Pires Investments plc

(Incorporated in England and Wales with registered number 02929801)

Annual report and financial statements
for the year ended 31 October 2012

CONTENTS

COMPANY INFORMATION

COMPANY INFORMATION

Directors	P Redmond *(chairman)* A A Quraishi C J Yates
Secretary	T V Le Druillenec C J Yates MA ACA
Registered office	c/o Morrison & Foerster CityPoint One Ropemaker Street London EC2Y 9AW
Auditor	Welbeck Associates *Chartered Accountants* 31 Harley Street London W1G 9QS
Nominated Adviser	Cairn Financial Advisers LLP 61 Cheapside London EC2V 6AX
Broker	Peterhouse Corporate Finance Limited 31 Lombard Street London EC3V 9BQ
Registrar	Computershare Investor Services Plc PO Box 82 The Pavilions Bridgwater Road Bristol BS99 7NH
Company Registration Number	02929801

CHAIRMAN'S STATEMENT

Pires is an investing company focusing on investment in the resources and energy sectors. On 12 April 2013, the Company announced that it had implemented its investing policy, and as a consequence its shares will continue to trade on in accordance with AIM Rule 15.

During the course of the year, the Board reviewed a number of prospective reverse transactions, one in particular to a relatively advanced stage. We continue to review opportunities and certain transactions are under active review at present.

As I explained at the time of the interim results, the profit for the period arises purely from the accounting treatment from the reduction of creditors following the Company Voluntary Arrangement ("CVA") which took place in the early part of 2012 and from the previous activities of the Company being treated as "discontinued activities".

At the time of the CVA and reorganisation, £1.7 million was raised by way of new equity capital. Of this sum, £100,209 has been paid to settle with creditors under the CVA and £158,711 of professional and related costs were incurred in relation to the CVA, reorganisation and refinancing. Operating costs of £178,637 were incurred during the year after the approval of the CVA in part due to the need to resolve certain historic issues which were not covered by the CVA. The Board continues to take steps to reduce outgoings for the future.

While the Company continues to look for reverse takeover transactions, it is also looking to take advantage of opportunities to seed transactions at a pre-IPO stage with the intention of incubating them to come to market in a way which will enhance the value of Pires initial holding. We have made one such investment, at this stage on a small scale, in a shale oil project. We have also invested in a range of liquid quoted investments as announced on 12 April 2013. The Company will re-present its investing policy to shareholders for approval by shareholders at the forthcoming Annual General Meeting.

The Company is now in a position to move forward in a positive manner and your board is confident of taking it forward with substantive transactions during the current financial year.

Peter Redmond
Chairman

26 April 2013

DIRECTORS' REPORT
for the year ended 31 October 2012

Results and dividends

The Group's profit for the year before taxation on continuing activities was £1,094,395 (2011 loss restated: £469,841). The profit for the period after tax and including discontinued activities was £781,476 (2011 loss: £1,779,886). The 2012 result benefitted from a gain of £1,526,949 arising from the creditors' voluntary arrangement which was approved during the year.

The Directors are unable to recommend the payment of a dividend, given the deficit on distributable reserves.

Principal activities

The principal activities of the Group since 16 April 2012 (being the date on which the creditors' voluntary arrangement and group restructuring were approved) have been as an investment company which has involved the seeking of and investigating of investment opportunities although to date no investments have been made. The Principal activities of the Group until 16 April 2012 were operating the museum and restaurant facility in Ringwood and the classic car refurbishment business.

Post balance sheet events

Note 26 gives details of certain events which have taken place since the balance sheet date.

Business review and future developments

At the General Meeting held on 16 April 2012, members approved the adoption of an investing policy for the Company to invest, principally but not exclusively, in the resources and energy sectors and full details of the policy adopted were set out in a circular to members dated 22 March 2012 and are set out on the Company's website.

Principal risks and uncertainties

Market Risks

The value of the Company's assets will depend, to a significant degree, on the Company's ability to identify and make suitable investments in a reasonable timeframe. The Directors intend that appropriate due diligence be carried out by the Company on potential prospects, but there is an inherent risk in investing in companies or businesses.

Funding

It is likely that, if the Company identifies and wishes to pursue an investment opportunity or a reverse takeover, it may need to raise further funds for further working or development capital. There is no guarantee that the then prevailing market conditions will allow for such a fundraising or that new investors will be prepared to invest on a basis which is acceptable to shareholders.

Key performance indicators

The Directors consider that, pending the making of investments, the key performance indicator of the Company is its cash position and net asset value which is reviewed on a monthly basis.

Directors

The following Directors have held office since 31 October 2011:

P Redmond (appointed 16 April 2012)
A A Quraishi (appointed 16 April 2012)
C J Yates
P D Collins (resigned 16 April 2012)
M C Woodcock (resigned 16 April 2012)

Financial risk management

Details of the Group's financial instruments and financial risk management policies can be found in note 3 to the financial statements.

DIRECTORS' REPORT (continued)
for the year ended 31 October 2012

Creditor payment policy and practice

The Group's policy concerning the payment of creditors is to:

- settle the terms of payment with suppliers when agreeing the terms of each transaction;
- ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; and
- pay in accordance with the Group's contractual and other legal obligations.

The number of days outstanding between receipt of invoices and date of payment, calculated by reference to the amount owed to trade creditors including amounts in accruals at the year end as a proportion of the amounts invoiced by suppliers during the year after the CVA was 119 days (2011: 329 days).

Going concern

The Directors consider that the Company has adequate finance for the Company for the foreseeable future and accordingly these accounts have been prepared on a going concern basis.

Directors' interests

The Directors' beneficial interests in the share capital of the Company as at 31 October 2011, 31 October 2012 and 26 April 2013 were:

	Ordinary shares of 0.1p each 26 April 2013	**Ordinary shares of 0.1p each 31 October 2012** *(note 1)*	**Ordinary shares of 5p each 31 October 2011** *(note 2)*
P D Collins *(note 3)*	N/A	2,211,432	2,211,432
P Redmond *(note 4)*	-	-	-
A A Quraishi *(note 4)*	-	-	-
M C Woodcock	N/A	3,632,195	3,632,195
C J Yates	1,926,153	200,000	200,000

Notes:

1. *In the case of Directors who resigned during the year, at the date of resignation*
2. *In the case of Directors appointed during the year, at the date of appointment*
3. *P D Collins had interests in share options during the period and these are detailed in the Corporate Governance Report*
4. *On 17 April 2012, the Board granted to each of P Redmond and A A Quraishi a warrant over 1.5% of the Company's issued ordinary share capital from time to time exercisable at 0.1p per new ordinary share at any time up to 17 April 2015*

Substantial shareholders

As at 26 April 2013, the Company had been notified in accordance with Chapter 5 of the Disclosure and Transparency Rules of the following holdings. Save for those holdings shown below, the Directors are not aware of any beneficial holdings by an individual shareholder or group of connected shareholders whose aggregate holding is 3% or more of the current issued ordinary share capital.

Shareholder	**% of the issued ordinary share capital**
Gledhow Investments plc	11.39%
Otterswick UK Limited	9.22%
C A Windham	3.07%

DIRECTORS' REPORT (continued)
for the year ended 31 October 2012

Charitable and political donations

No charitable or political donations were made during the year (2011: nil).

Auditor

Welbeck Associates were appointed by the Directors on 27 March 2012. Welbeck Associates have expressed their willingness to continue in office as auditor and a resolution to re-appoint them will be proposed at the forthcoming Annual General Meeting.

Statement of Directors' responsibilities

The Directors are responsible for preparing 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 are required to prepare the Group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and Article 4 of the IAS Regulation and have also chosen to prepare the Parent Company financial statements under IFRSs as adopted by the EU. Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Group for that period. In preparing those financial statements, International Accounting Standard 1 requires the Directors to:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- make judgements and accounting estimates that are reasonable and prudent
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Company's ability to continue as a going concern.

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

Disclosure of information

In the case of each of the persons who are acting as Directors of the Company at the date when this report was approved:-

- so far as each of the Directors is aware, there is no relevant audit information (as defined in the Companies Act 2006) of the which the Company's auditor is not aware; and
- each of the Directors has taken all the steps that he ought to have taken as a Director to make himself aware of any relevant audit information (as defined) and to establish that the Company's auditor is aware of that information.

The Directors are also responsible for the maintenance and integrity of the investor information contained on the website. Legislation in the UK concerning the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

By order of the Board

T V Le Druillenec

Company Secretary

26 April 2013

CORPORATE GOVERNANCE REPORT
for the year ended 31 October 2012

Unaudited information

As an AIM listed company, Pires Investments plc is not required to comply with the provisions of the Combined Code. However, the Directors recognise the importance of sound corporate governance, whilst taking into account the size and nature of the Company. As such, the Directors intend to comply with the main provisions of the Combined Code in so far as practicable given the Company's size and the constitution of the Board.

During the year, the Board has met on a formal basis as necessary and generally at least once per quarter. At those meetings a report from the Finance Director has been presented and discussed and potential investments considered. The Board considers risk and strategy at each meeting.

During the year, an Audit Committee comprised Peter Collins (Chairman) and Mike Woodcock until their resignations and is now comprised of Aamir Quraishi and Peter Redmond. The Committee has met with the auditors and considered the results and the audit process, and has satisfied itself as to the auditor's independence during the year.

The Company has a Remuneration Committee which comprised Peter Collins (Chairman) and Mike Woodcock until their resignations and now comprises Aamir Quraishi and Peter Redmond as Chairman. The policy of the Company on remuneration is to reward individual performance so as to promote the best interests of the Company and enhance shareholder value. The remuneration of Directors is approved by the Board. Individual Directors do not participate in decisions concerning their own remuneration.

Share-based payments

For some years, the Company operated a share option scheme for all employees of the Group but by the end of the year all extant options had lapsed. At the start of the year, P D Collins held an option to acquire 1,828 shares in the Company which lapsed at the end of six months following his resignation.

On 16 April 2012, the Company granted a warrant in favour of Peterhouse Partnership (2012) Limited over 3% of the issued share ordinary share capital of the Company from time to time, exercisable at 0.1p per share at any time up to 20 March 2015.

On 17 April 2012, the Company granted a warrant in favour of each of Peter Redmond and Aamir Quraishi over 1.5% of the issued share ordinary share capital of the Company from time to time, exercisable at 0.1p per share at any time up to 17 April 2015.

The part of this report set out below is included within the scope of the auditor's opinion on pages 10 and 11.

Audited information

Remuneration of the Directors

During the period, the following remuneration and other benefits were charged to the Company:

	Salaries	Fees	Total 2012	Total 2011
	£	£	£	£
P Redmond	-	8,125	8,125	-
A A Quraishi	-	8,125	8,125	-
C J Yates (see note below)	38,187	-	38,187	56,250
P D Collins (see note below)	-	688	688	15,000
M C Woodcock (see note below)	3,667	-	3,667	80,000
	41,854	16,938	58,792	151,250

Note

In respect of the current year, this number represents the gross salary and fees paid to the Director during the year and the amount settled under the CVA in respect of unpaid salary and fees.

CORPORATE GOVERNANCE REPORT (continued)
for the year ended 31 October 2012

In addition, companies in which Mr Redmond and Mr Quraishi were interested were paid consultancy fees in respect of services provided and disbursements totalling £13,750 and £7,027 respectively.

Mr Redmond and Mr Quraishi were each granted a warrant to subscribe 1.5% of the Company's issued share capital from time to time and a total of £19,212 for these share based payments has been recognised in the Consolidated Statement of Comprehensive Income.

On behalf of the Board

C J Yates
Director
26 April 2013

AIM RULE COMPLIANCE REPORT
for the year ended 31 October 2012

Pires Investments plc is traded on AIM and, as such under AIM Rule 31 the Company is required to:

- have in place sufficient procedures, resources and controls to enable its compliance with the AIM Rules;
- seek advice from its nominated adviser ("Nomad") regarding its compliance with the AIM Rules whenever appropriate and take that advice into account;
- provide the Company's Nomad with any information it requests in order for the Nomad to carry out its responsibilities under the AIM Rules for Companies and the AIM Rules for Nominated Advisers;
- ensure that each of the Company's Directors accepts full responsibility, collectively and individually, for compliance with the AIM Rules; and
- ensure that each Director discloses, without delay, all information which the Company needs in order to comply with AIM Rule 17 (Disclosure of Miscellaneous Information) insofar as that information is known to the Director or could with reasonable diligence be ascertained by the Director.

In order to ensure that these obligations are met, they are considered by the whole Board.

Having reviewed relevant Board papers, and met with the Nomad to ensure that such is the case, the Board is satisfied that the Company's obligations under AIM Rule 31 have been satisfied during the year under review.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PIRES INVESTMENTS PLC

We have audited the consolidated and parent financial statements of Pires Investments Plc for the year ended 31 October 2012, which comprises the consolidated income statement and statement of comprehensive income, consolidated and Company balance sheets, consolidated and Company statement of changes in equity, consolidated and Company statement of cash flows, and the related notes on pages 12 to 31. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and as regards the Parent Company financial statements as applied in accordance with the provisions of the Companies Act 2006.

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

Respective responsibilities of Directors and auditor

As explained more fully in the Directors' Responsibilities Statements set out on page 6, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This included an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition we read all financial and non-financial information in the Chairman's Statement, Directors' Report and Statement of Corporate Governance to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group and Parent Company's affairs as at 31 October 2012 and of the Group's and Parent Company's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the Parent Company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applies in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been properly prepared in accordance with the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion:

- The information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF PIRES INVESTMENTS PLC (continued)

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' remunerations specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Jonathan Bradley-Hoare (Senior Statutory Auditor)

For and on behalf of Welbeck Associates

Chartered Accountants
Statutory Auditors

31 Harley Street
London
W1G 9QS

Date: 26 April 2013

PIRES INVESTMENTS PLC

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 October 2012

	Note	2012	2011
			(restated)
CONTINUING ACTIVITIES		**£**	£
Revenue	*6*	**-**	195
Administrative expenses		**(382,600)**	(405,747)
Exceptional credit arising from CVA		**1,526,949**	-
Operating profit/(loss) from continuing activities	*7*	**1,144,349**	(405,552)
Finance income		**835**	4
Finance costs	*8*	**(50,789)**	(64,293)
Profit/(loss) before taxation from continuing activities		**1,094,395**	(469,841)
Tax	*10*	**-**	-
Profit/(loss) for the period from continuing activities		**1,094,395**	(469,841)
Loss from discontinued activities	*11*	**(312,919)**	(1,310,045)
Profit/(loss) for the period attributable to equity holders of the Company		**781,476**	(1,779,886)
Basic earnings/(loss) per share			
Equity holders			
From continuing activities	*12*	**0.11p**	(0.85)p
From continuing and discontinued activities	*12*	**0.08p**	(3.20)p
Diluted earnings/(loss) per share			
Equity holders			
From continuing activities	*12*	**0.11p**	N/A
From continuing and discontinued activities	*12*	**0.08p**	N/A

The comparative figures for 2011 have been restated to reflect the effect of discontinued activities.

PIRES INVESTMENTS PLC

STATEMENTS OF CHANGES IN EQUITY
for the year ended 31 October 2012

	Share capital	Share premium	Shares to be issued	Capital redemption reserve	Retained earnings	Total
	£	£		£	£	£
Group						
Balance at 1 November 2010	9,587,103	3,017,818	-	164,667	(12,343,611)	425,977
Loss for the year ended 31 October 2011	-	-	-	-	(1,779,886)	(1,779,886)
At 31 October 2011	**9,587,103**	**3,017,818**	**-**	**164,667**	**(14,123,497)**	**(1,353,909)**
Loss for the year ended 31 October 2012	**-**	**-**	**-**	**-**	**781,476**	**781,476**
Issue of shares	**1,700,000**	**(104,212)**	**82,611**	**-**	**-**	**1,678,399**
Cost of share based payments	**-**	**19,212**	**-**	**-**	**19,212**	**38,424**
At 31 October 2012	**11,287,103**	**2,932,818**	**82,611**	**164,667**	**(13,322,809)**	**1,144,390**

	Share capital	Share premium	Shares to be issued	Capital redemption reserve	Retained earnings	Total
	£	£		£	£	£
Company						
Balance at 1 November 2010	9,587,103	3,017,818	-	164,667	(12,120,529)	649,059
Loss for the year ended 31 October 2011	-	-	-	-	(1,511,801)	(1,511,801)
At 31 October 2011	**9,587,103**	**3,017,818**	**-**	**164,667**	**(13,632,330)**	**(862,742)**
Loss for the year ended 31 October 2012	**-**	**-**	**-**	**-**	**348,688**	**348,688**
Issue of shares	**1,700,000**	**(104,212)**	**82,611**	**-**	**-**	**1,678,399**
Cost of share based payments	**-**	**19,212**	**-**	**-**	**19,212**	**38,424**
At 31 October 2012	**11,287,103**	**2,932,818**	**82,611**	**164,667**	**(13,264,430)**	**1,202,769**

PIRES INVESTMENTS PLC

(Incorporated in England and Wales with registered number 02929801)

BALANCE SHEETS
at 31 October 2012

		Group		Company	
	Note	**2012**	2011	**2012**	2011
		£	£	**£**	£
Non-current assets					
Goodwill	*13*	**-**	-	**-**	-
Property, plant and equipment	*14*	**-**	489,532	**-**	167,611
Investments in subsidiaries	*15*	**-**	-	**-**	203
Total non-current assets		**-**	489,532	**-**	167,814
Current assets					
Inventories	*16*	**-**	552,736	**-**	-
Trade and other receivables	*17*	**86,794**	21,283	**89,023**	932,009
Cash and cash equivalents		**1,241,015**	1,049	**1,240,610**	-
Total current assets		**1,327,809**	575,068	**1,329,633**	932,009
Total assets		**1,327,809**	1,064,600	**1,329,633**	1,099,823
Equity					
Issued share capital	*18*	**11,287,103**	9,587,103	**11,287,103**	9,587,103
Share premium		**2,932,818**	3,017,818	**2,932,818**	3,017,818
Equity share capital to be issued (including premium)	*18*	**82,611**	-	**82,611**	-
Retained earnings		**(13,322,809)**	(14,123,497)	**(13,264,430)**	(13,632,329)
Capital Redemption Reserve		**164,667**	164,667	**164,667**	164,667
Total equity		**1,144,390**	(1,353,909)	**1,202,769**	(862,741)
Liabilities					
Non-current liabilities					
Borrowings	*19*	**-**	4,234	**-**	-
Total non-current liabilities		**-**	4,234	**-**	-
Current liabilities					
Borrowings	*19*	**-**	1,143,605	**-**	1,083,512
Trade and other payables	*20*	**183,419**	1,270,670	**126,864**	879,052
Total current liabilities		**183,419**	2,414,275	**126,864**	1,962,564
Total liabilities		**183,419**	2,418,509	**126,864**	1,962,564
Total equity and liabilities		**1,327,809**	1,064,600	**1,329,633**	1,099,823

These financial statements were approved and authorised for issue by the Board of Directors on 26 April 2013 and were signed on its behalf by:

C J Yates
Director

PIRES INVESTMENTS PLC

STATEMENTS OF CASH FLOWS
for the year ended 31 October 2012

	Note	Group		Company	
		2012	2011	**2012**	2011
		£	£	**£**	£
Cash flows from operating activities					
Net cash absorbed by operating activities	*21*	**(295,049)**	(15,418)	**(297,905)**	(21,747)
Cash flows from investing activities					
Payments to acquire tangible fixed assets		**-**	(11,619)	**-**	(361)
Proceeds of disposal of fixed assets		**21,667**	-	**-**	-
Finance income received		**835**	-	**835**	-
Net cash used in investing activities		**22,502**	(11,619)	**835**	(361)
Cash flows from financing activities					
Net (repayments)/advances on borrowings		**(51,698)**	238,977	**(26,531)**	210,794
Cash from subscriptions for new shares		**1,700,000**	-	**1,700,000**	-
Expenses of share issue		**(85,000)**	-	**(85,000)**	-
Repayment of bank loans		**-**	(125,000)	**-**	(125,000)
Repayment of vendor mortgage loan		**-**	(5,949)	**-**	(5,949)
Repayments of obligations under hire purchase contracts		**-**	(17,297)	**-**	-
Finance costs paid		**(50,789)**	(64,290)	**(50,789)**	(57,789)
Net cash from financing activities		**1,512,513**	26,441	**1,537,680**	22,056
Net (decrease)/increase in cash and cash equivalents during the year		**1,239,966**	(596)	**1,240,610**	(52)
Cash and cash equivalents at beginning of year		**1,049**	1,645	**-**	52
Cash and cash equivalents at end of year		**1,241,015**	1,049	**1,240,610**	-

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 October 2012

1 GENERAL INFORMATION

Pires Investments plc ("the Company") and its subsidiaries (together "the Group") were during the year property developers and consultants and the operators of leisure activities. By the end of the year, the activities of property developers and consultants had ceased and also the Group's activity of operating the Rother Valley Country Park had ceased and, as a result, all of these activities are reported as discontinued activities. At a general meeting of the Company held on 16 April 2012, the Company adopted an investing policy and later that day disposed of all the Group's remaining trading activities.

The Company is a limited liability company incorporated and domiciled in England .

The address of the registered office is c/o Morrison & Foerster, CityPoint, One Ropemaker Street, London EC2Y 9AW.

These Group financial statements are prepared in Pounds Sterling, because that is the currency of the primary economic environment in which the Group operates.

Statement of compliance

The financial statements comply with IFRS as adopted by the European Union. At the date of authorisation of these financial statements the following Standards and Interpretations affecting the Company, which have not been applied in these financial statements, were in issue, but not yet effective. The company does not plan to adopt these standards early.

		Effective for accounting periods beginning on or after:
IFRS 10	Consolidated Financial Statements – Identification of the concept of control of an entity and the requirement to include in consolidated accounts	1 January 2013
IFRS 12	Disclosure of Interests in Other Entities	1 January 2013
IFRS 13	Fair Value Measurement	1 January 2013
IAS 1 (amended)	Presentation of Items of Other Comprehensive Income	1 July 2012
IAS 12 (amended)	Deferred Tax: Recovery of Underlying Assets	1 January 2012
IAS 19 (revised)	Employee Benefits	1 January 2013

The Directors have not yet evaluated the effect of these standards on the financial statements.

2 SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

The consolidated financial statements have been prepared under the historical cost convention and in accordance with applicable International Financial Reporting Standards (IFRS) as adopted by the European Union.

As permitted by section 408 of the Companies Act 2006, the Company has elected not to present its own profit and loss account for the year. Pires Investments plc reported a profit for the financial year of £348,688 (2011: loss of £1,511,801).

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 31 October 2012. Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities.

The results of subsidiaries acquired during the year are included in the consolidated income statement from the effective date of acquisition. Where necessary, adjustments are made to the financial information of subsidiaries to bring the accounting policies used into line with those used by the Group. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Business combinations

The acquisition of subsidiaries is accounted for using the purchase method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS are recognised at their fair value at the acquisition date.

Goodwill

Goodwill arising on consolidation represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of a subsidiary, at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses. Goodwill which is recognised as an asset is reviewed for impairment at least annually. Any impairment is recognised immediately in profit or loss.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash generating units expected to benefit from the synergies of the combination. Cash generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit maybe impaired. If the recoverable amount of the cash generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit. Any impairment loss recognised for goodwill is not reversed in a subsequent period.

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 October 2012

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

Depreciation

Freehold land is not depreciated and is included at its historical cost, which includes capitalised borrowing costs while it is part of a development project. The carrying value is reviewed as at the balance sheet date to determine whether market value exceeds historical cost and any appropriate impairment charge is made.

Plant and computer equipment and leasehold improvements are measured at cost less provision for depreciation. Depreciation is provided on these assets at rates calculated to write off the cost less estimated residual value of the assets over their expected useful lives at the following rates:-

Plant and equipment	25% to 50% of cost per annum
Leasehold improvements	Remaining life of the lease

Income recognition

Turnover of the leisure operations run on a cash basis is recognised on receipt of cash or, if later, on provision of the service. Turnover of the leisure operations in respect of which services are invoiced is recognised when the service is provided. Turnover of the consultancy business represented the fair value of services provided during the year on such assignments, recognised as the assignment progresses and the right to consideration is earned. Fair value reflects the amounts expected to be recoverable from customers and is based on time spent and costs incurred to date as a percentage of total anticipated contract costs. Unbilled turnover is included within receivables.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Deferred taxation

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Share based awards

The Group has applied the requirements of IFRS 2 Share based payment.

The Group issues equity settled payments to certain employees. Equity settled share based payments are measured at fair value (excluding the effect of non-market based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity settled share based payments is expensed on a straight line basis over the vesting period, based on the Group's estimate of shares that will eventually vest and adjusted for the effect of non-market based vesting conditions.

Fair value is measured by use of the Black-Scholes model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

Investments in subsidiaries

Investments in subsidiaries are stated in the Company's balance sheet at cost less any attributable impairment losses.

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 October 2012

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Financial assets

Financial assets are recognised in the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument.

The Group's financial assets are classified into the following specific categories: 'loans and receivables' and 'cash and cash equivalents'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Loans and receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

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.

Financial liabilities and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company and the Group after deducting all of its liabilities.

Equity instruments

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

3 FINANCIAL RISK MANAGEMENT

The Group's financial instruments comprise cash, liquid resources and various items, such as debtors and creditors, which arise directly from its operations. It is, and has been throughout the year of review, the Group's policy that financial derivatives shall not be used.

The main risks arising from the Group's financial instruments are interest rate risk and liquidity risk.

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 and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may issue new shares or sell assets to reduce debts. At present, the Group is unable to pay dividends or return capital to shareholders. At the balance sheet date, the Group had no debt (2011: £1,147,839 which represented 84.8% of the deficit on shareholders' total equity).

Credit risk

The Company is subject to limited credit risk on income relating to credit sales in Oak Heritage. The level of trade receivables is not considered significant in the overall context of the group's activities.

Liquidity risk

At the balance sheet date, the Group had significant cash balances and the financial statements have been prepared on the going concern basis.

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 October 2012

3 FINANCIAL RISK MANAGEMENT (continued)

Interest rate risk profile of financial assets and liabilities

At the balance sheet date, the Group had the following interest bearing financial assets and liabilities.

Fixed rate financial liabilities	**2012**	2011
	£	£
Other loans	**-**	(322,608)
Hire purchase liabilities	**-**	(22,794)
	-	(345,402)

Floating rate financial assets and liabilities	**2012**	2011
	£	£
Net cash and cash equivalents/(bank overdraft)	**1,241,015**	(32,338)
Bank loan	**-**	(125,000)
Vendor mortgage loan	**-**	(644,051)
	1,241,015	(801,389)

Fair value of financial instruments

The Group's financial instruments, which comprise cash and short term deposits and bank overdrafts are carried at cost, which is also considered to be equivalent to their fair value.

Profile of financial instruments

Group

Financial assets	**2012**	2011
	£	£
Loans and receivables	**70,647**	17,809
Cash and cash equivalents	**1,241,015**	1,049
	1,311,662	18,858

Financial liabilities (at amortised cost)	**2012**	2011
	£	£
Trade payables and accruals	**144,352**	888,031
Hire purchase liabilities	**-**	22,794
Vendor mortgage loan	**-**	644,051
Other loans	**-**	322,608
Bank loan and overdraft	**-**	158,387
	144,352	2,035,871

Company

Financial assets	**2012**	2011
	£	£
Amounts owed by group undertakings	**-**	928,675
Loans and receivables	**72,876**	-
Cash and cash equivalents	**1,240,610**	-
	1,313,486	928,675

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 October 2012

3 FINANCIAL RISK MANAGEMENT (continued)

Financial liabilities (at amortised cost)	2012	2011
	£	£
Trade payables and accruals	**120,252**	665,505
Amounts due to group undertakings	**-**	74,388
Bank loan and overdraft	**-**	127,674
Vendor mortgage loan	**-**	644,051
Other loans	**-**	311,787
	120,252	1,823,405

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

During the year, the Company realised all its trading assets and raised funds by an equity issue as a result of which there are no critical estimates or judgements to make in respect of the year save the valuation of share-based payments. The areas where accounting estimates and judgements were considered critical in the reporting of financial performance of the previous financial period was the impairment review of goodwill.

Goodwill impairment

Goodwill was tested annually for impairment. This test required estimates and judgements to be made in respect of the future of the Group's activities. Further details of the impairment review undertaken can be found in note 13.

Share based payments

In prior years, the Group has made awards of options over its unissued share capital to certain Directors and employees as part of their remuneration package and all such options awarded have lapsed by the end of the year.

On 16 April 2012, the Company granted a warrant to Peterhouse Capital Limited which gave Peterhouse Capital Limited the right to subscribe new ordinary shares of 0.1p each representing up to 3% of the issued share capital of the Company from time to time. The subscription price for the exercise of this warrant is 0.1p per share and the warrant may be exercised at any time up to 20 March 2015. On 17 April 2012, the Company granted warrants to each of P Redmond and A A Quraishi which each gave the holder the right to subscribe new ordinary shares of 0.1p each representing up to 1.5% of the issued share capital of the Company from time to time. The subscription price for the exercise of these warrants is 0.1p per share and the warrants may be exercised at any time up to 17 April 2015.

The valuation of these options involved making a number of critical estimates relating to price volatility, future dividend yields, expected life of the options and forfeiture rates. These assumptions have been described in more detail in note 25.

5 SEGMENTAL ANALYSIS

The Group's only continuing activity is seeking investment opportunities and as such no segmental analysis is appropriate

6 REVENUE

The Group's revenue from continuing activities is split between the sale of goods and the rendering of services as follows:

	2012	2011
	£	£
Sale of goods	**-**	-
Rendering of services	**-**	195
	-	195

7 OPERATING PROFIT/(LOSS)

Operating profit/(loss) from continuing activities is stated after charging:

	2012	2011
	£	£
Depreciation of property, plant and equipment	**50**	50
Cost of share based payments (see note 25)	**19,212**	-

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 October 2012

7 OPERATING PROFIT/(LOSS) (continued)

Auditor's remuneration:

During the year the Group obtained the following services from the Company's auditor (in respect of continuing and discontinued activities):

	2012	2011
	£	£
Fees payable to the Company's auditor for the audit of the Parent Company and the consolidated financial statements	**10,000**	13,500
Fees payable to the Company's auditor and its associates for other services:		
Audit of the Company's subsidiaries pursuant to legislation	**1,000**	5,000
Other services relating to taxation	**-**	1,000
All other services	**250**	2,700
	11,250	22,200

All other services in the current year relate to costs associated with company formation. Of the above remuneration payable in respect of 2011, £7,200 was payable to the Company's previous auditors and of that the amounts payable for all other services comprised financial reporting and IFRS compliance advice of £2,100 and ixBRL tagging support of £600.

8 FINANCE COSTS

The Group's finance costs were:

	2012	2011
	£	£
Interest receivable	**835**	4
Interest payable on bank loans and overdrafts	**(21,328)**	(45,694)
Other interest payable and finance costs	**(29,461)**	(18,599)
	(49,954)	(64,289)

9 EMPLOYEE BENEFIT EXPENSE

The Group's employee benefit expense (for continuing and discontinued activities) was:

	2012	2011
	£	£
Wages and salaries	**147,961**	873,142
Social security costs	**14,701**	48,390
Contributions to defined contribution pension schemes	**-**	40,402
Share based payments (all in respect of Directors)	**19,212**	-
	181,874	961,934

The average monthly number of persons employed by the Group, including Directors, during the year was as follows:

	2012	2011
	No	No
	4	55

Details of Directors' emoluments, including details of share option schemes, are given in the Corporate Governance Report. These disclosures form part of the audited financial statements of the Group. The Directors of the Parent Company are considered to represent key management of the Group as defined by IFRS.

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 October 2012

10 TAX EXPENSE

	2012	2011
	£	£
Current tax	**-**	-
Factors affecting the tax charge for the year		
Profit/(loss) on ordinary activities before taxation	**781,476**	(1,779,886)
Profit/(loss) on ordinary activities before taxation multiplied by the standard rate of UK corporation tax of 24.83% (2011: 26.83%)	**194,067**	(477,603)
Effects of:		
Extraordinary CVA gain not taxable	**(379,192)**	-
Expenses not deductible for tax purposes	**2,888**	70
Provisions against amounts due from subsidiaries and other consolidation adjustments not allowed for tax purposes	**238,830**	-
Impairment of freehold land value not deductible for tax purposes	**-**	309,548
Balancing charges on disposal of fixed assets and capital allowances in excess of depreciation	**(14,539)**	11,897
Loss on disposal of capital assets	**6,234**	-
Tax losses arising in the year utilised	**(53,059)**	156,088
Share-based payment charge not deductable	**4,771**	-
Tax charge	**-**	-

The Company has tax losses available to carry forward against relevant future taxable income and profits of approximately £1.9 million (2011 Group: £3.15 million) in respect of which no deferred tax asset has been recognised. Tax losses of other members of the Group are unlikely to continue to be available for offset against future profits.

Where it is anticipated that future taxable profits will be available against which these losses will be utilised a deferred tax asset is recognised.

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 October 2012

11 DISCONTINUED ACTIVITIES

In January 2011, Rotherham Metropolitan Borough Council gave notice that it was terminating the Development Agreement between itself and the Company's subsidiary, Oak Ventures Limited, with effect from the end of January 2011 and property development activity therefore ceased. In addition, following the resignation of the Directors responsible for the Company's property consultancy activities, the Company decided to cease these activities as well. In October 2011, Rotherham Metropolitan Borough Council terminated the interim management agreement and associated lease pursuant to which the Company's subsidiary Rother Valley Country Park Limited managed the Rother Valley Country Park and this activity together with the operation by the Company's subsidiary Rother Valley Steam Railway Limited of a miniature railway within the Park ceased and were also treated as discontinued activities. At the start of the year, the assets of Rother Valley Country Park Limited were realised as far as possible before that company was liquidated on 16 March 2012.

On 16 April 2012, the Company sold two subsidiaries, Oak Heritage Limited and Rother Valley Steam Railway Limited, and also sold the assets of a further subsidiary, Ringwood Town & Country Experience Limited. The activities of Oak Heritage Limited and Ringwood Town & Country Experience Limited are treated as discontinued activities. As referred to above, Rother Valley Steam Railway was treated as having ceased business in October 2011, during the previous year. The consideration was £25,002 and the discharge by the acquirer of certain loans outstanding at the the date of acquisition totalling £190,230.

The results of the discontinued activities are as follows:

	2012	2011
		(restated)
	£	£
Revenue	**50,213**	1,226,862
Administrative expenses	**(78,833)**	(1,383,167)
Operating loss on discontinued activities	**(28,620)**	(156,305)
Finance costs	**(544)**	-
Loss on disposal of discontinued activities	**(283,755)**	-
Impairment provision	**-**	(1,153,740)
Operating loss on discontinued activities	**(312,919)**	(1,310,045)
Attributable tax expense	**-**	-
Net loss attributable to discontinued activities	**(312,919)**	(1,310,045)

During the year discontinued activities consumed £49,986 (2011: £71,751) of the Group's net operating cash flows, generated £21,667 (2011: consumed £11,258) from investing activities and generated £38,330 (2011: £24,345) from financing activities.

12 EARNINGS/(LOSS) PER SHARE

The basic earnings/(loss) per share from continuing activities is based on a profit for the year of £1,094,395 (2011 restated: loss £469,841) and that from continuing and discontinued activities on a profit for the year of £781,476 (2011: loss £1,779,886) and the weighted average number of ordinary shares in issue for the year of 954,477,964 (2011: 55,570,856). Warrants to subscribe an aggregate of 6% of the Company's issued share capital from time to time at 0.1p per share, as described in note 18, were issued during the year and diluted earnings per share are computed using 966,300,516 ordinary shares.

At 31 October 2011, there were potentially 91,428 shares that could be issued under the terms of options and these lapsed during the year. In addition at 31 October 2012 and 2011 there were also 2,021,791 warrants originally issued in 2003 exercisable at 119p per share that will potentially reduce future earnings per share.

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 October 2012

13 GOODWILL

Group

	£
Cost	
At 1 November 2010 & 31 October 2011	**10,828,446**
Disposal on dissolution of subsidiary	**(10,828,446)**
At 31 October 2012	**-**
Provision for impairment	
At 1 November 2010 & 31 October 2011	**10,828,446**
Disposal on dissolution of subsidiary	**(10,828,446)**
At 31 October 2012	**-**
Net book value	
At 1 November 2010, 31 October 2011 and 2012	**-**

Goodwill arose on the acquisition of Oak Ventures Limited on 1 December 2003 and the issue by the Group of 490,313,015 Ordinary shares of the then nominal value of 1p each at a value of 2.06p per share in exchange for the whole of the issued share capital of Oak Ventures Limited.

The goodwill arising on the acquisition was attributable primarily to the fact that Oak Ventures Limited had been granted preferred developer status by Rotherham Metropolitan Borough Council ("RMBC") to develop a major entertainment and leisure complex (the "YES! Project").

In January 2011, RMBC gave notice that it was terminating the Development Agreement with effect from the end of January 2011. The Directors concluded that the goodwill previously recognised had been fully impaired. The Directors consequently made an impairment provision against the whole of the carrying value of the goodwill with an appropriate charge being made in the statement of comprehensive income for the year ended 31 October 2010.

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 October 2012

14 PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land	Leasehold improvements	Plant and equipment	Total
Cost	**£**	**£**	**£**	**£**
At 1 November 2010	1,321,040	209,654	204,098	1,734,792
Additions during the year	-	-	11,619	11,619
At 31 October 2011	**1,321,040**	**209,654**	**215,717**	**1,746,411**
Additions during the year	**-**	**-**	**-**	**-**
Disposals during the year	**(1,321,040)**	**(209,654)**	**(215,717)**	**(1,746,411)**
At 31 October 2012	**-**	**-**	**-**	**-**
Depreciation				
At 1 November 2010	-	18,303	28,881	47,184
Charge for the year	-	19,968	35,987	55,955
Impairment provision	1,153,740	-	-	1,153,740
At 31 October 2011	**1,153,740**	**38,271**	**64,868**	**1,256,879**
Charge for the year	**-**	**6,656**	**50**	**6,706**
Disposals during the year	**(1,153,740)**	**(44,927)**	**(64,918)**	**(1,263,585)**
At 31 October 2012	**-**	**-**	**-**	**-**
Carrying amount				
At 31 October 2012	**-**	**-**	**-**	**-**
At 31 October 2011	167,300	171,383	150,849	489,532
At 31 October 2010	1,321,040	191,351	175,217	1,687,608

At 31 October 2012, there were no assets held on hire purchase agreements (2011 net book value: £31,552). No depreciation (2011: £14,496) has been charged in the year on these assets.

Company	Freehold land	Plant and equipment	Total
Cost	**£**	**£**	**£**
At 1 November 2010	1,321,040	-	1,321,040
Additions during the year	-	361	361
At 1 November 2011	**1,321,040**	**361**	**1,321,401**
Disposals during the year	**(1,321,040)**	**(361)**	**(1,321,401)**
At 31 October 2012	**-**	**-**	**-**
Depreciation			
At 1 November 2010	-	-	-
Charge for the year	-	50	50
Impairment provision	1,153,740	-	1,153,740
At 1 November 2011	**1,153,740**	**50**	**1,153,790**
Charge for the year	**-**	**50**	**50**
Disposal during the year	**(1,153,740)**	**(100)**	**(1,153,840)**
As at 31 October 2012	**-**	**-**	**-**
Carrying amount			
As at 31 October 2012	**-**	**-**	**-**
At 31 October 2011	167,300	311	167,611
At 31 October 2010	1,321,040	-	1,321,040

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 October 2012

15 INVESTMENTS IN SUBSIDIARIES

Company	**Total**
	£
Cost	
At 1 November 2010 and 31 October 2011	10,436,164
Disposals during the year	**(10,436,064)**
At 31 October 2012	**100**
Provision for diminution in value	
At 1 November 2010 and 31 October 2011	10,435,961
Disposals during the year	**(10,435,861)**
At 31 October 2012	**100**
Net book value	
At 31 October 2012	**-**
At 1 November 2010 and 31 October 2011	203

Subsidiary undertakings

At 31 October 2012, the Company's only subsidiary was Ringwood Town & Country Experience Limited, a company incorporated in England and Wales with issued share capital of £100 which was wholly owned directly by the Company. Ringwood Town & Country Experience Limited carried on a business of a museum and restaurant and it ceased to trade on 16 April 2012. Provision has been made in the accounts of the Company against the book value of the shares capital (£100) and of the amount owed by the subsidiary to the Parent (£616,478). This company is included in the consolidated financial statements.

During the year, the Company sold the entire issued share capitals of Oak Heritage Limited and Rother Valley Steam Railway Limited for an aggregate consideration of £2. This resulted in a loss of £129,829 with the discharge of liabilities by the purchaser and the elimination of intra group balances.

During the year, the Company's subsidiary Rother Valley Country Park Limited was put into compulsory liquidation resulting in a loss of £2 to the Company.

Also during the year, Oak Ventures Limited, Time Afloat Limited and Yorkshire Entertainment Sensation Limited were dissolved resulting in neither profit nor loss to the Company.

16 INVENTORIES

	Group		**Company**	
	2012	2011	**2012**	2011
	£	£	**£**	£
Memorabilia and vehicles	**-**	552,736	**-**	-
	-	552,736	**-**	-

17 TRADE AND OTHER RECEIVABLES

	Group		**Company**	
	2012	2011	**2012**	2011
	£	£	**£**	£
Trade receivables	**-**	17,809	**-**	-
Amounts owed by group undertakings	**-**	-	**-**	928,675
Amount held by Insolvency Practitioner in connection with CVA	**17,303**	-	**17,303**	-
Other receivables	**53,344**	-	**55,573**	-
Prepayments	**16,147**	3,474	**16,147**	3,334
	86,794	21,283	**89,023**	932,009

As described in note 3, the Directors do not consider credit risk to be material to the Group's operations.

Amounts owed by subsidiary undertakings to the Parent Company are stated net of a provision for irrecoverable amounts of £616,478 (2011: £2,631,075).

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 October 2012

18 SHARE CAPITAL

	2012	2011
Authorised	**£**	£
5,468,468,206 ordinary shares of 0.1p each (2011: 163,828,803 ordinary shares of 5p each)	**5,468,468**	8,191,440
136,171,197 (2011: 136,171,197) deferred shares of 5p each	**6,808,560**	6,808,560
55,570,856 (2011: nil) deferred shares of 4.9p each	**2,722,972**	-
	15,000,000	15,000,000
Allotted and fully paid:		
1,755,570,856 ordinary shares of 0.1p each (2011: 55,570,856 ordinary shares of 5p each)	**1,755,571**	2,778,543
136,171,197 (2011: 136,171,197) deferred shares of 5p each	**6,808,560**	6,808,560
55,570,856 (2011: nil) deferred shares of 4.9p each	**2,722,972**	-
	11,287,103	9,587,103

In a general meeting held on 16 April 2012, a special resolution was approved to subdivide each ordinary share of 5p into a share of 4.9p each (which was re-designated as a deferred share) and a share of 0.1p each (which continued to be an ordinary share).

On 18 April 2012, the Company placed 1,000,000,000 new ordinary shares of 0.1p each at par and on 24 April 2012 placed a further 700,000,000 such shares at the same price. In aggregate, the placings generated net proceeds to the Company of £1,615,000 after the costs of the placing.

Pursuant to the CVA, the Company allotted 66,089,008 new ordinary shares on 19 November 2012 at a value of 0.125p per share in part settlement of unsecured debt subject to the CVA. Such settlement has been treated as occurring at the year end and has been taken into account in establishing the amount due to the Company as shown in note 17.

The holders of the ordinary shares are entitled to one vote for each share held on a poll. They are also entitled to receive dividends declared in proportion to the number of shares held (subject to any right of another class, and none currently exists, to receive a preferred dividend) and, on a return of capital and subject to the limited participation rights of the holders of the two classes of deferred shares detailed below and any subsequently created class of shares with preferential rights, to participate in such return in proportion to the number of shares held.

Neither class of deferred shares have any voting or dividend rights and only have rights to a repayment of the nominal value of the shares and then only after a £100,000 per ordinary share has been returned to each holder of ordinary shares. The Company has the right to acquire for cancellation each entire class of deferred share for an aggregate consideration of 1p and the Company intends to exercise such right in due course.

Warrants

The Company issued warrants on 24 October 2003 entitling warrant holders to subscribe in cash at a price of 2.38p per Ordinary 1p share for up to 101,419,687 Ordinary shares. Following the exercise of warrants and restructurings of the Company's share capital, the number of warrants outstanding is 2,021,791 (2011: 2,021,791) exercisable at a price of £1.19 each. The warrants can be exercised on 1 December in any year up to and including 2013.

On 16 April 2012, the Company granted a warrant to Peterhouse Capital Limited which gave Peterhouse Capital Limited the right to subscribe new ordinary shares of 0.1p each representing up to 3% of the issued share capital of the Company from time to time. The subscription price for the exercise of this warrant is 0.1p per share and the warrant may be exercised at any time up to 20 March 2015. On 17 April 2012, the Company granted warrants to each of P Redmond and A A Quraishi which each gave the holder the right to subscribe new ordinary shares of 0.1p each representing up to 1.5% of the issued share capital of the Company from time to time. The subscription price for the exercise of these warrants is 0.1p per share and the warrants may be exercised at any time up to 17 April 2015.

Options

Details relating to options to subscribe for ordinary shares in the Company (all of which had lapsed by the year end) are set out in note 25 below.

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 October 2012

19 BORROWINGS

	Group		Company	
	2012	2011	**2012**	2011
	£	£	**£**	£
Current liabilities				
Bank loan	**-**	125,000	**-**	125,000
Bank overdraft	**-**	33,386	**-**	2,674
Hire purchase liabilities	**-**	18,560	**-**	-
Vendor mortgage loan	**-**	644,051	**-**	644,051
Other loans	**-**	322,608	**-**	311,787
	-	1,143,605	**-**	1,083,512
Non-current liabilities				
Hire purchase liabilities	**-**	4,234	**-**	-

The bank loan was secured by fixed and floating charges over the Company's assets and by a debenture over the assets of Rother Valley Country Park Limited which company had also provided a guarantee in respect of this bank loan. This loan was discharged as part of the arrangements for the disposal of the Company's shares in Oak Heritage Limited and Rother Valley Steam Railway Limited and the assets of Ringwood Town & Country Experience Limited.

The vendor mortgage loan represented the amount payable to the vendor of freehold land purchased by the Group in the year ended 31 October 2007 and was secured on that land. During the year this land was disposed of to the vendor at its impaired value in partial settlement of the loan, with the balance of the loan becoming an unsecured creditor under the CVA.

Of the other loans, £222,008 are secured on various assets owned by subsidiaries of the Company and were in part discharged as part of the arrangements for the disposal of the Company's shares in Oak Heritage Limited and Rother Valley Steam Railway Limited and the assets of Ringwood Town & Country Experience Limited with the balance of the loans becoming an unsecured loan under the CVA. The remaining loans had no formal terms and were unsecured creditors under the CVA.

20 TRADE AND OTHER PAYABLES

	Group		Company	
	2012	2011	**2012**	2011
	£	£	**£**	£
Amounts owed to group undertakings	**-**	-	**-**	74,388
Trade payables and accruals	**144,352**	888,031	**120,252**	665,505
Taxation and social security	**39,067**	382,639	**6,612**	139,159
	183,419	1,270,670	**126,864**	879,052

The average credit period taken for trade payables at the end of the year is 119 days (2011: 329 days).

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 October 2012

21 CASH ABSORBED BY OPERATIONS

	Group		Company	
	2012	2011	**2012**	2011
	£	£	**£**	£
Profit/(loss)	**781,476**	(1,779,886)	**348,688**	(1,511,801)
Depreciation	**6,706**	55,955	**50**	50
Impairment of fixed asset	**-**	1,153,740	-	1,153,740
Loss on disposal of fixed assets	**6,714**	-	**-**	-
Loss on disposal of discontinued activities	**283,755**	-	**774,205**	-
Extraordinary credit from CVA	**(1,526,949)**	-	**(1,526,949)**	-
Share based payments	**19,212**	-	**19,212**	-
Finance income	**(835)**	(4)	**(835)**	(4)
Finance costs	**50,789**	64,293	**50,789**	57,793
Decrease/(increase) in inventories	**10,597**	27,048	**-**	15,000
Decrease/(increase) in receivables	**(70,971)**	60,216	**(89,929)**	(96,162)
(Decrease)/increase in payables	**144,457**	403,220	**126,864**	359,637
Cash absorbed by operations	**(295,049)**	(15,418)	**(297,905)**	(21,747)

22 OPERATING LEASE COMMITMENTS

The Group leased its museum and restaurant premises under non-cancellable operating lease agreements. The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	2012	2011
	£	£
Within one year	**-**	28,100
In more than one year but less than five years	**-**	112,401
Over five years	**-**	126,451
	-	266,952

The Company has no commitments under operating lease arrangements

23 CONTINGENT LIABILITES

At 31 October 2012, the Company had guaranteed the obligations of its then subsidiary Rother Valley Country Park Limited (which is now in liquidation) in connection with the interim management agreement with Rotherham Metropolitan Borough Council. At that date, the Company had also indemnified an insurer which had provided a bond in favour of the South Yorkshire Pension Authority in connection with amounts owed by the Company's subsidiary Rother Valley Country Park Limited to that pension fund under certain circumstances. These contingent liabilities were disclosed under the CVA and the Company no longer has a contingent liability in respect of such contingent liabilities.

At 31 October 2012, neither the Company nor the Group has any material contingent liabilities.

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 October 2012

24 RELATED PARTY TRANSACTIONS

Ultimate controlling party

The Directors do not consider there to be a single ultimate controlling party.

Company – transactions with subsidiaries

	2012	2011
	£	£
Management charge rendered to Oak Heritage Limited by the Company in respect of services provided	**-**	24,000
Management charge rendered to Oak Ventures Limited by the Company in respect of services provided	**-**	27,500
Management charge rendered to Rother Valley Country Park Limited by the Company in respect of services provided	**28,500**	165,000
Management charge rendered to Ringwood Town & Country Experience Limited by the Company in respect of services provided	**-**	17,000
Provisions against amounts due to the Company from Rother Valley Steam Railway Limited, Oak Heritage Limited and Ringwood Town & Country Experience Limited were made in full during the year to the extent not previously provided, giving rise to a charge to the statement of comprehensive income	**750,008**	27,500

Group and Company – transactions with Directors

	2012	2011
	£	£
Arrangement fee for the guarantees provided by S B Lewis in respect of the £250,000 bank loan utilised by the Company to purchase the access land adjacent to the YES! Project	**-**	5,000
Fees for consultancy services and disbursements supplied by Benedict Investments Limited, a company of which AA Quraishi is a director and the controlling shareholder	**7,027**	-
Fees for consultancy services supplied by Catalyst Consultancy Limited, a company beneficially controlled by P Redmond and of which he is a director	**13,750**	-
Fees paid for financial advisory services rendered by Corporate Finance Partners Limited, a company of which C J Yates is a director (but who did not render the services and had no beneficial interest in the fee). The fee was subject to the CVA and this amount represents the amount paid in cash and shares	**3,000**	-

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 October 2012

25 SHARE BASED PAYMENTS

The Company had a share option scheme for all employees of the Group. Options were exercisable at a price equal to the average quoted market price of the Company's shares on the date of grant. The vesting period varied between 1 and 4 years. If the options remain unexercised after a period of 10 years from the date of grant, the options expire. Options are forfeited if the employee leaves the Group before the options vest and were exercisable for a period of no more than six months after his leaving.

Details of the share options outstanding during the year are as follows:

	2012	**2012**	2011	2011
	Number of options	**Exercise price**	Number of options	Exercise price
Outstanding at the beginning of the year	**91,428**	**87.5p**	582,856	87.5p
Lapsed during the period	**91,428**	**87.5p**	491,428	87.5p
Outstanding at the end of the period	**0**		91,428	87.5p

All options were vested by 31 October 2010 and no subsequent expense has been recognised in respect of the share based payments in the form of the options referred to above.

In April 2012, the Company granted warrants, as described in note 18, over an aggregate of 6% of the issued ordinary share capital of the Company from time to time. These warrants may be exercised at any time up to their expiry date and vested on issue. £38,424 has been recognised in these financial statements in respect of these warrants. The Directors have used the Black Scholes model to value these warrants applying the assumptions set out below:

	Warrants granted April 2012
Number of shares subject of the warrants granted	105,334,260
Share price at grant date	0.10p
Warrant exercise price	0.10p
Expected volatility	50.00%
Expected life	3 years
Risk free rate of return	3.00%
Expected dividend yield	0.00%
Fair value of warrant per share	0.0365p
Total fair value of award	£38,424

26 POST BALANCE SHEET EVENTS

On 19 November 2012, the Company issued 66,089,008 new ordinary shares to unsecured non-preferential creditors of the Company who had been subject to the CVA in accordance with the approved terms of the CVA to satisfy 5p in the £ of the debt due to such creditors with each share valued for these purposes at 0.125p per share. In addition to cash payments to preferential unsecured creditors of £17,598, cash payments of £82,611 (representing 5p in the £) had been made during the year to non-preferential unsecured creditors under the CVA and as there was a commitment to issue such shares as part of the CVA arrangements to match the cash payments, the issue of such shares has been reflected in the balance sheet as at 31 October 2012.