account	Equity attributable to owners of parent Company	Non-controlling interests	Total equity
	£	£	£	£	£
At 1 January 2015	2,550,000	(1,708,612)	841,388	(8,751)	832,637
Comprehensive income for the year					
Loss for the year	-	(114,132)	(114,132)	(2,667)	(116,799)
Total comprehensive income for the year	-	(114,132)	(114,132)	(2,667)	(116,799)
At 31 December 2015	2,550,000	(1,822,744)	727,256	(11,418)	715,838

The notes on pages 16 to 21 form part of these financial statements.

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**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2016	2,550,000	(1,676,212)	873,788
Comprehensive income for the year			
Loss for the year	-	(530,258)	(530,258)
Total comprehensive income for the year	<u>-</u>	<u>(530,258)</u>	<u>(530,258)</u>
Contributions by and distributions to owners			
Shares issued during the year	550,000	-	550,000
At 31 December 2016	<u>3,100,000</u>	<u>(2,206,470)</u>	<u>893,530</u>

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2015**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2015	2,550,000	(1,608,432)	941,568
Comprehensive income for the year			
Loss for the year	-	(67,780)	(67,780)
Total comprehensive income for the year	<u>-</u>	<u>(67,780)</u>	<u>(67,780)</u>
At 31 December 2015	<u>2,550,000</u>	<u>(1,676,212)</u>	<u>873,788</u>

The notes on pages 16 to 21 form part of these financial statements.

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**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2016**

	2016 £	2015 £
Cash flows from operating activities		
Loss for the financial year	(696,643)	(116,799)
Adjustments for:		
Amortisation of intangible assets	-	30,547
Impairment of intangible assets	500,000	-
Decrease in debtors	203,943	80,400
Increase in creditors	24,518	-
Foreign exchange difference	(19,318)	-
Net cash generated from operating activities	12,500	(5,852)
Cash flows from financing activities		
Issue of ordinary shares	550,000	-
Net cash used in financing activities	550,000	-
Net increase/(decrease) in cash and cash equivalents	562,500	(5,852)
Cash and cash equivalents at beginning of year	1,685	7,537
Cash and cash equivalents at the end of year	564,185	1,685
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	564,185	1,685

SUMO RESOURCES PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

1. General information

Sumo Resources plc is a public company limited by shares, incorporated in England, United Kingdom. The address of the registered office and place of business is 5 Jupiter House, Calleva Park, Aldermaston, Reading, Berkshire, RG7 8NN.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires the group's management to exercise judgment in applying the Group's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Basis of consolidation

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

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance Sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Profit and Loss Account from the date on which control is obtained. They are deconsolidated from the date control ceases.

Sumo Resources plc is not presenting its own Profit and Loss Account.

2.3 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Profit and Loss Account over its useful economic life.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed five years.

2.4 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

SUMO RESOURCES PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

2.5 Debtors

Short term debtors and loans receivable are measured at transaction price, less any impairment.

2.6 Cash and cash equivalents

Cash is represented by deposits with financial institutions.

There are no cash equivalents or bank overdrafts in the year under review.

2.7 Financial instruments

The Group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Profit and Loss Account.

2.8 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.10 Borrowing costs

All borrowing costs are recognised in the Consolidated Profit and Loss Account in the year in which they are incurred.

2.11 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

SUMO RESOURCES PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

2.12 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

No judgements or estimations applied in the financial statements.

4. Operating loss

The operating loss is stated after charging:

	2016 £	2015 £
Research & development expenditure written off	-	28
Impairment of intangible assets, including goodwill	(500,000)	-
Amortisation of intangible assets, including goodwill	<u>-</u>	<u>(30,547)</u>

5. Auditors' remuneration

	2016 £	2015 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual accounts	<u>4,492</u>	<u>4,424</u>

6. Employees

	2016 £	2015 £
Wages and salaries	<u>19,096</u>	-
	<u>19,096</u>	<u>-</u>

SUMO RESOURCES PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

7.

Intangible assets

Group

	Goodwill £
Cost	
At 1 January 2016	610,935
At 31 December 2016	<u>610,935</u>
Amortisation	
At 1 January 2016	91,641
Impairment charge	500,000
At 31 December 2016	<u>591,641</u>
Net book value	
At 31 December 2016	<u><u>19,294</u></u>
At 31 December 2015	<u><u>519,294</u></u>

SUMO RESOURCES PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

8. Fixed asset investments

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Country of incorporation	Class of shares	Holding	Principal activity
Sumo Resources Ltd	Hong Kong	Ordinary	100%	Minerals trading
SR Tanmin Sarl	Democratic Republic of Congo	Ordinary	75%	Mining

The aggregate of the share capital and reserves as at 31 December 2016 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

	Aggregate of share Capital and reserves £	Profit/(Loss) £
Sumo Resources Ltd (Hong Kong)	363,844	(1,184)
SR Tanmin sarl	<u>(225,584)</u>	<u>(181,917)</u>
	<u>138,260</u>	<u>(183,101)</u>

Company

	Investments in subsidiary companies £
Cost or valuation	

At 1 January 2016	2,507,500
At 31 December 2016	<u>2,507,500</u>

Impairment

At 1 January 2016	1,507,500
Impairment charge	500,000
At 31 December 2016	<u>2,007,500</u>

Net book value

At 31 December 2016	<u>500,000</u>
At 31 December 2015	<u>1,000,000</u>

SUMO RESOURCES PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

9.

Debtors

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Amounts due from group undertakings	-	203,943	575,512	-
Other debtors – directors loan account			20,613	
	<u>-</u>	<u>203,943</u>	<u>596,125</u>	<u>-</u>

10. Cash and cash equivalents

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Cash at bank and in hand	564,185	1,685	170,590	1,685
	<u>564,185</u>	<u>1,685</u>	<u>170,590</u>	<u>1,685</u>

11. Creditors: Amounts falling due within one year

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Trade creditors	439	439	-	-
Other creditors- directors loan account	24,518	-	-	-
Accruals and deferred income	8,645	8,645	8,645	8,645
	<u>33,602</u>	<u>9,084</u>	<u>8,645</u>	<u>8,645</u>

SUMO RESOURCES PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

12. Creditors: Amounts falling due after more than one year

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Amounts owed to group undertakings	-	-	364,540	119,252
	<u>-</u>	<u>-</u>	<u>364,540</u>	<u>119,252</u>

13. Financial instruments

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Financial assets				
Financial assets measured at fair value through profit or loss	564,185	1,685	170,590	1,685
Financial assets that are debt instruments measured at amortised cost	-	203,943	596,125	-
	<u>564,185</u>	<u>205,628</u>	<u>766,715</u>	<u>1,685</u>
Financial liabilities				
Financial liabilities measured at amortised cost	(33,602)	(9,084)	(373,185)	(127,897)
	<u>(30,602)</u>	<u>(9,084)</u>	<u>(373,185)</u>	<u>(127,897)</u>

Financial assets that are debt instruments measured at amortised cost comprise cash, trade and other debtors. The group has net income attributable from financial assets that are debt instruments measured at amortised cost of £358,557 (2015: £80,400 net expense).

Financial assets that are debt instruments measured at amortised cost comprise cash, trade and other debtors. The company has net income attributable from financial assets that are debt instruments measured at amortised cost of £765,030 (2015: £445,823 net expense).

Financial liabilities measured at amortised cost comprise accruals, trade and other creditors. The Group has net expense attributable from financial liabilities measured at amortised cost of £24,518 (2015: £1,685).

Financial liabilities measured at amortised cost comprise accruals, trade and other creditors. The company has net expense attributable from financial liabilities measured at amortised cost of £245,288 (2015: £69,465).

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

14. Share capital

	2016	2015
	£	£
Shares classified as equity		
Allotted, called up and fully paid		
31,000,000 (2015 - 25,500,000) Ordinary shares of £0.10 each	<u>3,100,000</u>	<u>2,550,000</u>

There were 5,500,000 ordinary shares issued at par. The consideration received for these shares was £550,000.

The holders of the Ordinary shares are entitled to a single vote per share, and rights to distributions.

15. Reserves

Profit and loss account

The profit and loss account is a distributable reserve that comprises cumulative net profits and losses.

16. Transactions with directors

Included within other debtors due within one year is an amount due from AB Odendaal, a director, amounting to £Nil (Group) £20,613 (Company) (2015 - £203,943 due to group and £Nil company). The outstanding balance is interest free but repayable on demand. Included in creditors due within one year is an amount due to AB Odendaal amounting to £24,518 (Group) £Nil (Company) (2015 £Nil due to group and £Nil company)

17. Related party transactions

The subsidiary undertakings are provided in note 8.

The company has taken advantage of exemptions available under paragraph 33.11 of FRS102 to not disclose related party transactions with entities in which it exerts control.

During the year the AB Odendaal, a director of the company, made payments of £22,510 (2015 - £80,400) on behalf of the company.

There were no other related party transactions.

18. Controlling party

There is no overall control in the current or preceding year.