Company Registration Number 05454010

Verdes Management plc

Financial Statements

30th September 2013

Verdes Management plc

Financial Statements

For the year ended 30th September 2013

Company Information

Directors	D A van den Noort (appointed 4 March 2013) S Bertolotti (appointed 9 September 2013) J van den Aker (appointed 9 September 2013) R A H Webb (resigned 9 September 2013) J Matthews (resigned 9 November 2012) A E C Edmonstone (resigned 9 November 2012) M G Wood (resigned 4 March 2013)
Secretary	T E Campbell (resigned 4 October 2012) S Bertolotti (appointed 4 October 2012)
Company Number	05454010
Registered Office	Cardinal House 3rd Floor 39/40 Albemarle Street W1S 4TE
Auditors	Reeves & Co LLP Chartered Accountants & Statutory Auditor Consort House Consort Way Horley Surrey RH6 7AF
Bankers	Barclays Bank plc Sussex and Gatwick Group 90-92 High Street Crawley West Sussex RH10 1BP
Nominated Adviser and Broker (to 1 August 2013)	W H Ireland Ltd 4 Colston Avenue Bristol BS1 4ST

Nominated Adviser (from 13 September 2013)	SPARK Advisory Partners Limited 5 St John's Lane London EC1M 4AP
Broker (from 13 September 2013)	SI Capital 27 New Bond Street London W1S 2RH

Verdes Management plc

Financial Statements

For the year ended 30th September 2013

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Chairman's Statement

For the year ended 30th September 2013

Verdes Management Plc ("Verdes" or "the Company") announces its final results for the year ended 30 September 2013.

Financials
In the year to 30 September 2013 the Company reported turnover of £NIL (2012: £NIL) and a loss before tax of £413k (2012: Loss £806k).

Strategy
During the year, the Board actively considered a number of alternatives for the Company. Whilst this was underway, the cost base of the Company was reduced significantly and, as announced in our half year results, the Board composition also changed on 9 September 2013 just before the year end.

On that date Adam Webb resigned and Dr Daan van den Noort took on the position of non-executive Chairman with Sarah Bertolotti and Joep van den Aker also joining the Board.

The stated strategy of the Company at the time of the Board change was to build a strategic investment company in the fund management sector. This was actively worked on for a number of months with the support and assistance of Mr. Jan Geertman who worked alongside the Directors as a Board consultant. Unfortunately the bulk of the funding associated with this strategy which was to be provided by Newick Developments Limited, a funder associated with Mr. Geertman, was not received by the Company in accordance with the terms in place between the parties; and so on 30 January 2014 the Board took the difficult but appropriate decision to request the suspension of the Company from AIM due to the financial uncertainty that this caused. Jan Geertman also subsequently resigned from his consultancy position.

There followed a challenging period when the Directors felt it appropriate to protect the Company by filing a notice of intent to appoint an administrator whilst an alternative future for the Company was sought.

As detailed in the Company's announcement on 4 March 2014 the Directors were successful in identifying a solution. On that date the Company announced that Mr. David Breith had purchased a significant shareholding in Verdes from Westminster Asset Management Limited, and that the Company had also secured equity funding in the amount of £750,000 by way of a private placing. The Company's action led to the Company being regarded as an investing company. As a result, a new investing policy was announced on 4 March, and any acquisition under this policy will be treated as a "reverse takeover" under the AIM Rules for Companies. With this funding in place, and new investing policy announced, the suspension of the company from AIM was also lifted on 4 March 2014.

The Company is now seeking shareholders' approval for this proposed new investing policy which will be voted upon in a general meeting of the Company's shareholders convened for 20 March 2014. The new investing policy is set out within the Circular sent to the Company's shareholders on 4 March 2014, a copy of which is available on the Company's website.

The Company has already identified a potential acquisition target, though it is too early to determine whether this will lead to a transaction. Further information will be made available when appropriate.

Working capital
In the year to 30 September 2013 the Company raised £175,000 through a placing in October 2012 and also £125,000 by way of a convertible loan which was subsequently converted to equity in

January 2014. At the year end the Company had £38,000 of cash remaining. Subsequent to year end the Company raised £155,000 via a convertible loan from RAB Capital Limited and £25,000 via a convertible loan from Mr Peter Wildey. These loans have recently been repaid out of the proceeds of a recent placing. All conversion rights relating to these loans were also extinguished at that time.

As detailed above, the placing proceeds were used in part to repay the Convertible Loans; they also enabled the settling of legacy creditor positions. At the date of publication of this report approximately £400,000 of these funds remain after these payments have been made. This provides the Company with sufficient working capital for the next 12 months to meet running costs and also to embark on its new investing strategy. Further funds are likely to be raised alongside any acquisition under this new strategy.

Outlook

The recent investment in the company by David Breith, alongside the securing of new financing via the private placing, has secured the Company's immediate future. It is now well placed to embark on its proposed investing strategy when shareholders' approval has been obtained.

Daan van den Noort

Chairman

Date:19 March 2014

Verdes Management plc

The Directors' Report

For the year ended 30th September 2013

The directors present their annual report and the audited financial statements of the company for the year ended 30 September 2013.

Directors' responsibilities statement
The directors are responsible for preparing the Annual Report and the 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 prepared the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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 of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state that the financial statements comply with IFRSs as adopted by the European Union, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company 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 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements and other information included in Directors' reports may differ from legislation in other jurisdictions.

Principal activities and business review
The principal activity of the company during the year was that of a turnaround advisory business.

A review of the company's performance for the year ended 30th September 2013 and future developments are contained in the Chairman's statement.

Results and dividends
The trading results for the period and the company's financial position at the end of the period are shown in the attached financial statements.

The directors have not recommended a dividend.

Key performance indicators
The company made a loss for the year, after taxation, amounting to £413,046 *(2012 –loss of* £806,257*)*.

Verdes Management plc

The Directors' Report

For the year ended 30th September 2013

The directors and their interests

The directors who served the company during the period together with their beneficial interests, including family holdings, in the shares of the company were as follows:

	Class of share	At 30 September 2013	At 30 September 2012
R A H Webb	Ordinary 0.1p shares	12,500,000	12,500,000
(resigned 9 September 2013)	Deferred 6.5p shares	-	-
	Deferred ‘B’ 0.9p shares	-	-
J Matthews	Ordinary 0.1p shares	7,415,765	7,415,765
(resigned 9 November 2012)	Deferred 6.5p shares	-	-
	Deferred ‘B’ 0.9p shares	-	-
A E C Edmonstone	Ordinary 0.1p shares	18,610,510	18,610,510
(resigned 9 November 2012)	Deferred 6.5p shares	-	-
	Deferred ‘B’ 0.9p shares	-	-
D A van den Noort	Ordinary 0.1p shares	-	-
(appointed 4 March 2013)	Deferred 6.5p shares	-	-
	Deferred ‘B’ 0.9p shares	-	-
S Bertolotti	Ordinary 0.1p shares	-	-
(appointed 9 September 2013)	Deferred 6.5p shares	-	-
	Deferred ‘B’ 0.9p shares	-	-
J van den Aker	Ordinary 0.1p shares	-	-
(appointed 9 September 2013)	Deferred 6.5p shares	-	-
	Deferred ‘B’ 0.9p shares	-	-

The above interests in company share capital include partly paid ordinary £0.001 shares which are one tenth paid and carry one vote per share and carry a right to dividends. These are held as follows:

J Matthews – 2,415,765 shares (included above)
A E C Edmonstone - 1,610,510 shares (included above)

The directors' interests in share options of the company included R A H Webb who had options to buy 9,663,003 shares at an exercise price of 1 pence per share (granted 12 April 2011). These share options lapsed on him leaving the company in the year.

On 28 September 2010, the company granted warrants to subscribe for ordinary shares as follows:

R A H Webb - 2,500,000 shares
J W Matthews - 1,000,000 shares
A E C Edmonstone - 3,400,000 shares

The warrants enable the holder to subscribe for ordinary shares of 0.1p at 0.3p per share. Any warrants not exercised by 27 September 2013 will lapse. None of the above warrants were exercised in the period to 30 September 2013.

Financial risk management objectives and policies
The company's activities expose it to some financial risks. The company monitors these risks but does not consider it necessary to use any derivative financial instruments to hedge these risks.

Credit risk
The company monitors credit risk closely and considers that its current policies of credit checks meets its objectives of managing exposure to credit risk.

The company has no significant concentrations of credit risk. Amounts shown in the balance sheet best represent the maximum credit risk exposure in the event other parties fail to perform their obligations under financial instruments.

Liquidity risk
The company's policy throughout the year has been to ensure continuity of funding. In order that this is achieved, the company maintains close control over future cash flows and regularly review medium and long-term finance against those future cash flows.

Policy on the payment of creditors
The company's current policy concerning the payment of trade payables is to:

- settle the terms of payment with suppliers when agreeing the terms of each transaction;

- ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; and

- pay in accordance with the company's contractual and other legal obligations.

Trade payables of the company at the year end as a proportion of amounts invoiced by suppliers during the year represent 19 days (2012: 15 days).

Provision of information to Auditors

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

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and

- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

Auditors

On 1 December 2013 the auditor Haines Watts Gatwick LLP merged into Reeves & Co LLP. The auditor Reeves & Co LLP, will be proposed for reappointment in accordance with section 489 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

S Bertolotti
Director   Date: 19 March 2014

We have audited the financial statements of Verdes Management plc for the year ended 30th September 2013 which comprise the statement of comprehensive income, the statement of financial position, the statement of cash flows, the statement of changes in equity and notes 1 to 17. 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.

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.

Respective responsibilities of directors and auditor
As explained more fully in the directors' responsibilities statement set out in the Directors' Report, 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 Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit
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 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 the financial and non-financial information in 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 the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2013 and of its loss and cash flows 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.

Emphasis of matter – Going concern and subsequent events

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in Note 17 to the financial statements concerning the Company's subsequent events and ability to continue as a going concern. The Directors have since the year end taken action to re-finance the Company. The additional funds in respect of this re-financing are in the opinion of the Directors sufficient to enable the Company to continue its activities for a period in excess of 12 months from today's date. Should the Company find additional investment opportunities then further finance for this may be required.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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, or returns adequate for our audit have not been received from branches not visited by us, or
- the 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.

J C Pannett (Senior Statutory Auditor)
For and of behalf of
Reeves & Co LLP
Chartered Accountants
& Statutory Auditor

Consort House
Consort Way
Horley
Surrey
RH6 7AF

Date: 19 March 2014

Verdes Management plc

Statement of Comprehensive Income Statement

For the year ended 30th September 2013

	Note	30 Sep 13	30 Sep 12
		£	£
Administrative expenses:		**(412,968)**	(809,039)
Operating profit/(loss)	**2**	**(412,968)**	(809,039)
Finance income	**6**	**422**	2,782
Finance costs	**6**	**(500)**	-
(Loss) on ordinary activities before taxation		**(413,046)**	(806,257)
Income tax expense	**7**	**-**	-
(Loss) for the financial year attributable to equity holders of the company		**(413,046)**	(806,257)
Loss per share for /(loss) attributable to the equity holders of the company (pence) on continuing activities			
Basic	**8**	**(0.07)**	(0.19)
Diluted	**8**	**(0.07)**	(0.19)

The company has no recognised gains or losses other than the results for the period as set out above.

All amounts relate to continuing operations.

Notes 1 to 17 form part of these financial statements.

Verdes Management plc – Registered Number - 05454010

Statement of Financial Position

30th September 2013

	Note	30 Sep 13	30 Sep 12
Assets		**£**	£
Non-current assets			
Property, plant and equipment	**9**	836	1,418
Investments	**10**	-	500
		836	1,918
Current assets			
Trade and other receivables	**11**	47,028	16,264
Cash and cash equivalents		37,619	128,196
		84,647	144,460
Total assets		85,483	146,378
Liabilities and Equity			
Current liabilities			
Trade and other payables	**12**	248,721	71,569
Total liabilities		248,721	71,569
Equity			
Capital and reserves attributable to equity holders of the company			
Called-up equity share capital	**16**	3,333,063	3,158,063
Share premium account		2,120,676	2,120,676
Accumulated losses		(5,616,977)	(5,203,930)
Total Equity		(163,238)	74,809
Total Liabilities and Equity		85,483	146,378

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

D van den Noort
Director

S Bertolotti
Director

Date: 19 March 2014

Notes 1 to 17 form part of these financial statements.

Verdes Management plc

Statement of Cash Flows

For the year ended 30th September 2013

	Note	**30 Sep 13** **£**	30 Sep 12 £
Net cash used in operating activities	**15**	(265,999)	(767,903)
Net cash from investing activities			
Purchases of property, plant and equipment		-	(481)
Interest received d		422	2,782
Net cash flow before financing activities		(265,577)	(765,602)
Net cash from financing activities			
Net proceeds from issue of equity shares		175,000	107,501
Net (decrease)/increase in cash, cash equivalents and overdrafts		(90,577)	(658,101)
Cash, cash equivalents and overdrafts at beginning of year		128,196	786,297
Cash, cash equivalents and overdrafts at end of year		37,619	128,196

Notes 1 to 17 form part of these financial statements.

Verdes Management plc

Statement of Changes in Equity

For the year ended 30th September 2013

	Share Capital	Share Premium	Retained Earnings	Total Equity
	£	£	£	£
Balance at 1/10/11	**3,121,396**	**2,049,842**	**(4,397,673)**	**773,565**
Issue of ordinary shares	**36,667**	**73,333**	**-**	**110,000**
Share issue costs	**-**	**(2,499)**	**-**	**(2,499)**
Profit/(Loss) for the period	**-**	**-**	**(806,257)**	**(806,257)**
Balance at 1/10/12	**3,158,063**	**2,120,676**	**(5,203,930)**	**74,809**
Issue of ordinary shares	**175,000**	**-**	**-**	**175,000**
Share issue costs	**-**	**-**	**-**	**-**
(Loss) for the period	**-**	**-**	**(413,047)**	**(413,047)**
At 30/09/13	**3,333,063**	**2,120,676**	**(5,616,977)**	**(163,238)**

Notes 1 to 17 form part of these financial statements.

1. Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union and as applied in accordance with the provisions of Companies Act 2006.

Standards and interpretations effective in the current period

The following IFRS's which are effective for the first time have been applied in these financial statements. Where adoption is material their effect is detailed below:

• IAS 12 (revised), 'Income Taxes - Limited scope amendment (recovery of underlying assets)' has had no material impact on these financial statements;

New standards and interpretations

As of the date of approval of these financial statements, the following Standards and Interpretations which have not been applied in these financial statements were in issue but not yet effective:

• IFRS 9 Financial instruments (Effective for periods commencing on or after 1 January 2013);
• IFRS 10 Consolidated financial statements (Effective for periods commencing on or after 1 January 2013);
• IFRS 11 Joint arrangements (Effective for periods commencing on or after 1 January 2013);
• IFRS 12 Disclosure of interests in other entities (Effective for periods commencing on or after 1 January 2013);
• IFRS 13 Fair value measurement (Effective for periods commencing on or after 1 January 2013);
• IAS 27 (Revised) Separate financial statements (Effective for periods commencing on or after 1 January 2013);
• IAS 28 (Revised) Investments in associates and joint ventures (Effective for periods commencing on or after 1 January 2013);
• Amendments to IAS 1: 'Presentation of Financial Statements' - Amendments resulting from Annual Improvements 2009-2011 Cycle (Effective for periods commencing on or after 1 January 2013); and
• Amendments to IAS 19, 'Employee benefits' - post-employment benefits and termination benefits projects 1 (Effective for periods commencing on or after 1 January 2013).

The Directors anticipate that the adoption of these Standards and Interpretations in future periods will have no material impact on the financial statements of the company. The company does not intend to apply any of these pronouncements early.

Revenue

Revenue is recognised by the company in respect of services supplied during the year, exclusive of Value Added Tax. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

- Management ongoing fees are recognised when the services are rendered.
- Success fees are only recognised when all contractual obligations which determine success are satisfied.

Property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation and any provision for impairment in value.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Fixtures, fittings & equip.	-	25% straight line
Motor Vehicles	-	25% straight line

Investments

Investments held as fixed assets are shown at cost less provision for impairment.

Pensions

Contributions to personal pension plans are recognised as an expense when employees have rendered service entitling them to the contributions.

Convertible debt

The proceeds received on issue of the convertible debt are allocated into their liability and equity components. The amount initially attributed to the debt component equals the discounted cash flows using a market rate of interest that would be payable on a similar debt instrument that does not include an option to convert. Subsequently, the debt component is accounted for as a financial liability measured at amortised cost until extinguished on conversion or maturity of the bond. The remainder of the proceeds is allocated to the conversion option and is recognised in the "Convertible debt option reserve" within shareholders' equity, net of income tax effects.

Taxation

Corporation tax payable is provided on taxable profits at the current rate.

Deferred income taxes are calculated using the liability method on temporary differences. This involves the comparison of the carrying amounts of assets and liabilities in the financial statements with their respective tax bases. In addition, tax losses available to be carried forward as well as other income tax credits to the company are assessed for recognition as deferred tax assets. However, deferred tax is not provided on the initial recognition of goodwill, nor on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit.

Deferred tax liabilities are always provided for in full. Deferred tax assets are recognised only to the extent that the directors consider that it is probable that the underlying deductible temporary differences will be able to be offset against future taxable income. Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Investments

All investments are initially recorded at cost, being the fair value of the consideration given and including acquisition costs associated with the investment.

Trade and other receivables

Trade receivables and other receivables are recognised and carried forward at invoice amounts less provisions for any doubtful debts. Bad debts are written off when identified.

Cash and cash equivalents

Cash and cash equivalents are included in the balance sheet at cost. Cash and cash equivalents comprise cash at bank and in hand and short term deposits with an original maturity of three months or less.

2. Loss on ordinary activities before taxation

Loss before taxation is stated after charging:

	30 Sep 13	30 Sep 12
	£	£
Depreciation of owned property, plant and equipment	582	6,765

3. Auditors' remuneration

	30 Sep 13	30 Sep 12
	£	£
Fees payable to the company's auditor for the audit of the company's annual accounts	10,000	8,000
Fees payable to the company's auditor in respect of:		
Tax compliance	1,000	1,000
All other services	1,800	1,850

4. Particulars of employees

Employee costs, including directors' remuneration, were as follows:

	30 Sep 13	30 Sep 12
	£	£
Wages and salaries	101,592	377,927
Social security costs	9,828	42,459
Other pension costs	1,350	12,500
	112,770	432,886

The average number of staff employed by the company (including directors) during the financial period amounted to:

	30 Sep 13	30 Sep 12
	No.	No.
Number of management staff	**1**	7

5. Directors' Remuneration

The directors' aggregate emoluments in respect of qualifying services were:

	30 Sep 13	30 Sep 12
	£	£
Emoluments receivable	108,455	191,670

2013	Wages & salaries	Severance payment	Pension & other benefits	Fees	Total
	£	£	£	£	£
J van den Aker	-	-	-	362	362
S Bertolotti	-	-	-	4,125	4,125
D van den Noort	-	-	-	14,382	14,382
R A H Webb	63,069	5,000	8,815	-	76,884
M Wood	-	-	-	12,702	12,702
	63,069	5,000	8,815	31,571	108,455

5. Directors' Remuneration (*continued*)

2012	Wages & salaries	Severance payment	Pension & other benefits	Fees	Total
	£	£	£	£	£
A E C Edmonstone	22,500	-	-	-	22,500
J Matthews	26,250	-	-	-	26,250
R M Phillips	-	-	-	7,000	7,000
R A H Webb	116,250	-	19,670	-	135,920
	165,000	-	19,670	7,000	191,670

During the year retirement benefits were accruing to 1 director *(2012 – 1 director)* in respect of defined contribution pension schemes.

6. Finance income and costs

	30 Sep 13	30 Sep 12
	£	£
Finance income		
Interest income on short term bank deposits	422	2,782
Finance costs		
Impairment of listed investments	500	-

7. Income tax expense

The company has traded at a loss for the current and previous period and has losses brought forward, therefore no provision for taxation was considered necessary.

Deferred Tax

At the period end the unutilized tax losses carried forward of the company are £2,352,816 (2012: £1,940,219). A deferred tax asset has not been recognised in respect of these losses in view of the uncertainty as to whether these losses are available for set off against future profits. The deferred tax asset that is not recognised in the financial statements in relation to losses carried forward of the company amounts to £471,118 (2012: £389,111).

7. Income tax expense (*continued*)

Factors affecting current income tax charge

The tax assessed on the loss on ordinary activities for the period is higher than (2012 – higher than) the standard rate of corporation tax in the UK of 20% (2012 – 20%).

	30 Sep 13	30 Sep 12
	£	£
(Loss) on ordinary activities before taxation	(413,046)	(806,257)
(Loss) on ordinary activities by rate of tax	(82,609)	(161,251)
Expenses not deductible for tax purposes	602	2,399
Capital allowances for period in deficit/(excess) of depreciation	(512)	939
Credit for tax loss not utilised in the accounts	82,519	157,913
Total current tax	-	-

8. Earnings/(Loss) per share

The basic earnings per ordinary share is calculated by dividing profit/loss for the year attributable to equity holders of the company less non-equity dividends and other appropriations in respect of non-equity shares by the weighted average number of equity shares in issue during the year.

The diluted earnings per ordinary share is calculated by dividing profit/loss for the year less non-equity dividends and other appropriations in respect of non-equity shares by the weighted average number of equity shares outstanding during the year (after adjusting both figures for the effect of dilutive potential ordinary shares).

The calculation of basic and diluted earnings per ordinary share is based upon the following data:

Earnings	**30 Sep 13**	30 Sep 12
	£	£
(Loss) for the purposes of basic earnings per share	(413,046)	(806,257)
(Loss) for the purposes of diluted earnings per share	(413,046)	(806,257)

Number of shares	**30 Sep 13**	30 Sep 12
	No.	No.
Basic weighted average number of shares	632,631,421	417,070,536
Dilutive potential ordinary shares:		
Adjustment to average number of shares due to share options	-	-
Weighted average number of shares for the purposes of diluted earnings per share	632,631,421	417,070,536

9. Property, plant and equipment

30th September 2013	Fixtures, fittings & equipment	Motor Vehicles	Total
		£	£
Cost			
At 1 October 2012	**2,365**	**8,245**	**10,610**
Additions	**-**	**-**	**-**
On disposal	**-**	**(8,245)**	**(8,245)**
At 30 September 2013	**2,365**	**-**	**2,365**
Depreciation			
At 1 October 2012	**947**	**8,245**	**9,192**
Charge for the period	**582**	**-**	**582**
Disposals	**-**	**(8,245)**	**(8,245)**
At 30 September 2013	**1,529**	**-**	**1,529**
Net book amount			
30 September 2013	**836**	**-**	**836**

30th September 2012	Fixtures, fittings & equipment	Motor Vehicles	Total
		£	£
Cost			
At 1 October 2011	1,884	8,245	10,129
Additions	481	-	481
On disposal	-	-	-
At 30 September 2012	2,365	8,245	10,610
Depreciation			
At 1 October 2011	366	2,061	2,427
Charge for the period	581	6,184	6,765
At 30 September 2012	947	8,245	9,192
Net book amount			
30 September 2012	1,418	-	1,418

10. Investments

30th September 2013	**Listed investments £**
Cost	
At 1 October 2012 and 30 September 2013	**500**
Impairment	
At 1 October 2012	-
Charge for the year	500
At 30 September 2013	**500**
Net book amount at 30 September 2013	**-**
Net book amount at 30 September 2012	500

Listed investments

The fair value of the listed investments at 30 September 2013 was £nil *(2012 - £nil)*.

11. Trade and other receivables

	30 Sep 13 £	30 Sep 12 £
Other receivables	18,960	3,364
Prepayments and accrued income	28,068	12,900
	47,028	16,264

12. Trade and other payables

	30 Sep 13 £	30 Sep 12 £
Trade payables	46,090	16,284
Social security and other taxes	6,951	10,732
Unsecured convertible loan	125,000	-
Accruals and deferred income	70,680	44,553
	248,721	71,569

The unsecured loan is convertible at 0.055p per share at the option of the Lender. Conversion is conditional on a waiver being obtained, if required, from an obligation under rule 9 of the City Code on Takeovers and Mergers, triggered by converting the Loan, to make an offer for the shares in the Company not owned by the Lender. It is also conditional on the Company undertaking such capital reorganisation as may be necessary to enable it to allot shares at a price which is less than their par value. If those conditions are not satisfied by March 2014, the loan bears interest from that date and is repayable on demand.

13. Related party transactions

During the period the company was charged £14,382 for directors' services provided by its Director D A van den Noort. At the period end an amount of £7,795 was payable to D A van den Noort and is included within creditors.

During the period the company was charged £18,175 for services provided by S B Virtual Finance Limited, a company controlled by S Bertolotti. At the period end an amount of £5,760 was payable to S B Virtual Finance Limited and is included within creditors.

During the period the company was charged £12,702 for services provided by ABT Associates Limited, a company in which M Wood has significant influence. At the period end an amount of £nil was payable to ABT Associates Limited.

During the period the company was charged £773 for directors' services provided by its Director J van den Aker. At the period end an amount of £773 was payable to J van den Aker and is included within creditors.

During the period, the company entered into a convertible loan agreement with Westminster Asset Management Limited, a company associated with one of the placees which subscribed and paid for 125 million new ordinary shares in the placing announced on 29 October 2012, representing approximately 18.75% of the enlarged issued share capital following completion of the Placing.

14. Share options

The directors are interested in the following options to subscribe for ordinary shares pursuant to the directors' share option agreement:

R A H Webb	**30 Sep 13**	30 Sep 12
	No.	No.
Enterprise Management Incentive scheme – granted 12/04/2011	-	9,663,003

The Options were exercisable at a price of £0.01 per £0.001 ordinary share and could be exercised in whole or in part during the period commencing 12 April 2014 to 11 April 2021 subject to achievement of the vesting conditions. No options were exercised in the period and the share options lapsed on R A H Webb leaving the company in the year.

15. Cash generated/used by operations

	30 Sep 13	30 Sep 12
	£	£
(Loss) before taxation	(412,546)	(806,257)
Investment income	(422)	(2,782)
Depreciation	582	6,765
Increase) in receivables	(30,764)	(2,342)
Iincrease in payables	177,151	36,713
Net cash used by operations	(265,999)	(767,903)

15. Share capital

Authorised share capital:

	30 Sep 13	30 Sep 12
	£	£
785,908,000 Ordinary shares of £0.001 each	785,908	785,908
66,214,920 Deferred 'B' shares of £0.009 each	595,934	595,934
32,938,000 Deferred shares of £0.065 each	2,140,970	2,140,970
	3,522,812	3,522,812

Allotted, called up and fully paid:

	30 Sep 13	**30 Sep 13**	30 Sep 12	30 Sep 12
	No.	**£**	No.	£
Ordinary shares of £0.001 each	595,433,440	595,434	420,433,440	420,434
Deferred 'B' shares of £0.009 each	66,214,920	595,934	66,214,920	595,934
Deferred shares of £0.065 each	32,938,000	2,140,970	32,938,000	2,140,970
	694,586,360	3,332,338	519,586,360	3,157,338

Allotted, called up and partly paid:

	30 Sep 13	**30 Sep 13**	30 Sep 12	30 Sep 12
	No.	**£**	No.	£
Ordinary shares of £0.001 each	7,247,295	725	7,247,295	725

The fully paid ordinary £0.001 shares carry one vote per share and carry a right to dividends.

The fully paid deferred 'B' shares (£0.009 each) do not carry any votes (other than in a class meeting of the B deferred shares) and have no right to a dividend.

The fully paid deferred shares (£0.065 each) do not carry any votes (other than in a class meeting of the £0.065 deferred shares) and have no right to a dividend.

The partly paid ordinary £0.001 shares carry one vote per share and carry a right to dividends. On liquidation of the company, the shareholder acknowledges that the liquidator may require them to pay the balance subscription on any share which has not been paid.

On 12 November 2012, 239,000,000 ordinary shares of £0.001 each were issued at a price of £0.001 per share which were fully paid. However, on 28 June 2013 64,000,000 of these shares were forfeited.

In September 2013, the company issued 25,000,000 warrants over the share capital of the company at an exercise price of 0.1p per share.

Since the year end the company has re-allotted 64,000,000 ordinary shares previously forfeited and subsequently held in the company's name at 0.055p per share (upon conversion of the convertible loan note.) In addition, since the year end, the company has waived any or all rights which it may have demanded further payment from the holders of the 7,247,295 partly paid ordinary shares of 0.1p each. As a result these shares have since become deemed fully paid with no further amounts being payable on them and the amount of 0.9p per share currently standing to the credit of the share premium account in respect of each shares has been re-designated as share capital.

In January 2014, following a capital reorganisation, each of the ordinary shares of £0.001 each were sub-divided into one ordinary share of 0.01p each and one C deferred shares of 0.09p each.

Since the capital reorganisation, in January 2014, the company received a conversion notice in relation to a convertible loan agreement and subsequently issued and allotted 163,272,727 new ordinary shares of 0.01p each (together with the 64,000,000 shares re-allotted as above)

On 11 March 2014, the company issued 100,000,000 ordinary shares of 0.01p each for a price of 0.75p per share (total consideration of £750,000).

17. Subsequent Events

Since the year end, the Company entered into 3 separate Convertible Loan agreements to provide loan capital of up to £800,000 to the company to allow it to develop its new strategy. The loans were convertible at the option of the lender and were repayable if such conversion did not occur. In the case of one of the Convertible loans, the obligations of the issuer were subsequently unmet and funds were not transferred which led to immediate financial constraints on the Company. As a result, the Board reviewed its options in order to minimise the financial uncertainty surrounding the company and whilst exploring these options it filed a notice of intention to appoint an administrator.

After a period of review, the Board have been successful in agreeing voluntary reductions to the amounts due to a number of its creditors amounting to approximately £110,000 net of VAT. Conditional on the success of the voluntary reductions, the Company has since raised £750,000 before expenses as explained in Note 16, by way of a share placing with an institutional investor. Using these funds, the remaining convertible loans (of which £180,000 had been drawn down) have been repaid and all conversion rights relating to these loans were extinguished at the same time.

Following the above arrangements, the company has sufficient working capital for the next 12 months to meet running costs and also to embark on its new investing strategy. Further funds are likely to be raised alongside any acquisition under this new strategy.