

**Vela Technologies PLC**  
Annual Report and Accounts 2014

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# chairman's statement

## Introduction

The year ended 31 March 2014 has been a year of investment activity for the Company. During this period, it has invested over £500,000 in opportunities in the technology sector.

## Financial

During the year no investment realisations were made and no income was received from investments which resulted in a loss for the year of £118k. The net asset value of the Company as at 31 March 2014 was £839k.

The Company's investment portfolio at 31 March 2014 consisted of:

Category	Principal Investments	Cost (£)
Unlisted	Advance Laser Imaging	75,000
	Disruptive Tech Limited	250,000
	Portr	35,000
	Stream TV Networks	64,000
	Rosslyn Analytics	100,002
Total investment portfolio		524,002
Cash		9,000
<b>Total</b>		<b>533,002</b>

## Portfolio Summary

**Advance Laser Imaging** uses cutting edge laser scanning hardware and advanced software applications to produce 360 degree view, 3D images. The technology has been applied to over 300 investigations and security projects. Target markets are Military, Property development, Insurance, Blue Light services and others.

**Disruptive Tech Limited** based in Gibraltar manages investments in a number of disruptive technology enterprises.

**Portr** provides convenient and flexible concierge focussed airport-hotel home and any airport to airport luggage transfer for business and leisure customers. On 12 May 2014 the Company announced a further £50,000 investment in Portr.

**Stream TV Networks** is a Philadelphia-based new media company which owns proprietary software, Ultra-D, enabling consumers to view 3D media without glasses and from any angle that can be used for PCs, Tablets, TVs.

**Rosslyn Analytics** is focussed on cloud based data analytics. Raised £2.1m pre IPO late 2013 and IPO'd on AIM in April 2014 raising £10m. Rosslyn is the first of the Company's portfolio companies to achieve a flotation. Post period end Vela has invested a further £30,226 and now owns 403,368 shares in Rosslyn Data Technologies Plc.

In May 2014 the Company announced an investment of £100,000 in a £1m series B funding for **The Social Superstore Limited**, a social commerce platform which is being built for launch in 2014.

On 22 April 2014 the Company invested £35,262.500 in **Imaginatik**, an AIM listed full service innovation provider offering a range of technology products and consultancy, and the company retains a holding of 525,000 ordinary shares in Imaginatik as at 30 September 2014.

The information above also forms part of the strategic report on page 2.

## Subscription to raise £325,000

On 25 March 2014 the Company announced that it had completed a subscription with Gilbert Elliott Holdings Ltd to raise gross proceeds of £325,000 through the issue of 65,000,000 new ordinary shares of 0.1 pence each in the Company (the "Subscription Shares"). On 31 March 2014 the Company made a further announcement detailing that the Subscription Shares had been issued and allotted on 26 March 2014, that admission of the Subscription Shares to trading on AIM had taken place and that receipt of subscription monies was expected by 2 April 2014. As at today's date the Company has yet to receive £12,500 of the proceeds of the subscription from Gilbert Elliott and the Company is considering its options in respect of the unpaid subscription monies. Further announcements will be made in due course.

## Outlook

The company is focussed on achieving further returns from within its current portfolio, whilst seeking to add more interesting and attractive investments. The board believe that the current portfolio represents an exciting mix of companies, a number of which are poised for significant further developments.

Newsflow to date from our investments provides Vela with a strong base from which we look forward to further exciting developments over the next 12 months.

Your directors look forward to an interesting future for your company.

**Antony Laiker**

*Director*

# strategic report

for the year ended 31 March 2014

## **Business review**

The Company became an investment company in early 2013 under the AIM Rules for Companies following the disposal and closure of its then existing operations. The Company's focus has been predominantly, but not restricted to, searching for companies which are based in the UK or Europe where there may be a number of opportunities to acquire interests in undervalued or pre-commercialisation technologies and has successfully invested in a number of companies during the year.

Further details of the investments made and the investee companies are detailed in the review within the Chairman's statement on page 1.

At the period end the Company holds approximately £9k cash (31 March 2013 : £104k), no debt and continues to keep administration costs to a minimum so that the Company has sufficient resources to cover the Company's ongoing running costs and has maximum funds that can be dedicated to further investments.

The Company's net loss for the year is £118k (2013: profit of £95k).

The Company has no employees and has a board of 1 male executive director and 1 male non-executive director.

## **Key performance indicators (KPIs)**

Measuring performance is integral to the next phase of our strategic growth. Management has selected KPIs to benchmark to the Company's progress. Management considers that, investment income and profit before tax as KPIs in measuring Company performance.

While no investment income has been received in these accounts the Directors have recently announced, post year end, the first stock market listing of an investment and are satisfied that this is in line with expectations. This is as expected for the year under review.

Management is satisfied with the level of costs and that these have been maintained to a minimum level and the loss is as expected for the Company.

## **Principal risks and uncertainties**

The preservation of its cash balances and management of the capital remain key risks for the company, ensuring that investments are commensurate with the level of risk.

The company is committed to maintaining its minimal operational costs.

Further information about the Company's principal risks are detailed in note 13, specifically in the credit risk, liquidity risk and capital risk management sections.

Approved by the Board of Directors and signed on behalf of the Board on 30 September 2014.

**Antony Laiker**

**Director**

# directors and advisers

## **Nigel Brent Fitzpatrick MBE**

### **Chairman**

Mr Fitzpatrick has over 20 years' experience as a corporate finance consultant. In the last 15 years he has been instrumental in advising a number of companies on their acquisitions, funding and subsequent flotations. Mr Fitzpatrick was previously Chairman of Global Marine Energy PLC, a listed oil services Company. He is currently Chairman of RiskAlliance Group Ltd, Halcyon Oil & Gas Limited and Aboyne-Clyde Rubber Estates of Ceylon Limited. He is also non-executive director of Powerhouse Energy Plc and Acorn Minerals Plc. He is a member of the Audit Committee Institute. In the Queen's Birthday Honours List 2012, Mr Fitzpatrick was awarded an MBE.

## **Antony John Laiker**

### **Director**

Mr Laiker has over 32 years of experience as a stockbroker, the last 22 years of which have been largely focused on managing assets and advising a wide range of clients on UK equities as well as assisting companies to raise funds. He is a member of the Chartered Institute for Securities and Investment.

## **Directors**

### **Nigel Brent Fitzpatrick MBE**

Chairman

### **Antony Jon Laiker**

Director

## **Registered office**

55 Bingley Road  
Saltaire  
Shipley  
West Yorkshire  
BD18 4SB

## **Nominated advisers and brokers**

### **Allenby Capital Limited**

3 St Helen's Place  
London  
EC3A 6AB

## **Auditors**

### **Grant Thornton UK LLP**

Grant Thornton House  
The Explorer Building  
Fleming Way  
Manor Royal  
Gatwick RH10 9GT

## **Registrars**

### **Capita Registrars**

The Registry  
34 Beckenham Road  
Beckenham  
Kent BR3 4TU

## **Solicitors**

### **Moorhead James LLP**

Kildare House  
3 Dorset Rise  
London EC4Y 8EN

## **Accountants**

### **Bailey Wilson**

55 Bingley Road  
Saltaire BD18 4SB

## **Bankers**

### **Barclays Bank plc**

27 Soho Square  
London W1D 3QR

# corporate governance

for the year ended 31 March 2014

The Company is committed to applying the highest principles of corporate governance commensurate with its size.

## Compliance

As the Company is listed on AIM, it is not required to, and doesn't comply with the provisions set out in the UK Corporate Governance Code issued by Financial Reporting Council, nor is it required to comment on its compliance with such provisions.

However, the following information is provided, which describes how the principles of corporate governance are applied by the Company.

## Directors

The Company supports the concept of an effective Board leading and controlling the Company. The Board is responsible for approving Company policy and strategy and meets regularly. External advisers supply the Board with appropriate and timely information and the Directors are free to seek any further information they consider necessary. All Directors have access to advice from the Company Secretary and independent professionals at the Company's expense. Training is available for new Directors and other Directors as necessary.

The Board consists of two Directors, who bring a breadth of experience and knowledge.

The Chairman of the Board is Brent Fitzpatrick. The Board members are described on page 3 to the financial statements. All Directors are subject to re-election every three years and at the first Annual General Meeting (AGM) after their appointment. The Board has not appointed a Nomination Committee.

## Relations with shareholders

The Company values the views of its shareholders and recognises their interest in the Company's strategy and performance, Board membership and quality of management. It therefore holds regular meetings with its institutional shareholders to discuss objectives.

The AGM is used to communicate with investors and they are encouraged to participate. The Chairman is available to answer questions. Separate resolutions are proposed on each issue so that they can be given proper consideration and there is a resolution to approve the annual report and accounts. The Company counts all proxy votes and will indicate the level of proxies lodged on each resolution after it has been dealt with by a show of hands.

## Accountability and audit

The Board presents a balanced and understandable assessment of the Company's position and prospects in all interim and price-sensitive reports and reports to regulators, as well as in the information required to be presented by statutory requirements.

The Company does not require a separate audit committee and as such the board as a whole reviews the independence and objectivity of the external auditor. This includes reviewing the nature and extent of non-audit services supplied by the external auditor to the Company, seeking to balance objectivity and value for money.

## Internal controls

The Board is responsible for maintaining a sound system of internal controls to safeguard both the shareholders' investment and the Company's assets.

The Board has reviewed its risk management framework to identify areas where procedures need to be changed or installed.

The Board has considered the need for an internal audit function but has decided that the size of the Company does not justify this at present. However, it will keep the decision under review. The Board has reviewed the operation and effectiveness of the Company's system of internal control for the financial period and the period up to the date of approval of the financial statements.

The Directors are responsible for the Company's system of internal control and reviewing its effectiveness. The system of internal control is designed to provide reasonable, but not absolute, assurance against material misstatement or loss.

# corporate governance

for the year ended 31 March 2014

The key features of the Company's system of internal control are as follows:

## ***Steps taken to ensure an appropriate control environment***

The Board has put into place a management structure with clearly defined responsibilities for internal financial control.

## ***Process used to identify major business risks and to evaluate their financial implications***

The identification of major business risks is carried out in conjunction with operational management and steps are taken to mitigate or manage these risks where possible.

## ***Major information systems that are in place***

There are comprehensive financial management reporting systems in place, which involve the preparation of detailed annual budgets by the Company and longer-term financial forecasting. The budgets are generated by the responsible member of the management team and passed to the Board for approval. The Board monitors performance against budget on a regular basis.

## ***Main control procedures which address the financial implications of the major business risks***

The Company maintains financial controls and procedures appropriate to the business environment conforming to overall standards and guidelines, which are set by the Board.

## ***Monitoring system the Board uses to check the system is operating effectively***

The external auditors review the control procedures to the extent necessary for expressing their audit opinion and report on any weakness arising during the course of their audit work. The Board has reviewed the operation and effectiveness of the Company's system of internal financial control for the financial period and for the period up to the date of the approval of these financial statements.

## **Going concern**

After making appropriate enquiries (described in page 11), the Directors have a reasonable expectation that the Company will have adequate resources to continue in operational existence for the foreseeable future (in accordance with the Report of the Directors). For this reason, they continue to adopt the going concern basis in preparing the financial statements.

**Antony Laiker**

***Director***

# report on remuneration

for the year ended 31 March 2014

## **Directors' remuneration**

The Board recognises that Directors' remuneration is of legitimate concern to shareholders and is committed to following current best practice. The Company operates within a competitive environment and its performance depends on the individual contributions of the Directors and employees. It believes in rewarding vision and innovation. The Board has decided to present this remuneration report for shareholder approval.

## **Policy on Executive Directors' remuneration**

The policy of the Board is to provide an executive remuneration package designed to attract, motivate and retain Directors of the calibre necessary to maintain the Company's position and to reward them for enhancing shareholder value and return. It aims to provide sufficient levels of remuneration to do this but to avoid paying more than is necessary. The remuneration should also reflect the Directors' responsibilities and include incentives to deliver the Company's objectives. The notice period for termination of the Executive Director's service contract is 12 months.

As the Company is in the early stages of building an investment portfolio the Company has elected not to have a separate remuneration committee. The Board as a whole will instead review the scale and structure of Directors' fees, taking into account the interests of shareholders and the performance of the Company.

## **Main elements of executive remuneration**

There are four proposed elements of the Executive Director's remuneration package:

- i. fees;
- ii. annual bonus payments;
- iii. share-based payments; and
- iv. pension contributions.

## **Fees**

The Executive Director's basic salary is reviewed by the Board. In deciding upon appropriate levels of remuneration, the Board believes that the Company should offer average levels of base pay reflecting individual responsibilities compared to similar jobs in comparable companies, as well as internal factors such as performance.

## **Annual bonus payments**

The Committee establishes the objectives which must be met for a bonus to be paid. A performance related award scheme incorporating audited earnings per share, share price performance and Company profitability has been established which recognises the success of the business for which the Executive Director is responsible. Bonus payments are non-pensionable.

## **Pension contributions**

All pension entitlements for the Directors are disclosed in note 4 to the financial statements.

## **Non-Executive Directors**

The Board as a whole determines the remuneration of the Non-Executive Directors. Non-Executive Directors do not have contracts of service but letters of appointment.

## **Details of Directors' remuneration**

This report should be read in conjunction with note 4 to the financial statements, which also form part of this report. Full details of all elements of the remuneration package of each Director are given in note 4 to the financial statements, together with details of Directors' share interests.

**Antony Laiker**  
**Director**

# report of the directors

for the year ended 31 March 2014

The Directors present their report together with the financial statements for the year ended 31 March 2014.

## Directors

The Directors of the Company and their interests in the shares of the Company at the start of the period, or when appointed, and at the end of the period, or on resignation, are set out in note 4 to the financial statements.

In accordance with the terms of the Company's Articles of Association, Antony Jon Laiker will retire and will offer himself for re-election at the forthcoming AGM.

The Directors who served during the period under review are:

N B Fitzpatrick

A Laiker

## Company voluntary arrangement

On 14 January 2013 the Company's creditors and members approved a company voluntary arrangement ("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 approved arrangement being 17 pence in the pound before administrator's 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, having been approved by creditor quorum in January 2013.

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

## Financial risk management objectives and policies

The Directors constantly monitor the financial risks and uncertainties facing the Company with particular reference to the exposure to price, currency, credit, liquidity and cash flow risk. They are confident that suitable policies are in place and that all material financial risks have been considered. More detail is given in note 13 to the financial statements.

## Substantial shareholders

At 31 March 2014 the following had notified the Company of disclosable interests in 3% or more of the nominal value of the Company's shares, save for the Directors whose interests are disclosed in note 4 to the financial statements:

	Shareholding	%
JIM Nominees Ltd	123,033,740	55.39864
Ferlim Nominees Ltd	25,618,445	11.53527
Vidacos Nominees Ltd	19,003,171	8.556594
Beaufort Nominees Ltd	11,507,384	5.181452
SVS Nominees Ltd	11,145,000	5.018281
Hargreaves Lansdown (Nominees) Ltd	9,265,202	4.17186

## Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Chairman's statement on page 1. In addition, note 11 includes the Company's objectives, policies and processes for managing its capital; note 13 to the financial statements includes its financial risk management objectives, details of its financial instruments and its exposures to credit risk and liquidity risks.

The Company has continued to progress as a long term investment company seeking to invest in early stage pre-IPO businesses that want to develop. As a result of this the company has reported a loss for the current year and continues to maintain minimal running costs ensuring that such losses are kept to a minimum. The current year loss has further increased the brought forward losses which are in line with the expectations of the Directors as the Company moves to becoming an established investment company. Furthermore the company is reporting negative operating cashflows which the Directors are continuing to minimise by managing the cash balances effectively ensuring that funds are preserved to ensure the running costs are met, availability of cash is key in making decisions for the company. The Company is also in the process of raising further funds via share issues and the Directors expect this to preserve the Company's liquidity for the foreseeable future given its recent successes in fundraising. In the event that this is not successful in addition liquidity can be maintained by selling some of the Company's quoted investments, for which there is an active market. The Company will see the first income from one of its investments post year end.

# report of the directors

for the year ended 31 March 2014

The Directors have a reasonable expectation that the Company will have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they adopt the going concern basis in preparing the annual report and accounts.

## Directors' responsibilities statement

The Directors are responsible for preparing the Strategic Report and Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS). 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 and 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 judgments and accounting estimates that are reasonable and prudent;
- state whether applicable IFRS have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors 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 and 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.

Insofar as each of the Directors is aware:

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

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## Post balance sheet events

### *Investment in Imaginatik Plc*

On 22 April 2014 the Company invested £35,262.50 in Imaginatik Plc for 50,375,000 ordinary shares. Furthermore on 22 July 2014 Imaginatik announced a share consolidation whereby for every 80 existing ordinary shares of 0.0625p each will be consolidated into one new ordinary share of 5p each. As at the date of the annual report and accounts the Company retains a holding of 525,000 ordinary shares of 5p each.

### *Grant of options*

On 8 April 2014 the Company announced that it granted options over a total of 8,235,294 ordinary shares of 0.1 pence each ("Ordinary Shares") representing approximately 3.7% of the Company's current issued ordinary share capital at an exercise price of 0.85 pence per share. The options were granted equally (4,117,647 each with a total exercise price of £35,000 per director) to directors Brent Fitzpatrick and Antony Laiker and vest as to one third on grant and one third on each of the first and second anniversaries of grant. They are not subject to any performance conditions and will lapse 7 years from the date of grant.

Given that both directors are receiving options, all directors are related parties for the purposes of the grant and there are no independent directors for the purposes of the AIM Rules for Companies. ZAI Corporate Finance Ltd., the Company's nominated adviser, considers that the terms of the grant are fair and reasonable insofar as the Company's shareholders are concerned. The exercise price of the options is at a discount of 38.2% to the mid market price on 8th April 2014 of 1.375p per share and at a premium of 70% to the Company's most recent placing announced on 25 March 2014. Mr Laiker is interested in 1,916,724 ordinary shares (approximately 0.86% of the company's current issued share capital). The directors have no other interest in shares or options.

### *IPO of Rosslyn Analytics*

On 8 May 2014 the Company announced the successful flotation on AIM of Rosslyn Data Technologies plc on 29 April 2014, a company in which it holds a £100,000 investment. On 12 June 2014 the Company invested a further £30,226 into Rosslyn Data Technologies Plc. Rosslyn is the first investment of the Company to achieve flotation and the directors are confident that the IPO enhances the prospects of Rosslyn going forward.

# report of the directors

for the year ended 31 March 2014

## *Further investment in Portr*

On 12 May 2014, the Company announced a further investment of £50,000 by way of a cash subscription for 17,235 new ordinary shares of 0.01p each in investee company, Portr. The additional investment by Vela is part of a £500,000 funding round by Portr at a price of some 290p per share and brings Vela's total investment in Portr to £100,000, with an enlarged shareholding of 49,731 shares representing approximately 2.9 per cent of Portr's enlarged issued share capital.

## *Investment in The Social Superstore Limited ("Social Superstore")*

On 22 May 2014 the Company announced an investment of £100,000 in the £1m series B funding of The Social Superstore Limited, a social commerce platform which is being built with a view to launch in Q4 2014, initially in the UK. This funding will be applied to building the back end of the platform and places a pre-money valuation on The Social Superstore of £3m, giving Vela a 2.5% interest.

## *Further acquisition of interest in Portr and issue of equity*

On 24 July 2014 the Company announced the acquisition of a further 38,314 shares in Portr for a consideration of £100,000 which has been wholly satisfied through the issue of 20,000,000 new ordinary shares in Vela (the "Consideration Shares") at 0.5 pence per share (the "Transaction"). The vendor of the 38,314 shares in Portr is John Garner. The 20,000,000 Consideration Shares were admitted to trading on AIM ("Admission") on 31 July 2014. Following completion of the Transaction Vela will have an enlarged shareholding of 87,685 shares in Portr representing approximately 5% of Portr's issued share capital.

Following the issue of the Consideration Shares, John Garner is interested in 20,000,000 ordinary shares in the Company representing 8.26% of the issued share capital in the Company.

## **Auditors**

Grant Thornton UK LLP has expressed their willingness to continue in office and a resolution that they be re-appointed will be proposed at the AGM in accordance with Section 489(1) of the Companies Act 2006.

On behalf of the Board

**Antony Laiker**  
**Director**

# independent auditors report

for the year ended 31 March 2014

We have audited the financial statements of Vela Technologies Plc for the year ended 31 March 2014 which comprise the accounting policies, the statement of comprehensive income, the balance sheet, the cashflow statement, 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 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 auditor**

As explained more fully in the Directors' Responsibilities Statement on page 8, 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 (APB's) Ethical Standards for Auditors.

## **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

## **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2014 and of its loss for the year then ended;
- have been properly prepared in accordance with IFRS as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the parent 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 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.

**Nicholas Page**

**Senior Statutory Auditor**

**for and on behalf of Grant Thornton UK LLP**

**Statutory Auditor, Chartered Accountants**

**Gatwick**

# accounting policies

for the year ended 31 March 2014

## 1a 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 2014 as there were no subsidiaries.

### *Changes in accounting policy*

At the date of authorisation of these financial statements the following standards and interpretations were in issue but not yet effective and therefore have not been applied in these financial statements:

- IFRS 9 Financial Instruments (effective 1 January 2018) (not yet EU adopted)
- Mandatory Effective Date and Transition Disclosures - Amendments to IFRS 9 and IFRS 7 (effective 1 January 2015)

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.

## 1b Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Chairman's statement on page 1. The financial position of the Company, its cash flows and liquidity position are described in the Chairman's statement on page 1. In addition, pages 6 and 7 include the Company's objectives, policies and processes for managing its capital; note 13 to the financial statements includes its financial risk management objectives, details of its financial instruments and its exposures to credit risk and liquidity risks.

The Directors have a reasonable expectation that the Company will have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they adopt the going concern basis in preparing the annual report and accounts.

## 1c Summary of significant accounting policies

### *Taxation*

Current tax is the tax currently payable based on taxable profit for the period.

Deferred income taxes are calculated using the liability method on temporary differences. Deferred tax is generally provided on the difference between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of goodwill or 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 on temporary differences associated with shares in subsidiaries is not provided if reversal of these temporary differences can be controlled by the Company and it is probable that reversal will not occur in the foreseeable future. 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.

Deferred tax liabilities are provided in full, with no discounting. Deferred tax assets are recognised to the extent that it is probable that the underlying deductible temporary differences will be able to be offset against future taxable income. Current and deferred tax assets and liabilities are calculated at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted at the balance sheet date.

Changes in deferred tax assets or liabilities are recognised as a component of tax expense in the profit or loss income statement, except where they relate to items that are recognised in other comprehensive income in which case the related deferred tax is also charged or credited directly to equity.

### *Leased assets*

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. All other leases are classified as operating leases. Classification is made at the inception of the lease. Payments made under operating leases are charged to the profit or loss on a straight-line basis over the lease term. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property, plant or equipment and the present value of the minimum lease payments.

### *Financial instruments*

A financial instrument refers to a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity and is recognised on the Company's balance sheet when the Company becomes a party to the contractual terms of the instrument. Financial instruments include cash and deposits, trade receivables and payables, and equity securities, etc.

# accounting policies

for the year ended 31 March 2014

## **Investments**

Purchases of investments are recognised at the date of the transaction, being the fair value of the consideration. Any expenses relating to the purchase are written off to reserves at the date of acquisition.

Unquoted investments are subsequently valued by the most recent material arm's length transaction by an unconnected third party in the shares or other securities in the investee company. In the absence of any such transactions other fair value estimation techniques will be used, in accordance with International Private Equity and Venture Capital guidelines. As noted in 1d below, cost has been used in the current year as fair value could not reliably be estimated.

For quoted investments fair value is deemed to be bid market prices or closing prices sourced from relevant stock exchanges.

Investments held are available for sale, any gains or losses arising from the sale of such assets will be recognised through comprehensive income with the exception of impairment losses which are charged directly to profit or loss.

The investments are managed by the Board and their performance is reviewed internally.

## **Trade and other receivables**

Trade and other receivables are recognised initially at fair value and, subsequently, measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade and other receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and changes to debtor payment patterns are considered indicators that the trade receivable may be impaired.

The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

## **Trade and other payables**

Trade and other payables are not interest-bearing and are stated at their fair value on initial recognition. They are then measured at amortised cost. Where arrangements (eg Company Voluntary Arrangements) are made with the creditors, the difference between the carrying value of the payables, and the revised cost to settle those liabilities is recognised through the profit and loss account.

## **Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks that are readily convertible into known amounts of cash and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

## **Equity instruments**

Equity instruments issued by the Company are recorded at the proceeds received, net of direct costs.

## **Equity**

Equity comprises the following:

Share capital	–	represents the nominal value of equity shares
Share premium	–	represents the excess over the nominal value of the fair value of consideration for shares issued
Retained earnings	–	represents the accumulated retained profits

## **Foreign currencies**

The presentational currency is sterling. The Company's functional currency is sterling.

Transactions in foreign currencies are translated into the functional currency at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at the balance sheet date. Gains and losses arising on retranslation of monetary are included in net profit or loss for the period.

# accounting policies

for the year ended 31 March 2014

## **Segmental reporting**

An operating segment is a component of the Company:

- that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Company);
- whose operating results are reviewed regularly by the Company's chief decision maker to make decisions about resources to be allocated to the segment and assess its performance; and
- for which discrete financial information is available.

The Company historically invested in online marketing services investments. These were divested 2012/2013. The Company now comprises a single operating segment being an investment Company operating solely within the United Kingdom. Further information on the segments is disclosed in note 1 to the financial statements.

## **1d Accounting estimates and judgments**

Significant judgments in applying the Company's accounting policies

In the process of applying the Company's accounting policies, management has made the following judgments that have the most significant effect on the amounts recognised in the financial statements.

### **Recognition of deferred tax assets**

The Directors have also used their judgment in not recognising deferred tax assets as explained in note 5 to the financial statements.

### **Estimates**

Management have made no significant estimates in preparing these financial statements.

### **Investments**

The Directors have used their judgement in valuing the investments at cost. The use of cost for measurement is acceptable under IAS 39 when fair value cannot reliably be measured. From consideration of the information available in respect of them as at the year end, along with the fact that no indicators of impairment have come to the Directors' attention, the Directors' judgement was that fair value could not reliably be measured and hence using cost was appropriate.

### **Going concern**

The Directors have used their judgement in assessing going concern and in particular the availability of cash balances. Further details are disclosed in the Directors report on page 7.

# statement of comprehensive income

for the year ended 31 March 2014

	Notes	31 March 2014 £'000	31 March 2013 £'000
<b>Revenue</b>	1	4	–
<b>Administrative expenses</b>			
– share-based payments		–	(2)
– other administrative expenses		(167)	(561)
– Amounts written off in CVA	7	–	430
<b>Total administrative expenses</b>	2	(167)	(133)
<b>Loss from operations</b>		(163)	
Profit on disposal of subsidiary		–	273
<b>Profit/(loss) before tax</b>		(163)	140
Income tax	5	45	(45)
<b>Profit/(loss) and total comprehensive income</b>		(118)	95
Attributable to:			
Equity holders of the company		(118)	95
<b>Earnings per share</b>			
<b>Basic and diluted earnings/(loss) per share (pence)</b>	6	(0.10)	0.47

# balance sheet

as at 31 March 2014

	Notes	31 March 2014 £'000	31 March 2013 £'000
<b>Non-current assets</b>			
<b>Investments</b>	8	<b>524</b>	–
<b>Current assets</b>			
Trade and other receivables	9	<b>306</b>	11
Cash and cash equivalents	12	<b>9</b>	104
<b>Total current assets</b>		<b>315</b>	115
<b>Total assets</b>		<b>839</b>	115
<b>Equity and liabilities</b>			
<b>Equity</b>			
Called up share capital	11	<b>222</b>	4,912
Capital redemption reserve		–	13,188
Share premium account		<b>723</b>	24,032
Retained earnings		<b>(147)</b>	(42,093)
<b>Total equity</b>		<b>798</b>	39
<b>Current liabilities</b>			
Trade and other payables	10	<b>41</b>	76
<b>Total liabilities</b>		<b>41</b>	76
<b>Total equity and liabilities</b>		<b>839</b>	115

These financial statements were approved by the Board, authorised for issue and signed on their behalf on 30 September 2014 by:

**Antony Laiker**  
*Director*

Company registration number: 03904195

# cash flow statement

for the year ended 31 March 2014

	Notes	31 March 2014 £'000	31 March 2013 £'000
<b>Operating activities</b>			
(Loss)/Profit before tax		(163)	140
Share-based charge		–	2
(Increase)/Decrease in receivables		(295)	40
(Decrease)/Increase in payables		(35)	86
Gain on Company Voluntary Arrangement		–	(430)
(Utilisation) of provision for onerous lease		–	(42)
Profit on disposal of subsidiaries		–	(273)
Tax charge		45	(45)
<b>Total cash flow from operating activities</b>		<b>(448)</b>	<b>(522)</b>
<b>Investing activities</b>			
Consideration for disposal of investment in subsidiary		–	323
Consideration for purchase of investment		(524)	–
<b>Total cash flow from investing activities</b>		<b>(524)</b>	<b>323</b>
<b>Financing activities</b>			
Issue of ordinary share capital		154	60
Share premium on the issue of ordinary share		723	240
<b>Total cash flow from financing activities</b>		<b>877</b>	<b>300</b>
Net (decrease)/increase in cash and cash equivalents		(95)	101
Cash and cash equivalents at start of year/period		104	3
<b>Cash and cash equivalents at the end of the year/period</b>	<b>12</b>	<b>9</b>	<b>104</b>
<b>Cash and cash equivalents comprise:</b>			
Cash and cash in bank		9	104
<b>Cash and cash equivalents at end of year/period</b>	<b>12</b>	<b>9</b>	<b>104</b>

# statement of changes in equity

for the year ended 31 March 2014

	Share capital £'000	Share premium £'000	Capital Redemption Reserve £'000	Share-based payment reserve £'000	Retained earnings £'000	Total equity £'000
<b>Balance at 1 April 2013</b>	<b>4,912</b>	<b>24,032</b>	<b>13,188</b>	–	<b>(42,093)</b>	<b>39</b>
Capital reorganisation	<b>(4,844)</b>	<b>(24,032)</b>	<b>(13,188)</b>	–	<b>42,064</b>	–
Issue of share capital	<b>154</b>	<b>723</b>	–	–	–	<b>877</b>
Loss for the year and total comprehensive income for the year	–	–	–	–	<b>(118)</b>	<b>(118)</b>
<b>Balance at 31 March 2014</b>	<b>222</b>	<b>723</b>	–	–	<b>(147)</b>	<b>798</b>
Balance at 1 April 2012	4,852	23,792	13,188	1,176	(43,366)	(358)
Share options 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 period and total comprehensive loss for the period	–	–	–	–	95	95
Balance at 31 March 2013	4,912	24,032	13,188	–	(42,093)	39

# notes to the financial statements

for the year ended 31 March 2014

## 1 Revenue and segmental information

The Company is an investment company 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. Revenue received in the period under review represents the accrued value for interest receivable from loan notes held in Stream TV Networks.

## 2 Loss from operations

Loss from operations is stated after charging:

	<b>31 March</b>	31 March
	<b>2014</b>	2013
	<b>£'000</b>	£'000
Auditors' remuneration for auditing of accounts	14	14
Auditors' remuneration for non-audit services	6	2
Operating lease rentals	–	–
Share-based payment charge	–	2

## 3 Staff costs

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

	<b>31 March</b>	31 March
	<b>2014</b>	2013
Directors and senior management	2	2
Management	–	–
Non-management	–	–
Total	2	2

The aggregate payroll costs for these persons were as follows:

	<b>31 March</b>	31 March
	<b>2014</b>	2013
Aggregate wages and salaries	–	271
Social security costs	–	–
Share-based payments	–	–
Pensions costs	–	–
	–	271

# notes to the financial statements

for the year ended 31 March 2014

## 4 Directors and senior management

### Directors' remuneration

	Year ended 31 March 2014				
	Salary £'000	Fees £'000	Pension £'000	Equity £'000	Total £'000
N B Fitzpatrick	–	18	–	–	18
A Laiker	–	9	–	–	9
	–	27	–	–	27

	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

### Directors' and senior management's interests in shares

The directors who held office at 31 March 2014 held the following shares:

	31 March 2014	31 March 2013
A Moss (resigned 5 March 2013)	–	–
N B Fitzpatrick	–	–
A Laiker	1,916,724	1,916,724

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

	31 March 2014 £'000	31 March 2013 £'000
Directors	–	–
Non-management	–	2

# notes to the financial statements

for the year ended 31 March 2014

## 5 Tax

	<b>31 March 2014 £'000</b>	31 March 2013 £'000
Current tax:		
UK tax	45	45
Tax charge	45	45

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. The Company has unused tax losses of £3,736k (2013 : £3.577k).

## Tax reconciliation

	<b>31 March 2014 £'000</b>	31 March 2013 £'000
(Loss)/Profit before tax	(159)	140
Tax at 24% (2013: 24%) on loss before tax	(38)	34
Effects of:		
Other expenses not deductible	–	21
Utilisation of losses	(7)	(10)
Total tax (credit)/expense	(45)	45

## 6 Earnings per share

Earnings per share has been calculated on a loss after tax of £128,000 (period to 31 March 2013: £95,000 profit) and the weighted number of average shares in issue for the year of 122,943,751 weighted (31 March 2013: 20,008,076 weighted).

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

	<b>31 March 2014</b>	31 March 2013
(Loss)/Profit (£'000)	(120)	95
Earnings per share (pence)	(0.10)	0.47

## 7 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 18 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 and a credit of £430k was recognised in the accounts for the period ended 31st March 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 fulfil its new investing policy.

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

# notes to the financial statements

for the year ended 31 March 2014

## 8 Investments

	<b>31 March</b>	31 March
	<b>2014</b>	2013
	<b>£'000</b>	£'000
Opening balance	–	–
Additions during the year	<b>524</b>	–
Closing balance	<b>524</b>	–

### *Investment in Disruptive Tech Ltd*

At a Directors meeting on 14 August 2013 a proposal was approved to acquire 262,090 shares, ultimately representing a 0.63% 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.

### *Investment in 3DTV*

On 1st October 2013 Vela Technologies plc announced a minority investment of £64,000 by way of Convertible Loan Note in Stream TV Networks Inc. ("Stream TV")

### *Investment in Rosslyn Analytics*

On 9th October 2013 the company announced an investment of £100,002 by way of subscription for 32,716 Convertible "A" Preference Shares in Rosslyn Analytics Limited, being just under 0.7%.

### *Investment in Portr*

On 12th November 2013 the Company announced an investment of £50,000 by way of a cash subscription for 32,136 new ordinary shares of 0.0001p each in Portr Limited ("Portr"), being approximately 2%. This subscription was paid in 3 tranches, with the final tranche of £15,000 being paid post year end.

## 9 Trade and other receivables

	<b>31 March</b>	31 March
	<b>2014</b>	2013
	<b>£'000</b>	£'000
Other receivables	<b>296</b>	5
Prepayments and accrued income	<b>14</b>	6
	<b>310</b>	11

## 10 Trade and other payables

	<b>31 March</b>	31 March
	<b>2014</b>	2013
	<b>£'000</b>	£'000
Trade payables	<b>10</b>	14
Corporation tax payable	–	45
Accruals and deferred income	<b>31</b>	17
	<b>41</b>	76

# notes to the financial statements

for the year ended 31 March 2014

## 11 Share capital

	<b>31 March 2014 £'000</b>	31 March 2013 £'000
<b>Authorised capital</b>		
9,999,520,000 ordinary shares of 0.1 pence each	<b>10,000</b>	10,000
76,025,157,516 deferred shares of 0.001 pence	–	760
4,083,918,156 deferred shares of 0.1 pence each	–	4,084
54,952,000 deferred shares of 24 pence each	–	13,188
	<b>10,000</b>	<b>28,032</b>
<b>Allotted, called up and fully paid capital</b>		
222,087,300 (2013: 67,679,309) ordinary shares of 0.1 pence each	<b>222</b>	68
Nil (2013: 76,025,157,516) deferred shares of 0.001 pence	–	760
Nil (2013: 4,083,918,156) deferred shares of 0.1 pence each	–	4,084
	<b>222</b>	<b>4,912</b>

### *Allotments during the period*

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

	<b>Year ended 31 March 2014</b>
Shares in issue at 1 April 2013	<b>67,679,309</b>
Shares issued during the year	154,408,712
<b>Shares in issue at 31 March 2014</b>	<b>222,088,021</b>

  

	31 March 2013
Shares in issue at 1 April 2012	7,679,309
Shares issued during the period	60,000,000
Shares in issue at 31 March 2013	67,679,309

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.

### *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.

# notes to the financial statements

for the year ended 31 March 2014

## 12 Cash and cash equivalents

Cash and cash equivalents comprise the following:

	31 March 2014 £'000	31 March 2013 £'000
Cash and cash in bank:		
Pound sterling	9	104
<b>Cash and cash equivalents at end of year/period</b>	<b>9</b>	<b>104</b>

## 13 Financial instruments

The Company uses various financial instruments which include cash and cash equivalents and various items such as 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 2014, and as such sensitivity analysis has not been presented.

### Credit risk

This section along with the liquidity risk and capital risk management sections below also form part of the strategic report.

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:

	31 March 2014 £'000	31 March 2013 £'000
Classes of financial assets – carrying amounts		
Financial assets measured at fair value through other comprehensive income	524	
Loans and receivables	9	104
	<b>533</b>	<b>104</b>

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.**

The Company is required to report the category of fair value measurements used in determining the value of its investments, to be disclosed by the source of its inputs, using a three-level hierarchy:

#### Quoted market prices in active markets – "Level 1"

Inputs to Level 1 fair values are quoted prices in active markets for identical assets. An active market is one in which transactions occur with sufficient frequency and volume to provide pricing information on an ongoing basis. The Company has no investments classified in this category.

#### Valued using models with significant observable market parameters – "Level 2"

Inputs to Level 2 fair values are inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly. The Company has no investments classified in this category.

# notes to the financial statements

for the year ended 31 March 2014

## 13 Financial instruments continued

### Valued using models with significant unobservable market parameters – “Level 3”

Inputs to Level 3 fair values are unobservable inputs for the asset. Unobservable inputs may have been used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset at the measurement date (or market information for the inputs to any valuation models). As such, unobservable inputs reflect the assumptions the Company considers that market participants would use in pricing the asset. The Company’s investments fall into this category.

### 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 2014		31 March 2013	
	Within 1 year £'000	Later than 1 year £'000	Within 1 year £'000	Later than 1 year £'000
At amortised costs:				
Financial liabilities at amortised cost	10	–	14	–
Lease commitments provision	–	–	–	–
	10	–	14	–

### 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 is performing in line with the expectations of the Directors.

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.

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.

The Company considers its capital to be the ordinary shares in issue.

# notes to the financial statements

for the year ended 31 March 2014

## 14 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 £12,000 (31 March 2013: £2,500) in respect of his directors fees to the Company. The balance due to Ocean Park Developments at the year end was £nil (31 March 2013: £nil).

### ***Risk Alliance Insurance Brokers Limited***

Nigel Brent Fitzpatrick, Non-Executive director is also a director of Risk Alliance Insurance Brokers Limited. During the year the Company paid £3,975 (31 March 2013: £nil) in respect of insurance fees at arm's length, for the Company. The balance due to Risk Alliance Insurance Brokers Limited at the year end was £nil (31 March 2013: £nil).

## 15 Events after the balance sheet date

### ***Grant of options***

On 8 April 2014 the Company announced that it granted options over a total of 8,235,294 ordinary shares of 0.1 pence each ("Ordinary Shares") representing approximately 3.7% of the Company's current issued ordinary share capital at an exercise price of 0.85 pence per share. The options were granted equally (4,117,647 each with a total exercise price of £35,000 per director) to directors Brent Fitzpatrick and Antony Laiker and vest as to one third on grant and one third on each of the first and second anniversaries of grant. They are not subject to any performance conditions and will lapse 7 years from the date of grant.

The exercise price of the options is at a discount of 38.2% to the mid market price on 8 April 2014 of 1.375p per share and at a premium of 70% to the Company's most recent placing announced on 25 March 2014. Mr Laiker is interested in 1,916,724 ordinary shares (approximately 0.86% of the company's current issued share capital). The directors have no other interest in shares or options.

### ***Further investment in Portr***

On 12 May 2014, the Company announced a further investment of £50,000 by way of a cash subscription for 17,235 new ordinary shares of 0.01p each in investee company, Portr. The additional investment by Vela is part of a £500,000 funding round by Portr at a price of some 290p per share and brings Vela's total investment in Portr to £100,000, with an enlarged shareholding of 49,731 shares representing approximately 2.9% of Portr's enlarged issued share capital.

### ***Investment in The Social Superstore Limited ("Social Superstore")***

On 22 May 2014 the Company announced an investment of £100,000 in the £1m series B funding of The Social Superstore Limited, a social commerce platform which is being built with a view to launch in Q4 2014, initially in the UK. This funding will be applied to building the back end of the platform and places a pre-money valuation on The Social Superstore of £3m, giving Vela a 2.5% interest.

### ***Further acquisition of interest in Portr and issue of equity***

On 24 July 2014 the Company announced the acquisition of a further 38,314 shares in Portr for a consideration of £100,000 which has been wholly satisfied through the issue of 20,000,000 new ordinary shares in Vela (the "Consideration Shares") at 0.5 pence per share (the "Transaction"). The vendor of the 38,314 shares in Portr is John Garner. The 20,000,000 Consideration Shares were admitted to trading on AIM ("Admission") on 31 July 2014. Following completion of the Transaction Vela will have an enlarged shareholding of 87,685 shares in Portr representing approximately 5% of Portr's issued share capital.

Following the issue of the Consideration Shares, John Garner will be interested in 20,000,000 ordinary shares in the Company representing 8.26% of the issued share capital in the Company (as enlarged by the issue of the Consideration Shares).

### ***IPO of Rosslyn Analytics***

On 8 May 2014 the Company announced the successful flotation of Rosslyn Data Technologies plc on 29 April 2014, a company in which it holds a £100,000 investment. The directors expect that the IPO will add value to the investment.

### ***Investment in Imaginatik Plc***

On 22 April 2014 the Company invested £35,262.50 in Imaginatik Plc for 50,375,000 ordinary shares. Furthermore on 22 July 2014 Imaginatik announced a share consolidation whereby for every 80 existing ordinary shares of 0.0625p each will be consolidated into one new ordinary share of 5p each. As at the date of the annual report and accounts the Company retains a holding of 525,000 ordinary shares of 5 pence each.

# notice of general meeting

## vela technologies PLC

(Registered in England No. 03904195)

### NOTICE OF GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2014 Annual General Meeting of the Company will be held at the offices of Allenby Capital Limited, 3 St. Helen's Place, London EC3A 6AB at 10.00 a.m. on 11 November 2014 for the following purposes:

### RESOLUTIONS

#### *Ordinary business*

To consider and, if thought fit, to pass resolutions 1 to 4 (inclusive) as ordinary resolutions:

- 1 To receive and adopt the directors' report, the auditor's report and the Company's accounts for the year ended 31 March 2014.
- 2 To re-appoint Grant Thornton UK LLP as auditor in accordance with section 489 of the Companies Act 2006, to hold office until the conclusion of the Annual General Meeting of the Company in 2014.
- 3 To authorise the Directors to determine the remuneration of the auditor.
- 4 To re-appoint Antony Laiker as a Director of the Company.

#### *Special business*

To consider and, if thought fit, to pass resolution 5 as an ordinary resolution and resolution 6 as a special resolution:

- 5 THAT, in substitution for all previous authorities conferred on the directors to allot shares or to grant rights to subscribe for or to convert any securities into shares, the directors be authorised generally and unconditionally pursuant to Section 551 of the Companies Act 2006 as amended to exercise all the powers of the Company to allot shares and/or rights to subscribe for or to convert any security into shares, provided that the authority conferred by this resolution shall be limited to the allotment of shares and/or rights to subscribe or convert any security into shares of the Company up to an aggregate nominal amount of £500,000 such authority (unless previously revoked, varied or renewed) to expire on the conclusion of the Annual General Meeting of the Company to be held in 2014 or, if earlier, 15 months after the date on which this resolution has been passed, provided that the Company may, before such expiry, make an offer, agreement or other arrangement which would or might require shares and/or rights to subscribe for or to convert any security into shares to be allotted after such expiry and the directors may allot such shares and/or rights to subscribe for or to convert any security into shares in pursuance of such offer, agreement or other arrangement as if the authority conferred hereby had not expired.
- 6 THAT the directors be and are hereby generally empowered to allot equity securities (within the meaning of Section 560 of the Companies Act 2006) pursuant to the general authority conferred by resolution 6 above for cash or by way of sale of treasury shares as if Section 561 of the Companies Act 2006 or any pre-emption provisions contained in the Company's articles of association did not apply to any such allotment, provided that the power conferred by this resolution shall be limited to
  - (i) any allotment of equity securities where such securities have been offered (whether by way of rights issue, open offer or otherwise) to holders of equity securities in proportion (as nearly as may be practicable) to their then holdings of such securities, but subject to the directors having the right to make such exclusions or other arrangements in connection with such offer as they deem necessary or expedient to deal with fractional entitlements or legal or practical problems arising in, or pursuant to, the laws of any territory or the requirements of any regulatory body or stock exchange in any territory or otherwise howsoever;
  - (ii) the allotment (otherwise than pursuant to sub-paragraph (i) above) of equity securities up to an aggregate nominal value of £200,000,

such authority and power (unless previously revoked, varied or renewed) to expire on the earlier to occur of 15 months after the passing of this resolution or the conclusion of the Annual General Meeting of the Company to be held in 2014, provided that the Company may prior to such expiry make any offer, agreement or other arrangement which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities pursuant to any such offer, agreement or other arrangement as if the power hereby conferred had not expired.

Dated: 30 September 2014

Registered Office:  
55 Bingley Road  
Saltaire  
BD18 4SB

By order of the Board  
**EK Wilson**  
**Secretary**

## Notes:

1. As a member of the Company, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the Meeting and you should have received a proxy form with this notice of meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form.
2. A proxy does not need to be a member of the Company but must attend the Meeting to represent you. Details of how to appoint the Chairman of the Meeting or another person as your proxy using the proxy form are set out in the notes to the proxy form.
3. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, you may photocopy the enclosed proxy form.
4. If you do not give your proxy an indication of how to vote on any resolution, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the Meeting.
5. The notes to the proxy form explain how to direct your proxy how to vote on each resolution or withhold their vote.

To appoint a proxy using the proxy form, the form must be:

- (a) completed and signed;
- (b) sent or delivered to the Company's Registrars, Capita Registrars Limited, at PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU; and
- (c) received by no later than 10.00 a.m. on 11 November 2014.

Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.

6. To change your proxy appointment, simply submit a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments (see above) also apply in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded.

Where you have appointed a proxy using the hard-copy proxy form and would like to change the instructions using another hard-copy proxy form, you may photocopy the enclosed proxy form.

If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

7. In order to revoke a proxy appointment you will need to inform the Company by sending a signed hard copy notice clearly stating that you revoke your proxy appointment to Capita Registrars Limited, at PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice.

The revocation notice must be received by no later than 10.00 a.m. on 11 November 2014.

If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to the paragraph directly below, your proxy appointment will remain valid.

Appointment of a proxy does not preclude you from attending the Meeting and voting in person.

8. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, only those members registered in the register of members of the Company as at 6.00 pm on 7 November 2014 shall be entitled to attend and vote at this Meeting in respect of the number of shares registered in their name at that time. Changes to entries on the relevant register of securities after such time shall be disregarded in determining the rights of any person to attend or vote at this Meeting.

9. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the General Meeting by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider should refer to their CREST sponsors or voting service provider(s), who will be able to take the appropriate action on their behalf. In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the Company's agent, Capita Registrars Limited (CREST Participant ID: RA10), no later than 48 hours before the time appointed for the meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application Host) from which the Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. CREST members and, where applicable, their CREST sponsor or voting service provider should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider takes) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and,

where applicable, their CREST sponsor or voting service provider are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

10. Except as provided above, members who have general queries about the General Meeting should call the Company's registrars, Capita Registrars, shareholder helpline on 0871 664 0321 if calling within the United Kingdom or +44 20 8639 3399 if calling from outside the United Kingdom. Lines are open 8.30 a.m. – 5.30 p.m. Mon–Fri. Calls to the 0871 664 0321 helpline from within the United Kingdom cost 10 pence per minute (including VAT) from a BT landline. Other service providers' costs may vary. Call to the helpline from outside the United Kingdom will be charged at applicable international rates. Calls may be recorded and monitored for security and training purposes.