Vela Technologies Plc ("Vela" or "the Company")

Final results for the year ended 31 March 2013

30 September 2013

chairman's statement

I am pleased to welcome you to this my first statement as your new Chairman, covering the Company's year ended 30 June 2013.

The period under review has two distinct periods, the first culminating in the Company Voluntary Arrangement and winding up of legacy investments. The second period breathed new life into the company with a new company name, receipt of £300,000 from the first of two fund raisings, the appointment of two new directors and advisors and finally the purchase of two investments after the year end.

I do not propose to dwell on the CVA as this has been well documented in previous announcements and circulars to shareholders but will spend time on our new endeavour!

The business also disposed of its investments in DGM India, and some of the previously impaired inter company receivables with other former investments was realised as a result of the sale of assets prior to these businesses being wound up.

The Board was strengthened earlier this year with the appointment of myself and colleague Antony Laiker. During March Adrian Moss stepped down from the Board and we thank him for his contribution during the transition period.

Shortly after the year-end, the capital reduction approved by shareholders on 11 July 2013 was confirmed by the High Court and became effective on 1 August 2013, writing off the entire accumulated deficit on the Company's profit and loss account. This was followed by a further placing raising £300,000 and receipt of an additional £25,000 in respect of an earlier conditional placing to Adrian Moss, to provide funding to evaluate and make new investments.

Between the year-end and the date of this report the Company made two investments for a total consideration of £325,000, of which £125,000 was settled by the issue of new ordinary shares; further investments are under active consideration.

Our first investment was the acquisition for £250,000 of 262,090 shares in eSeekers Ltd which following a corporate restructuring will become an interest of 0.63 per cent in Disruptive Tech Limited. Disruptive Tech manages investments in a number of technology enterprises including: Interest Labs which enables high quality connections between brands and consumers; Netkan which delivers on line gaming products; VNU Capital LLC a direct retailer of consumer products via ecommerce and high yield consumer credit solutions; and Freeformers which helps global companies understand and leverage technology.

For our second investment we invested £75,000 for a 6.25% interest in Advance Laser Imaging Limited a recently established company established which uses laser scanning hardware and software applications to produce 360 degree 3D images and models. There are many applications of this specialist technology in both private and public sectors including the Military, property development and the Police to name but a few.

Further particulars of these investments can be viewed on the Company's website. Following the investment in Advance Laser Imaging, the Company has implemented its investing policy for the purposes of AIM Rule 15.

Your company is now in a position to move forward and your Board is confident of taking it forward in a positive manner during the current year.

I would like to close by thanking our shareholders and advisers who have contributed to giving the company a new and hopefully profitable lease of life.

Nigel Brent Fitzpatrick MBE

Chairman

For further Information:

Brent Fitzpatrick Non-Executive Chairman Vela Technologies plc	e-mail brent@lowwave.co.uk
ZAI Corporate Finance, Nomad Peter Trevelyan-Clark/ Tim Cofman/Wei Wang	Tel 0207 060 0220
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The financial statements for the year ended 31 March 2013 are being posted to shareholders on 30 September 2013 and will shortly be available on the Company' website at www.velatechplc.com.

statement of comprehensive income

for the year ended 31 March 2013

	Notes	**year ended 31 March 2013 £'000**	15 months ended 31 March 2012 £'000
Revenue	1	**-**	-
Cost of sales		**-**	-
Gross profit		**-**	-
Administrative expenses			
– depreciation		**-**	-
– share-based payments		**(2)**	(21)
– other administrative expenses		**(561)**	(452)
– Amounts written off in CVA	8	**430**	-
Total administrative expenses and loss from operations	2	**(133)**	(473)
Interest payable		**-**	-
Profit on disposal of subsidiary	7	**273**	-
Profit on disposal of associate		**-**	195
Profit/(loss) b**efore tax**		**140**	(278)
Income tax	5	**(45)**	(9)
Profit/(loss) and total comprehensive income		**95**	(287)
Attributable to:			
Equity holders of the company		**95**	(287)
Earnings per share			
Basic and diluted earnings/(loss) per share (pence)	6	**0.47**	(3.74)

balance sheet

as at 31 March 2013

	Notes	**31 March 2013 £'000**	31 March 2012 £'000
Assets			
		–	–
Current assets			
Trade and other receivables	9	**11**	51
Cash and cash equivalents	13	**104**	3
Total current assets		**115**	54
Non current assets held for sale		**–**	50
Total assets		**115**	104
Equity and liabilities			
Equity			
Called up share capital	11	**4,912**	4,852
Capital redemption reserve		**13,188**	13,188
Share-based payment reserve	12	**–**	1,176
Share premium account		**24,032**	23,792
Retained earnings		**(42,093)**	(43,366)
Total equity		**39**	(358)
Current liabilities			
Trade and other payables	10	**76**	420
Onerous lease provisions		**–**	42
Total liabilities		**76**	462
Total equity and liabilities		**115**	104

These financial statements were approved by the Board, authorised for issue and signed on their behalf on 30 September 2013 by:

Nigel Brent Fitzpatrick MBE
Chief Executive Officer

Company registration number: 03904195

cashflow statement

for the year ended 31 March 2013

	Notes	**year ended 31 March 2013 £'000**	15 months ended 31 March 2012 £'000
Operating activities			
Profit/(loss) before tax		**140**	(278)
Share-based payment		**2**	21
Decrease in receivables		**40**	709
(Decrease) in payables		**86**	(455)
Gain on Company Voluntary Arrangement		**(430)**	-
Impairment of group receivables		**-**	422
(Utilisation)/Release of provision for onerous lease		**(42)**	(397)
Profit on disposal of associates		**-**	(195)
Profit on disposal of subsidiaries		**(273)**	-
Tax (charge)		**(45)**	(9)
Total cash flow from operating activities		**(522)**	(182)
Investing activities			
Consideration for disposal of investment in subsidiary		**323**	-
Consideration for disposal of investment in associate		**-**	195
Total cash flow from investing activities		**323**	195
Financing activities			
Issue of ordinary share capital		**60**	-
Share premium on the issue of ordinary share		**240**	-
Total cash flow from financing activities		**300**	-
Net increase/(decrease) in cash and cash equivalents		**101**	13
Cash and cash equivalents at start of year/period		**3**	(10)
Cash and cash equivalents at the end of the year /period	13	**104**	3

Cash and cash equivalents comprise:			
Cash and cash in bank		**104**	3
Cash and cash equivalents at end of year/period	13	**104**	3

statement of changes in equity

for the year ended 31 March 2013

	Share capital £'000	Share premium £'000	Capital Redemption Reserve £'000	Share-based payment reserve £'000	Retained earnings £'000	Total equity £'000
Balance at 1 April 2012	**4,852**	**23,792**	**13,188**	**1,176**	**(43,366)**	**(358)**
Share option charge	**–**	**–**	**–**	**2**	**–**	**2**
Share options lapse	**–**	**–**	**–**	**(1,178)**	**1,178**	**-**
Issue of share capital	**60**	**240**	**–**	**–**	**–**	**300**
Transactions with owners	**60**	**240**	**–**	**(1,176)**	**1,178**	**302**
Profit for the year and total comprehensive income for the year	**–**	**–**	**–**	**–**	**95**	**95**
Balance at 31 March 2013	**4,912**	**24,032**	**13,188**	**–**	**(42,093)**	**(39)**
Balance at 1 January 2011	4,852	23,792	13,188	1,155	(43,079)	(92)
Share options charge	–	–	–	21	–	21
Issue of share capital	–	–	–	–	–	–
Transactions with owners	–	–	–	21	–	21
Loss for the period and total comprehensive loss for the period	–	–	–	–	(287)	(287)
Balance at 31 March 2012	4,852	23,792	13,188	1,176	(43,366)	(358)

accounting policies - extracts

for the year ended March 2013

Presentation of financial statements

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

In prior years, consolidated financial statements were prepared for the group headed by the Company. Consolidated financial statements have not been prepared for the year ended 31 March 2013 as there were no subsidiaries. Comparative figures in these financial statements are therefore in respect of the Company only and are not consolidated.

Whilst the financial information in this announcement has been prepared in accordance with IFRSs, this announcement does not itself contain sufficient information to comply with IFRSs. The financial information set out above does not constitute the Company's financial accounts for the year ended 31 March 2013 or for the period ended 31 March 2012 but is derived from those accounts. Statutory accounts for the period ended 31 March 2012 have been delivered to the Registrar of Companies and those for the year ended 31 March 2013 will be delivered following the Company's annual general meeting. The auditors have reported on those accounts: their reports were unqualified, did not, in respect of the year ended 31 March 2013, draw attention to any matters by way of emphasis without qualifying their report and did not contain statements under section 298(2) or (3) Companies Act 2006 or equivalent preceding legislation. The auditor's report in respect of the period ended 31 March 2012, whilst not modifying the opinion given, contained an emphasis of matter in relation to going concern.

The financial statements for the year ended 31 March 2013 are being posted to shareholders on 30 September 2013 and will shortly be available on the Company' website at www.velatechplc.com.

Change of financial year end

In the previous period the financial year end of the Company was changed from 31 December 2011 to 31 March 2012. Accordingly, the current financial statements are prepared for year ended 31 March 2013 and the comparative figures for the statement of comprehensive income, cash flow statement, statement of changes in equity and related notes are for the 15 months from 1 January 2011 to 31 March 2012.

notes to the financial statements

for the year ended 31 March 2013

1 Revenue and segmental information

The Company does not trade and as such there is only one identifiable operating segment, being the holding and support of investments. Furthermore the Company operates in a single geographic segment being the United Kingdom. The results and balance and cashflows of the segment are as presented in the primary statements.

2 Loss from operations

Loss from operations is stated after charging:

	Year ended 31 March 2013 £'000	15 months ended 31 March 2012 £'000
Auditors' remuneration for auditing of accounts	**14**	64
Auditors' remuneration for non-audit services	**2**	31
Operating lease rentals	**–**	-
Share-based payment charge	**2**	21

3 Staff costs

The average number of persons employed by the Company (including Directors) during the period was as follows:

	Year ended 31 March 2013	15 months ended 31 March 2012
Directors and senior management	**2**	2
Management	**-**	-
Non-management	**-**	-
Total	**2**	2

The aggregate payroll costs for these persons were as follows:

	Year ended 31 March 2013	15 months ended 31 March 2012
Aggregate wages and salaries	**271**	271
Social security costs	**-**	-
Share-based payments	**-**	-
Pensions costs	**-**	-
	271	271

4 Directors and senior management

Directors' remuneration

	Year ended 31 March 2013				
	Salary £'000	**Fees £'000**	**Pension £'000**	**Equity £'000**	**Total £'000**
A Moss (resigned 5 March 2013)	**271**	**–**	**–**	**–**	**271**
N B Fitzpatrick	**-**	**3**	**-**	**-**	**3**
A Laiker	**-**	**-**	**-**	**-**	**-**
	271	**3**	**-**	**–**	**274**

	15 months ended 31 March 2012				
	Salary £'000	Fees £'000	Pension £'000	Equity £'000	Total £'000
A Moss	260	–	11	–	271

Directors' and senior management's interests in shares

The Directors who held office at 31 March 2013 held the following shares:

	31 March 2013 £'000	31 March 2012 £'000
N B Fitzpatrick	**-**	-
A Laiker	**1,916,724**	1,916,724

The total share-based payment costs in respect of options granted are:

	Year ended 31 March 2013 £'000	15 months ended 31 March 2012 £'000

Directors	**-**	18
Non-management	**2**	3

5 Tax

	Year ended 31 March 2013	15 months ended 31 March 2013
	£'000	£'000
Current tax		
UK tax	**45**	9
Tax charge	**45**	9

The deferred tax asset relating to the losses has not been recognised due to uncertainty over the existence of future taxable profits against which the losses can be used.

Tax reconciliation

	Year ended	15 months ended
	31 March	31 March
	2013	2012
	£'000	£'000
Profit/(Loss) before tax	**140**	(278)
Tax at 24% (2012: 26%) on loss before tax	**34**	(72)
Effects of:		
Other expenses not deductible	**21**	81
Utilisation of losses	**(10)**	**-**
Current tax expense/(credit)	**45**	9

6 Earnings per share

Earnings per share have been calculated on a profit after tax of £95,000 (period to 31 March 2012: £287,000 loss) and the weighted number of average shares in issue for the year of 20,008,076 (31 March 2012: 7,679,309 weighted).

Reconciliation of the profit and weighted average number of shares used in the calculations are set out below:

	Year ended 31 March 2013	15 months ended 31 March 2013
Profit/(loss) (£'000)	**95**	(287)
Earnings/(loss) per share (pence)	**0.47**	(3.74)

A capital reorganisation was approved at a General Meeting held on 28 May 2012. Each of the Company's existing Ordinary shares of 0.1p each were subdivided into 1 'New' Ordinary Share of 0.001 pence ('New shares') and 99 New Deferred shares of 0.001 pence ('New Deferred Shares'). The New Shares above were consolidated into New Ordinary Shares of 0.1 pence each on the basis of 1 New Ordinary Share for every 100 New Shares. The Admission of the New Ordinary Shares to trading on AIM took place on 29 May 2012.

The Earnings per Share comparatives have been adjusted to reflect the redenomination of the share capital.

7 Disposal of subsidiary / Non current assets held for sale

Disposal of DGM India Internet Marketing Limited (DGM India)

On 4 April 2012, the Board entered into a sale and purchase agreement for the disposal of the subsidiary, DGM India, to Tyroo Media Private Limited and to Inflection Digital Holdings Private Limited (both of which are private companies incorporated and registered in India), for a total gross consideration of 33,500,000 ruppees (approx £412,760). This transaction completed in July 2012.

The carrying value of the investment in the subsidiary was recognised as a "non current asset held for sale" as at 31 March 2012.

The profit on disposal was calculated as proceeds net of costs (£373,000) less carrying value of asset (£50,000) giving the profit recognised of £323,000.

At 31 March 2013 all subsidiaries had been disposed of.

8 Amounts written off in CVA

On 21 December 2012 the Company entered a company voluntary arrangement ("CVA") and on 14th January 2013 the Company's creditors and members approved the CVA proposed by the previous directors of the Company who resigned on 18th January 2013. Since this approval the Joint Supervisors have established all claims and despatched payments in respect of valid claims at the rate set in the approved arrangement being 17 pence in the pound before administrators' costs. The first and final dividend was paid on 29 April 2013 at a rate of 15.96 pence in the pound. The CVA was successfully completed on 29 August 2013.

In December 2012 new investors conditionally subscribed for a number of ordinary shares, which generated substantial funds into the Company. Net funds received of some £280,000 allowed £99,189 to be used for the benefit of the CVA creditors, with the balance to allow the Company to fulfill its new investing policy.

The amount written off represents the difference between the total creditors approved and the dividend paid.

9 Trade and other receivables

	31 March 2013 £'000	31 March 2012 £'000
Trade receivables	**–**	11
Other receivables	**5**	-
Prepayments and accrued income	**6**	40
	11	51

10 Trade and other payables

	31 March 2013 £'000	31 March 2012 £'000
Trade payables	**14**	284
Social security and other taxes	**-**	16
Corporation tax payable	**45**	-
Other payables	**–**	33
Accruals and deferred income	**17**	87
	76	420

11 Share capital

	31 March 2013 £'000	31 March 2012 £'000
Authorised capital		
9,999,520,000 ordinary shares of 0.1 pence each	**10,000**	10,000
76,025,157,516 deferred shares of 0.001 pence	**760**	760
4,083,918,156 deferred shares of 0.1 pence each	**4,084**	4,084

54,952,000 deferred shares of 24 pence each	**13,188**	13,188
	28,032	28,032
Allotted, called up and fully paid capital		
67,679,309 (31 December 2010: 7,679,309) ordinary shares of 0.1 pence each	**68**	8
76,025,157,516 deferred shares of 0.001 pence	**760**	760
4,083,918,156 deferred shares of 0.1 pence each	**4,084**	4,084
	4,912	4,852

Allotments during the period

The Company allotted the following ordinary shares during the year/period:

	year ended 31 March 2013
Shares in issue at 31 March 2012	7,679,309
Shares issued during the year	60,000,000
Shares in issue at 31 March 2013	**67,679,309**

	15 months ended 31 March 2012
Shares in issue at 1 January 2011	7,679,309
Shares issued during the period	-
Shares in issue at 31 March 2012	7,679,309

11 Share capital continued

A capital reorganisation was approved at a General Meeting held on 28 May 2012. Each of the Company's existing Ordinary shares of 0.1p each have been subdivided into 1 'New' Ordinary Share of 0.001 pence ('New shares') and 99 New Deferred shares of 0.001 pence ('New Deferred Shares'). The New Shares above have been consolidated into New Ordinary Shares of 0.1 pence each on the basis of 1 New Ordinary Share for every 100 New Shares. The Admission of the New Ordinary Shares to trading on AIM took place on 29 May 2012.

The Company's main source of capital is the parent Company's equity shares. The policy is to retain sufficient authorised share capital so as to be able to issue further shares to fund acquisitions, settle share-based transactions and raise new funds.

12 Share-based payments

During the year, all options lapsed as the employees and directors who held the options ceased to be employees or directors. The reserve relating to vested share based payments was transferred to retained earnings at the point the options lapsed.

For the period to 31 March 2013, the movement on options was as follows:

Exercise price (pence)	Issue date	Held at 31 December 2010	Granted during the period	Forfeited during the period	Cancelled during the period	Held at 31 March 2012
124.68	October 2003	2,516	–	–	–	2,516
356.50	December 2003	3,000	–	–	–	3,000
510.00	April 2004	300	–	–	–	300
650.00	April 2004	250	–	–	–	250
450.00	January 2006	5,000	–	–	–	5,000
375.00	June 2006	7,500	–	–	–	7,500
425.00	September 2006	333	–	–	–	333
350.00	April 2007	9,651	–	–	(333)	9,318
125.00	May 2008	138,050	–	–	(17,500)	121,050
125.00	February 2009	91,167	–	(4,333)	(32,334)	54,500

050.00	January 2010	168,300	–	(30,667)	–	137,633
050.00	February 2011	–	10,000	–	–	10,000
050.00	April 2011	–	49,833	–	–	49,833
		426,067	59,833	(35,000)	(50,167)	401,233

The above table excludes Directors' options.

Options forfeited in the year are in respect of employees leaving the employment of the Company.

13 Cash and cash equivalents

Cash and cash equivalents comprise the following:

	31 March 2013 £'000	31 March 2012 £'000
Cash and cash in bank:		
Pound sterling	**104**	3
Cash and cash equivalents at end of year/period	**104**	**3**

14 Financial instruments

The Company uses various financial instruments which include cash and cash equivalents and various items such trade receivables and trade payables that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the Company's operations and manage its working capital requirements.

The fair values of all financial instruments are considered equal to their book values. The existence of these financial instruments exposes the Company to a number of financial risks which are described in more detail overleaf.

The main risks arising from the Company financial instruments are currency risk, credit risk and liquidity risk. The Directors review and agree the policies for managing each of these risks and they are summarised overleaf. The Company has a sales ledger facility on which interest is charged at a variable rate. The Directors, therefore, do not consider the Company to be exposed to material interest rate risk.

Currency risk

There was no exposure to foreign exchange fluctuations to 31 March 2013, and as such sensitivity analysis has not been presented.

Credit risk

The Company's exposure to credit risk is limited to the carrying amount of financial assets recognised at the balance sheet date, as summarised below:

Classes of financial assets – carrying amounts	31 March 2013 £'000	31 March 2012 £'000
Cash and cash equivalents	**104**	3
Trade receivables	**–**	-
	104	3

The Company's management considers that all of the above financial assets that are not impaired for each of the reporting dates under review are of good credit quality.

None of the Company's financial assets are secured by collateral or other credit enhancements.

Liquidity risk

The Company maintains sufficient cash to meet its liquidity requirements. Management monitors rolling forecasts of the Company's liquidity on the basis of expected cash flow in accordance with practice and limits set by the Company. In addition, the Company's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet these.

Maturity analysis for financial liabilities

	31 March 2013		31 March 2012	
	Within 1 year	**Later than 1 year**	Within 1 year	Later than 1 year
	£'000	**£'000**	£'000	£'000
At amortised costs:				
Trade payables	**14**	**–**	284	–
Other payables	**–**	**–**	136	–
Lease commitments provision	**–**	**–**	-	–
	14	**–**	420	–

Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. This is achieved by making investments commensurate with the level of risk.

The Company monitors capital on the basis of the carrying amount of equity.

The Company policy is to set the amount of capital in proportion to its overall financing structure, i.e. equity and long-term loans. The Company manages the 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, issue new shares or loan notes, or sell assets to reduce debt.

On 24th December 2012, the Company conditionally placed 67,400,000 new Ordinary Shares at a price of 0.5 pence raising £337,000 before expenses. The funds raised allowed the Company to fulfil its obligations under a CVA and allow the Company to continue to trade. The surplus was retained in the Company to allow the Company to fulfill its new investing policy.

The Company has approved a capital reduction which was finalised after the balance sheet date. Following the Capital Reduction both classes of Deferred Shares and the balances standing to the credit of the share premium account and the capital redemption reserve of the Company have been cancelled. The balance on the share premium account includes for this purpose any additional share premium arising before 31 July 2013. The Capital Reduction was sufficient to write off the entirety of the deficit on its profit and loss account, and create a small positive balance. Following the Capital Reduction, there was no change in the number of Ordinary Shares in issue.

15 Related party transactions

During the period the Company entered into the following related party transactions. All transactions were made on an arm's length basis:

Ocean Park Developments Limited

Nigel Brent Fitzpatrick, Non-Executive director is also a director of Ocean Park Developments Limited. During the year the Company paid £2,500 (31 March 2012 : £nil) in respect of his directors fees to the Company. The balance due to Ocean Park Developments at the year end was £nil (31March 2012 : £nil)

Share Options held by Directors

On 21 December 2012, the following share options held by the former directors lapsed when the Company entered a CVA:

Adrian Moss – 174,000 options

David Lees – 17,500 options

Keith Lassman – 12,500 options

Placing of shares

On 24th December 2012, the Company announced that Adrian Moss, a former director of the company had agreed to place 5,000,000 0.01p shares at a price of 0.05p for a total consideration of £25,000. This transaction completed on 5 September 2013. On completion of this Adrian Moss own 5,995,100 shares in the Company representing a shareholding of 4.25%.

16 Events after the balance sheet date

Investment in Disprutive Tech Ltd

At a Directors meeting on 14 August 2013 a proposal was approved to acquire 262,090 shares, ultimately representing a 0.62% interest in Disruptive Tech Ltd (a Gibraltar Company) for a total of £250,000. The purchase price was satisfied by a cash payment of £125,000 and the balance of £125,000 by way of the issue of 8,333,333 Ordinary shares of 0.1 pence at a price of 0.15p.

Investment in Advance Laser Imaging Limited

On 11 September 2013 the Board announced a £75,000 investment in Advance Laser Imaging Ltd. The Company has committed £75,000 for a 6.25% interest.

Placing of 60,000,000 Ordinary Share

A further issue of shares took place on 9 August 2013 with 60,000,000 Ordinary shares of 0.1 pence being issued at 0.5p each generating gross proceeds of £300,000.

Reduction in share capital

Following the announcement on 18 June 2013 that the Company proposed to take further steps to restructure its balance sheet, a capital reduction was approved by shareholders and was confirmed at the final Court Hearing which took place on 31 July 2013. Both classes of Deferred Shares and the balances standing to the credit of the share premium account and the capital redemption reserve of the Company were cancelled. This reduction is sufficient to write off the entirety of the deficit on its profit and loss account and create a small positive balance. There were no changes to the number of ordinary shares in issue.