HELLENIC CAPITAL PLC

REGISTERED NUMBER 06474216

DIRECTORS’ REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2012

CONTENTS

Directors	Konstantinos Papadimitrakopoulos Gavin John Burnell
Secretary	Lorraine Young
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Corporate Adviser	Keith, Bayley, Rogers & Co. Limited 2nd Floor, Finsbury Tower 103-105 Bunhill Row London EC1Y 8LZ
Solicitors	Edwin Coe LLP 2 Stone Buildings Lincoln's Inn London WC2A 3TH
Independent Auditors	Littlejohn LLP Statutory Auditor 1 Westferry Circus Canary Wharf London E14 4HD
Registrars	Share Registrars Limited Suite E First Floor 9 Lion and Lamb Yard Farnham Surrey GU9 7LL
Registered Number	06474216

I am pleased to announce the results for the Company.

The Company made a pre-tax loss of £19,648 (2011: loss £19,090) for the year. Interest receivable for the year was £434 (2011: £nil).

Cash in the bank at the end of December 2012 was £154,435 (2011: £174,706).

The Directors have been seeking potential acquisitions and investment opportunities since the successful flotation of Hellenic Capital PLC on the ISDX market (formerly PLUS) in 2008 which raised £268,895 gross. The Company has not yet commenced formal due diligence on any particular opportunity but the Board intends to complete a transaction as soon as it finds a suitable target.

The Directors remain focused on businesses or companies that they consider have the potential to produce a favourable return for shareholders in both the short and medium terms.

Konstantinos Papadimitrakopoulos
Non-Executive Chairman

The Directors present their report and the Financial Statements for the year ended 31 December 2012.

Principal Activities and Review of the Business

The principal activity of the Company is to invest in or acquire a company or companies, or assets, in the technology and renewable energy sectors.

Results and Dividends

The loss for this year after taxation was £19,648 (2011: loss £19,090). The Directors do not recommend the payment of a dividend. The Directors consider the results for the year to be satisfactory.

Directors and Directors' Interests

The Directors who held office during the year to the date of approval of these Financial Statements had the following beneficial interests in the ordinary shares of the Company.

	Ordinary Shares interest at end of year No	Warrants Interest at end of Year No.	Ordinary shares interest at start of Year No.	Warrants Interest at start of year No.
Gavin J Burnell	9,000,000	1,547,237	9,000,000	1,547,237
Konstantinos Papadimitrakopoulos	10,000,000	1,547,237	10,000,000	1,547,237

Substantial Interests

As at 31 December 2012, the Directors were aware of the following shareholdings in excess of 3% of the Company's issued share capital.

	%	Number of ordinary shares
Pershing Nominees Limited	21.49	13,300,000
Konstantinos Papadimitrakopoulos	16.16	10,000,000
Gavin Burnell	14.54	9,000,000
Charalabos Zafeiropoulos	6.46	4,000,000
Philippos Adamidis	6.14	3,800,000
Michail Papavasileiou	5.92	3,663,450
Ioannis Lampadiaris	4.85	3,000,000
Dimitrious Gryparis	4.04	2,500,000
Gerasimos Bonanos	4.04	2,500,000
Dimitrios Vlachos	3.37	2,087,750

Supplier Payment Policy

Whilst there is no formal code or standard, it is Company policy to agree terms of payment with creditors when agreeing the terms of each transaction and to abide by the creditors' terms of payment. There are no creditors subject to special arrangements outside of suppliers' terms and conditions.

Provision of information to auditors

So far as each of the Directors is aware at the time this report is approved:

- there is no relevant audit information of which the Company's auditors are unaware; and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Auditors

The auditors, Littlejohn LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Approved by the Board on 3 June 2013, and signed on its behalf by:

Gavin Burnell
Director

Introduction

The Company's system of corporate governance, which is summarised below, has been formulated with the UK Corporate Governance Code in mind. However, not every provision and principle of this Code has been dealt with as it is considered by the Directors to be inappropriate due to the current size of the Company. Although not required, the Directors have decided to provide the following corporate governance information.

Board of Directors

As at 31 December 2012 the Board consisted of a Non-Executive Chairman and a Non-Executive Director. The Board communicates and/or meets on a regular basis and the agenda of matters discussed and approved consists of matters concerned with the future direction of the business.

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Directors' 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 elected to prepare 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 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 accounting estimates that are reasonable and prudent;
- state whether applicable IFRSs as adopted by the European Union have been followed, 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 confirm that they have complied with the above requirements in preparing these Financial Statements.

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.

Independent Auditor's report to the Shareholders of Hellenic Capital PLC

We have audited the Financial Statements of Hellenic Capital plc for the year ended 31 December 2012 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and the related notes. 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 Auditors

As explained more fully in the Directors' Responsibilities Statement, the Directors are responsible for the preparation of the Financial Statements and for being satisfied that they will 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 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 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 Chairman's Statement, the Report of the Directors and the Corporate Governance Statement to identify material inconsistencies with the audited Financial Statements. 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 Company's affairs as at 31 December 2012 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.

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

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.

We have nothing to report in respect of the above matters.

Mark Ling (Senior statutory auditor)
For and on behalf of Littlejohn LLP
Statutory auditor

1 Westferry Circus
Canary Wharf
London E14 4HD

3 June 2013

STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2012

	Note	Year ended 31 December 2012 £	Year ended 31 December 2011 £
Operating expenses		(20,082)	(19,090)
Loss from operations	2	(20,082)	(19,090)
Interest receivable and similar income		434	-
Loss before taxation		(19,648)	(19,090)
Income tax expense	3	-	-
Loss for the year		(19,648)	(19,090)
Other comprehensive income		-	-
Total comprehensive loss for year		(19,648)	(19,090)
Loss per share	4	(0.00p)	(0.00p)

All activities are classed as continuing.

The Accounting Policies and Notes on pages 13 to 22 form part of the Financial Statements.

	Note	**As at 31 December 2012 £**	**As at 31 December 2011 £**
Assets			
Current assets			
Trade and other receivables	6	999	7,708
Cash and cash equivalents		154,435	174,706
Total assets		155,434	182,414
Equity and liabilities			
Equity			
Called up share capital	7	61,890	61,890
Share premium account		173,544	173,544
Shares to be issued under warrants	8	13,121	13,121
Retained loss		(96,801)	(77,153)
		151,754	171,402
Current liabilities			
Trade and other payables	9	3,680	11,012
Total equity and liabilities		155,434	182,414

These Financial Statements were approved and authorised for issue by the Board of Directors and were signed on its behalf on 3 June 2013.

Gavin Burnell
Director

The Accounting Policies and Notes on pages 13 to 22 form part of the Financial Statements.

STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2012

	Share Capital	Share premium	Shares to be issued under warrants	Retained loss	Total
	£	£	£	£	£
Balance as at 1 January 2011	61,890	173,544	13,121	(58,063)	190,492
Total comprehensive loss for the year	-	-	-	(19,090)	(19,090)
Balance as at 31 December 2011	61,890	173,544	13,121	(77,153)	171,402
Total comprehensive loss for the year	-	-	-	(19,648)	(19,648)
Balance as at 31 December 2012	61,890	173,544	13,121	(96,801)	151,754

The Accounting Policies and Notes on pages 13 to 22 form part of the Financial Statements.

STATEMENT OF CASH FLOWS
For the year ended 31 December 2012

	Year ended 31 December 2012 £	Year ended 31 December 2011 £
Cash flows out from operating activities		
Loss before taxation	(19,648)	(19,090)
Interest received	(434)	-
Movements in working capital:		
Decrease / (increase) in trade and other receivables	6,709	(6,677)
(Decrease) / increase in trade and other payables	(7,332)	5,052
Net cash used in operations	(20,705)	(20,715)
Cash flows in from investing activities		
Interest received	434	-
Decrease in cash and cash equivalents	(20,271)	(20,715)
Cash and cash equivalents at the beginning of the year	174,706	195,421
Cash and cash equivalents at the end of the year	154,435	174,706

The Accounting Policies and Notes on pages 13 to 22 form part of the Financial Statements.

Summary of Significant Accounting Policies

The principal Accounting Policies applied in the preparation of these Financial Statements are set out below. These Policies have been consistently applied to all the periods presented, unless otherwise stated.

Basis of Preparation of Financial Statements

The Financial Statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs as adopted by the EU), IFRIC interpretations and the Companies Act 2006 applicable to Companies reporting under IFRSs. The Financial Statements have also been prepared under the historical cost convention.

The preparation of Financial Statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management 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 later in these accounting policies.

The Financial Statements are presented in sterling (£), rounded to the nearest pound.

Standards and Interpretations in issue but not yet effective or not yet endorsed

(a) New and amended standards and interpretations mandatory for the first time for the financial year beginning 1 January 2012 and relevant to the Company.

There are no IFRSs or IFRIC interpretations that are effective for the first time for the financial year beginning on or after 1 January 2012 that would be expected to have a material impact on the Company.

(b) New and amended standards and interpretations mandatory for the first time for the financial year beginning 1 January 2012 but not currently relevant to the Company.

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning on or after 1 January 2012, and have not been applied in preparing these financial statements. None of these is expected to have a significant effect on the financial statements of the Company.

Amendments to IFRS 1, 'First time adoption' on fixed dates and hyperinflation. The first amendment replaces references to a fixed date of 1 January 2004 with ''the date of transition to IFRSs", thus eliminating the need for companies adopting IFRSs for the first time to restate derecognition transactions that occurred before the date of transition to IFRSs. The second amendment provides guidance on how an entity should resume presenting financial statements in accordance with IFRSs after a period when the entity was unable to comply with IFRSs because its functional currency was subject to severe hyperinflation.

IFRS 7, 'Financial instruments: Disclosures' was amended in October 2012 for the transfer of financial assets. These amendments are as part of the IASB's comprehensive review of off Statement of Financial Position activities. The amendments promote transparency in the reporting of transfer transactions and improve users' understanding of the risk exposures relating to transfers of financial assets and the effect of those risks on an entity's financial position, particularly those involving securitisation of financial asset.

Amendments to IAS 12, 'Income Taxes' on deferred tax. Currently IAS 12 requires an entity to measure the deferred tax relating to an asset depending on whether the entity expects to recover the carrying amount of the asset through use or sale. It can be difficult and subjective to assess whether recovery will be through use or through sale when the asset is measured using the fair value model in IAS 40 Investment Property. Hence this amendment introduces an exception to the existing principle for the measurement of deferred tax assets or liabilities arising on investment property measured at fair value. As a result of the amendments, SIC 21, 'income taxes – recovery of revalued non-depreciable assets', would no longer apply to investment properties carried at fair value. The amendments also incorporate into IAS 12 the remaining guidance previously contained in SIC 21, which is accordingly withdrawn.

(c) New standards, amendments and interpretations issued but not effective for the financial year beginning 1 January 2012 and not early adopted.

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the financial statements are disclosed below. The Company intend to adopt these standards, if applicable, when they become effective. Unless otherwise stated, the Directors are assessing the possible impact of the following on the Financial Statements:

Amendment to IAS 1, 'Financial statement presentation' regarding other comprehensive income. The main change resulting from these amendments is a requirement for entities to group items presented in 'other comprehensive income' (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). The amendments do not address which items are presented in OCI. The amendment becomes effective for annual periods beginning on or after 1 July 2012.

IAS 19, 'Employee benefits', was amended in June 2011. The amendments eliminate the option to defer the recognition of gains and losses, known as the "corridor method"; streamline the presentation of changes in assets and liabilities arising from defined benefit plans, including requiring re-measurements to be presented in other comprehensive income; and enhance the disclosure requirements for defined benefit plans, providing better information about the characteristics of defined benefit plans and the risks that entities are exposed to through participation in those plans. The amendment becomes effective for annual periods beginning on or after 1 January 2013. The amendment has no impact on the Company.

Amendment to IFRS 1, 'First-time Adoption of International Financial Reporting Standards' on government loans. This amendment addresses how first-time adopters would account for a government loan with a below-market rate of interest when transitioning to IFRS. It also adds an exception to the retrospective application of IFRS, which provides the same relief to first time adopters granted to existing preparers of IFRS Financial Statements when the requirement was incorporated into IAS 20 'Accounting for Government Grants and Disclosure of Government Assistance' in 2008. The amendment is effective for the accounting period beginning on or after 1 January 2013, subject to endorsement by the EU. The amendment has no impact on the Company.

IFRS 7, 'Financial Instruments: Disclosures' was amended for asset and liability offsetting. This amendment requires disclosure of information that will enable users of financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position. The amendment is effective for the accounting period beginning on or after 1 January 2013, subject to endorsement by the EU.

IFRS 10, 'Consolidated financial statements', builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess. The Company is yet to assess IFRS 10's full impact and intends to adopt IFRS 10 no later than the accounting period beginning on or after 1 January 2013.

IFRS 11, 'Joint Arrangements' provides for a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form. There are two types of joint arrangement; joint operations and joint ventures. Joint operations arise where a joint operator has rights to the assets and obligations relating to the arrangement and therefore accounts for its share of assets, liabilities, revenue and expenses. Joint ventures arise where the joint venture has rights to the net assets of the arrangement and therefore equity accounts for its interest. Proportional consolidation of joint ventures is no longer allowed. The Company is yet to assess IFRS 11's full impact and intends to adopt IFRS 11 no later than the accounting period beginning on or after 1 January 2013.

IFRS 12, 'Disclosures of interests in other entities', includes the disclosure requirements for all forms of interests in entities, including joint arrangements, associates, special purpose vehicles and other off Statement of Financial Position vehicles. The Company is yet to assess IFRS 12's full impact and intends to adopt IFRS 12 no later than the accounting period beginning on or after 1 January 2013.

Amendments to IFRS 10, 'Consolidated Financial Statements', IFRS 11, 'Joint Arrangements and IFRS 12, 'Disclosure of Interests in Other Entities', provide additional transition relief to IFRSs 10,11 and 12 by limiting the requirement to provide adjusted comparative information to only the preceding comparative period. For disclosures related to unconsolidated structured entities, the amendments will remove the requirement to present comparative information for periods before IFRS 12 is first applied. The Company is yet to assess the full impact of these amendments and intends to adopt the amended standards no later than the accounting period beginning on or after 1 January 2013, subject to endorsement by the EU.

IFRS 13, 'Fair value measurement', aims to provide consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements, which are largely aligned between IFRS and US GAAP, do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards with IFRSs or US GAAP. The standard becomes effective for annual periods beginning on or after 1 January 2013.

IAS 27, 'Separate Financial Statements', replaces the current version of IAS 27, 'Consolidated and Separate Financial Statements' as a result of the issue of IFRS 10. The revised standard includes the requirements relating to separate financial statements. The revised standard becomes effective for annual periods beginning on or after 1 January 2013.

IAS 28, 'Investments in Associates and Joint Ventures', replaces the current version of IAS 28,'Investments in Associates', as a result of the issue of IFRS 11. The revised standard includes the requirements for associates and joint ventures that have to be equity accounted following the issue of IFRS 1. The Company is yet to assess full impact of the revised standard and intends to adopt IAS 28 (revised) no later than the accounting period beginning on or after 1 January 2013.

IFRIC 20, 'Stripping Costs in the Production Phase of a Surface Mine', clarifies when production stripping should lead to the recognition of an asset and how that asset should be measured, both initially and in subsequent periods. The interpretation may require the Company to write off existing stripping assets to opening retained earnings if the assets cannot be attributed to an identifiable component of an ore body. The Company is yet to assess IFRIC 20's full impact and intends to adopt IFRIC 20 no later than the accounting period beginning on or after 1 January 2013.

IFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. IFRS 9 was issued in November 2009 and October 2010. It replaces parts of IAS 39 that relate to the classification and measurement of financial instruments. IFRS 9 requires financial assets to be classified into two measurement categories: those measured as at fair value and those measured at amortised cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics for the instrument. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. The Company is yet to assess IFRS 9's full impact and intends to adopt IFRS 9 no later than the accounting period beginning on or after 1 January 2015, subject to endorsement by the EU. The Company will also consider the impact of the remaining phases of IFRS 9 when completed by the Board.

Amendments to IAS 32, 'Financial Instruments: Presentation', add application guidance to address inconsistencies identified in applying some of the criteria when offsetting financial assets and financial liabilities. This includes clarifying the meaning of "currently has a legally enforceable right of set-off" and that some gross settlement systems may be considered equivalent to net settlement. The Company is yet to assess the full impact of the amendments to IAS 32 and intends to adopt the amended standard no later than the accounting period beginning on or after 1 January 2014.

'Annual Improvements 2009 – 2011 Cycle' sets out amendments to various IFRSs as follows:

- An amendment to IFRS 1, 'First-time Adoption' clarifies whether an entity may apply IFRS 1:
  - (a) if the entity meets the criteria for applying IFRS 1 and has applied IFRS 1 in a previous reporting period; or
  - (b) if the entity meets the criteria for applying IFRS 1 and has applied IFRSs in a previous reporting period when IFRS 1 did not exist.
- The amendment to IFRS 1 also addresses the transitional provisions for borrowing costs relating to qualifying assets for which the commencement date for capitalization was before the date of transition to IFRSs.
- An amendment to IAS 1, 'Presentation of Financial Statements' clarifies the requirements for providing comparative information:
  - (a) for the opening Statement of Financial Position when an entity changes accounting policies, or makes retrospective restatements or reclassifications; and
  - (b) when an entity provides Financial Statements beyond the minimum comparative information requirements.
- An amendment to IAS 16, 'Property, Plant and Equipment' addresses a perceived inconsistency in the classification requirements for servicing equipment.
- An amendment to IAS 32, 'Financial Instruments: Presentation' addresses perceived inconsistencies between IAS 12, 'Income Taxes' and IAS 32 with regard to recognizing the consequences of income tax relating to distributions to holders of an equity instrument and to transaction costs of an equity transaction.
- An amendment to IAS 34, 'Interim Financial Reporting' clarifies the requirements on segment information for total assets and liabilities for each reportable segment.

The Company intends to adopt the amended standards no later than the accounting period beginning on or after 1 January 2013, subject to endorsement by the EU. These improvements are not expected to have an impact on the Company.

Amendments to IFRS 10 "Consolidated Financial Statements", IFRS 12 "Disclosure of Interests in Other Entities" and IAS 27 "Separate Financial Statements" define an investment entity and introduce an exception to consolidating particular subsidiaries for investment entities. These amendments require an investment entity to measure those subsidiaries at fair value through profit or loss in accordance with IFRS 9, 'Financial Instruments', in its consolidated and separate financial statements. The amendments also introduce new disclosure requirements for investment entities in IFRS 12 and IAS 27. This amendment applies to annual periods beginning on or after 1 January 2014.

Cash and Cash Equivalents

Cash and cash equivalents comprises cash at hand and current and deposit balances with banks and similar institutions, which are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value. This definition is also used for the Statement of Cash Flows.

Taxation

Tax losses available to be carried forward, are only recognised as deferred tax assets, to the extent that it is probable that there will be future taxable profits against which the temporary differences can be utilised.

Share Based Incentive

The fair value of the services in exchange for the grant of warrants is recognised as an expense and as a component of equity, if material. The total amount to be expensed over the vesting period is determined by reference to the fair value of the warrants granted using, the Black-Scholes option pricing model.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The only estimate and assumption that has a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year is fair value of warrants.

In accordance with IFRS 2 ‘Share Based Payments’ the Company has recognised the fair value of warrants, calculated using the Black-Scholes option pricing model. The Directors have made significant assumptions particularly regarding the volatility of the share price at the grant date in order to reach a fair value. Further information is disclosed in Note 8.

Going Concern

The Directors have prepared the Financial Statements on a going concern basis and consider this appropriate having considered a period of no less than twelve months after the approval of these Financial Statements.

1. Segmental information

The Company has a single class of business and all its activities relate to the UK.

The Company has no revenue or non-current assets.

2. Loss from operations

Loss from operations is stated after charging:

	Year ended 31 December 2012 £	Year ended 31 December 2011 £
Auditors' remuneration	2,940	2,400
Fees to auditors for other services	1,868	1,986

3. Taxation

Tax charge for the year

No taxation arises on the result for the year because of the trading loss.

Factors affecting the tax charge for the year

The tax charge for the year does not equate to the loss for the year at the applicable rate of UK small Companies corporation tax of 20% (2011: 20%). The differences are explained below:

	£	£
Loss for the year before taxation	19,648	19,090
Loss for the year before tax multiplied by the rate of UK small companies' corporation tax of 20%	3,930	3,818
Tax losses for the year not relieved	(3,930)	(3,818)
	-	-

3. Taxation (continued)

Factors affecting the tax charge of future periods

Tax losses available to be carried forward by the Company at 31 December 2012 against future profits are estimated at £96,801 (2011: £77,153).

A deferred tax asset has not been recognised in respect of these losses in view of the uncertainty as to the level of future taxable profits.

4. Loss per share

The calculation of basic loss per share is based on the loss attributable to ordinary shareholders of £19,648 (2011: £19,090) divided by the weighted average number of ordinary shares in issue of 61,889,500 (2011: 61,889,500). This results in a loss per share which is too low to be meaningful. No warrant is potentially dilutive, as the average market price of the ordinary shares during the year was less than the exercise price of the warrants and hence basic and diluted loss per share is the same.

5. Staff costs

The Company did not incur any staff costs, being the Directors, during 2012 and 2011. The Company also incurred £Nil (2011 - £Nil) cost on Directors' emoluments in respect of qualifying services

The average monthly number of staff, being the Directors, during the financial year was as follows:

	2012	2011
	No	No
Directors	2	2

6. Trade and other receivables

	As at 31 December 2012 £	As at 31 December 2011 £
Prepayments and accrued income	999	7,708
	999	7,708

7. Share capital

	As at 31 December 2012 £	As at 31 December 2011 £
Authorised		
485,000,000 ordinary shares of 0.1p each	485,000	485,000
15,000,000 redeemable shares of 0.1p each	15,000	15,000
	500,000	500,000
Allotted, issued and fully paid		
61,889,500 ordinary shares of 0.1p each	61,890	61,890

8. Share based payments

On 11 February 2008 the Company granted 6,188,949 warrants in total to Gavin Burnell, Konstantinos Papadimitrakopoulos, and Ruegg & Co Limited. The warrants granted to Ruegg & Co Limited were transferred to a minority shareholder for £Nil consideration during 2009. Each warrant entitles the holder to subscribe for one new ordinary share at an exercise price of £0.01 per share at any time until the fifth anniversary of Admission.

The fair value of the warrants is as follows:

Granted to	Date granted	Number	Exercise price £	Expiry date	Fair value at grant date £
Gavin Burnell	11 February 2008	1,547,237	0.01	19 April 2013	3,280
Konstantinos Papadimitrakopoulos	11 February 2008	1,547,237	0.01	19 April 2013	3,280
Ruegg & Co Limited *(initially, then transferred to a minority shareholder during 2009)*	11 February 2008	3,094,475	0.01	19 April 2013	6,561
		6,188,949			13,121

The warrants are exercisable at £0.01 at any time from the date of the original admission to the ISDX market (formerly PLUS) and expiring five years from such date.

8. Share based payments (continued)

The weighted average fair value of warrants granted on 11 February 2008, determined by using the Black-Scholes valuation model, was £0.00212 per warrant for the 6,188,949 warrants granted. The significant inputs into the model were:

	Founder Warrants	Warrants
Dividend rate (%)	-	-
Risk free interest rate (%)	4.75%	4.75%
Expected volatility (%)	5%	5%
Share price at grant date (£)	1p	1p
Exercise price (£)	0.1p	1p

The warrants were granted on 11 February 2008, only 26 days after incorporation. The Directors were therefore unable to base their expected volatility rate on the historical performance of the Company's share price. The Directors have therefore assumed a low volatility rate reflecting the cash shell status of the Company and low volume of trading expected.

There are no vesting conditions therefore there has been no charge to the profit and loss account in the current year.

9. Trade and other payables

	As at 31 December 2012 £	As at 31 December 2011 £
Trade payables	480	7,910
Accruals and deferred income	3,200	3,102
	3,680	11,012

10. Capital commitments

There were no capital commitments authorised by the Directors or contracted for at 31 December 2012 or 2011.

11. Treasury policy and financial instruments

The Company operates informal treasury policies which include ongoing assessments of interest rate management and borrowing policy. The Board approves all decisions on treasury policy.

The Company has financed its activities by the raising of funds through the placing of shares. There are no material differences between the book value and fair value of the financial assets.

12. Capital management policies

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions.

13. Ultimate Parent Company

The Directors believe there to be no ultimate controlling party.