Energiser Investments plc

Annual Report and Accounts
for the year ended 31 December 2013

www.energiserinvestments.co.uk stock code: ENGI

Welcome to
Energiser Investments plc

Pictured above top
CGI of Kingswood Park development

Pictured above left
Construction well underway at Kingswood Park

Pictured above right
Approved site layout at Kingswood Park

Pictured right
Rental portfolio in Wellingborough

Chairman's statement

Introduction

I am pleased to write my first report to shareholders following my appointment as Chairman on 4 December 2013.

There has been very little activity in the Company in recent years. Various corporate transactions were under negotiation which did not proceed, however they did take up a considerable amount of management time and resources. Similarly, an investment in a potentially revolutionary new high powered motor was written off as it became apparent that there were significant flaws in the concept.

A decision has now been made to focus on the property sector and in particular, the provision of mezzanine funding to small, experienced housebuilders. Since the very difficult period in the economy and the banking crisis, banks have remained very cautious in their lending policy to smaller housebuilders and require the developer's own contribution to be injected into the project prior to the banks' own capital being drawn down. There is therefore a "gap" in the market for providers of such finance to housebuilders that are having difficulty securing funding for high quality residential development opportunities in the South East of England where housing demand is strongest.

I am pleased to report that Energiser, via its subsidiary Cedar Green Homes Limited, has secured its first opportunity in this field.

The Group has committed to inject up to £2.6m into a development of 12 units under construction on a spectacular site at Kingswood Park, Surrey. The development of 9 houses and 3 apartments is expected to generate a gross development value of over £8.5m.

We have procured funding for this commitment from a number of investors who will be paid a coupon of 10% on the funds invested. In the current climate of low returns on bank deposits, this interest rate is an attractive return for these investors. Their investment is secured by way of a second charge over the property behind the senior debt provider.

Energiser is entitled to 50% of the net profit of the development including a "priority return" of £785,000, subject to the development making sufficient profit, before the developer receives its share of profit. Construction is now well under way with the first sales expected by the end of the current financial year.

The Directors are evaluating other such proposals and believe that this new strategy will provide a substantial revenue stream to the Company and will re-build shareholders' funds.

RESULTS

Our residential development in Wellingborough generated gross rental income of £147,000 (2012: £149,000) and, after associated operating costs, resulted in net rental income of £113,000 (2012: £117,000). £100,000 of the impairment provision made in previous years against the vaule of the Wellingborough properties has been reversed during the year due to the market value of the portfolio increasing. In addition, the Group wrote off £17,000 (2012: £116,000) invested in the production of the high powered motor. Administrative expenses reduced to £73,000 (2012: £84,000) and after finance costs of £102,000 (2012: £100,000) the profit before and after taxation was £36,000 (2012: loss of £171,000) resulting in earnings per share of 0.08p (2012: loss of 0.39p).

The Group's net assets have increased to £205,000 (2012: £169,000) representing net asset value per share of 0.47p (2012:0.39p). Net asset value per share is calculated by dividing the net assets of the Group by the number of ordinary shares in existence at the balance sheet date.

The Directors do not recommend the payment of a dividend.

The Group's largest shareholder, Stephen Wicks, has agreed to provide further financial support to the Group for the foreseeable future, if required. As at the year end there were no loans due to Mr Wicks.

OPERATIONS

Our investment portfolio of 20 freehold houses in Wellingborough, Northamptonshire remains fully let and in the current financial year the Group has experienced an increase of approximately 5% in gross rents being achieved.

The properties are continuing to be let on short term tenancies and during the year were reclassified as investment property within non-current assets in the Statement of Financial Position.

The Group continues to hold an investment in EiRx Therapeutics plc which has been previously fully provided against.

OUTLOOK

As set out above, the provision of development funding for experienced, undercapitalised housebuilders on prime sites, should enable the Group to create a substantial profit stream over the coming period and I therefore believe that the prospects for the Group are beginning to look positive.

Bill Weston
28 May 2014

Directors

William Weston
Non-executive Chairman
Mr Weston is currently Non-executive Chairman of Pantheon Leisure plc, formerly quoted on AIM, which is now majority owned by Westside Investments plc. Prior to joining Pantheon Leisure, Mr Weston was previously the managing director of the specialist auctioneers Foster & Cranfield Limited and the senior partner of H.E. Foster & Cranfield. In early 1998, in conjunction with 3i, Mr Weston instigated the merger of Foster & Cranfield and Phillips Auctioneers. Mr Weston and 3i subsequently sold the Phillips Auction Group which included Foster & Cranfield, to a company within the LVMH Group.

Nishith Malde
Director
Qualified as a Chartered Accountant in 1985 with KPMG and specialised in advising owner managed businesses. He left KPMG in 1989 to set up a consultancy firm which later merged with an audit practice where he was the partner responsible for the affairs of Country & Metropolitan plc. Mr Malde joined Country & Metropolitan plc as finance director and company secretary in November 1998. He was actively involved in the preparation for the flotation of Country & Metropolitan plc in December 1999 and its further development (which included acquisitions and disposals) until it was acquired by Gladedale Holdings plc in April 2005. He is also a director of Inland Homes plc which floated onto AIM in April 2007.

Group strategic report
for the year ended 31 December 2013

The Directors present their strategic report on the Group for the year ended 31 December 2013.

Review of the business
The Company is registered as a Public Limited Company (plc). The Company's shares of 0.1p each are listed on AIM, part of the London Stock Exchange.

The Group is an investment company investing in quoted and unquoted companies to achieve capital growth. The Group also holds an investment property whereby the properties are held with rental income arising from short-term lets.

Results and performance
The results of the group for the year, as set out on pages 11 to 14, show a profit on ordinary activities before and after taxation of £36,000 (2012: loss of £171,000). The shareholders' funds for the Group total £205,000 (2012: £169,000). The Directors do not recommend the payment of a dividend for the year ended 31 December 2013.

The performance of the Group during 2013 was similar to that of 2012, with almost 100% occupancy on the rental properties. During the year the Group advanced £1.4m to a housebuilder under a mezzanine finance agreement. The Group will be providing up to £2.6m towards the development of 12 units in Surrey and it is entitled to receive 50% of the net profit of the development including a priority return of £785,000, subject to the development making sufficient profit. The funding has been procured from investors at a cost of 10% per annum.

Business environment
The property market in the United Kingdom has recovered dramatically over the past year, predominantly due to the introduction of the Government's 'Help to Buy' scheme which enables prospective home owners to purchase a property with as little as 5% deposit. This recovery has had a limited effect on the value of our Wellingborough development although this enabled a partial reversal of the impairment provision made against the value of the portfolio in previous years.

Strategy
Due to the recovery of the housing market and the anticipated success of the 12 unit development in Surrey the Group will continue to seek out similar opportunities on projects where healthy returns can be generated for Shareholders.

The Group has transferred the Wellingborough properties from inventories in current assets to investment property in non-current assets in the Statement of the Financial Position and they will continue to bet let on short term tenancies.

Key performance indicators ('KPIs')
The Group's KPIs are the return on project investment and the net assets position of the Group including net assets per share. These indicators are monitored by the Board and the details of performance against these are given below.

	2013	2012
Return on project investment	**£113,000**	£117,000
Net assets	**£205,000**	£169,000
Net assets per ordinary share	**0.47p**	0.39p

Principal risks and uncertainties
The management of the business and the nature of the Group's strategy are subject to a number of risks. The Directors have set out below the principal risks facing the business. Where possible, processes are in place to monitor and mitigate such risks. The Group operates a system of internal control and risk management in order to provide assurance that the Board is managing risk whilst achieving its business objectives. No system can fully eliminate risk and, therefore, the understanding of operational risk is central to the management process.

Group strategic report
for the year ended 31 December 2013

Principal risks and uncertainties (continued)
To enable shareholders to appreciate what the business considers are the main operational risks, they are briefly outlined below:

	Risk	Potential impact	Strategy
Housing market	A fall in the housing market in the regions in which the Group operates	• Inability to realise maximum value in a timely fashion • Adverse effect on the timing of sales	The Group ensures that funding provided to housebuilders is for developments in areas that are likely to be least affected by a decline in the housing market.
Rental market	A decrease in demand for rental properties	May have a detrimental effect on the Group's ability to cover administration and debt servicing costs	The Group ensures that tenants are satisfied with their property to encourage tenancy renewals and employs a reputable manager to deal with any issues and to let the properties
Interest rates	Significant upward changes in interest rates	Would lead to increased borrowing costs and thus have a detrimental effect on profit	The Group mitigates any adverse exposure to interest rate changes by controlling its gearing and by using hedging instruments

Financial risk management objectives and policies
The Company's policy in respect of financial instruments and risk profile is set out on page 8 of the Directors' Report and in Note 18 of the accounts.

Future developments
In the coming year we intend to continue to advance mezzanine funding to the housebuilder for the 12 unit development in Surrey. The Group also intends to enter into other similar agreements and is currently evaluating opportunities which we hope to finalise during the year.

The Group will continue to rent out the Wellingborough properties on short term tenancies.

By order of the Board

Nishith Malde
Company Secretary
28 May 2014

Directors' report
for the year ended 31 December 2013

The Directors have pleasure in submitting their report, together with the financial statements of the Group and Company, for the year ended 31 December 2013.

Principal activity and business review
The principal activity of the Group is as an investment company investing in quoted and unquoted companies to achieve capital growth. The Group also holds a property development, acquired by way of its principal activity and is investing in residential property development projects.

Corporate governance and compliance
The Company is listed on AIM and, accordingly, compliance with the revised UK Corporate Governance Code is not mandatory. However, the Company is committed to applying the principles of corporate governance as applicable to a company of this size and nature. The Board is accountable to the Company's shareholders for good corporate governance. This report and the Remuneration Report describe how the Company applies the provisions of good corporate governance.

Directors
The Company supports the concept of effective Board leadership and control of the Company. The Board is responsible for approving Company policy and strategy. All Directors have access to advice from the Company Secretary and independent professionals at the Company's expense.

The Board consists of one Executive Director and one Non-executive Director. The Non-executive Director is independent of management and any business or other relationship which could interfere with the exercise of his independent judgement.

The Board considers that the level of shareholdings held by the Non-executive Director is insufficient to affect his independence.

The Board members are listed on page 2.

All Directors are subject to re-election every three years and at the first Annual General Meeting (AGM) after appointment.

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 encourages shareholders to offer their views.

The AGM provides an opportunity for shareholders, particularly private investors, to question the Board on issues arising.

The notice convening the AGM is the notice of the meeting sent to shareholders with this report. A separate motion will be put to the meeting on each substantial issue.

Accountability and audit
The Board endeavours to present a balanced and understandable assessment of the Group's position and prospects in all reports as well as in the information required to be presented by statutory requirements.

Directors' report
for the year ended 31 December 2013

Going concern
The financial statements have been prepared on the going concern basis, the Directors having considered the cash forecasts for the next twelve months from the date of the approval of these financial statements. In doing so they have given due regard to the risks and uncertainties affecting the business as set out in the Directors' Report, the liquidity risk disclosed in Note 18, financial support provided by Mr S D Wicks, who has undertaken to meet the cash needs of the Group if required, and the repayment of other loans as referred to in Note 13. On this basis the Directors have a reasonable expectation that the funds available to the Group are sufficient to meet the requirements indicated by those forecasts.

Internal control
The Board is responsible for maintaining a sound system of internal control to safeguard shareholders' investments and the Company's assets and for reviewing its effectiveness. Such a system is designed to manage, but not eliminate, the risk of failure to achieve business objectives. There are inherent limitations in any control system and accordingly even the most effective systems can provide only reasonable, and not absolute, assurance against material misstatement or loss.

Assessment of business risk
The Board regularly reviews operating and strategic risks.

The Group's operating procedures include a system for reporting financial and non-financial information to the Board including:

- reports from management with a review of the business at each Board meeting, focusing on any new decisions/risks arising;
- reports on the performance of investments;
- reports on selection criteria of new investments;
- discussion with senior personnel; and
- consideration of reports prepared by third parties.

Control procedures
Operational procedures have been developed for each of the Group's operating businesses that embody key controls over relevant areas. The implications of changes in law and regulations are taken into account by the Group.

The Board has considered the need for an internal audit function but has decided that this is not justified at present given the size of the Group. However, it will keep the decision under review on an annual basis at least.

Appointment of Directors
The Board deals with all matters relating to the appointment of Directors including determining the specification, identifying suitable candidates and selection of the appointee. No separate Nominations Committee has been formed.

Throughout the year the Articles of Association have required each Director to seek re-election after no more than three years in office. Therefore the Board considers it inappropriate that Non-executive Directors be appointed for a fixed term as recommended by the Code.

Directors' report
for the year ended 31 December 2013

Policy for paying creditors
The Company's policy is to pay creditors in accordance with agreement reached with creditors. Trade creditors at the year end amount to 104 days (2011: 173 days) of average supplies.

Significant shareholdings
According to the Company's register of substantial shareholdings at 27 May 2014 the following had notified the Company of their interest in 3% or more of the Company's issued ordinary share capital other than the Directors discussed below:

	Number of shares	%
S D Wicks	23,558,855	53.8
M Wheeler	3,581,755	8.2
H Cramer	3,419,488	7.8

Directors and secretary
William Weston who was appointed since the last AGM, retires in accordance with the Articles of Association and, being eligible, offers himself for reappointment.

Those Directors who held office during the year and their interests in shares of the Company which include beneficial and family interests are shown below:

	As at 31 December 2013 ordinary shares of 0.1p	As at 31 December 2012 ordinary shares of 0.1p
S Bennett (resigned 4 December 2013)	**750,000**	750,000
W Weston (appointed 4 December 2013)	**3,175,000**	—
N Malde	**5,935,646**	5,935,646

The Directors had no other interests in the shares of the Company. On 20 January 2014 Nishith Malde acquired an additional 375,000 shares in the Company. On 20 January 2014 Simon Bennett sold his entire investment in the Company.

Directors' report
for the year ended 31 December 2013

Directors and secretary *continued*
Nishith Malde has a notice period of six months. Details of Directors' remuneration are shown in the Remuneration Report on page 37.

Taxation status
The close company provisions of the Income and Corporation Taxes Act 1988 do not apply to the Company.

Principal risks and uncertainties
The Group's financial instruments comprise its investment portfolio, cash balances, debtors and creditors that arise directly from its operations and derivative instruments. The Group is exposed to market risk through the use of financial instruments and specifically to liquidity risk, market price risk and credit risk, which result from the Group's operating activities.

The Board's policy for managing these risks is summarised below.

Liquidity risk
The Group makes investments for the long term. Accordingly the Group rarely trades investments in the short term. Whilst the Group has no listed investments at present, historically these have been sold to meet the Group's funding requirements. However, the market in small capitalised companies can be illiquid. The Group also has a number of residential properties which can be sold. Accordingly the Directors monitor the market and make disposals as appropriate. Any unlisted investments in the portfolio are normally subject to greater liquidity risk. This risk is taken into account by the Directors when arriving at the valuation of these assets.

Market price risk
The Group is exposed to market price risk as shown by movements in the value of its equity investments. Any such risk would be regularly monitored by the Directors.

Credit risk
The Group's exposure to credit risk is limited to the carrying amount of financial assets recognised at the balance sheet date.

Capital risk management
The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders, benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group monitors capital on the basis of carrying amount of equity, less cash and cash equivalents as presented on the face of the Statement of Financial Position. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Directors' report
for the year ended 31 December 2013

Directors' responsibilities statement
The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and have elected to prepare Parent Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and Applicable Laws). 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 Parent Company and Group for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable IFRS or UK Accounting Standards 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 and Group 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 Parent Company and Group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors confirm that:

- so far as each Director is aware there is no relevant audit information of which the Company's auditor is 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 auditor is 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.

Auditor
UHY Hacker Young have been appointed auditor for the ensuing year in accordance with Section 487 of the Companies Act 2006.

ON BEHALF OF THE BOARD

Nishith Malde
Company Secretary
28 May 2014

Independent auditor's report

to the members of Energiser Investments plc on the Group financial statements

We have audited the Group financial statements of Energiser Investments plc for the year ended 31 December 2013 which comprise the Group Statement of Comprehensive Income, the Group Statement of Financial Position, the Group Statement of Changes in Equity, the Group Statement of Cash Flows, the principal accounting policies and the related Notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRS) 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 set out on page 9, the Directors are responsible for the preparation of the Group 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 Group 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) 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 APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the Group financial statements:

- give a true and fair view of the state of the Group's affairs as at 31 December 2013 and of its profit 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 matters prescribed by the Companies Act 2006

In our opinion the information given in the Group strategic report in the Directors' report for the financial year for which the Group financial statements are prepared is consistent with the Group financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following:

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- 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.

Other matter

We have reported separately on the Parent Company financial statements of Energiser Investments plc for the year ended 31 December 2013.

Andrew Hulse
Senior statutory auditor
UHY Hacker Young
Statutory Auditor, Chartered Accountants
Sheffield
28 May 2014

Group statement of comprehensive income

for the year ended 31 December 2013

	Note	2013 £'000	2012 £'000
Continuing operations			
Revenue arising in the course of ordinary activities		**147**	149
Development costs		**(17)**	(116)
Cost of sales		**66**	(32)
Gross profit		**196**	1
Administrative expenses		**(73)**	(84)
Operating profit/(loss)	2	**123**	(83)
Finance costs	3	**(102)**	(100)
Finance income	3	**15**	12
Profit/(loss) before taxation		**36**	(171)
Taxation	5	**—**	—
Profit/(loss) for the year attributable to shareholders of the Company and total comprehensive income		**36**	(171)
Earnings/(loss) per share			
Basic and diluted earnings/(loss) per share from total and continuing operations	6	**0.08p**	(0.39)p

Diluted earnings/(loss) per share is taken as equal to basic earnings/(loss) per share as the Group's average share price during the period is lower than the exercise price of the share options and therefore the effect of including share options is anti-dilutive.

The accompanying accounting policies and notes form an integral part of these consolidated financial statements.

Group statement of financial position
as at 31 December 2013

	Note	**2013 £'000**	2012 £'000
ASSETS			
Non-current assets			
Investment property	8	**2,666**	—
Financial assets held at fair value through profit or loss	7	**1**	1
		2,667	1
Current assets			
Inventories	10	—	2,566
Trade and other receivables	11	**1,415**	14
Cash and cash equivalents		**10**	7
		1,425	2,587
Total assets		**4,092**	2,588
LIABILITIES			
Current liabilities			
Trade and other payables	12	**359**	333
Short-term borrowings	13	**2,311**	815
		2,670	1,148
Non-current liabilities			
Long-term borrowings	13	**1,200**	1,239
Financial liabilities held at fair value through profit or loss		**17**	32
		1,217	1,271
Total liabilities		**3,887**	2,419
Net assets		**205**	169
EQUITY			
Share capital	14	**2,312**	2,312
Share premium account		**5,747**	5,747
Convertible loan		**88**	88
Merger reserve		**1,012**	1,012
Retained earnings		**(8,954)**	(8,990)
Total equity		**205**	169

The financial statements were approved by the Board of Directors and authorised for issue on 28 May 2014.

William Weston	**Nishith Malde**	**Company Number**
Chairman	Director	00298654

The accompanying accounting policies and Notes form an integral part of these consolidated financial statements.

Group statement of changes in equity
for the year ended 31 December 2013

	Share capital £'000	Share premium account £'000	Convertible loan £'000	Merger reserve £'000	Retained earnings £'000	Total equity £'000
At 1 January 2012	2,312	5,747	88	1,012	(8,819)	340
Total comprehensive loss	—	—	—	—	(171)	(171)
Balance at 31 December 2012	**2,312**	**5,747**	**88**	**1,012**	**(8,990)**	**169**
Total comprehensive income	—	—	—	—	36	36
Balance at 31 December 2013	**2,312**	**5,747**	**88**	**1,012**	**(8,954)**	**205**

The accompanying accounting policies and Notes form an integral part of these consolidated financial statements.

Group statement of cash flows

for the year ended 31 December 2013

	2013 £'000	2012 £'000
Cash flows from operating activities		
Profit/(loss) before and after taxation	**36**	(171)
Adjustments for:		
Fair value gain on financial liabilities recognised in profit or loss	**(15)**	(12)
Interest expense	**102**	100
Increase in trade and other receivables	**(1)**	—
(Decrease)/increase in trade payables	**(23)**	22
Reversal of impairment of inventories	**(100)**	—
Increase in inventories	**—**	(16)
Net cash used in operating activities	**(1)**	(77)
Cash flows from financing activities		
Proceeds from borrowings	**1,496**	71
Re-payment of borrowings	**(39)**	(31)
Interest paid	**(53)**	(67)
Net cash generated by/(used in) financing activities	**1,404**	(27)
Cash flows from investing activities		
Mezzanine finance facility issued	**(1,400)**	—
Net cash used in investing activities	**(1,400)**	—
Net increase/(decrease) in cash and cash equivalents	**3**	(104)
Cash and cash equivalents at beginning of period	**7**	111
Cash and cash equivalents at end of period	**10**	7

The accompanying accounting policies and Notes form an integral part of these consolidated financial statements.

Principal accounting policies
for the year ended 31 December 2013

The principal accounting policies adopted in the preparation of the consolidated financial statements are set out below.

Basis of accounting
Basis of preparation
The consolidated financial statements have been prepared under the historical cost convention, except as modified by the investment property and financial assets and liabilities (including derivatives) fair value. They have also been prepared in accordance with the Companies Act 2006 applicable to companies reporting under IFRS.

The consolidated financial statements have been prepared in accordance with the accounting policies set out below and International Financial Reporting Standards (IFRS) as adopted by the European Union and that are effective at 31 December 2013.

The accounting policies have been applied consistently throughout the Group for the purposes of the preparation of these consolidated financial statements and the same accounting policies, presentations and methods of computation are followed in this set of financial statements as were applied in the previous set of audited financial statements.

The financial statements have been prepared on the going concern basis, the Directors having considered the cash forecasts for the next twelve months from the date of the approval of these financial statements. In doing so they have given due regard to the risks and uncertainties affecting the business as set out in the Directors' Report, the liquidity of investments and the liquidity risk disclosed in Note 18, financial support provided by Mr S D Wicks, who has undertaken to meet the cash needs of the Group if required, and the repayment of other loans as referred to in Note 13. On this basis the Directors have a reasonable expectation that the funds available to the Group are sufficient to meet the requirements indicated by those forecasts.

Summary of significant accounting policies
Basis of consolidation
The Group financial statements consolidate those of the Company and all of its subsidiary undertakings drawn up to 31 December 2013. Subsidiaries are entities over which the Group has the power to control the financial and operating policies so as to obtain benefits from its activities. The Group obtains and exercises control through voting rights.

Inter company transactions, balances and unrealised gains on transactions between the Parent Company and its subsidiaries are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Acquisitions of subsidiaries are dealt with by the acquisition method. The acquisition method involves the recognition at fair value of all identifiable assets and liabilities, including contingent liabilities of the subsidiary, at the acquisition date, regardless of whether or not they were recorded in the financial statements of the subsidiary prior to acquisition. On initial recognition, the assets and liabilities of the subsidiary are included in the Group Statement of Financial Position at their fair values, which are also used as the basis for subsequent measurement in accordance with the Group accounting policies. Goodwill is stated after separating out identifiable intangible assets. Goodwill represents the excess of fair value of consideration transferred over the fair value of the Group's share of the identifiable net assets of the acquired subsidiary at the date of acquisition.

Other income
Other income is measured by reference to the fair value of consideration received or receivable by the Group for the sale of properties, excluding VAT and discounts, and dividend income from investments. Income from the sale of properties is recognised when the title passes. Dividends are recognised on receipt.

Other income – operating leases
Properties are leased out on operating leases. Rental income is recognised within revenue (excluding VAT) on a straight line basis over the lease and direct operating expenses were reported within cost of sales.

Interest
Interest is recognised using the effective interest method which calculates the amortised cost of a financial asset and allocates the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Dividends
Dividends are recognised when the shareholders' right to receive payment is established.

Principal accounting policies
for the year ended 31 December 2013

Taxation
Current tax is the tax currently payable based on taxable profit/(loss) 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, nor on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Deferred tax on temporary differences associated with shares in subsidiaries is not provided if reversal of these temporary differences can be controlled by the Group 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 Group 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 Statement of Comprehensive Income, except where they relate to items that are charged or credited directly to other comprehensive income or equity in which case the related deferred tax is also charged or credited directly to other comprehensive income or equity.

Investment property
Investment properties are valued using the fair value model whereby the properties are re-measured at fair value, which is the amount for which the property could be transferred between knowledgable, willing parties in an arm's length transaction. Any gain or loss resulting from the sale or change in fair value of an investment property is immediately recognised in profit or loss. An investment property shall be de-recognised on disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal.

Inventories
Inventories are stated at the lower of cost and net realisable value. Cost includes land and all attributable construction costs.

Financial assets
Financial assets are divided into the following categories: loans and receivables (including trade and other receivables) and financial assets at fair value through profit or loss (including investments). Financial assets are assigned to the different categories by management on initial recognition, depending on the purpose for which they were acquired. The designation of financial assets is re-evaluated at every reporting date at which point a choice of classification or accounting treatment is available.

All financial assets are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial assets other than those categorised as at fair value through profit or loss are recognised at fair value plus transaction costs. Financial assets categorised as at fair value through profit or loss are recognised initially at fair value with transaction costs expensed through the Statement of Comprehensive Income.

Financial assets at fair value through profit or loss include financial assets that are designated by the entity as at fair value through profit or loss upon initial recognition. Subsequent to initial recognition, the financial assets included in this category are measured at fair value with changes in fair value recognised in the Statement of Comprehensive Income. Financial assets originally designated as financial assets at fair value through profit or loss may not be reclassified subsequently.

Financial assets are designated as at fair value through profit or loss where they are managed and their performance evaluated on a fair value basis in accordance with the Group's documented investment strategy.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Trade receivables and certain other current assets are classified as loans and receivables. Loans and receivables are measured subsequent to initial recognition at amortised cost using the effective interest method, less provision for impairment. Any change in their value through impairment or reversal of impairment is recognised in the Statement of Comprehensive Income.

Provision against trade receivables is made when there is objective evidence that the Group will not be able to collect all amounts due to it in accordance with the original terms of those receivables. The amount of the write down is determined as the difference between the asset's carrying amount and the present value of estimated future cash flows. An assessment for impairment is undertaken at least at each balance sheet date.

Principal accounting policies
for the year ended 31 December 2013

A financial asset is derecognised only where the contractual rights to the cash flows from the asset expire or the financial asset is transferred and that transfer qualifies for derecognition. A financial asset is transferred if the contractual rights to receive the cash flows of the asset have been transferred or the Group retains the contractual rights to receive the cash flows of the asset but assumes a contractual obligation to pay the cash flows to one or more recipients. A financial asset that is transferred qualifies for derecognition if the Group transfers substantially all the risks and rewards of ownership of the asset, or if the Group neither retains nor transfers substantially all the risks and rewards of ownership but does transfer control of that asset.

Financial liabilities
Financial liabilities are obligations to pay cash or other financial assets and are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial liabilities are recorded initially at fair value, net of direct issue costs.

They are subsequently measured at amortised cost using the effective interest method, with interest related charges recognised as an expense in finance cost in the Statement of Comprehensive Income. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are charged to the Statement of Comprehensive Income on an accruals basis using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

A financial liability is derecognised only when the obligation is extinguished, that is, when the obligation is discharged or cancelled or expires. When the obligation is extinguished by conversion to equity, a gain or loss is recognised in respect of the difference between the carrying value of the debt compared to the fair value of the shares issued.

Derivative financial instruments
Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at their fair value in the Statement of Financial Position. Fair values are obtained from observable market prices or valuation techniques such as discounted cash flow models. Generally the best evidence of the fair value of a derivative at initial recognition is the transaction price (ie the fair value of the consideration given or received). All derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative. Derivatives are used for matching exposures on assets and liabilities. Where separate derivative instruments exist these are measured at fair value through profit or loss under IAS 39. The fair value liability is recognised in the Statement of Financial Position, with the associated expense recognised in profit or loss.

Cash and cash equivalents
Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

Equity
Equity comprises the following:

- **Share capital** represents the nominal value of equity shares;
- **Share premium** represents the excess over nominal value of the fair value of consideration received for equity shares, net of expenses of the share issue;
- **Convertible loan** represents the equity element of a convertible loan which has now been settled;
- **Retained earnings** represents retained profits/(losses); and
- **Merger reserve** represents the excess of the nominal value of shares issued in the acquisition of a subsidiary undertaking and the nominal value of the subsidiary undertaking's shares.

Leased assets
In accordance with IAS 17, the economic ownership of a leased asset is transferred to the lessee if the lessee bears substantially all the risks and rewards related to the ownership of the leased asset. The Group holds no such assets. All other leases are regarded as operating leases and the payments made under them are charged to profit or loss on a straight line basis over the lease term. Lease incentives are spread over the term of the lease.

Principal accounting policies

for the year ended 31 December 2013

Segment reporting

In accordance with IFRS 8, information is disclosed to enable users of financial statements to evaluate the nature and financial effects of the business activities in which the Group engages. In identifying its operating segments, management differentiates between investment activities and rental of its freehold and leasehold properties. These segments are based on the information reported to the chief operating decision maker. The rental segment utilises its freehold properties within investment property. The Group's result to date is substantially derived from investment activities.

Capital management

The Group's objectives when managing capital are:

- to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- to ensure sufficient liquid resources are available to meet the funding requirement of its investments and to fund new investments where identified.

This is achieved through ensuring sufficient bank and other facilities are in place and further details are given in note 18 to the accounts.

Share-based employee remuneration

The Group operates equity-settled share-based remuneration plans for its employees. None of the Group's plans feature any options for a cash settlement.

If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable.

Standards and interpretations in issue but not yet effective

There were no IFRS standards or IFRIC interpretations adopted for the first time in these financial statements that had a material impact on the Group's financial statements.

A number of new standards, amendments to standards and interpretations have been issued and have not been applied in preparing these consolidated financial statements. Those which may be relevant to the Group are set out below. The Group does not plan to adopt these standards early as they are not expected to have any significant impact on the Group financial statements.

- Amendments to IFRS 7 Financial Instruments: Disclosures
- IAS 27 Separate Financial Statements (2011)
- IAS 28 Investments in Associates and Joint Ventures (2011)
- IFRS 9 Financial Instruments
- IFRS 10 Consolidated Financial Statements
- IFRS 12 Disclosure of Interests in Other Entities
- IFRS 13 Fair Value Measurement
- Amendments to IAS 19 Employee Benefits
- Amendments to IAS 1 Presentation of Items of Other Comprehensive Income
- Amendments to IFRS 7 Disclosures – Offsetting Financial Assets and Financial Liabilities
- Amendments to IAS 32 Offsetting Financial Assets and Liabilities
- Annual improvements to IFRSs (2009 – 2011)

Other standards and interpretations in issue but not yet effective are not considered to have any relevance to the Group.

Principal accounting policies

for the year ended 31 December 2013

Critical judgements in applying the accounting policies

In the process of preparing the accounting policies, the Directors have applied critical judgements in adopting the going concern basis to the financial statements as more fully set out in the basis of preparation paragraph of these accounting policies.

The property development at Wellingborough was classified as inventory in previous years. This was considered appropriate as these properties were intended for sale in the ordinary course of business, in the near future and the Company was actively marketing these for sale. During the year the Directors revised this judgement as the decision was taken to reclassify them as investment property within non-current assets.

Key sources of estimation uncertainty

Fair value of loans

The fair value of other loans at initial recognition has been calculated in the absence of information for directly comparable instruments as no active market exists for such items. Accordingly, the inputs to the valuation techniques and specifically the market related rate of interest rely on other sources of data including the Directors' knowledge of similar loans. The carrying value of other loans included in borrowings was £2.27m (2012: £0.78m). The subsequent measurement of loans is at amortised cost (note 18).

Notes to the Group financial statements
for the year ended 31 December 2013

1. Income and segmental analysis
The Group generates income by way of profits or losses on investments. It also generates rental and other related income from letting properties. These operating segments are monitored by the Executive Director and strategic decisions are made on the basis of segment operating results. The segmental analysis of operations is as follows:

Segmental analysis by activity

	2013 £'000	2012 £'000
Segment result		
Investment activities:		
Change in fair value of investments	—	—
Development costs	(17)	(116)
Administrative expenses	(71)	(83)
	(88)	(199)
Rental activities:		
Net rental income	113	117
Administrative expenses	(2)	(1)
	111	116
Other:		
Reversal of impairment of inventories	100	—
	100	—
Operating profit/(loss)	123	(83)
Finance costs	(102)	(100)
Fair value adjustment on interest rate swap	15	12
Profit/(loss) before tax	36	(171)

	2013 £'000	2012 £'000
Segment assets		
Investment activities:		
Non-current assets	1	1
Current assets	8	4
	9	5
Rental activities:		
Current assets – inventories	—	2,566
Non-current assets – investment property	2,666	—
Current assets – other	17	17
	2,683	2,583
Other:		
Current assets – other loan	1,400	—
	1,400	—
Total assets	4,092	2,588
Segment liabilities		
Investment activities:		
Current liabilities	905	806
	905	806
Rental activities:		
Current liabilities	365	342
Non-current liabilities	1,217	1,271
	1,582	1,613
Other:		
Current liabilities – other loans	1,400	—
	1,400	—
Total liabilities	3,887	2,419
Total assets less total liabilities	205	169

The activity of both the investments and rentals arose wholly in the United Kingdom.
No single customer accounts for more than 10% of revenue.

Notes to the Group financial statements

for the year ended 31 December 2013

2. Operating profit/(loss)

Operating profit/(loss) is stated after charging:

	2013 £'000	2012 £'000
Auditor's remuneration for:		
Audit services		
– audit of the Group's annual accounts	7	15
– audit of subsidiaries pursuant to legislation	4	5
Other services		
– taxation services	2	5

3. Finance costs and finance income

	2013 £'000	2012 £'000
Finance costs		
Short-term loans	50	32
Long-term loans	52	68
	102	100
Finance income		
Fair value adjustment on interest rate swap derivative held at fair value through profit and loss	15	12
	15	12

4. Directors and employees

Staff costs during the year were as follows:

	2013 £'000	2012 £'000
Wages and salaries	10	10

The Directors and employees of the Group have waived £425,000 of remuneration as at 31 December 2013 (2012: £387,000), which includes £38,000 in respect of the current year. See Remuneration Report on page 37.

The average number of employees (including Directors) of the Group was:

	2013 Number	2012 Number
Management of investments and properties	3	3

Further details of individual Directors' remuneration, pension fund and interests in the Company are shown in the table on page 37.

Notes to the Group financial statements
for the year ended 31 December 2013

5. Income tax expense
There is no tax credit/(charge) for either the current or prior years due to brought forward tax losses. The current tax assessed for the year is lower than the standard rate of corporation tax in the UK of 23.25%. The differences are explained as follows:

	2013 £'000	2012 £'000
Profit/(loss) on ordinary activities before taxation	**36**	(171)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.25% (2012: 24.5%)	**8**	(42)
Effect of:		
Expenses not deductible for tax	**1**	26
(Utilisation)/addition of tax losses arising	**(9)**	16
Total tax charge	**—**	—

The Group has unrecognised deferred tax assets of £838,000 (2012: £927,000) as a result of losses carried forward of £3,989,000 (2012: £4,029,000).

6. Earnings/(loss) per ordinary share
The earnings/(loss) per ordinary share is based on the weighted average number of ordinary shares in issue during the year of 43,787,956 ordinary shares of 0.1p (2012: 43,787,956 ordinary shares of 0.1p) and the following figures:

	2013 £'000	2012 £'000
Profit/(loss) attributable to equity shareholders	**36**	(171)
Profit/(loss) per ordinary share	**0.08p**	(0.39)p

Diluted earnings per share is taken as equal to basic earnings per share as the Group's average share price during the period is lower than the exercise price of the share options and therefore the effect of including share options is anti-dilutive.

7. Investments

	2013 £'000	2012 £'000
Investments listed on a recognised stock exchange	**1**	1

In accordance with IFRS 7, financial instruments are measured by level of the following fair value measurement hierarchy:

- Level 1: quoted prices in an active market for identical assets or liabilities. The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the closing price on the last day of the financial year of the Group. These instruments are included in level 1 and comprise FTSE and AIM listed investments classified as held at fair value through profit or loss.
- Level 2: the fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. The Group holds an interest rate swap which is classified as level 2. Further details can be found in note 18.
- Level 3: the fair value of financial instruments that are not traded in an active market (for example, investments in unquoted companies) is determined by using valuation techniques such as earnings multiples. If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

There have been no transfers between these classifications in the period (2012: none). The change in fair value for the current and previous years is recognised through profit or loss.

Notes to the Group financial statements
for the year ended 31 December 2013

7. Investments *continued*
All assets held at fair value through profit or loss were designated as such upon initial recognition. Movements in investments held at fair value through profit or loss are summarised as follows:

	Level 1 Quoted equity investments £'000	Level 3 Financial instruments £'000	Total investments £'000
Cost			
At 1 January 2012	(11)	4,907	4,896
At 31 December 2012	**(11)**	**4,907**	**4,896**
Fair value losses			
At 1 January 2012	12	(4,907)	(4,895)
At 31 December 2012	**12**	**(4,907)**	**(4,895)**
Fair value			
At 31 December 2012	**1**	**—**	**1**
At 31 December 2011	1	—	1
Cost			
At 1 January 2013	(11)	4,907	4,896
At 31 December 2013	**(11)**	**4,907**	**4,896**
Fair value losses			
At 1 January 2013	12	(4,907)	(4,895)
At 31 December 2013	**12**	**(4,907)**	**(4,895)**
Fair value			
At 31 December 2013	**1**	**—**	**1**
At 31 December 2012	1	—	1

At 31 December 2013, the Company held 12.5% (2012: 12.5%) of the issued ordinary share capital of EiRx Therapeutics plc. This investment is carried at fair value through profit or loss and is valued at £nil as the company's stock market listing has been suspended for a number of years and it is having difficulties achieving a new flotation.

8. Investment property

	Investment property £'000
Cost or fair value	
At 1 January 2013	—
Transfer from inventories	2,666
At 31 December 2013	**2,666**
Fair value movements	
At 1 January 2013	—
Fair value adjustment	—
At 31 December 2013	—
Net book value	
At 31 December 2013	**2,666**
At 31 December 2012	—

Investment property is held by the Group for long-term investment. The properties are recorded as investment properties and are valued by the Directors at a market value of £2,666,000, which was the fair value of the property on transfer from inventories. The investment properties are not depreciated, as they will be reviewed annually for impairment. The Directors do not consider the current fair value to be significantly different to the carrying value.

The direct operating expenses for the period arising from the investment properties were £34,000 (2012: £32,000). The investment properties generated income of £147,000 (2012: £149,000) during the period.

The investment properties have been provided as security for the bank loan (see note 13).

Notes to the Group financial statements
for the year ended 31 December 2013

9. Subsidiary undertakings
At 31 December 2013 Energiser Investments plc held 50% or more of the equity of the following:

Company name	Country of registration	Principal activity	Holding	Class of shares
World Life Sciences Limited	England	Dormant	100%	Ordinary
Urco Limited	England	Dormant	100%	Ordinary
Development Funding Limited	England	Development finance	100%	Ordinary
Energiser (Nominee) Limited	England	Development finance	100%	Ordinary
Cedar Green Homes Limited	England	Property development	100%	Ordinary

10. Inventories

	2013 £'000	2012 £'000
Freehold properties	—	2,566

The freehold properties held within inventories have been transferred to investment property within non-current assets.

11. Trade and other receivables

	2013 £'000	2012 £'000
Other loan	1,400	—
Other debtors	15	14
Total trade and other receivables	1,415	14

Other loans includes £1,400,000 (2012: £nil) forwarded to a housebuilder under a mezzanine finance facility of up to £2,600,000. The Group is entitled to the greater of either a 50 per cent share of the net profit of the residential development being funded or a priority return of £785,000, subject to the development making sufficient profits. The loan is secured via a second charge over the development site. In the opinion of the Directors, fair value is equal to the carrying value.

12. Trade and other payables

	2013 £'000	2012 £'000
Current		
Trade creditors	35	48
Other creditors and accruals	324	285
	359	333
Non-Current		
Financial liabilities held at fair value	17	32
	17	32
Total trade and other payables	376	365

In the opinion of the Directors, fair value is equal to carrying value.

Notes to the Group financial statements
for the year ended 31 December 2013

13. Borrowings

	2013 £'000	2012 £'000
Current		
Bank loan	**40**	40
Other loans	**2,271**	775
	2,311	815
Non-current		
Bank loan	**1,200**	1,239
	1,200	1,239
Total borrowings	**3,511**	2,054

On completion of the Wellingborough development, Cedar Green Homes Limited entered into a five year term loan from Barclays Bank of £1,360,000, secured on those properties, at an interest rate of base rate plus 2.75%. The terms of the loan required an interest rate swap of £900,000 to fix the base rate at 1.98% per annum. The loan is repayable in September 2015.

£1,400,000 included within other loans has been provided by investors in order to fund the Group's obligations under the mezzanine finance facility detailed in note 11. It attracts interest at 10% per annum. The balance of other loans is unsecured and attracts interest at 4% above base rate. In the opinion of the Directors, fair value is equal to the carrying value.

14. Share capital

	2013 £'000	2012 £'000
Authorised		
46,000,000 (2012: 46,000,000) ordinary shares of 0.1p each	**46**	46
3,980,789,750 (2012: 3,980,789,750) deferred shares of 0.1p each	**3,981**	3,981
	4,027	4,027
Allotted, called up and fully paid		
43,787,956 (2012: 43,787,956) ordinary shares of 0.1p each	**44**	44
2,268,113,165 (2012: 2,268,113,165) deferred shares of 0.1p each	**2,268**	2,268
	2,312	2,312

Deferred shares
The deferred shares have:

- no right to any dividend;
- the right to receive notice of any general meeting and to attend such meeting but no right to vote there at; and
- the right on a winding up or other return of capital (after payment of the debts and liabilities of the Company and an amount equal to the amounts paid up, or credited as paid up, including any premium on the ordinary shares of the Company, together with any unpaid arrears of dividend declared on such shares) to an amount equal to the amounts paid up or credited as paid up on such deferred shares.

The Group operates an unapproved share option scheme. Awards under each scheme are made periodically to employees. The share options in this scheme vest three years after the date of grant and have an exercise period of seven years. The options may only be exercised by option holders while they are still employees of the Group. If death in service occurs the options can be exercised (to the extent that they have vested) by the options holder's personal representatives for a period of one year following the date of death. If an option holder ceases to be employed and the Directors deem the option holder to be a 'Good Leaver' the options can be exercised (to the extent that they have vested) for a period of six months following the date of cessation of employment. The charge calculated up to 31 December 2013 is £nil (2012: £nil). Volatility was assessed over the period since the shares were listed.

Notes to the Group financial statements
for the year ended 31 December 2013

14. Share capital *continued*
A reconciliation of option movements over the year ended 31 December 2013 is shown below:

	Number	Exercise price
Granted in the year	Nil	
Outstanding at 31 December 2013	1,900,000	20p
Exercisable at 31 December 2013	1,900,000	20p

At 31 December 2013 outstanding options granted over ordinary shares were as follows:

Share option scheme	**Exercise price**	**Number**	**Dates exercisable**
Company unapproved	20p	1,900,000	24 March 2010 to 23 March 2017

15. Retirement benefits
Defined contribution pension scheme
The Group operates a defined contribution scheme for the benefit of certain employees and Directors. The assets of the scheme are administered by trustees in a fund independent from those of the Company. There were no contributions during the year (2012: £nil).

16. Commitments under operating leases
There are no commitments under operating leases (2012: £nil). All rental properties are let on short term leases between six and twelve months.

17. Transactions with related parties
Highlands Village Limited, a company in which Mr S D Wicks and Mr N Malde are both Directors and shareholders, advanced £281,000 to the Company in previous years on an unsecured basis at 4% above base rate. Interest of £64,000 (2012: £52,000) has been accrued and remains unpaid at the year end.

18. Financial instruments and risk profile
The Group's financial instruments comprise its investment portfolio, cash balances, debtors and creditors that arise directly from its operations and derivative instruments. The Group is exposed to risk through the use of financial instruments and specifically to liquidity risk, market price risk and credit risk, which result from the Group's operating activities.

The Board's policy for managing these risks is summarised below.

Liquidity risk
The Group makes investments for the long term. Accordingly the Group rarely trades investments in the short term. Whilst the Group has no listed investments at present, historically these have been sold to meet the Group's funding requirements. However, the market in small capitalised companies can be illiquid. The Group also has a number of residential properties which can be sold. Accordingly the Directors monitor the market and make disposals as appropriate.

Market price risk
The Group is exposed to market price risk as shown by movements in the value of its equity investments. Any such risk would be regularly monitored by the Directors.

Capital risk management
The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders, benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

Notes to the Group financial statements

for the year ended 31 December 2013

18. Financial instruments and risk profile *continued*

The Group monitors capital on the basis of carrying amount of equity, less cash and cash equivalents as presented on the face of the Statement of Financial Position. The movement in the capital to overall financing ratio is shown below. The target capital to overall financing ratio has been set by the Directors at 10%.

	2013 £'000	2012 £'000
Equity	**205**	169
Less: cash and cash equivalents	**(10)**	(7)
Capital	**195**	162

	2013 £'000	2012 £'000
Equity	**205**	169
Borrowings	**3,511**	2,054
Overall financing	**3,716**	2,223
Capital to overall financing	**5.2%**	7.3%

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Credit risk

The Group's exposure to credit risk is limited to the carrying amount of financial assets recognised at the balance sheet date.

	2013 £'000	2012 £'000
Trade and other receivables	**1,415**	14
Cash and cash equivalents	**10**	7
	1,425	21

The Directors consider that all the above financial assets are of reasonable quality. No amounts shown above are considered to be past their due date.

Summary of financial assets and liabilities by category

The carrying amount of financial assets and liabilities as recognised at the balance sheet date of the reporting periods under review may also be categorised as below:

	2013 £'000	2012 £'000
Non-current assets		
Financial assets at fair value through profit or loss	**1**	1
Current assets		
Trade and other receivables	**1,415**	14
Cash and cash equivalents	**10**	7
Loans and receivables	**1,425**	21
Current liabilities		
Financial liabilities carried at amortised cost	**2,670**	1,148
Non-current liabilities		
Financial liabilities carried at amortised cost	**1,200**	1,239
Derivative held at fair value through profit or loss	**17**	32
	1,217	1,271

The financial instruments held at fair value through profit or loss have been valued in accordance with the International Private Equity and Venture Capital Valuation guidelines. In the current year, these are determined by reference to quoted prices where there is an active market for identical assets or liabilities. Otherwise the fair value is determined by using valuation techniques such as earnings multiples. There is no material difference between the carrying value and fair value of the Group's aggregate financial assets and liabilities.

Notes to the Group financial statements
for the year ended 31 December 2013

18. Financial instruments and risk profile *continued*
Interest rate risk profile of financial liabilities

	2013 £'000	2012 £'000
Floating rate financial liabilities	**2,111**	2,054
Fixed rate financial liabilities	**1,400**	—
Financial liabilities on which no interest is paid	**376**	365
	3,887	2,419

The floating rate financial liabilities principally comprise loans as follows:

- bank loan which is secured against the investment properties with interest payable at 2.5% over base rate; and
- other loans with interest payable at 4% over base rate.

The fixed rate financial liability comprises a loan with interest payable at 10% per annum.

All financial assets and liabilities are denominated in Sterling.

Maturity profile of financial liabilities including interest
The maturity profile of the Group's financial liabilities was as follows:

	2013 £'000	2012 £'000
In one year or less, or on demand		
Bank loan	**80**	80
Other loans	**2,410**	775
	2,490	855
In more than one year but not more than two		
Bank loan	**80**	80
In more than three years		
Bank loan	**1,040**	1,228

The above amounts reflect the contractual undiscounted cash flows which may differ to the carrying values of the liabilities at the reporting date.

Fair value measurement hierarchy of financial liabilities
The Group uses an interest rate swap to mitigate interest rate exposure on the Barclays Bank loan. The loan has a variable interest rate of 2.75% above the notional base rate of 1.98%. The interest rate swap is deemed to be a separate financial instrument from the loan and not an embedded derivative within the host loan. In accordance with IFRS 7, financial instruments are disclosed by level of the fair value measurement hierarchy as detailed in note 7. There have been no transfers between these classifications in the period (2012: none). The change in fair value for the current and previous years is recognised through profit or loss.

	Level 2 derivatives £'000
Cost	
At 1 January 2013	—
Additions	—
At 31 December 2013	**—**
Fair value movements	
At 1 January 2013	(32)
Fair value adjustment	15
At 31 December 2013	**(17)**
Fair value	
At 31 December 2013	**(17)**
At 31 December 2012	(32)

Notes to the Group financial statements

for the year ended 31 December 2013

18. Financial instruments and risk profile *continued*

Sensitivity analysis

The following table illustrates the sensitivity of profit/(loss) and equity to a reasonably possible change in interest rates of +/- 1%. These changes are considered to be reasonably possible based on observation of current market conditions. The calculations are based on a change in the average market interest rate for each period, and the financial instruments held at each reporting date that are sensitive to changes in interest rates. All other variables are held constant.

	Profit/(loss) for the year £000		Equity £000	
	+1%	-1%	+1%	-1%
31 December 2013	**1**	**62**	**170**	**231**
31 December 2012	(192)	(151)	149	190

19. Company information

The Company is a public limited company registered in England and Wales. The registered office is 417 Finchley Road, London, NW3 6HJ.

Independent auditor's report

to the members of Energiser Investments plc on the Parent Company financial statements

We have audited the Parent Company financial statements of Energiser Investments plc for the year ended 31 December 2013 which comprise the Parent Company Balance Sheet, the principal accounting policies and the related Notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 9, the Directors are responsible for the preparation of the Parent Company 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 Parent Company 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 APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the Parent Company financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2013;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 Group strategic report and in the 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 Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Other matter

We have reported separately on the Group financial statements of Energiser Investments plc for the year ended 31 December 2013.

Andrew Hulse
Senior statutory auditor
UHY Hacker Young
Statutory Auditor, Chartered Accountants
Sheffield
28 May 2014

Parent company balance sheet
for the year ended 31 December 2013

	Note	2013 £'000	2012 £'000
Fixed assets			
Investments	3	**1**	1
Current assets			
Debtors	4	**909**	906
		909	906
Creditors: amounts falling due within one year	5	**(969)**	(846)
Net current (liabilities)/assets		**(60)**	60
Net (liabilities)/assets		**(59)**	61
Capital and reserves			
Called up share capital	6	**2,312**	2,312
Share premium account	7	**5,747**	5,747
Convertible loan	7	**88**	88
Revaluation reserve	7	**420**	420
Merger reserve	7	**1,012**	1,012
Profit and loss account	7	**(9,638)**	(9,518)
Shareholders' (deficit)/funds	8	**(59)**	61

The financial statements were approved by the Board of Directors and authorised for issue on 28 May 2014.

William Weston
Chairman

Nishith Malde
Director

Company Number
00298654

The accompanying accounting policies and Notes form an integral part of these financial statements.

Principal accounting policies

for the year ended 31 December 2013

The principal accounting policies of the Company remain unchanged from the previous year, other than as noted below. The accounting policies of the Company are set out below.

Basis of accounting

The accounts have been prepared under the historical cost convention, as modified by the revaluation of investment assets. The accounts have been prepared in accordance with applicable accounting standards.

The financial statements have been prepared on the going concern basis, the Directors having considered the cash forecasts for the next twelve months from the date of the approval of these financial statements. In doing so they have given due regard to the risks and uncertainties affecting the business as set out in the Directors' Report, the liquidity of investments and the liquidity risk disclosed in Note 18 of the Group financial statements, financial support provided by Mr S D Wicks, who has undertaken to meet the cash needs of the Company if required, and the repayment of other loans as referred to in Note 13 of the Group financial statements. On this basis the Directors have a reasonable expectation that the funds available to the Group are sufficient to meet the requirements indicated by those forecasts.

Investments

Investments in subsidiaries are carried at cost less amounts written off.

Listed investments

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

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

Unlisted shares

Valuation methods used are either costs or, where appropriate, fair value in accordance with International Private Equity and Venture Capital Valuation Guidelines.

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

- price of recent investment;
- earnings multiple;
- net assets;
- discounted cash flows or earnings of the underlying business;
- discounted cash flows from the investment; and
- industry valuation benchmarks.

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

In the course of this review, increases above cost based valuations of unquoted investments are, in normal circumstances, only made if substantiated by significant third party transactions in relevant shares. Unrealised gains are recorded in the revaluation reserve.

Principal accounting policies
for the year ended 31 December 2013

Leased assets
Payments made under operating leases are charged to the revenue account on a straight line basis over the lease term.

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

- expenses which are incidental to the acquisition of an investment are included within the cost of the investment;
- expenses which are incidental to the disposal of an investment are deducted from the disposal proceeds of the investment; and
- expenses are charged to capital reserve and realised where a connection with the maintenance or enhancement of the value of the investments can be demonstrated.

Taxation
Deferred tax is recognised on all timing differences where the transactions or events that give the Company an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance sheet date.

Retirement benefits
Defined contribution pension scheme
The pension costs charged against operating profits are the contributions payable to the scheme in respect of the accounting period.

Notes to the Company's financial statements

for the year ended 31 December 2013

1. Loss attributable to members of the Parent Company

As permitted by Section 408 of the Companies Act 2006, the Parent Company has not presented its own profit and loss account.

The Company's loss for the year of £120,000 (2012: loss of £223,000) has been transferred to reserves.

Auditor's remuneration

The audit fees for the Company were £7,000 (2012: £15,000). Auditor's remuneration for other services is disclosed in note 2 to the consolidated financial statements.

Fees paid to the Company's auditor, UHY Hacker Young and its associates for services other than statutory audit of the Company are not disclosed in Energiser Investments plc's accounts since the Group accounts are required to disclose non-audit fees on a Group basis.

2. Staff costs

Staff costs during the year were as follows:

	2013 £'000	2012 £'000
Wages and salaries	**10**	10

The Directors and employees of the Company waived £425,000 of remuneration as at 31 December 2013 (2012: £387,000), which includes £38,000 in respect of the current year. See Remuneration Report on page 37.

The average number of employees (including Directors) of the Company was:

	2013 Number	2012 Number
Management of investments	**2**	2

See the Remuneration Report for details of Directors' remuneration.

3. Investments

	2013 £'000	2012 £'000
Investments listed on a recognised investment exchange	**1**	1

	Listed £'000	**Subsidiary undertakings £'000**	**Other unlisted investments £'000**	**Total £'000**
Cost				
At 1 January 2013	(419)	2,623	4,907	7,111
At 31 December 2013	**(419)**	**2,623**	**4,907**	**7,111**
Unrealised appreciation/(depreciation)				
At 1 January 2013	420	—	(4,907)	(4,487)
At 31 December 2013	**420**	**—**	**(4,907)**	**(4,487)**
Provision against investment in subsidiaries	—	(2,623)	—	(2,623)
Cost or valuation				
At 31 December 2013	**1**	**—**	**—**	**1**
At 31 December 2012	1	—	—	1

Notes to the Company's financial statements
for the year ended 31 December 2013

4. Debtors

	2013 £'000	2012 £'000
Amounts owed by subsidiary undertaking	**902**	902
Other debtors	**5**	1
Prepayments and accrued income	**2**	3
	909	906

5. Creditors: amounts falling due within one year

	2013 £'000	2012 £'000
Other loans	**701**	628
Trade creditors	**20**	33
Amounts owed to subsidiary undertaking	**63**	40
Other creditors and accruals	**185**	145
	969	846

6. Share capital

	2013 £'000	2012 £'000
Authorised		
46,000,000 (2012: 46,000,000) ordinary shares of 0.1p each	**46**	46
3,980,789,750 (2012: 3,980,789,750) deferred shares of 0.1p each	**3,981**	3,981
	4,027	4,027
Allotted, called up and fully paid		
43,787,956 (2012: 43,787,956) ordinary shares of 0.1p each	**44**	44
2,268,113,165 (2012: 2,268,113,165) deferred shares of 0.1p each	**2,268**	2,268
	2,312	2,312

Deferred shares
The deferred shares have:

- no right to any dividend;
- the right to receive notice of any general meeting and to attend such meeting but no right to vote there at; and
- the right on a winding up or other return of capital (after payment of the debts and liabilities of the Company and an amount equal to the amounts paid up, or credited as paid up, including any premium on the ordinary shares of the Company, together with any unpaid arrears of dividend declared on such shares) to an amount equal to the amounts paid up or credited as paid up on such deferred shares.

The Company operates an unapproved share option scheme. Awards under each scheme are made periodically to employees. The share options in this scheme vest three years after the date of grant and have an exercise period of seven years. The options may only be exercised by option holders while they are still employees of the Group. If death in service occurs the options can be exercised (to the extent that they have vested) by the options holder's personal representatives for a period of one year following the date of death. If an option holder ceases to be employed and the Directors deem the option holder to be a 'Good Leaver' the options can be exercised (to the extent that they have vested) for a period of six months following the date of cessation of employment. The charge calculated up to 31 December 2013 is nil (2012: £nil). Volatility was assessed over the period since the shares listed.

A reconciliation of option movements over the year ended 31 December 2013 is shown below:

	Number	Exercise price
Granted in the year	Nil	
Outstanding at 31 December 2013	1,900,000	20p
Exercisable at 31 December 2013	1,900,000	20p

Notes to the Company's financial statements
for the year ended 31 December 2013

6. Share capital *continued*
Deferred shares ***continued***

At 31 December 2013 outstanding options granted over 0.1p ordinary shares were as follows:

Share option scheme	Option price	Number	Dates exercisable
Company unapproved	20p	1,900,000	24 March 2010 to 23 March 2017

7. Reserves

	Share premium account £'000	Equity element of convertible loan £'000	Revaluation reserve £'000	Merger reserve £'000	Profit and loss account £'000
At 1 January 2013	5,747	88	420	1,012	(9,518)
Retained loss for the year	—	—	—	—	(120)
At 31 December 2013	**5,747**	**88**	**420**	**1,012**	**(9,638)**

8. Reconciliation of movements in shareholders' (deficit)/funds

	2013 £'000	2012 £'000
Retained loss for the year	**(120)**	(223)
Shareholders' funds brought forward	**61**	284
Shareholders' (deficit)/funds carried forward	**(59)**	61

9. Commitments under operating leases
There are no commitments under operating leases (2012: £Nil).

10. Transactions with related parties
Highlands Village Limited, a company in which Mr S D Wicks and Mr N Malde are both Directors and shareholders, advanced £281,000 to the Company in previous years on an unsecured basis at 4% above base rate. Interest of £64,000 (2012: £52,000) has been accrued and remains unpaid at the year end.

Cedar Green Homes Limited and Development Funding Limited are wholly owned subsidiaries of Energiser Investments plc. Energiser Investments plc is exempt from the requirements of FRS 8 to disclose transactions with the companies.

Remuneration report

Directors' remuneration

The Board submits its Directors' Remuneration Report for the year ended 31 December 2013.

The policy of the Board is to provide executive remuneration packages designed to attract, motivate and retain Directors of the calibre necessary to maintain the Company's position as a market leader 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. Due to the Board's current size it does not have a Remuneration Committee.

Main elements of remuneration

The three main elements of the Executive Directors' remuneration package are basic annual salary, performance related bonus and share option incentives.

Basic annual salary

Any Executive Director's basic salary is reviewed annually 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.

Summary of Directors' remuneration

	Aggregate emoluments					Company contributions to money purchase pension scheme	
	Salary/ fees 2013 £'000	Salary waived 2013 £'000	Bonus 2013 £'000	Total 2013 £'000	Total 2012 £'000	2013 £'000	2012 £'000
Executive							
N Malde	38	(38)	—	—	—	—	—
Non-executive							
S C Bennett	10	—	—	10	10	—	—
W J Weston	—	—	—	—	—	—	—
	48	(38)	—	10	10	—	—

Non-executive Director

The remuneration of the Non-executive Director is determined by the Board within the limits set out in the Articles of Association. The Non-executive Director does not have a contract of service and is not eligible to receive pension contributions.

Directors' interests

The interests of the Directors and their families in the ordinary shares of the Company are shown below:

Ordinary shares	As at 31 December 2013 0.1p Ordinary shares	As at 1 January 2013 0.1p Ordinary shares
S C Bennett (resigned 4 December 2013)	750,000	750,000
W J Weston (appointed 4 December 2013)	3,175,000	—
N Malde	5,935,646	5,935,646
Share options	**0.1p Ordinary shares**	**0.1p Ordinary shares**
N Malde	700,000	700,000

The share options are part of a Company Unapproved scheme and are exercisable at 20p between 24 March 2010 and 23 March 2017.

Other than shown above, no Director had any interest in the shares of the Company or any of its subsidiaries at 31 December 2013. On 20 January 2014 Nishith Malde acquired an additional 375,000 shares in the Company. On 20 January 2014 Simon Bennett sold his entire investment in the Company.

On behalf of the Board

William Weston
Chairman
28 May 2014

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the ANNUAL GENERAL MEETING of Energiser Investments plc (the Company) will be held at 2 Anglo Office Park, 67 White Lion Road, Amersham, Buckinghamshire HP7 9FB at 11.00am on 30 June 2014, for the purposes of considering and, if thought fit, passing the following resolutions as to which those numbered 1 to 3 inclusive will be proposed as ordinary resolutions and those numbered 4 to 7 will be proposed as special resolutions.

Ordinary resolutions

1. THAT the audited accounts of the Company for the financial year ended 31 December 2013 and the Directors' Report and Auditor's Report on those accounts and the Strategic report and Remuneration report be received and adopted.

2. THAT UHY Hacker Young be appointed auditor of the Company to hold office from the conclusion of this Meeting until the conclusion of the next general meeting at which audited accounts are laid and to authorise the Directors to fix its remuneration.

3. THAT William Weston be reappointed as a Director of the Company in accordance with the Articles of Association of the Company.

Special business

4. THAT article 4 of the Company's articles of association (the Articles of Association) is hereby deleted and replaced with the following:

   "Share capital
   At the date of adoption of this Article, the share capital of the Company is made up of:

   (a) ordinary shares of 0.1 pence each; and

   (b) deferred shares of 0.1 pence each, such deferred shares having:

      (i) no right to any dividend;

      (ii) the right to receive notice of any general meeting and to attend such meeting but no right to vote there at;

      (iii) the right on a winding up or other return of capital (after payment of the debts and liabilities of the Company and an amount equal to the amounts paid up or credited as paid up including any premium on the ordinary shares of the Company together with any unpaid arrears of dividend declared on such shares) to an amount equal to the amounts paid up or credited as paid up on such deferred shares.

   The holder of a new deferred share shall not be entitled to a share certificate in respect of that share."

5. THAT in substitution for all existing authorities under that Section, the Directors be and they are hereby generally and unconditionally authorised pursuant to Section 551 of the Companies Act 2006 (the Act) to exercise all the powers of the Company to allot, grant options over, offer or otherwise deal with or dispose of any relevant securities (as defined in Section 560 of the Act) of the Company up to a maximum aggregate nominal amount of £32,840.97 to such persons, at such times and generally on such terms and conditions as the Directors (subject to the Articles of Association of the Company from time to time) in their absolute discretion may determine during the period commencing on the date of the passing of this resolution and expiring (unless previously renewed, varied or revoked by the Company in general meeting) 15 months from the date of the passing of this resolution or, if earlier, on the conclusion of the next Annual General Meeting of the Company save that the Company may make an offer or agreement which would or might require relevant securities to be allotted after the expiry of this authority and the Directors may allot relevant securities pursuant to such an offer or agreement as if the authorities hereby conferred had not expired.

Notice of Annual General Meeting

6. THAT in substitution for all existing authorities, the Directors be and they are hereby empowered, pursuant to Section 571 of the Act, to allot equity securities (within the meaning of Section 560 of the Act) for cash pursuant to the authority conferred by resolution 5 above as if Section 561 of the Act did not apply to any such allotment provided that this power shall be limited:

   (a) to the allotment of equity securities where the equity securities respectively attributable to the interests of all relevant shareholders are proportionate (as nearly as may be) to the respective numbers of shares held by them on the record date for such allotment subject only to such exclusions or other arrangements as the Directors may consider necessary or expedient to deal with fractional entitlements or legal or practical problems under the laws of, or the requirements of, any regulatory body or stock exchange in any territory;

   (b) to the allotment (otherwise than pursuant to sub-paragraph (a) above) of equity securities up to a nominal amount not exceeding £1,900 pursuant to the exercise of options to subscribe for equity securities in the capital of the Company granted prior to the date hereof; and

   (c) to the allotment (otherwise than pursuant to sub-paragraphs (a) and (b) inclusive above) of equity securities for cash up to an aggregate nominal amount not exceeding £32,840.97,

   and shall expire on the conclusion of the next Annual General Meeting of the Company or 15 months after the passing of this resolution, whichever is earlier, save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such offer or agreement after such expiry as if the power conferred hereby had not expired.

7. THAT the Company is generally and unconditionally authorised to make purchases (within the meaning of section 693(4) of the Act) of ordinary shares of £0.001 each in the capital of the Company ("Ordinary Shares") provided that:

   (a) the maximum aggregate number of Ordinary Shares that may be purchased is up to a maximum aggregate nominal amount of £4,378.80;

   (b) the minimum price (excluding expenses) which may be paid for each Ordinary Share is £0.001; and

   (c) the maximum price (excluding expenses) which may be paid for each Ordinary Share is 105 per cent. of the average market value of an Ordinary Share for the five business days prior to the day the purchase is made.

   The authority conferred by this resolution shall expire 15 months after the date of passing of this resolution or, if earlier, at the conclusion of the Company's next Annual General Meeting save that the Company may, before the expiry of the authority granted by this resolution, enter into a contract to purchase Ordinary Shares which will or may be executed wholly or partly after the expiry of such authority.

ON BEHALF OF THE BOARD

Nishith Malde
Company Secretary
28 May 2014

Registered office:
417 Finchley Road
London
NW3 6HJ

Notice of Annual General Meeting

Notes

1. A member of the Company entitled to attend, speak and vote at the Annual General Meeting (AGM) may appoint one or more proxies to attend, speak and vote instead of him/her. A proxy need not be a member of the Company.

2. Completion and return of a form of proxy does not preclude a member from attending, speaking and voting at the AGM in person should he/she so wish.

3. A form of proxy is enclosed and to be valid must be completed, signed and returned so as to reach the Company's registrar, Neville Registrars Ltd, Neville House, 18 Laurel Lane, Halesown, B63 3DA (together with a letter or power of attorney or other written authority, if any, under which it is signed or a notarially certified or office copy of such power or written authority, not later than 11.00am on 28 June 2014 being 48 hours before the time fixed for holding the AGM or any adjournment thereof.

4. Copies of the Directors' service contracts and letters of appointment will be available for inspection by members at the registered office of the Company during normal business hours from the date of this notice until the conclusion of the AGM.

5. Pursuant to Regulation 41 of The Uncertificated Securities Regulations 2001, only those members registered in the Register of Members of the Company as at close of business on 27 June 2014 are entitled to attend, speak or vote at this AGM in respect of the number of shares registered in their name as at close of business on 27 June 2014. Changes to entries in the register after close of business on 27 June 2014 shall be disregarded in determining the right to attend, speak or vote at the AGM.

Board of Directors and advisers

Non-executive Chairman
William Weston

Executive Director
Nishith Malde

Company registration number
00298654

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417 Finchley Road
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Secretary
Nishith Malde

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Auditor
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Chartered Accountants and
Statutory Auditor
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