

Verdes Management plc

Interim Results

6 months ended 31 March 2015

VERDES MANAGEMENT PLC

Chairman's Statement for the six months ended 31 March 2015

Financials

In the six months to 31 March 2015 the Company reported turnover of £NIL (2014: £NIL), and a loss before tax of £179,470 (2014: loss of £324,280).

Strategy

Over the period the Board has continued to look at a number of prospects, which came to nothing. Within the period the Company raised £250,000 through a convertible loan note from one of its major shareholders, Helium Rising Stars Fund, in order allow the Company to continue to maintain its search.

Post-balance sheet event

I am pleased to announce that the Board has now agreed the terms of a reverse takeover with the owners of REACT SC Holdings Limited ("REACT"), details of which will be published in a subsequent announcement later this morning. The Board is confident that after this extensive search we have found a company that is capable of growing value for shareholders over the next few years.

Over the last twenty years REACT has built a strong reputation in specialist extreme cleaning in many sectors, like building, transport, industrial, facilities management, emergency services and custodial. Through the years of working with these different public and corporate entities REACT has built a number of special areas of expertise that give it a strong competitive position to gain new contracts in the future.

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Chairman

VERDES MANAGEMENT PLC

Statement of Comprehensive Income

	Note	6 months ended 31 March 2015 £	6 months ended 31 March 2014 £	Year ended 30 September 2014 £
Administrative expenses		(155,234)	(324,316)	(613,735)
Operating loss		(155,234)	(324,316)	(613,735)
Finance income		764	319	319
Finance costs		(25,000)	(283)	–
Loss on ordinary activities before taxation		(179,470)	(324,280)	(613,416)
Income tax expense		–	–	–
Loss for the financial period attributable to equity holders of the company		<u>(179,470)</u>	<u>(324,280)</u>	<u>(613,416)</u>
Loss per share for loss attributable to the equity holders of the company (pence) on continuing activities				
Basic and diluted loss per ordinary share	3	<u>(0.02)</u>	<u>(0.04)</u>	<u>(0.08)</u>

VERDES MANAGEMENT PLC**Statement of Financial Position**

	Note	31 March 2015 £	31 March 2014 £	30 September 2014 £
Assets				
Non-current assets				
Property, plant and equipment		548	540	887
Investments		–	–	–
		<u>548</u>	<u>540</u>	<u>887</u>
Trade and other receivables		3,647	41,224	23,239
Cash and cash equivalents		<u>305,563</u>	<u>400,100</u>	<u>186,771</u>
		<u>309,210</u>	<u>441,324</u>	<u>210,010</u>
Total assets		<u><u>309,758</u></u>	<u><u>441,864</u></u>	<u><u>210,897</u></u>
Liabilities and Equity				
Current liabilities				
Trade and other payables		153,382	91,882	150,051
Convertible loan notes	4	<u>275,000</u>	–	–
Total liabilities		<u>428,382</u>	<u>91,882</u>	<u>150,051</u>
Equity				
Capital and reserves attributable to equity holders of the company				
Called-up equity share capital		3,429,912	3,429,912	3,429,912
Share premium account		2,861,327	2,861,327	2,861,327
Accumulated losses		<u>(6,409,863)</u>	<u>(5,941,257)</u>	<u>(6,230,393)</u>
Total Equity		<u>(118,624)</u>	<u>349,982</u>	<u>60,846</u>
Total Liabilities and Equity		<u><u>309,758</u></u>	<u><u>441,864</u></u>	<u><u>210,897</u></u>

VERDES MANAGEMENT PLC

Statement of Cash Flows as at 31 March 2015

	Note	6 months ended 31 March 2015 £	6 months ended 31 March 2014 £	Year ended 30 September 2014 £
Net cash used in operating activities		(131,972)	(350,055)	(563,320)
Net cash from investing activities				
Purchases of property, plant and equipment		–	(283)	(347)
Interest received		764	319	319
Net cash flow before financing activities		(131,208)	(350,019)	(563,348)
Net cash from financing activities				
Net proceeds from issue of equity shares		–	712,500	712,500
New loan finance	4	250,000	–	305,000
Loan repayment		–	–	(305,000)
Net increase in cash, cash equivalents and overdrafts		118,792	362,481	149,152
Cash, cash equivalents at beginning of year		186,771	37,619	37,619
Cash, cash equivalents at end of year		<u>305,563</u>	<u>400,100</u>	<u>186,771</u>
Reconciliation of operating loss to net cash outflow from operating activities				
Operating loss from continuing activities		(155,234)	(324,316)	(613,735)
Depreciation		339	296	296
Operating cash flows before movements in working capital		(154,895)	(324,020)	(613,439)
Decrease in receivables		19,592	5,804	23,789
Increase/(decrease) in payables		3,331	(31,839)	26,330
Net movement in working capital		22,923	(26,035)	50,119
Net movement in cash flow		(131,972)	(350,055)	(563,320)
Income taxes paid		–	–	–
Net cash outflow from operating activities		<u>(131,972)</u>	<u>(350,055)</u>	<u>(563,320)</u>

VERDES MANAGEMENT PLC**Statement of Changes in Equity as at 31 March 2015**

	Share Capital	Share Premium	Retained Earnings	Total Equity
	£	£	£	£
Balance at 1 October 2013	3,333,063	2,120,676	(5,616,977)	(163,238)
Issue of ordinary shares	90,327	784,673	–	875,000
Share issue costs	–	(37,500)	–	(37,500)
Re-designate partly paid shares	6,522	(6,522)	–	–
Loss for the period	<u>–</u>	<u>–</u>	<u>(324,280)</u>	<u>(324,280)</u>
At 31 March 2014	3,429,912	2,861,327	(5,941,257)	349,982
Loss for the period	<u>–</u>	<u>–</u>	<u>(289,136)</u>	<u>(289,136)</u>
At 30 September 2014	3,429,912	2,861,327	(6,230,393)	60,846
Loss for the period	<u>–</u>	<u>–</u>	<u>(179,470)</u>	<u>(179,470)</u>
At 31 March 2015	<u>3,429,912</u>	<u>2,861,327</u>	<u>(6,409,863)</u>	<u>(118,624)</u>

1. Basis of preparation

The financial information included in this report does not constitute statutory accounts as defined in section 435 of the Companies Act 2006. The interim financial statements for the six months ended 31 March 2015 have been prepared under applicable International Financial Reporting Standards adopted by the European Union ("IFRS"). The financial information for the period ended 30 September 2014 has been extracted from the statutory accounts for that period. The auditors' report on the full statutory accounts for the period ended 30 September 2014 was unqualified. The financial information for the six months ended 31 March 2014 and 31 March 2015 has not been audited.

2. Principal Accounting Policies

The principal accounting policies adopted are consistent with those of the annual financial statements for the year ended 30 September 2014 and are those expected to be applied for the year ending 30 September 2015.

3. Loss per Share

The loss per ordinary share have been calculated on the loss on ordinary activities after taxation of £179,470 (31 March 2014: £324,280, 30 September 2014: £613,416) using the weighted average number of ordinary shares in issue during the period being 929,953,462 (31 March 2014: 744,313,104, 30 September 2014: 815,955,953).

No diluted loss per share is presented as the company's convertible loan notes, share options and warrant were anti-dilutive potential ordinary shares. The weighted average number of diluted ordinary shares in issue during the period was 929,953,462 (31 March 2014: 744,313,104, 30 September 2014: 815,955,953).

4. Convertible loan

In January 2015 the company signed a new convertible loan agreement to provide up to £250,000 of unsecured loan capital at 0% interest. A premium of £25,000 will be paid or settled by the company to or in favour of the Lender on the earlier of 30 June 2016 and the date of conversion or redemption of the Loan.

5. Availability

Copies of this Interim Report are available from the Company Secretary, c/o International Registrars Limited, Finsgate, 5-7 Cranwood Street, London England, EC1V 9EE and on the Company's website www.verdes-group.com

