Verdes Management plc

Financial Statements

Year ended 30 September 2014

Company Registration Number 05454010

Company Information

Directors	G M Leates S Foster A Reynolds
Company Number	05454010 (incorporated under the Companies Act 2006 and domiciled in the UK)
Registered Office	International Registrars Limited Finsgate 5-7 Cranwood Street London EC1V 9EE
Auditors	Jeffreys Henry LLP Chartered Accountants & Statutory Auditor Finsgate 5-7 Cranwood Street London EC1V 9EE
Bankers	Barclays Bank plc Sussex and Gatwick Group 90-92 High Street Crawley West Sussex RH10 1BP
Nominated Advisers and Broker	SPARK Advisory Partners Limited 5 St John’s Lane London EC1M 4AP
Broker	SI Capital 27 New Bond Street London W1S 2RH

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Financials

In the year to 30 September 2014 the Company reported turnover of £NIL (2013: NIL), and loss before tax of £613,416 (2013: loss of £413,046).

Strategy

The financial year to 30 September 2014 has been a period of change. In September 2013 it was announced that the Company was working with a Gibraltar investment management team to develop Verdes as a strategic investment company, specifically to build an investment management group. However, the financing associated with this project failed to arrive and therefore the Company was unable to pursue this endeavour further, resulting in suspension of trading in the Company's shares on AIM on 30 January 2014.

In March 2013 a £125,000 convertible loan had been issued to Westminster Asset Management (Westminster). On 4 March 2014 the Company announced its new investing policy. Additionally, in March 2014 Mr David Breith acquired Westminster Asset Management's shareholding and a fund raising of £750,000 (gross) was effected with Helium and all outstanding monies drawn under the loan agreement were repaid. This enabled the restoration of the Company's shares to AIM.

Previous directors, Mr van den Aker and Mr van den Noort, left the board in March 2014 and at the same time I joined the Board as Chairman. Stephen Foster joined the Board as a non-executive director in July 2014 and Adam Reynolds joined in August 2014.

Outlook

As previously stated, on 4 March 2014 the Company announced its new investing policy. The Company was deemed to be an investing company under AIM Rule 15 and therefore had until 14 February 2015 to implement its investing policy or make an acquisition, which constituted a reverse takeover under the AIM rules.

Since that time the Board has reviewed twenty different investment opportunities and reached an advanced stage with two of these before they were aborted.

In order to maintain the Company's financial health and continue carrying out the necessary due diligence on the Company's current target, in January 2015 £0.25m of loan capital was provided by Helium by the issue of a convertible loan. The conditional acquisition of REACT SC Holdings Limited will be announced in a subsequent announcement later this morning. The Board believes that the proposed acquisition of REACT will fulfil the Company's requirement for an acquisition with strong growth prospects and enable the Company to create value for shareholders over time.

REACT is a specialist cleaning company capable of dealing with diverse cleaning problems. The only common factor is that they are beyond the 'usual' cleaning tasks. Whether public buildings and spaces, industrial and commercial units or manufacturing plants, the common practice in the sector is to outsource every day cleaning requirements.

G M Leates
Chairman
28 July 2015

Review of the business

A review of the business of the company, together with comments on future developments is given in the Chairman's Statement on pages 2.

Principal Risks and Uncertainties

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

Credit risk

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

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

Liquidity risk

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

Financial risk management objectives and policies

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and to provide an adequate return to shareholders.

The company manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders.

Future outlook

The Chairman's Statement on page 2 gives information on the future outlook of the company.

Key Performance Indicators

The key performance indicators currently used by the company are the level of cash resources and loss after tax for the period. These are analysed in detail in the Chairman's Statement.

Employees

The company has continued to give full and fair consideration to applications made by disabled persons, having regard to their respective aptitudes and abilities, and to ensure that they benefit from training and career development programmes in common with all employees. The company continued its policy of employee involvement by making information available to employees through the medium of frequent staff meetings, together with personal appraisals and feedback sessions.

The Strategic Report was approved by the Board on 28 July 2015 and signed on its behalf by:

G M Leates
Director
28 July 2015

The directors present their annual report and the audited financial statements of the company for the year ended 30 September 2014.

Directors' responsibilities statement

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state that the financial statements comply with IFRSs as adopted by the European Union, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results and dividends

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

The directors have not recommended a dividend.

Publication of Financial Statements

The company's financial statements will be made available on the company's web-site http://www.verdes-group.com/. The maintenance and integrity of the website is the responsibility of the directors. The directors' responsibility also extends to the financial statements contained therein.

The directors and their interests

The directors who served the company during the period were as follows:

D A van den Noort (resigned 25 March 2014)
S Bertolotti (resigned 6 February 2015)
J van den Aker (resigned 25 March 2014)
G M Leates (appointed 26 March 2014)
S Foster (appointed 15 July 2014)
A Reynolds (appointed 22 August 2014)
D G Mends (appointed 9 May 2014 and resigned 22 August 2014)

The directors serving at the year ended 30 September 2014 did not hold any interest in the share capital of the Company.

None of the Directors or their immediate families had at 30 September 2014 or 30 September 2013, acquired or disposed of since that date, any interest in any shares in the Company or any of its subsidiaries, any interest in any debentures of the Company or any rights to subscribe for shares in or debentures of the Company.

On 26 March 2014 the company issued warrants to G M Leates to subscribe for 2 million new ordinary shares in the company exercisable at a price of £0.02 per £0.0001 ordinary share, 1 million of which are exercisable after 12 months, and 1 million after 24 months. The warrants have an exercise period ending on 25 March 2024, and lapse in the event that G Leates ceases to be Chairman of the company. No warrants were exercised in the period.

Substantial shareholders as at 21 July 2015

Shareholder	Shares of 0.01p each	%
PERSHING NOMINEES LIMITED Des:LSCLT	225,000,000	24.19%
TD DIRECT INVESTING NOMINEES (EUROPE) LIMITED Des:SMKTNOMS	104,339,373	11.22%
LYNCHWOOD NOMINEES LIMITED Des:2006420	101,600,517	10.93%
HSDL NOMINEES LIMITED	43,357,051	4.66%
BARCLAYSHARE NOMINEES LIMITED	34,824,188	3.74%
THE BANK OF NEW YORK (NOMINEES) LIMITED Des:SFTIF	30,000,000	3.23%
HARGREAVES LANSDOWN (NOMINEES) LIMITED Des:15942	29,703,175	3.19%

Post Balance Sheet Events

Details of post-balance sheet events are disclosed in Note 17 to the financial statements.

Provision of information to Auditors

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

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

Auditors

On 23 October 2014 the previous auditor, Reeves & Co LLP, resigned from office. The new auditors Jeffreys Henry LLP, will be proposed for reappointment in accordance with section 489 of the Companies Act 2006.

Strategic Report

In accordance with section 414C(11) of the Companies Act 2006 the company chooses to report the review of the business, the future outlook and the risks and uncertainties faced by the company in the Strategic Report on page 3.

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

G M Leates
Director
28 July 2015

Independent Auditor's Report to the Shareholders for the year ended 30 September 2014

We have audited the financial statements of Verdes Management Plc for the year ended 30 September 2014, which comprise the statement of comprehensive income, the statement of financial position, the statement of cash flows, the statement of changes in equity 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 auditors 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 Statement of Directors' Responsibilities set out on page •, the Directors are responsible for the preparation of the company 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.

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, Strategic report and Directors report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2014 and of its loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- the financial statements 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 Report of the Directors and Strategic Report for the financial year for which the company financial statements are prepared is consistent with the company 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 by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- the company 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.

Sanjay Parmar
Senior Statutory Auditor

For and on behalf of
Jeffreys Henry LLP (Statutory Auditors)
Finsgate
5-7 Cranwood Street
London
EC1V 9EE
28 July 2015

Statement of Comprehensive Income for the year ended 30 September 2014

	Note	2014	2013
		£	£
Administrative expenses:		(613,735)	(412,968)
Operating profit	2	(613,735)	(412,968)
Finance income	6	319	422
Finance costs	6	-	(500)
Loss on ordinary activities before taxation		(613,416)	(413,046)
Income tax expense	7	-	-
Loss for the financial year attributable to equity holders of the company		(613,416)	(413,046)
Loss per share for loss attributable to the equity holders of the company (pence) on continuing activities			
Basic	8	**(0.08)**	(0.07)
Diluted	8	**(0.08)**	(0.07)

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

All amounts relate to continuing operations.

Notes 1 to 17 form part of these financial statements.

Statement of Financial Position for the year ended 30 September 2014

	Note	2014	2013
Assets		**£**	£
Non-current assets			
Property, plant and equipment	9	887	836
Investments	10	-	-
		887	836
Current assets			
Trade and other receivables	11	23,239	47,028
Cash and cash equivalents		186,771	37,619
		210,010	84,647
Total assets		210,897	85,483
Liabilities and Equity			
Current liabilities			
Trade and other payables	12	150,051	248,721
Total liabilities		150,051	248,721
Equity			
Capital and reserves attributable to equity holders of the company			
Called-up equity share capital	15	3,429,912	3,333,063
Share premium account		2,861,327	2,120,676
Accumulated losses		(6,230,393)	(5,616,977)
Total Equity		60,846	(163,238)
Total Liabilities and Equity		210,897	85,483

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

G M Leates
Director
28 July 2015

Company registration no. 05454010
Notes 1 to 17 form part of these financial statements.

Statement of Cash Flows for the year ended 30 September 2014

	Note	2014 £	2013 £
Net cash used in operating activities	14	(563,320)	(265,999)
Net cash from investing activities			
Purchases of property, plant and equipment		(347)	-
Interest received		319	422
Net cash flow before financing activities		(563,348)	(265,577)
Net cash from financing activities			
Net proceeds from issue of equity shares		712,500	175,000
New loan finance		305,000	-
Loan repayment		(305,000)	-
Net (decrease)/increase in cash, cash equivalents and overdrafts		149,152	(90,577)
Cash, cash equivalents and overdrafts at beginning of year		37,619	128,196
Cash, cash equivalents and overdrafts at end of year		186,771	37,619

Cash and cash equivalents (which are presented as a single class of assets on the face of the balance sheet) comprise cash at bank and other short-term highly liquid investments with maturity of three months or less, as adjusted for any bank overdrafts.

During the year, the company converted £125,000 of loans into equity shares in a non-cash transaction. Refer to Notes 12 and 15 for further details.

Notes 1 to 17 form part of these financial statements.

VERDES MANAGEMENT PLC

Statement of Changes in Equity for the year ended 30 September 2014

	Share capital	Share premium	Retained earnings	Total equity
	£	£	£	£
Balance at 1/10/12	**3,158,063**	**2,120,676**	**(5,203,931)**	**74,808**
Issue of ordinary shares	175,000	-	-	175,000
Loss for the period	-	-	(413,046)	(413,046)
Balance at 1/10/13	**3,333,063**	**2,120,676**	**(5,616,977)**	**(163,238)**
Issue of ordinary shares	90,327	784,673	-	875,000
Share issue costs	-	(37,500)	-	(37,500)
Re-designate partly paid shares	6,522	(6,522)	-	-
Loss for the period	-	-	(613,416)	(613,416)
Balance at 30/09/14	**3,429,912**	**2,861,327**	**(6,230,393)**	**60,846**

Notes 1 to 17 form part of these financial statements.

1. Basis of accounting and accounting policies

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

Going concern

These financial statements have been prepared on the assumption that the company is a going concern.

Standards and interpretations effective in the current period

There are no IFRS or IFRIC interpretations that are effective for the first time in this financial period that would be expected to have a material impact on the Company.

New standards and interpretations

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

Reference	Title	Summary	Application date of standard	Application date of company
Amendments to IFRS 2, IFRS 3	Amendments resulting from Annual Improvements 2010-12 Cycle	IFRS 2: clarifies definition of vesting conditions IFRS 3: clarifies contingent consideration in a business combination	1 July 2014	1 October 2014
Amendments to IAS 19	Defined Benefit Plans: Employee Contributions	Clarifies that the treatment of contributions when they are independent of the number of years of service	Periods commencing on or after 1 July 2014	1 October 2014
IFRS 9	Financial Instruments	Revised standard for accounting for financial instruments	Periods commencing on or after 1 January 2015	1 October 2015
IAS 36	Impairment of assets	Limited scope amendments to disclosure requirements	Periods commencing on or after 1 January 2014	1 October 2014
IAS 39	Hedge accounting and novation of derivatives	Provides relief from discontinuing hedge accounting when novation of a hedging instrument to a central counterparty meets specified criteria	Periods commencing on or after 1 January 2014	1 October 2014
IFRIS 21	Accounting for levies imposed by governments	Clarifies that the obligating event giving rise to a liability to pay a levy is the activity described in the relevant legislation that triggers payment of the levy	Periods commencing on or after 1 January 2014	1 October 2014
IFRS 10, IFRS 12, IAS 27	Exception from consolidation for "investment entities"	Amendments have been made to define an "investment entity" and to introduce an exception from consolidation and the required disclosures	Periods commencing on or after 1 January 2014	1 October 2014
IAS 32	Financial Instruments: Presentation	Clarifies the requirements for offsetting of financial assets and financial liabilities	Periods commencing on or after 1 January 2014	1 October 2014
IFRS 14	Regulatory deferral accounts	Aims to enhance the comparability of financial reporting by entities subject to rate-regulations	Periods commencing on or after 1 January 2016	1 October 2016

1. Basis of accounting and accounting policies *(continued)*

New standards and interpretations *(continued)*

Reference	Title	Summary	Application date of standard	Application date of company
IFRS 15	Revenue from contracts with customers	Specifies how and when to recognise revenue from contracts as well as requiring more informative and relevant disclosures	Periods commencing on or after 1 January 2017	1 October 2017
IFRIC 21	Levies	Provides guidance on when to recognise a liability for government levies	Periods commencing on or after 1 January 2014	1 October 2014

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

Property, plant and equipment

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

Depreciation

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

- Fixtures, fittings & equipment 25% straight line
- Motor Vehicles 25% straight line

Investments

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

1. Basis of accounting and accounting policies *(continued)*

Pensions

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

Convertible debt

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

Taxation

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

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

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

Financial instruments

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

Investments

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

Trade and other receivables

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

Cash and cash equivalents

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

1. Basis of accounting and accounting policies *(continued)*

Critical accounting estimates and judgements

The preparation of financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Although these estimates are based on management's experience and knowledge of current events and actions, actual results may ultimately differ from these estimates.

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

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed below.

Share-based compensation

The fair value of options and warrants are determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. At each balance sheet date, the entity revises its estimates of the number of options that are expected to vest. It recognises the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to equity.

2. Loss on ordinary activities before taxation

Loss before taxation is stated after charging:

	2014	2013
	£	£
Depreciation of owned property, plant and equipment	296	582
Non-recurring legal and professional costs	212,530	-

3. Auditors' remuneration

	2014	2013
	£	£
Fees payable to the company's auditor for the audit of the company's annual accounts	7,200	10,000
Fees payable to the company's auditor in respect of:		
Tax compliance	600	1,000
All other services	-	1,800

4. Particulars of employees

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

	2014	2013
	£	£
Wages and salaries	74,179	101,592
Social security costs	6,048	9,828
Other pension costs	-	1,350
	80,227	112,770

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

	2014	2013
	No.	No.
Number of management staff	**3**	1

5. Directors' emoluments

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

	2014	2013
	£	£
Wages and salaries	64,541	63,069
Severance payment	-	5,000
Pension & other benefits	-	8,815
Fees	83,742	31,571
Emoluments receivable	148,283	108,455

During the year there were no retirement benefits accruing to directors *(2013 – accrued to 1 director)* in respect of defined contribution pension schemes.

6. Finance income and costs

	2014	2013
	£	£
Finance income		
Interest income on short term bank deposits	319	422
Finance costs		
Impairment of listed investments	-	500

7. Income tax expense

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

Deferred Tax

At the period end the company unutilized tax losses carried forward £nil (2013: £2,352,316) and excess management expenses carried forward of £401,960 (2013: £nil). During the period the company ceased to trade and tax losses of £2,355,927 were extinguished. A deferred tax asset has not been recognised in respect of these losses and excess management expenses in view of the uncertainty as to whether these losses are available for set off against future profits. The deferred tax asset that is not recognised in the financial statements in relation to losses carried forward of the company amounts to £80,392 (2013: £470,463).

Factors affecting current income tax charge

	2014	2013
	£	£
Loss on ordinary activities before taxation multiplied by the standard rate of corporation tax in UK of 20% (2013: 20%)	(613,416)	(413,046)
Loss on ordinary activities by rate of tax	(122,683)	(82,609)
Expenses not deductible for tax purposes	42,431	602
Capital allowances for period in deficit/(excess) of depreciation	(140)	(512)
Credit for tax loss not utilised in the accounts	80,392	82,519
Total current tax	-	-

8. Earnings/Loss per share

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

The diluted earnings per ordinary share is calculated by dividing profit/loss for the year less non-equity dividends and other appropriations in respect of non-equity shares by the weighted average number of equity shares outstanding during the year (after adjusting both figures for the effect of dilutive potential ordinary shares). In each of the years ended 30 September 2014 and 2013 the company has made a loss after taxation and the effect of the potential ordinary shares is anti-dilutive and therefore the diluted earnings per share is the same as basic earnings per shares. The weighted average number of potentially dilutive shares for the year ended 30 September 2014 was 815,955,953 (2013: 632,631,421).

8. Earnings/Loss per share *(continued)*

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

Earnings	2014	2013
	£	£
Loss for the purposes of basic and diluted earnings per share	(613,416)	(413,046)

Weighted average number of shares	2014	2013
	No.	No.
Weighted average number of shares	815,955,953	632,631,421

9. Property, plant and equipment

30 September 2014	Fixtures, fittings & equipment	Motor Vehicles	Total
		£	£
Cost			
At 1 October 2013	2,365	-	2,365
Additions	347	-	347
At 30 September 2014	**2,712**	**-**	**2,712**
Depreciation			
At 1 October 2013	1,529	-	1,529
Charge for the period	296	-	296
Disposals	-	-	-
At 30 September 2014	**1,825**	**-**	**1,825**
Net book amount 30 September 2014	**887**	**-**	**887**

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

10. Investments

30 September 2014	Listed investments £
Cost	
At 1 October 2012 and 30 September 2013	500
Disposals	(500)
At 30 September 2014	-
Impairment	
At 1 October 2012	-
Charge for the year	500
At 1 October 2013	500
Disposals	(500)
At 30 September 2014	-
Net book amount at 30 September 2013 and 2014	-

Listed investments

The fair value of the listed investments at 30 September 2014 was £nil (2013: £nil).

11. Trade and other receivables

	2014 £	2013 £
Other receivables	17,619	18,960
Prepayments and accrued income	5,620	28,068
	23,239	47,028

12. Trade and other payables

	2014 £	2013 £
Trade payables	33,360	46,090
Social security and other taxes	4,718	6,951
Unsecured convertible loan	-	125,000
Accruals and deferred income	111,973	70,680
	150,051	248,721

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

12. Trade and other payables *(continued)*

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

After a period of review, the Board have been successful in agreeing voluntary reductions to the amounts due to a number of its creditors amounting to approximately £100,000 net of VAT. Conditional on the success of the voluntary reductions, the Company has since raised £750,000 before expenses as explained in Note 15, by way of a share placing with an institutional investor. Using these funds, the remaining convertible loans, of which £180,000 had been drawn down, have been repaid and all conversion rights relating to these loans were extinguished at the same time.

13. Related party transactions

During the period the company was charged £18,446 (2013: £14,382) for directors' services provided by its Director D A van den Noort. At the period end an amount of £nil (2013: £7,795) was payable to D A van den Noort and is included within creditors.

During the period the company was charged £49,325 (2013: £18,175) for services provided by S B Virtual Finance Limited, a company controlled by S Bertolotti. At the period end an amount of £nil (2013: £5,760) was payable to S B Virtual Finance Limited and is included within creditors.

During the period the company was charged £nil (2013: £13,702) for services provided by ABT Associates Limited, a company in which M Wood has significant influence. At the period end an amount of £nil (2013: £nil) was payable to ABT Associates Limited.

During the period the company was charged £4,805 (2013: £773) for directors' services provided by its Director J van den Aker. At the period end an amount of £nil (2013: £773) was payable to J van den Aker and is included within creditors.

During the period the company was charged £2,167 (2013: £nil) for services provided by Reyco Limited, a company controlled by A Reynolds. At the period end an amount of £2,000 (2013: £nil) was payable to Reyco Limited and is included within creditors.

During the period the company was charged £9,000 (2013: £nil) for services provided by Iridian Consulting Services Limited, a company controlled by S Foster. At the period end an amount of £nil (2013: £nil) was payable to Iridian Consulting Limited.

14. Cash used by operations

	2014	2013
	£	£
Loss before taxation	(613,416)	(413,046)
Finance cost	-	500
Investment income	(319)	(422)
Depreciation	296	582
Decrease/(Increase) in receivables	23,789	(30,764)
(Decrease)/Increase in payables	26,330	177,151
Net cash used by operations	(563,320)	(265,999)

15. Share capital

Allotted, called up and fully paid:

	2014 No.	**2014 £**	2013 No.	2013 £
Ordinary shares of £0.001 each	-	-	595,433,440	595,434
Ordinary shares of £0.0001 each	929,953,462	92,995	-	-
Deferred 'B' shares of £0.009 each	66,214,920	595,934	66,214,920	595,934
Deferred 'C' shares of £0.0009 each	666,680,735	600,013	-	-
Deferred shares of £0.065 each	32,938,000	2,140,970	32,938,000	2,140,970
	1,695,787,117	3,429,912	694,586,360	3,332,338

Allotted, called up and partly paid:

	2014 No.	**2014 £**	2013 No.	2013 £
Ordinary shares of £0.001 each	-	-	7,247,295	725

The fully paid ordinary £0.0001 (2013: £0.001) shares carry one vote per share and carry a right to dividends.

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

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

The partly paid ordinary £0.001 shares carried one vote per share and carried a right to dividends. During the year the company has waived any or all rights which it may have demanded further payment from the holders of the 7,247,295 partly paid ordinary shares of 0.1p each. As a result these shares have since become deemed fully paid with no further amounts being payable on them and the amount of 0.9p per share currently standing to the credit of the share premium account in respect of each shares has been re-designated as share capital.

On 15 January 2014, following a capital reorganisation, each of the ordinary shares of £0.001 each were sub-divided into one ordinary share of 0.01p each and one C deferred share of 0.09p each.

15. Share capital (continued)

On 23 January 2014 the company has re-allotted 64,000,000 ordinary shares previously forfeited and subsequently held in the company's name at 0.055p per share upon conversion of the convertible loan note.

On 23 January 2014, the company received a conversion notice in relation to a convertible loan agreement and subsequently issued and allotted 163,272,727 new ordinary shares of 0.01p each together with the 64,000,000 shares re-allotted as above.

On 7 March 2014, the company issued 100,000,000 ordinary shares of 0.01p each for a price of 0.75p per share (total consideration of £750,000).

16. Warrants

During the year the company reached an agreement with its broker SI Capital to cancel 25 million warrants with an exercise price of £0.001 and replace these with a new agreement for 5 million warrants at an exercise price of £0.02 up to 14 April 2016.

On 26 March 2014 the company issued warrants to G M Leates to subscribe for 2 new ordinary shares in the company exercisable at a price of £0.02 per £0.0001 ordinary share, 1 million of which are exercisable after 12 months, and 1 million after 24 months. The warrants have an exercise period ending on 25 March 2024, and lapse in the event that G Leates ceases to be Chairman of the company. No options were exercised in the period.

	Number of options	Weighted average Exercise price	Weighted average remaining contractual life
Outstanding at 30 September 2013	25,000,000	£0.001	3 years
Warrants cancelled in the period	(25,000,000)	£0.001	3 years
Warrants issued in the period	7,000,000	£0.02	3.7 years
Outstanding At 30 September 2014	7,000,000	£0.02	3.7 years
Exerciseable At 30 September 2014	5,000,000	£0.02	1.5 years

The warrants outstanding at 30 September 2014 have an exercise price of £0.02.

16. Warrants (continued)

The fair value of the warrants issued in the current period is £0.0004 and was derived using the Black Scholes model. The following assumptions were used in the calculations:

Risk-free rate	1.4%
Volatility	80%
Expected life	10 years

Expected volatility is based on a conservative estimate for the company. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

A charge of £nil (2013: £nil) has been recognised for the share based payments in the period due to the insignificant fair value of the warrants.

17. Subsequent Events

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

On 23 July 2015 the conditional acquisition of REACT SC Holdings Limited was announced, subject to shareholders' approval. The Board believes that the proposed acquisition of REACT will fulfil the Company's requirement for an acquisition with strong growth prospects and enable the Company to create value for shareholders over time.

REACT is a specialist cleaning company capable of dealing with diverse cleaning problems. The only common factor is that they are beyond the 'usual' cleaning tasks. Whether public buildings and spaces, industrial and commercial units or manufacturing plants, the common practice in the sector is to outsource every day cleaning requirements.