REGISTERED NUMBER: 00255647 (England and Wales)

REPORT OF THE DIRECTORS AND

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2012

FOR

BWA GROUP PLC

CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2012

COMPANY INFORMATION
FOR THE YEAR ENDED 30 APRIL 2012

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:	00255647 (England and Wales)
AUDITORS:	Additions Queen Insurance Buildings 24 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 2012

BWA Group Plc is a small investment company traded on the PLUS-SX Market which was re-established and refinanced by the current Directors and shareholders over two years ago. The first year following admission to the PLUS-SX Market was successful, with the Directors reporting a profit overall of GBP73,459, but for the year under review to 30 of April 2012, the directors must regrettably report a loss of GBP89,056.

The year under review has been a particularly difficult one for the small cap company market, with positive returns on investments being hard to find, compounded by the issues and uncertainty surrounding the PLUS-SX Market itself, with its continued existence being in doubt for some time.

This uncertainty has impacted the value of companies on the PLUS-SX Market and their ability to raise additional funds for development, whilst also distracting from the attractiveness of PLUS companies as potential reverse takeover candidates. We welcome the potential created by the acquisition of the PLUS-SX Market by ICAP and hope this will lead to a secure, developing and growing market for small cap companies.

Throughout the year, your Directors have examined a considerable number of investment opportunities, acquisitions, or reverse takeover situations. Negotiations have ranged from initial discussions through to detailed negotiations and the issuance of heads of terms and the businesses targeted have ranged from:-

- Asset Finance to Adolescent Care Services
- Corporate Advisory to Stock broking
- Pre-payment Credit Card businesses to Norwegian Residential Property Development
- Clean Coal Energy to Mining Businesses

As yet, no transaction has been concluded and as a consequence the Directors have continued to draw no remuneration.

Apart from BWA Group Plc itself, as a potential “shell” or takeover target for a much larger transaction/acquisition, BWA has significant stakes in two other unlisted Plc companies, and is working with the boards of those companies, on which we have board representation, to create value which we hope will lead to such a satisfactory conclusion within the next 3 months.

In summary, we continue to pursue a three pronged advance to achieve value for shareholders; a potential major investment by the Company; a significant acquisition for one or both of the unlisted Plc's leading to a listing in their own right; and seeking to grow the value of investments held by the Company. In these current difficult business conditions, your directors are aware that these three objectives are taking longer to achieve than the board would have wished.

R Battersby

Chairman

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30 APRIL 2012

The directors present their report with the financial statements of the Company for the year ended 30 April 2012.

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 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 key performance indicator of the Company is the valuation of its investment portfolio. At 30 April 2012 the value of the Company's portfolio was £278,344 (2011: £ 287,044).

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 2012 (2011: £Nil).

DIRECTORS

The directors during the year under review were:

RG Battersby
MA Borrelli
JMV Butterfield

DIRECTORS' INTERESTS IN SHARES

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

	30 April 2012 Ordinary shares of 0.5p	30 April 2011 Ordinary shares 0.5p
RG Battersby	12,882,380	12,882,380
MA Borrelli	1,064,210	1,064,210
JMV Butterfield	15,592,668	13,116,668

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

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 (2011: £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		
JIM Nominees	19,525,860	18.09
HSBC Global Custody Nominee	9,642,505	8.93
Fiske Nominees	9,575,000	8.87
John Byfield	5,000,000	4.63
Huntress (CI) Nominees Limited	4,290,700	3.97
HALB Nominees Limited	4,152,620	3.85

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 the Company's investment activities are kept under constant review by the Board. 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 development 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 14 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. Going forwards the directors fully expect the Company's operations to be financed from the profitable realisation of investments. 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:

R Battersby - Director

28 September 2012

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF BWA GROUP PLC

We have audited the financial statements of BWA Group plc for the period ended 30 April 2012 which comprise the profit and loss account, the statement of recognised gains and losses, 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).

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 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 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 Report of the Directors 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 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 2012 and of its loss and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the provisions of the Companies Act 2006.

EMPHASIS OF MATTER – GOING CONCERN

In forming our opinion, we have considered the adequacy of the disclosures made Note 1 of the financial statements concerning going concern, along with the disclosures made in Note 7 concerning the valuation of unlisted investments. In view of the significance of these matters in the preparation of the financial statements on the going concern basis, we consider that these disclosures should be drawn to your attention, but our opinion is not qualified in this respect.

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 BA (Econ) FCA
(Senior Statutory Auditor)
for and on behalf of Additions, Statutory Auditors

24 Queen Avenue
Queen Insurance Buildings
Liverpool
L2 4TZ

28 September 2012

BWA GROUP PLC

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 APRIL 2012

		Notes	2012 £	2011 £
TURNOVER			-	75,000
Administrative expenses			(77,796)	(65,196)
OPERATING (LOSS) / PROFIT		2	(77,796)	9,804
Exceptional items		4	-	(26,695)
			(77,796)	(16,891)
(Losses) / gains on investments			(11,260)	90,350
(LOSS) / PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			(89,056)	73,459
Tax on loss on ordinary activities		5	-	-
(LOSS) / PROFIT FOR THE FINANCIAL YEAR			(89,056)	73,459
EARNINGS PER SHARE	**- Basic**	6	(0.042)p	0.069p
	- Diluted	6	(0.042)p	0.069p

CONTINUING OPERATIONS
None of the company's activities were acquired or discontinued during the current year or previous year.

The notes form part of these financial statements

BWA GROUP PLC

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 30 APRIL 2012

	Notes	2012 £	2011 £
(LOSS) / PROFIT FOR THE FINANCIAL YEAR		(89,056)	73,459
Unrealised (loss) / gain on revaluation of investments	7	(51,503)	42,088
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR		(140,559)	115,547

NOTE OF HISTORICAL COST PROFIT AND LOSSES

	Notes	2012 £	2011 £
(LOSS) / PROFIT FOR THE FINANCIAL YEAR		(89,056)	73,459
Realisation of investment revaluation gains of prior years	7	34,435	-
TOTAL HISTORICAL COST PROFIT AND LOSSES		(54,621)	73,459

The notes form part of these financial statements

BWA GROUP PLC

BALANCE SHEET
AT 30 APRIL 2012

	Notes	2012 £	2012 £	2011 £	2011 £
FIXED ASSETS					
Available-for-sale investments	7		278,344		287,044
CURRENT ASSETS					
Debtors	8	34,597		10,660	
Cash at bank		1,669		89,924	
		36,266		100,584	
CREDITORS					
Amounts falling due within one year	9	68,616		19,033	
NET CURRENT (LIABILITIES) / ASSETS			(32,350)		81,551
TOTAL ASSETS LESS CURRENT LIABILITIES			245,994		368,595
CAPITAL AND RESERVES					
Called up share capital	11		539,494		527,522
Share premium	12		6,217		231
Capital redemption reserve	12		288,625		288,625
Available-for-sale revaluation reserve	12		(43,850)		42,088
Profit and loss account	12		(544,492)		(489,871)
SHAREHOLDERS' FUNDS	13		245,994		368,595

The financial statements were approved and authorised for issue by the board of directors on 28 September 2012 and were signed on its behalf by:

R Battersby - Director

REGISTERED NUMBER: 00255647

The notes form part of these financial statements

CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 APRIL 2012

	Notes	2012 £	2011 £
Net cash outflow from operating activities	14	(52,150)	(3,975)
Capital expenditure and financial investment	15	(54,063)	(154,606)
		(106,213)	(158,581)
Financing			
Proceeds on issue of ordinary shares		17,958	-
Decrease in cash in the period		(88,255)	(158,581)

Reconciliation of net cash flow to movement in net funds	16		
Decrease in cash in the period		(88,255)	(158,581)
Change in net funds resulting from cash flows		(88,255)	(158,581)
Movement in net funds in the period		(88,255)	(158,581)
Net funds at 1 May		89,924	248,505
Net funds at 30 April		1,669	89,924

The notes form part of these financial statements

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;

- Provision for impairment in the value of assets.

Available- for -Sale Investments

Investments are stated at their market value at the balance sheet date.

Realised gains or losses on the disposal of investments and permanent impairments in the value of investments are recognised in the profit and loss account. Unrealised gains and losses on the revaluation of investments are recognised in the statement of total recognised gains and losses.

Unrealised gains and losses that have been recognised in the statement of total recognised gains and losses are taken to the capital reserve – unrealised, as explained in the capital reserve policy below. Gains and losses are transferred from the capital reserve to the profit and loss account when they are realised.

Valuation of available -for -sale investments

Listed Investments

Investments which are listed on a stock market such as AIM or similar markets are valued at their closing mid-price.

Where listed investments are subject to restrictions on sale or the marketability of the holding is limited then a discount to the listed market price may be applied.

Unlisted Shares

Valuation methods used are at fair value in accordance with the International Private Equity and Venture Capital Valuation Guidelines.

In estimating fair value a valuation methodology is applied that is appropriate in light of the nature, facts and circumstances of the Investment and its materiality in the context of the total investment portfolio. The methodologies used include:

Price of recent investment
Earnings multiple
Net assets
Discounted cash flows or earnings of the underlying business
Discounted cash flows from the investment
Industry valuation benchmarks

For investments in start up or early-stage businesses, the "Price of Recent Investment" methodology is the most appropriate for a limited period following the date of investment. Thereafter the fair value is measured using the most appropriate methodology. If fair value cannot be reliably measured then a provision is made.

Income

Dividends receivable on quoted equity shares are brought into account on the ex-dividend date.

Dividends receivable on equity shares where no ex-dividend date is quoted are brought into account when the company's right to receive payment is established.

Fixed returns on non-equity shares are recognised on a time apportionment basis so as to reflect the effective yield on the shares. Other returns on non-equity shares are recognised when the right to the return is established.

The fixed return on a debt security is recognised on a time apportionment basis so as to reflect the effective yield on the debt security. Where the company has elected to receive its dividends in the form of additional shares rather than in cash, the amount of the cash dividend is recognised as income. Any excess in the value of the shares received over the amount of the cash dividend is recognised in unrealised capital reserves.

Expenses

All expenses are accounted for on an accruals basis. Expenses are charged through the revenue account except as follows:

- expenses which are incidental to the acquisition of an investment are included within the cost of the investment;
- expenses which are incidental to the disposal of an investment are deducted from the disposal proceeds of the investment.

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.

'Available-for-sale revaluation reserve' represents increases and decreases in the market value of available-for-sale investments held at the year end.

'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.

Share-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.

Revenue recognition

Revenue is measured as the fair value of the consideration received or receivable and is stated exclusive of VAT and other sales taxes.

FINANCIAL RISK MANAGEMENT

The Company uses financial instruments comprising only cash in hand 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.

Liquidity risk

The Company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably.

Credit risk

The Company is exposed to credit risk in respect of amounts owed in respect of shares sold to other parties. The directors mitigate this risk by only offering credit to companies and individuals known to them and that have the resources to repay the balance if necessary.

The Directors are responsible for managing and analysing the credit risk for each new transaction before terms of business are offered. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board. The utilisation of credit limits is regularly monitored.

For cash and cash equivalents, the Group 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.

Market risk

The company is exposed to market risk in respect of its listed investments

Borrowing facilities and interest rate risk

The Company had no borrowings at 30 April 2012 or 30 April 2011 and does not consider itself to be subject to significant interest rate risk.

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. GOING CONCERN

These financial statements have been prepared on the going concern basis which assumes that the Company will continue in operational existence for the foreseeable future.

The Company has been in investment phase since its listing and is not currently generating any operating income. The Company's operations to date have been financed by loans from the directors and share issues to the directors and certain other investors, the proceeds of which were used for investment activities. Going forwards the directors fully expect the Company's operations to be financed from the profitable realisation of investments but expect there to be continued financial support, if required, to finance the Company's investment projects to completion and eventual sale.

In the meantime they have taken steps to keep on-going administration costs to a minimum and have agreed to not to draw remuneration or seek repayment of their loans until the Company is generating revenues.

On this basis the directors have a reasonable expectation that the Group has adequate resources to continue in business for the foreseeable future and are of the opinion that it is appropriate for the accounts to be prepared on the going concern basis. For this reason they also consider that the carrying value of unlisted investments remains appropriate (see note 7).

However, should the Company be unable to raise the additional finance required to complete its current projects and continue as a going concern, adjustments would be required to the accounts to write down the values of unlisted investments to their realisable amounts.

2. OPERATING (LOSS) / PROFIT)

The operating (loss) / profit is stated after charging:

	2012 £	2011 £
Services provided by the Company's auditor:		
Fees payable for the audit	5,500	5,250
Fees payable for other services	3,600	-

3. DIRECTORS AND EMPLOYEES

There were no Directors' emoluments, staff costs, social security or other pension costs for the year ended 30 April 2012 nor for the year ended 30 April 2011.

There were no employees during the year other than the three directors (2011: three directors).

4. EXCEPTIONAL ITEMS

	2012 £	2011 £
Legal costs in relation to a requisitioned meeting	-	26,695

5. TAXATION

Analysis of the tax charge
No liability to UK corporation tax arose on ordinary activities for the year ended 30 April 2012 nor for the year ended 30 April 2011.

Factors affecting the tax charge
The tax assessed for the year is the same as the standard rate of corporation tax in the UK.

	2012 £	2011 £
(Loss) / profit on ordinary activities before tax	(89,056)	73,459
(Loss) / profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2011 - 21%)	(17,811)	15,426
Effects of:		
Expenses not allowable for tax purposes	-	-
Losses brought forward from prior periods	-	(15,426)
Losses to relieve in future periods	17,811	-
Current tax charge	-	-

Factors that may affect future tax charges

If provision were to be made for the full amount of potential deferred tax assets it would create a deferred tax asset of £736,745 (2011: £718,934) based on tax losses available for carry forward of £3,512,554 (2011: £3,423,498). This would be recoverable, should sufficient, allowable taxable profits arise in the future.

6. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share are calculated using the weighted average number of shares adjusted to assume the conversion of all dilutive potential ordinary shares. The Company has potential ordinary shares in the form of share options (Note). The potential ordinary shares are anti-dilutive for the year ended 30 April 2012.

Reconciliations are set out below.

	2012 £	2011 £
(Loss) / Profit before tax	(89,056)	73,459
	Number	Number
Weighted average number of shares for the purpose of basic earnings per share	211,969,367	105,378,763
Effect of dilutive potential ordinary shares:		
Share options	-	1,215,583
Weighted average number of shares for the purpose of diluted earnings per share	211,969,367	106,594,346

7. AVAILABLE-FOR-SALE INVESTMENTS

	2012	2011
	£	£
Investments listed on a recognised stock exchange	49,906	144,668
Unlisted investments	98,438	102,376
Loan notes	130,000	40,000
	278,344	287,044

	Listed	Unlisted	Loans	Total
	£	£	£	£
Cost				
At 1 May 2011	106,518	98,438	40,000	244,956
Additions	90,000	-	90,000	180,000
Disposals	(102,762)	-	-	(102,762)
At 30 April 2012	93,756	98,438	130,000	322,194
Valuation adjustments				
At 1 May 2011	38,150	3,938	-	42,088
Disposals	(34,435)	-		(34,435)
(Decrease) / increase in fair value	(47,565)	(3,938)	-	(51,503)
At 30 April 2012	(43,850)	-	-	(43,850)
Carrying value				
At 30 April 2012	49,906	98,438	130,000	278,344
At 30 April 2011	144,668	102,376	40,000	287,044

All investments are UK companies

Investments are stated at fair value in accordance with the accounting policy set out on page 11. Due to the nature of some of the unlisted investments it has not been possible to determine their fair value with any reasonable accuracy. The directors have therefore reviewed each unlisted investment and considered whether a provision for impairment is appropriate. In the opinion of the Directors and in light of their knowledge of the investee companies no impairment provisions are considered necessary.

8. DEBTORS

	2012	2011
	£	£
Trade debtors	-	1,537
Other debtors	26,513	1,000
VAT	-	1,470
Prepayments	8,084	6,653
	34,597	10,660

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012	2011
	£	£
Trade creditors	44,219	10,056
Accruals	24,397	8,977
	68,616	19,033

10. FINANCIAL INSTRUMENTS BY CATEGORY

The Company's financial instruments were categorised as follows:

At 30 April 2012	Loans and receivables £	Available for sale £	Total £
Assets as per the balance sheet			
Investments			
Trade and other receivables (excluding prepayments)	26,513	278,344	304,857
Cash at bank and in hand	1,669	-	1,669
Total	28,182	278,344	306,526
Liabilities as per the balance sheet			
Trade and other payables (excluding statutory liabilities)	68,616	-	68,616

At 30 April 2011	Loans and receivables £	Available for sale £	Total £
Assets as per the balance sheet			
Investments	-	287,044	287,044
Trade and other receivables (excluding prepayments)	4,007	-	4,007
Cash at bank and in hand	89,924	-	89,924
Total	93,931	287,044	380,975
Liabilities as per the balance sheet			
Trade and other payables (excluding statutory liabilities)	19,033	-	19,033

The Company's financial instruments during the year comprised available-for-sale investments, 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. Financial liabilities are to be settled within 12 months.

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

11. CALLED UP SHARE CAPITAL

Allotted issued and fully paid:

Number:	Class:	Nominal value:	2012 £	2011 £
107,898,878 (2011: 105,504,369)	Ordinary	0.5p	539,494	527,522

On 7 October 2011, the Company raised £17,958 from the issue of 2,394,509 ordinary shares of 0.5p each at an issue price of 0.75p.

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.

12. RESERVES

	Profit and loss account £	Share premium £	Capital redemption reserve £	AFS revaluation reserve £	Totals £
At 1 May 2011	(489,871)	231	288,625	42,088	(158,927)
Loss for the year	(89,056)	-	-	-	(89,056)
Premium on issue of shares		5,986	-	-	5,986
Transfer from unrealised to realised	34,435			(34,435)	-
Revaluation of investments	-	-	-	(51,503)	(51,503)
At 30 April 2012	(544,492)	6,217	288,625	(43,850)	(293,500)

13. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2012 £	2011 £
(Loss) / profit for the financial year	(89,056)	73,459
Other recognised gains and losses relating to the year	(51,503)	42,088
Proceeds of ordinary shares issued	17,958	1,000
Net addition to shareholders' funds	(122,601)	116,547
Opening shareholders' funds	368,595	252,048
Closing shareholders' funds	245,994	368,595

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

	2012 £	2011 £
Operating (loss) / profit	(77,796)	9,804
Exceptional items	-	(26,695)
Non cash transactions	-	1,000
Share based payments	-	-
(Increase) / decrease in debtors	(23,937)	11,571
Increase in creditors	49,583	345
Net cash outflow from operating activities	(52,150)	(3,975)

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

	2012 £	2011 £
Capital expenditure and financial investment		
Purchase of fixed asset investments	(180,000)	(293,770)
Proceeds of sale of fixed asset investments	125,937	139,164
Net cash outflow for capital expenditure and financial investment	(54,063)	(154,606)

16. ANALYSIS OF CHANGES IN NET FUNDS

	At 1 May 2011	Cash flow	at 30 April 2012
	£	£	£
Net cash:			
Cash at bank	89,924	(88,255)	1,669

17. TRANSACTIONS WITH RELATED PARTIES

On 30 June 2011, the Company subscribed for £75,000 convertible loan stock in Bridge Hall plc. Following the issue of the loan stock James Butterfield and Alex Borrelli were appointed to the Board of Bridge Hall plc.

The Company holds an investment of 90,000,000 ordinary shares in Zyzygy plc. Richard Battersby and James Butterfield are directors of Zyzygy plc. On 5 July 2011 a Deed of Novation was made between the Company, Nice technology Limited and Zyzygy plc whereby the Company transferred its convertible loan stock of £35,000 in Nice technology Limited to Zyzygy plc in return for £35,000 convertible loan stock in Zyzygy plc.

During the year the Company also settled costs totalling £39,166 relating to Zyzygy plc. The amount due to the Company from Zyzygy plc at 30 April 2012 was £26,512 (2011: £1,537).

18. ULTIMATE CONTROLLING PARTY

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