REGISTERED NUMBER: 255647 (England and Wales)

REPORT OF THE DIRECTORS AND

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2010

FOR

BWA GROUP PLC

CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2010

COMPANY INFORMATION
FOR THE YEAR ENDED 30 APRIL 2010

DIRECTORS:	RG Battersby BA, FCA, JDipMA (Chairman) MA Borrelli FCA JMV Butterfield BSc (Econ), MBA
SECRETARY:	JMV Butterfield
REGISTERED OFFICE:	50 Broadway Westminster London SW1H 0BL
REGISTERED NUMBER:	255647 (England and Wales)
AUDITORS:	Additions Queen Insurance Buildings 7 Queen Avenue Liverpool Merseyside L2 4TZ
SOLICITORS:	Bircham Dyson Bell 50 Broadway Westminster London SW1H 0BL
REGISTRARS:	Share Registrars Limited First Floor 9 Lion and Lamb Yard Farnham Surrey GU9 7LL

CHAIRMAN'S STATEMENT
FOR THE YEAR ENDED 30 APRIL 2010

Over the course of the year under review, there have been some significant changes within BWA. Most notably, all the previous Directors resigned to make way for a new Board of Directors, all of whom have had previous longstanding connections with the Company and are shareholders. In addition, BWA completed a successful fundraising and the ordinary shares were admitted to trading on the PLUS-quoted Market on 31 March 2010, having raised £314,594 before expenses of £74,277. A number of new shareholders joined the Company as part of that exercise and we welcome them to the Company.

The Company is now an Investment Vehicle. However, in view of the close proximity of the year end to the completion of the fundraising, no investments were made in the period to 30 April 2010 and BWA received no income. The accounts, therefore, show a modest operating loss of £10,462 being the whole of the expenses incurred in that year.

Since the year end, your Board has approved and completed two small investments totalling £30,000 and is currently in negotiations for a third. The first investment, announced on 1 June 2010, was the subscription for 60,000 ordinary shares in Webb Capital plc, a financial advisory business traded on the PLUS-quoted market, for a total consideration of £15,000. The second investment, announced on 1 July 2010, was the subscription for 15,000,000 ordinary shares in Charles Street Capital plc, an AIM quoted natural resources investment company, for a total consideration of £15,000.

Your Board has also examined a significant number of potential acquisition opportunities meeting the criteria stated in the admission document. Although we have not yet identified a proposition which we believe should be put to shareholders, we are active in looking for such opportunities and remain confident that an appropriate opportunity will be identified soon.

R G Battersby
Chairman

The directors present their report with the financial statements of the Company for the year ended 30 April 2010.

PRINCIPAL ACTIVITY

BWA Group plc is a PLUS Investment Vehicle set up principally to acquire one or more businesses and to make investments.

REVIEW OF BUSINESS

The Company's shares were admitted to trading on PLUS on 31 March 2010.

The results for the year and financial position of the Company are set out in the attached financial statements.

The review of business is referred to within the Chairman's Statement.

KEY PERFORMANCE INDICATOR

The Company has minimised the administration costs in line with the annual budget.

FUTURE DEVELOPMENTS

The Directors will use their experience to identify appropriate targets, carry out due diligence and negotiate acquisitions and investments.When appropriate, the Directors may consider further fundraising to provide additional resources for the Company ahead of such an acquisition or investment.

DIVIDENDS

The Directors do not recommend the payment of a dividend in respect of the year ended 30 April 2010 (2009: £Nil).

DIRECTORS

The directors during the year under review were:

RG Battersby - appointed 2 October 2009
MA Borrelli - appointed 21 December 2009
JMV Butterfield - appointed 18 December 2009
DHMJ Steavenson - resigned 8 December 2009
RJ Armstrong - resigned 25 September 2009
P Redmond - resigned 25 September 2009

DIRECTORS' INTERESTS IN SHARES

Directors' interests in the share capital of the Company were as follows:

	30 April 2010 Ordinary shares of 0.5p	30 April 2009 Ordinary shares 0.5p
RG Battersby	12,882,380	-
MA Borrelli	1,064,210	-
JMV Butterfield	13,116,668	-
DHMJ Steavenson	-	400,000
R Armstrong	-	1,800,000
P Redmond	-	2,475,000

There have been no changes in Directors' interests between the end of the period under review and the date of this report.

PURCHASE OF OWN SHARES

During the year the company purchased all of its issued deferred 1.5p shares for nil consideration. The shares were subsequently cancelled. Full details are set out in Note 10.

CORPORATE GOVERNANCE

The Company is listed on the PLUS-quoted Market and is therefore not required to comply with the provisions of the Combined Code. It is intended to establish governance procedures and policies that the Board consider appropriate to the nature and size of the Company as the Company's projects develop.

POLITICAL AND CHARITABLE DONATIONS

During the year, the Company made no political or charitable contributions (2009: £Nil).

EVENTS AFTER THE YEAR END

There were no significant events arising between the end of the period under review and the date of this report.

SUBSTANTIAL SHAREHOLDINGS

Other than the interests of the Directors disclosed above and save as disclosed below, the Directors are not aware of any other individual interest or group of interests held by persons acting together which, at the date of this report, exceeds 3% of the company's issued share capital.

	Number	%
Ordinary 0.5p shares		
Peter Webb	15,792,043	14.99
Webb Capital plc	10,524,517	9.99
HSBC Global Custody Nominees (UK) Limited	8,372,505	7.95
Fiske Nominees Limited	6,575,000	6.24
Astaire Securities Limited	6,305,240	5.99
JT Byfield	5,000,000	4.75

FAIR VALUE ESTIMATION

The Directors consider that the carrying amount of the Company's financial assets and liabilities approximate to their realisable value at each balance sheet date and that such value equates to their fair value.

COMPANY'S POLICY ON PAYMENT OF CREDITORS

The Company endeavours to ensure that all payments to suppliers are made within mutually agreed credit terms, although it does not follow any specified code or standard payment practice. In cases where a dispute arises, the Company seeks to resolve it promptly and amicably to minimise delays in payment.

RISK REVIEW

The risks inherent in such a venture are kept under constant review by the Board. Whilst it is not the current intention of the Board to become involved at an operational level in its investments the following risks have been identified as capable of affecting the value of the company's investments:

- Investment risk is the risk of investing cash and resources on projects which may not provide a return. The company addresses this risk by using its skills and experience as well as the knowledge of local management to invest in established ventures which contain profitable assets and/or the most promising exploration potential.

- The main type of financial risk faced by the company is liquidity risk. Liquidity risk is the risk of insufficient working and investment capital. The company's aim is to finance its investment activities from cash flow but in the early stages the business will seek to raise additional funding if required.

INTERNAL FINANCIAL CONTROL AND RISK MANAGEMENT

The Directors are responsible for the Company's system of internal financial control and also for identifying the major business risks faced by the Company. The system of internal financial control is designed to provide reasonable, but not absolute, assurance against material misstatement or loss. In fulfilling these responsibilities, the Board has reviewed the effectiveness of the system of internal financial control. The Directors have established procedures for planning, budgeting and for monitoring, on a regular basis, the performance of the Company and for determining the appropriate course of action to manage any major business risks. The Board has considered the need for an internal audit function but has decided the size of the Company does not justify it at present. However it will keep the decision under annual review.

FINANCIAL RISK MANAGEMENT

Information relating to the Company's financial risk management is set out on page 12 of the financial statements.

GOING CONCERN

On the basis of current financial projections and facilities available to the Company and after making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in business for the foreseeable future. To date, the Company has benefited from capital injections from its shareholders, and whilst there is no commitment to provide further funding the company expects there to be additional funding in this manner if required in the future. For this reason they have adopted the going concern basis in preparing the financial statements.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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 elected to prepare the company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 those 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 whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the Company 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 the financial statements.

The Directors are responsible for keeping proper 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 Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

The Directors who were in office on the date of approval of these financial statements have confirmed that, as far as they are aware, there is no relevant audit information of which the auditors are unaware. Each of the Directors has confirmed that he has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that it has been communicated to the auditor.

AUDITORS

Additions Accountants Limited have expressed their willingness to remain in office as auditors of the Company.

BY ORDER OF THE BOARD:

....
JMV Butterfield - Secretary

6 August 2010

We have audited the financial statements of BWA Group plc for the period ended 30 April 2010 which comprise the profit and loss account, the balance sheet, the cash flow statement, the accounting policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 5, 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 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.

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.

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.

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 April 2010 and of its loss and cash flows for the year then ended;

- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and

- the financial statements have been properly prepared in accordance with the provisions of the Companies Act 2006.

Opinion on other matters 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.

Maxine Desse (Senior Statutory Auditor)

For and on behalf of Additions
Chartered Accountants and Statutory Auditors
Liverpool
[DATE]

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 APRIL 2010

	Notes	2010 £	2009 £
TURNOVER		-	-
Administrative expenses		10,462	7,706
OPERATING LOSS	1	(10,462)	(7,706)
Exceptional items	3	(74,277)	-
		(84,739)	(7,706)
Interest receivable	4	-	342
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(84,739)	(7,364)
Tax on loss on ordinary activities	5	-	-
LOSS FOR THE FINANCIAL YEAR		(84,739)	(7,364)
LOSS PER SHARE - Basic	6	(0.187)p	(0.019)p
- Diluted	6	(0.180)p	(0.019)p

TOTAL RECOGNISED GAINS AND LOSSES
The Company has no recognised gains or losses other than the losses for the current year and previous year.

The notes form part of these financial statements

BALANCE SHEET
AT 30 APRIL 2010

	Notes	2010 £	2009 £
CURRENT ASSETS			
Debtors and prepayments	7	22,231	-
Cash at bank		248,505	26,964
		270,736	26,964
CREDITORS			
Amounts falling due within one year	8	18,688	25,722
NET CURRENT ASSETS		252,048	1,242
TOTAL ASSETS LESS CURRENT LIABILITIES		252,048	1,242
CAPITAL AND RESERVES			
Called up share capital	10	526,753	484,833
Capital redemption reserve	12	288,625	-
Profit and loss account	12	(563,330)	(483,591)
SHAREHOLDERS' FUNDS	13	252,048	1,242

The financial statements were approved and authorised for issue by the board of directors on 6 August 2010 and were signed on its behalf by:

....
RG Battersby - Director

REGISTERED NUMBER: 255647

The notes form part of these financial statements

CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 APRIL 2010

	Notes	2010 £	2009 £
Net cash outflow from operating activities	14	(93,053)	(22,635)
Returns on investments and servicing of finance	15	-	342
		(93,053)	(22,293)
Financing			
Proceeds on issue of ordinary shares	10	314,594	-
Proceeds on issue of convertible loan notes		-	5,000
Increase / (decrease) in cash in the period		221,541	(17,293)

Reconciliation of net cash flow to movement in net funds

Increase / (decrease) in cash in the period		221,541	(17,293)
Movement in net funds in the period	16	221,541	(17,293)
Net funds at 1 May 2009	16	26,964	44,257
Net funds at 30 April 2010	16	248,505	26,964

The notes form part of these financial statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared on the going concern basis under the historical cost convention and in accordance with Companies Act 2006 and applicable accounting standards. The principal accounting policies are set out below.

Critical accounting estimates and judgements

The preparation of the financial statements requires the Directors to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form a basis for making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on a regular basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of revision and future periods if the revision affects both current and future periods.

The Directors consider that the most significant areas of accounting estimates and judgements are as follows:

- The likelihood that deferred tax assets can be realised;

- Share-based payments; In determining the fair value of options granted and the related charge to the profit and loss account, the Company makes assumptions about future events and market conditions. In particular, judgement must be made as to the volatility of the Company's share price. Different assumptions about these factors to those made by the Company could materially affect the reported value of share-based payments;

- Exceptional items, considering the nature of the item of income or expenditure, whether it would reasonably be considered to be outside of the normal business operations of the Company and whether it was of a non-recurring nature;

Financial instruments

The following policies for financial instruments have been applied in the preparation of the Company's financial statements. Financial assets and financial liabilities are recognised on the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

Cash at bank and in hand

For the purpose of preparation of the cash flow statement, cash at bank and in hand include short term deposits with an original maturity period of three months or less.

Trade and other receivables

Trade and other receivables do not carry any interest and are stated at their fair value as reduced by appropriate allowances for estimated irrecoverable amounts.

Trade payables

Trade payables are not interest bearing and are stated at their fair value.

Financial and equity liability

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Equity

Equity comprises the following:

'Share capital' represents the nominal value of equity shares.

'Capital redemption reserve' represents amounts transferred from issued share capital on a purchase or redemption of own shares.

'Profit and loss reserve' represents retained earnings.

Borrowings

Interest-bearing loans and overdrafts are recorded at the proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption, are accounted for on an accrual basis and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise and recognised in profit and loss over the term of the borrowing using the effective interest rate method.

Exceptional items

Exceptional items are those significant items which are separately disclosed by virtue of their size or incidence to enable a full understanding of the Company's financial performance. Transactions which may give rise to exceptional costs are principally financial restructuring costs, Company re-organisation costs, and costs in respect of key management changes.

S**hare-based payments**

The financial statements are prepared in accordance with FRS 20 'Share Based Payments' which requires the recognition of equity-settled share based payments at fair value of the goods or services received. Only if the fair value of the goods or services cannot be measured reliably would the fair value of the equity instruments granted be used.

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax. The tax currently payable is based on the taxable profit for the period. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantially enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities for financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient profits will be available to allow all or part of the assets to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

2. FINANCIAL RISK MANAGEMENT

The Company uses financial instruments comprising only cash balances that arise from its operations. The main purpose of these financial instruments is to raise finance for the Company's operations and new acquisitions. The Directors review and agree policies for managing these risks arising from the Company's financial instruments and these are summarised below.

Short term receivables and payables have been excluded from the following disclosures.

Credit risk

Credit risk is the risk that the counterparty will default on its contractual obligations resulting in financial loss. Credit risk arises from cash and cash equivalents and exposure to credit clients. There are no provisions for bad or doubtful debts in the current or preceding year.

For cash and cash equivalents, the Company uses only recognised banks with high credit ratings. For trade and trade receivables, the Directors consider that the credit risk is minimal and the total is spread across many transactions.

Liquidity risk

Liquidity risk is the risk that the Company will have insufficient funds to meet its liabilities as they fall due. The Directors monitor cash flow on a daily basis and at monthly board meetings in the context of their expectations for the business to ensure sufficient liquidity is available to meet foreseeable needs and to ensure that cash assets are invested safely and profitably.

. *Currency risk*

The Company operates within the UK and all transactions are denominated in sterling. As such the Company is not exposed to transaction foreign exchange risk.

Interest rate risk

The directors do not consider that the business is exposed to material interest rate risk. The Company finances its operations through cash reserves. The cash reserves held by the Company during the year have negated the need to use any interest bearing short-term borrowings.

3. CAPITAL RISK MANAGEMENT

The Board's principal objective when managing the capital of the Company is to safeguard its ability to continue as a going concern, with the intention of providing future returns for shareholders.

The Board manages the capital structure of the Company by making changes based on the economic conditions and the future outlook. Total equity, as defined on the consolidated balance sheet, is used as a key indicator of capital used in the business.

1. OPERATING LOSS

The operating loss is stated after charging:

	2010 £	2009 £
Services provided by the Company's auditor:		
Fees payable for the audit	5,644	4,025

Fees of £1,875 payable to the Company's auditor in respect of non-audit services in connection with the Company's admission to PLUS are included within exceptional items.

2. DIRECTORS AND EMPLOYEES

There were no Directors' emoluments, staff costs, social security or other pension costs for the year ended 30 April 2010 nor for the year ended 30 April 2009.

There were no employees during the year other than the three directors (2009: three directors).

3. EXCEPTIONAL ITEMS

	2010 £	2009 £
Listing costs on Admission to PLUS	74,277	-

4. INTEREST RECEIVABLE

	2010 £	2009 £
Bank interest receivable	-	342

5. TAXATION

Based on the results for the period no liability to UK corporation tax arose on ordinary activities for the year ended 30 April 2010 or for the year ended 30 April 2009.

The charge for the year can be reconciled to the profit and loss account as follows:

	2010 £	2009 £
Loss before taxation	84,739	7,364
Loss for the year multiplied by 21% (2009: 21%)	17,795	1,546
Tax effects of:		
Expenses not allowable for tax purposes	(15,598)	-
Losses to relieve in future periods	(2,197)	(1,546)
Current tax charge	-	-

If provision were to be made for the full amount of potential deferred tax assets it would create a deferred tax asset of £734,361 (2009: £732,164) based on tax losses available for carry forward of £3,496,957 (2009: £3,486,495). This would be recoverable should sufficient, allowable taxable profits arise in the future.

6. LOSS PER SHARE

Basic and diluted earnings per share figures are based on the following profits and numbers of shares:

	2010 £	2009 £
Loss before tax	84,739	7,364
	Number	Number
Weighted average number of shares for the purpose of basic earnings per share	45,218, 596	39,241,627
Effect of dilutive potential ordinary shares: Share options	1,755,842	-
Weighted average number of shares for the purpose of diluted earnings per share	46,974,438	39,241,627

7. DEBTORS

	2010 £	2009 £
Other debtors	15,000	-
Prepayments	7,231	-
	22,231	-

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2010 £	2009 £
Trade creditors	12,110	6,503
Other creditors	-	15,000
Accruals	6,578	4,219
	18,688	25,722

9. FINANCIAL INSTRUMENTS BY CATEGORY

The Company's financial instruments were categorised as follows:

	2010 £	2009 £
Assets as per the balance sheet		
Trade and other receivables (excluding prepayments)	15,000	-
Cash at bank and in hand	248,505	26,964
Total	263,505	26,964
Liabilities as per the balance sheet		
Trade and other payables (excluding statutory liabilities)	18,688	25,722

9. FINANCIAL INSTRUMENTS BY CATEGORY (continued)

The Company's financial instruments during the year comprised cash and various items such as trade debtors and trade creditors that arise directly from its operations. Other debtors and prepayments, trade creditors and other short-term items arose directly from the Company's day to day operations.

The Directors believe there is no material difference between the fair value and book value of the Company's financial instruments and they are all denominated.

10. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2010 £	2009 £
105,350,523 (2009: 39,241,627)	Ordinary	0.5p	526,753	196,208
Nil (2009: 19,241,627)	Deferred	1.5p	-	288,625
			526,753	484,833

On 4 February 2010 the Company purchased for nil consideration all of the 19,241,627 deferred shares of 1.5p each in issue. All deferred shares were then cancelled.

On 29 March 2010, following an Open Offer, the Company issued 62,918,896 ordinary shares of 0.5p each at par raising £314,594 before expenses. On the same date a further 3,190,000 ordinary shares of 0.5p each were issued at par in satisfaction of loans made to the Company during the period totalling £15,950 (Note 17).

11. SHARE BASED PAYMENTS

Share options

Under the terms of a share option agreement dated 29 March 2009, and pursuant to an engagement letter dated 2 December 2009, the Company committed to grant options to St Helens Capital Partners LLP to subscribe for up to 5,267,526 ordinary shares of 0.5p each in the Company at a subscription price of 0.5p. The options may be exercised at any time during the period of 5 years from Admission.

There is no legal or constructive obligation to repurchase or settle the options in cash.

The weighted average fair value of the options granted during the period determined using the Black-Scholes valuation model was 0.09p per option. The significant inputs into the model were the share price of 0.5p at the grant date, the exercise price shown above, volatility of 15%, an expected option life of 5 years and an annual risk-free interest rate of 2%.

The total Income Statement charge attributable to the Company recognised in respect of share options granted during the year was £5,000 (2009: £Nil). This amount will be equity-settled.

12. RESERVES

	Capital redemption reserve £	Profit and loss account £
At 1 May 2009	-	(483,591)
Transfer on own purchase of deferred shares (note 10)	288,625	-
Loss for the year	-	(84,739)
Adjustment in respect of share based payments	-	5,000
At 30 April 2010	288,625	(563,330)

13. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2010 £	2009 £
Loss for the financial year	(84,739)	(7,364)
Nominal value of ordinary shares issued at par	330,545	-
Adjustment in respect of share based payments	5,000	-
Net addition to / (reduction in) shareholders' funds	250,806	(7,364)
Opening shareholders' funds	1,242	8,606
Closing shareholders' funds	252,048	1,242
Equity interests	252,048	1,242

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

	2010 £	2009 £
Operating loss	(10,462)	(7,706)
Exceptional items	(74,277)	-
Non cash transactions	15,950	-
Share based payments	5,000	-
(Increase)/ decrease in debtors	(22,231)	77
Increase in creditors	(7,033)	(15,006)
Net cash outflow from operating activities	(93,053)	(22,635)

15. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2010 £	2009 £
Returns on investments and servicing of finance		
Interest received	-	342
Interest paid	-	-
Net cash inflow for returns on investments and servicing of finance	-	342

16. ANALYSIS OF CHANGES IN NET FUNDS

	At 1 May 2009 £	Cash flow £	At 30 April 2010 £
Net cash:			
Cash at bank	26,964	221,541	248,505

17. NON-CASH TRANSACTIONS

During the year expenditure totalling £15,950 was settled personally by Directors of the Company. The amount due to be repaid to the Directors by the Company was subsequently settled in shares. See Note 18.

18. RELATED PARTY TRANSACTIONS

The following amounts, which were loans made to the company during the year, were wholly settled by the issue of 0.5p ordinary shares at par.

Name	Relationship to Company	Fee £	Ordinary shares issued No.
JMV Butterfield	Director	6,075	1,215,000
RG Battersby	Director	9,875	1,975,000

The directors consider all share based payments to be at fair value.

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19. CONTROL

Significant shareholders are disclosed in the Directors' report. There is no overall controlling party.