Registration number 03904195

Vela Technologies PLC

Annual Report and Accounts 2015

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chairman’s statement

for the year ended 31 March 2015

It is with pleasure that I present the annual report to shareholders for the year ended 31 March 2015.

The year has been one of strong progress among most of Vela’s investments notably, Portr Limited, StreamTV Networks Inc. and Disruptive Tech Limited. It has also been a year of considering many potential investments that might fit with our policy of investing in businesses that, the directors believe, have the potential to disrupt the natural manner in which that business might have operated. As a result we have made two further investments recently, in 3Legs Resources towards the end of the financial year and, more recently, in Revolve Performance Limited (“Revolve Technologies”).

Towards the end of the financial year we raised additional funds to support further investments. As part of this Vela has a number of new shareholders who are supportive of what we are doing and understand the potential for a very significant uplift in the value of our investments in the future.

Since the update provided to the market in April we have invested in Revolve Performance. Revolve Performance is a profitable powertrain and performance engineering group that owns the leading performance parts brand, Mountune. The Mountune division, whose products are used by consumers and racing teams to enhance engine performance, has grown rapidly in the UK as well as in the US, where it was launched in 2013, with exclusive access to the Ford dealership network in both territories.

Summary of investment portfolio

The Company’s investment portfolio consists of the following investments:

- **Portr Limited** – a private UK Company that is the owner of an on-demand airport luggage transfer service, AirPortr. Portr employs leading-edge technology across its web booking platform and logistics engine in the development of convenience-orientated services for customers.
- **StreamTV Networks Inc.** – a private US Company that has developed a technology called Ultra-D that enables the viewing of 3D media without glasses and from any angle.
- **Disruptive Tech Limited** – a private technology investment business focusing on companies that can “disrupt” and which owns and manages investments in six technology businesses.
- **3Legs Resources plc (AIM: 3LEG)** – AIM quoted investing Company that adopted an investment policy to invest in and/or acquire companies within the technology sector or within the resources sector where a resource can be brought into production through the application of modern technologies.
- **Advance Laser Imaging Limited** – a private Company which uses laser scanning hardware and software applications to produce 360 degree 3D images and models.
- **Rosslyn Data Technologies plc (AIM: RDT)** – AIM quoted Company whose cloud-based service provides a fast and efficient way for Companies to use and understand their data.
- **The Social Superstore Limited** – a private Company developing an online social commerce platform with a view to full launch in the UK towards the end of 2015.
- **Imaginatik plc (AIM: IMTK)** – AIM quoted Company which is the world’s first full service innovation provider offering a range of technology products and consultancy.

At 31 March 2015, the Company had estimated cash balances of £156,000 (based on unaudited management accounts) reflecting the recent investments made.

Update on investment portfolio

There have been a number of significant developments within the Company’s portfolio in recent months. The following summary includes a number of updates recently provided by the investee companies to the board of Vela.

Portr Limited (“Portr”) (£200,000 invested, 4.4% equity interest)

Portr, the owner of on-demand airport luggage transfer service, AirPortr, reported an encouraging initial nine months of trading since launching its first location, London City Airport (“London City”), in the summer of 2014.

Since launching this new way to travel, thousands of passengers flying via London City have embraced the concept of travelling around the city without their luggage in tow, while it is delivered between their London location and the airport same day, something Portr calls “Luggage Freedom”. During this period Portr can report an unblemished record with every item delivered on or before time. In addition to this the company has seen a high percentage of repeat journeys by users (20% of deliveries are repeat customers) particularly amongst frequent business travellers. In addition to this Portr’s user base is more diverse than originally anticipated with stronger than expected demand from leisure travellers and London residents, when the service was originally predominantly targeting the foreign inbound business traveller market, staying in hotels.

Shortly after launching the Standard AirPortr delivery service, Portr announced a collaboration with British Airways in delivering a first of its kind Carousel Collection and Delivery service, enabling arriving passengers to also skip the wait at the baggage reclaim. AirPortr's mobile airport Concierges can now collect and clear passengers' luggage direct from the baggage reclaim before delivering into London within hours, an experience British Airways named 'Land & Leave'. Having been initially trialled with British Airways Executive Club on two key domestic routes the service was recently rolled out onto all domestic routes for all British Airways passengers following positive feedback, which:

- helped reduce travel costs with frequent business travellers opting to use public transport when alleviated of their bags;
- enabled quicker and easier travel around London, driving productivity; and
- resulted in journey time savings of up to an hour, allowing passengers to either fit in another meeting or catch a later flight into London City.

Portr has made a Border Force policy submission in a bid to now extend this service to EU arrivals; something the Company is hoping to secure clearance for later this year, with a report having been produced by senior security and border experts endorsing the service due to its ability to enhance border integrity with the advanced technology developed and deployed by Portr. British Airways has confirmed that it plans to extend the service (Carousel Collection) to international destinations within Europe when such clearance can be obtained.

Following proof of concept and service delivery at London City, Portr progressed plans with two additional London airport locations for the roll out of AirPortr. On 27 July 2015 Portr announced it was launching its service at Gatwick airport.

In line with Portr's expansion and rollout in larger London airports, to support a number of 'superbrand' partnerships such as British Airways and a pipeline of product development further simplifying the end-to-end passenger journey, Portr announced a £3 million Series A funding round at the end of 2014. Having secured the backing of existing shareholders, new angel investors and a well-known venture capital trust, Portr expects to announce completion of the round in the coming weeks giving a post-money valuation of £15 million.

StreamTV Networks Inc. ("StreamTV") ($100,000 invested by way of convertible loan note)

StreamTV has developed a technology called Ultra-D that enables the viewing of 3D media without glasses and from any angle. As a licensing business model, StreamTV is expected to generate positive cash flow once its licensing partners commence small sales.

In October 2013 Velamade a minority investment of $100,000 in StreamTV by way of a convertible loan note. The loan notes accrued interest at the rate of 12% annually until 31 December 2014 and are currently accruing interest at the rate of 13% annually. The final maturity date on the loan notes is 31 December 2015.

StreamTV has made a number of operational developments over recent months. New machinery to enable sophisticated gluing of the 3D optical system to the underlying 2D panel was deployed in China and is running effectively. Two automated machines, with a higher capacity and higher yields, have been ordered. The intention is for one machine to be deployed in Q2 2015 and the other in Q3 2015. The automated machines will be housed at StreamTV's large manufacturing partner's facility to establish the foundation for scaling the volume of production.

StreamTV has formally commenced its next round of capital raise. The capital raise is primarily earmarked for enabling cost-downs for the devices and allow more vertical business opportunities to be commenced much sooner than by way of using only operational cash flow.

Just as StreamTV had expected, the fact that it is close to producing and entering the TV/display market has accelerated interest in their tablet device opportunity. The company had a tablet sample based on its 3D Ultra-D technology at the Consumer Electronics Show in Las Vegas this past January. However the company has since improved that sample with even newer optics and the Company is in discussions about a possible collaboration with one of the largest tablet makers globally.

StreamTV is also in ongoing discussions with critical component suppliers who are providing support and important product improvements. The company now engages directly with a large global chip company to provide a supply of a type of chip called an FPGA, rather than engaging with distributors, and this has reduced the order lead times.

StreamTV is also in discussions with a number of other partners including an Asian-based chip company that supplies chips used for TVs and who have informed StreamTV that they would seek to allow them access to their latest chips to integrate into their devices. This opportunity would help strengthen StreamTV's foothold in the TV industry and allow increased TV-type functionality than is currently experienced in the current models.

In summary, operations and capital efforts are all on track to establish a good foundation for manufacturing operations in China this summer and generate sales through the second half of the year. The goal for 2015 is that the company's 2015 Ultra-D technology creates technology awareness in each marketplace from early sales and also establishes, through its partners, a solid manufacturing base of operations so that 2016 can yield a steady and fast paced sales growth.

Disruptive Tech Limited ("DTL") (£250,000 invested, 0.63% equity interest)

DTL invests in technology businesses that have the potential to disrupt, typically investing alongside seasoned entrepreneurs who have been successful in their marketplaces previously.

Vela originally acquired 262,090 Ordinary Shares in eSeekers Limited for £250,000. Following an agreed corporate restructuring, the Company ended up with an equivalent interest in DTL, a Gibraltar-based technology-focused investing Company.

DTL has a portfolio of 6 investments, including Nektan Plc (13%), VNU Holdings (65%) and Freeformers (5%). The normal timeframe for investments is 3 to 4 years following which DTL looks to exit an investment and dispense proceeds back to shareholders.

It is currently anticipated that the process of divesting of investments, which commenced with the listing of Nektan on AIM in November 2014, will continue, which could result in a significant uplift in the value of the DTL portfolio.

3Legs Resources plc ("3Legs") (£40,344 invested, 4.41% equity interest)

3Legs is an Isle of Man incorporated investing Company whose shares are traded on AIM. In February 2015, 3Legs completed a corporate reorganisation which included the adoption of a new investing policy to invest in and/or acquire companies within the technology sector or within the resources sector, particularly where a resource can be brought into production through the application of modern technologies.

Between 27 February 2015 and 25 March 2015, Vela acquired a total of 19,000,000 shares in 3Legs at an average price of 0.21 pence per share for a total consideration of £40,344.

As at the period end Vela's interest in 3Legs was valued at £62,700 (as referenced to 3Legs's closing mid-market share price on 31 March 2015).

Since the period end, on 13 May 2015 the Company acquired a further 4,500,000 shares in 3Legs at a price of 0.215 pence per share. The Company's resultant holding in 3Legs is 23,500,000 shares, representing 5.42% of the total voting rights of 3Legs. Vela's shareholding in 3Legs has been acquired at an average price of 0.213 pence per share for a total consideration of approximately £50,090.

Advance Laser Imaging Limited ("ALI") (£75,000 invested, 6.25% equity interest)

Vela made a £75,000 investment in ALI in September 2013, a Company which uses laser scanning hardware and software applications to produce 360 degree 3D images and models. Such images can be created for anything from small components or pieces of forensic evidence at a micron level, up to buildings, industrial plants or areas of a town and can be utilised and manipulated to view scenes from multiple perspectives at varying levels of detail, without any further scanning or photography. The 3D scenes are used in crime scene investigations and specialist techniques are used to establish anything from bullet trajectory to suspect biometric information. The technology also has a number of applications for counter terror, resilience and safer cities.

There are markets in both the private and public sectors including the military, property development and services, police/blue light services, architecture, insurance and legal services, both in the UK and abroad.

ALI raised £300,000 in September 2013 to launch the business and is in the process of raising additional funds to invest in further research and development into new products and applications in both core and new markets.

ALI won its first commercial contract in December 2013 and the company has subsequently begun to generate revenues. With the company's low cost base, ALI is currently cash flow positive as they continue to penetrate further into existing markets and open up new markets. The Company is focused on developing the forensic and counter terrorism policing market in the UK but also establishing a high value business in very specific export markets in the Middle East and the United States over the next year.

Rosslyn Data Technologies plc ("Rosslyn" or "RDT") (£130,226 invested, 0.53% equity interest)

The Company invested £100,000 in October 2013 in Rosslyn Analytics Ltd, RDT's main operating subsidiary in the UK. Rosslyn was the first of the Company's investment portfolio to achieve a flotation having floated on AIM in April 2014. Subsequent to the flotation of RDT, Vela invested a further £30,226 in Rosslyn and, as at the date of this announcement, Vela owns 403,368 shares in RDT.

RDT's cloud-based service provides a fast and efficient way for companies to use and understand their data. The Company recently announced a new major partnership in the US higher education sector.

The Company's holding in RDT was valued at the period end at £47,920 (as referenced to Rosslyn's closing mid-market share price on 31 March 2015).

The Social Superstore Limited ("The Social Superstore") (£100,000 invested, 2.5% equity interest)

In May 2014 Vela made an investment of £100,000 in the £1 million seed funding of The Social Superstore, valuing Social Superstore at £4 million.

The Social Superstore is developing a peer to peer platform allowing users to recommend products to their friends and gain rewards for doing so and is aiming to combine online retailing with social media in a unique way. The Social Superstore continues to build its social commerce platform with a view to full launch towards the end of 2015, initially in the UK. There are a number of key user groups that have been identified and who the Company has access to.

The Directors of The Social Superstore continue to believe that social commerce represents a significant opportunity which has not been fully exploited by a single Company.

Imaginatik plc ("Imaginatik") (£35,000 invested, 0.67% equity interest)

The Company invested £35,000 in Imaginatik in April 2014. Imaginatik is an AIM quoted Company that provides a range of innovation solutions comprised of consultancy, enterprise software and program management to deliver innovation results to companies such as The World Bank, The Chubb Group of Insurance Companies, State Farm, Exxon Mobil, Pfizer, Goodyear, the Yorkshire Building Society, Pitney Bowes and Cargill.

Vela sold the following shares in Imaginatik;

14 April 2015 sold 100,000 at a price of 3.625 pence per share for a consideration of £3,585

12 June 2015 sold 225,000 at a price of 3.000 pence per share for a consideration of £6,699

15 June 2015 sold 200,000 at a price of 3.000 pence per share for a consideration of £5,955

As at the date of this announcement Vela has no interest in Imaginatik.

Post period end and outlook

On 28 August 2015 the Company announced that it had conditionally raised £250,000 via a placing at 0.2 pence. It is the intention of the Board to invest approximately £175,000 of the net proceeds of the Placing to acquire an equity stake in Blockchain Tech Limited ("BTL"), a technology company incorporated in the Isle of Man. BTL, headquartered in Vancouver, Canada, is exploring applications of blockchain technology in a variety of existing industries, including money transmission, insurance, voting and smart contracts. BTL's current focus is on developing a remittance solution, Interbit, as well as providing consultancy services to firms looking to leverage blockchain technology. Interbit, based in London, is developing blockchain technology to offer remittances to up to 20 countries at competitive prices against the costs of existing remittance services. This investment is conditional on the passing of certain resolutions at the Company's upcoming general meeting and on the completion of the acquisition of BTL by Northern Aspect Resources Ltd, further details of which were previously announced by Vela.

Quoted investments

The valuation of the quoted investments held by Vela Technologies Plc as stated in these financial statements as at 31 March 2015 is summarised as follows:

Company	Valuation (£'000)	Interest (%)	Vela share of fair value (£'000)
3Legs	1,429	4.41	63
Rosslyn	9,056	0.53	48
Imaginatik	2,537	0.67	17

Your Directors will continue to review projects where we believe value can be created for the benefit of shareholders

Nigel Brent Fitzpatrick MBE

Non-Executive Director

strategic report

for the year ended 31 March 2015

Business review

Further details of the investments made and the investee companies are detailed in the review within the Chairman's statement on pages 1-4.

At the period end the Company holds approximately £156k cash (31 March 2014 : £9k), no debt and continues to keep administration costs to a minimum so that the Company has sufficient resources to cover the Company's ongoing running costs and has maximum funds that can be dedicated to further investments.

The Company's net loss for the year is £303k (2014: loss of £118k).

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

Key performance indicators (KPIs)

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

Investment income is detailed in the statement of comprehensive income. A review of each investee Company is detailed within the chairman's statement on pages 1-4.

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

Principal risks and uncertainties

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

The Company is committed to maintaining its minimal operational costs.

Further information about the Company's principal risks are detailed in note 12, specifically in the credit risk, liquidity risk and capital risk management sections.

Approved by the Board of directors and signed on behalf of the Board on 2 September 2015.

Nigel Brent Fitzpatrick MBE

Non-Executive Director

directors and advisers

Nigel Brent Fitzpatrick MBE

Non-Executive Director

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

Antony Jon Laiker

Chief Executive Officer

Mr Laiker has over 35 years of experience as a stockbroker, the last 25 years of which have been largely focused on managing assets and advising a wide range of clients on UK equities as well as assisting companies to raise funds. He is a member of the Chartered Institute for Securities and Investment.

Directors

Nigel Brent Fitzpatrick MBE
Non-Executive Director

Antony Jon Laiker
Chief Executive Officer

Registered office
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Saltaire
Shipley
West Yorkshire
BD18 4SB

Nominated adviser
Allenby Capital Limited
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Auditors
Murray Harcourt Limited
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LS1 2TW

Registrars
Capita Registrars
The Registry
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Solicitors
Hewitson Moorhead
Kildare House
3 Dorset Rise
London EC4Y 8EN

Accountants
Bailey Wilson
55 Bingley Road
Saltaire BD18 4SB

Bankers
Barclays Bank plc
27 Soho Square
London W1D 3QR

corporate governance
for the year ended 31 March 2015

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

Compliance

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

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

Directors

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

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

The Chairman of the Board is Brent Fitzpatrick. The Board members are described on page 6 to the financial statements. All Directors are subject to re-election every three years and at the first Annual General Meeting (AGM) after their appointment. The Board has not appointed a Nomination Committee.

Relations with shareholders

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

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

Accountability and audit

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

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

Internal controls

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

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

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

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

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

Steps taken to ensure an appropriate control environment

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

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

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

Major information systems that are in place

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

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

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

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

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

Going concern

After making appropriate enquiries (described in page 10), the Directors have a reasonable expectation that the Company will have adequate resources to continue in operational existence for the foreseeable future (in accordance with the Report of the Directors). For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Nigel Brent Fitzpatrick MBE

Non-Executive Director

report on remuneration
for the year ended 31 March 2015

Directors' remuneration

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

Policy on Executive Directors' remuneration

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

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

Main elements of executive remuneration

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

i. fees;

ii. annual bonus payments;

iii. share-based payments; and

iv. pension contributions.

Fees

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

Annual bonus payments

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

Share based payment

The Board establishes the objectives which must be met for a share based payment to be paid. A performance related award scheme incorporating audited earnings per share, share price performance and Company profitability has been established which recognises the success of the business for which the Executive Director is responsible. All share based entitlements for the Directors are disclosed in note 4 to the financial statements.

Pension contributions

The Board establishes the objectives which must be met for a pension contribution to be made based on pensionable earnings. All pension entitlements for the Directors are disclosed in note 4 to the financial statements.

Non-Executive Directors

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

Details of Directors' remuneration

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

Nigel Brent Fitzpatrick MBE

Non-Executive Director

report of the directors
for the year ended 31 March 2015

The Directors present their report together with the financial statements for the year ended 31 March 2015.

Directors

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

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

The Directors who served during the period under review are:

N B Fitzpatrick

A Laiker

Financial risk management objectives and policies

The Directors constantly monitor the financial risks and uncertainties facing the Company with particular reference to the exposure to price, currency, credit, liquidity and cash flow risk. They are confident that suitable policies are in place and that all material financial risks have been considered. More detail is given in note 12 to the financial statements.

Substantial shareholders

At 31 March 2015 the following had notified the Company of disclosable interests in 3% or more of the nominal value of the Company's shares, save for the Directors whose interests are disclosed in note 4 to the financial statements:

	Shareholding	%
JIM Nominees Ltd	124,324,943	27.08
Hargreaves Lansdown (Nominees) Limited	59,183,354	12.89
Xcap Nominees Limited	39,350,000	8.57
HSBC Global Custody Nominees Limited	25,614,700	5.58
Peel Hunt Holdings Limited	24,067,356	5.24
Redmayne (Nominees) Limited	20,000,000	4.36
Vidacos Nominees Limited	15,060,426	3.28

Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Chairman's statement on pages 1-4. In addition, note 12 includes the Company's objectives, policies and processes for managing its capital; note 12 to the financial statements includes its financial risk management objectives, details of its financial instruments and its exposures to credit risk and liquidity risks.

The Company has continued to progress as a long term investment Company seeking to invest in early stage pre-IPO businesses that want to develop. As a result of this the Company has reported a loss for the current year and continues to maintain minimal running costs ensuring that such losses are kept to a minimum. The current year loss has further increased the brought forward losses which are in line with the expectations of the Directors as the Company moves to becoming an established investment Company. Furthermore the Company is reporting negative operating cash flows which the Directors are continuing to minimise by managing the cash balances effectively ensuring that funds are preserved to ensure the running costs are met, availability of cash is key in making decisions for the Company. In addition liquidity can be maintained by selling some of the Company's quoted investments, for which there is an active market. The Company will see the first income from one of its investments post year end.

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

Directors' responsibilities statement

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

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

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable IFRS have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

Insofar as each of the Directors is aware:

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

Investing policy

The Company's investing policy is set out below:

"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.

The Directors believe that as a result of the recent global financial crisis, and the on-going period of financial austerity, companies, and therefore the world economy, have become increasingly reliant on emergent technologies, hi-tech engineering and scientific advances to drive growth. These technologies are applicable across a wide range of sectors including anything from Oil & Gas E&P, internet based business to Aviation. The Directors believe that an opportunity exists to acquire and consolidate holdings in Small and Medium sized Enterprises (SME's) operating in these sectors, with the intention of creating value for Shareholders. Initially, the Company's focus will be searching for companies which are based in the UK or Europe where there may be a number of opportunities to acquire interests in undervalued or pre-commercialisation technologies which when applied produce cost savings or revenue enhancement for customers. Early acquisition of these innovative technologies should provide maximum returns for Shareholders.

It is planned that the Company will have its head offices based in London with the UK being at the forefront of global technology, engineering and scientific advances. The Company intends the main focus of the investment policy to be on the implementation of solutions to enhance businesses' profitability, as well as to aid growth in new markets. This will include both pre-commercialisation and established commercial technologies. The Directors will however ensure that any investments meet strict due diligence criteria and the primary focus will be on companies post viability testing phase, to mitigate risk associated with early stage investment. This will not preclude the Company from considering investments in suitable projects in other regions and sectors where the Continuing Directors believe that there are high-growth opportunities.

The Directors see technology as having considerable growth potential for the foreseeable future and many of the prospects they have identified are in this sector. The Continuing Directors will focus on early stage investments and believe that any investment target will have at least one of four key components: a strong management team; an innovative product proposal; revenue enhancing or cost saving capabilities; and high growth potential.

It is anticipated that the main driver of success for the Company will be its focus, during the investment screening process, on the management involved in the potential investee companies and the potential value creation that the team of people is capable of realising. The Company intends to be an active investor. Accordingly, where the Directors feel that an investee company would benefit from their skills and expertise, they may look to seek representation on the board of the investee company.

In the first instance, the new capital available to the Company will be used to locate, evaluate and select the investment opportunities which would offer the greatest potential return for Shareholders in the long term. Once the Continuing Directors have identified the most attractive investments, the Company may require further funds in order to take up these opportunities. It is the intention of the Directors to undertake further fundraising, if such an opportunity should arise. The Company does not currently intend to fund any investments with debt or other borrowings but may do so if appropriate. Investments may be made in all types of assets falling within the remit of the Investing Policy and there will be no investment restrictions.

The Directors may consider it appropriate to take an equity interest in any proposed investment which may range from a minority position to 100 per cent. ownership. Proposed investments may be made in either quoted or unquoted companies and structured as a direct acquisition, joint venture or as a direct interest in a project.

The Company will seek investment opportunities which can be developed through the investment of capital or where part of or all of the consideration could be satisfied by the issue of new Ordinary Shares or other securities in the Company. The opportunities would generally have some or all of the following characteristics, namely:

- a majority of their revenue or expected revenues derived from technology, hi-tech engineering or scientific advances and strongly positioned to benefit from the sector's growth;
- a trading history which reflects past profitability or potential for significant capital growth going forward; and
- where all or part of the consideration could be satisfied by the issuance of new Ordinary Shares or other securities in the Company.

The Directors believe that their collective business experience in the areas of investment will assist them in the identification and evaluation of suitable opportunities and will enable the Company to achieve its investing objectives.

New investments will be held for the medium to longer term, although shorter term disposal of any investments cannot be ruled out. There will be no limit on the number of projects into which the Company may invest and the Company's financial resources may be invested in a number of propositions or in just one investment, which may be deemed to be a reverse takeover pursuant to Rule 14 of the AIM Rules. Where the Company builds a portfolio of related assets it is possible that there may be cross-holdings between such assets.

The Directors believe that the status of the Company as an Investing Company enables it to fund investments or acquisitions using a mixture of cash, equity and/or debt and intend to actively monitor these investments.

The Company will identify and assess potential investment targets and where it believes further investigation is required, intends to appoint appropriately qualified advisers to assist. The Company will not have a separate investment manager.

The Company intends to deliver Shareholder returns principally through capital growth rather than capital distribution via dividends."

Post balance sheet events

Further investment in 3Legs Resources Plc

On 13 May 2015 the Company acquired a further 4,500,000 shares in 3Legs at a price of 0.215 pence per share. The Company's resultant holding in 3Legs is 23,500,000 shares, representing 5.42% of the total voting rights of 3Legs. Vela's shareholding in 3Legs has been acquired at an average price of 0.213 pence per share for a total consideration of approximately £50,090.

Investment in Revolve Performance

On 19 June 2015, the Company announced it had invested £50,000 in Revolve Performance. Revolve Performance is a newly incorporated Company that has acquired 100% of the share capital of Nitec Limited, a non-operating holding Company that owns 100% of the UK operating Company, Revolve Technologies Limited ("Revolve Technologies"), and 91% of Mountune LLC, the US operating Company.

Revolve Performance has raised £1.5 million through an equity investment to support expansion in the US and £1.5 million through a loan investment which will be used mainly to refinance existing debt and capital expenditure in the UK. Vela has invested £50,000 in the equity investment round for a minority interest in the share capital of Revolve Performance.

Revolve Performance was incorporated on 17th April 2015 for the purposes of the transaction and has therefore not produced any accounts to date. For the year ended 31 December 2014, Nitec Limited generated revenue of £7.82 million and an operating profit of £0.20 million. Net assets of Nitec Limited as at 31 December 2014 were £2.22 million. Results for the first quarter of 2015 were ahead of internal forecasts with sales at Mountune LLC at record levels and growing.

Auditors

Murray Harcourt Limited were appointed to fill a casual vacancy and their re-appointment will be proposed at the AGM in accordance with Section 489(1) of the Companies Act 2006.

Strategic Report

In accordance with section 414C of the Companies Act 2006 (Strategic Report and Directors Report) Regulations 2013, the Company has prepared a Strategic Report, which includes information that would have been included in the Directors Report.

On behalf of the Board

Nigel Brent Fitzpatrick MBE
Non-Executive Director

independent auditor's report

for the year ended 31 March 2015

We have audited the financial statements of Vela Technologies Plc for the year ended 31 March 2015 which comprise the accounting policies, the statement of comprehensive income, the balance sheet, the cashflow statement, the statement of changes in equity, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

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

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement on pages 10-11, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report and Consolidated Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2015 and of its loss for the year then ended;
- have been properly prepared in accordance with IFRS as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Steven Williams FCA
Senior Statutory Auditor
for and on behalf of Murray Harcourt Limited
Statutory Auditor, Chartered Accountants
13-19 Queen Street
Leeds
LS1 2TW
2 September 2015

accounting policies
for the year ended 31 March 2015

1a Presentation of financial statements

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

Changes in accounting policy

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

- IFRS 9 Financial Instruments (effective 1 January 2018) (not yet EU adopted)
- Mandatory Effective Date and Transition Disclosures – Amendments to IFRS 9 and IFRS 7 (effective 1 January 2015)
- IFRS 15 Revenue from Contracts with Customers (effective 1 January 2017) (not yet EU adopted)

The Directors anticipate that the adoption of these standards and interpretations in future periods will have no material impact on the financial statements of the Company.

1b Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Chairman's statement on pages 1-4. The financial position of the Company, its cash flows and liquidity position are described in the Chairman's statement on pages 1-4. In addition, the Company's objectives, policies and processes for managing its capital; note 12 to the financial statements includes its financial risk management objectives, details of its financial instruments and its exposures to credit risk and liquidity risks.

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

1c Summary of significant accounting policies

Taxation

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

Deferred income taxes are calculated using the liability method on temporary differences. Deferred tax is generally provided on the difference between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of goodwill or on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Deferred tax on temporary differences associated with shares in subsidiaries is not provided if reversal of these temporary differences can be controlled by the Company and it is probable that reversal will not occur in the foreseeable future. In addition, tax losses available to be carried forward as well as other income tax credits to the Company are assessed for recognition as deferred tax assets.

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

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

Leased assets

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

Financial instruments

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

Investments

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

The basis on which investments are valued is detailed in note 12 to the accounts.

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

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

Trade and other receivables

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

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

Trade and other payables

Trade and other payables are not interest-bearing and are stated at their fair value on initial recognition. They are then measured at amortised cost.

Cash and cash equivalents

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

Equity instruments

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

Equity

Equity comprises the following:

Share capital	–	represents the nominal value of equity shares
Share premium	–	represents the excess over the nominal value of the fair value of consideration for shares issued
Available for sale reserve	–	represents the cumulative fair value movement on available for sale investments held at the balance sheet date
Share based payment reserve	–	represents the cumulative charges for share based payments
Retained earnings	–	represents the accumulated retained profits

Foreign currencies

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

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

Segmental reporting

An operating segment is a component of the Company:

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

The Company comprises a single operating segment being an investment Company operating solely within the United Kingdom. Further information on the segment is disclosed in note 1 to the financial statements.

Share-based payments

Share-based payments that are within the scope of IFRS 2 Share-based Payment have been recognised in the financial statements in accordance with that standard. Where employees are rewarded using share-based payments, the fair value of employees' services is determined indirectly by reference to the fair value of the instrument granted to the employee. This fair value is appraised at the grant date and, in accordance with IFRS 2, excludes the impact of non-market vesting conditions.

Equity-settled share-based payments are recognised as an expense in the income statement in accordance with IFRS 2 with a corresponding credit to equity. If a service period or other non-market 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. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognised in the current period.

No adjustment is made to any expense recognised in prior periods of share options ultimately exercised that are different from the number that actually vested. Upon exercise of share options, the proceeds received net of attributable transaction costs are credited to share capital and where appropriate share premium.

Fair values of share options or awards, measured at the date of the grant of the option or award, are determined using a Black Scholes model methodology.

1d Accounting estimates and judgments

Significant judgments in applying the Company's accounting polices

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

Recognition of deferred tax assets

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

Estimates

Management have made no significant estimates, other than in relation to the carrying value of investments (detailed below), in preparing these financial statements.

Investments

Investments have been valued in accordance with the accounting policy set out in section 1c. The Directors have used their judgement in valuing certain unquoted investments at cost. The use of cost for measurement is acceptable under IAS 39 when fair value cannot reliably be measured. From consideration of the information available in respect of them as at the year end, along with the fact that no indicators of impairment have come to the Directors' attention, the Directors' judgement was that fair value could not reliably be measured for certain unquoted investments and hence using cost was appropriate.

Going concern

The Directors have used their judgement in assessing going concern and in particular the availability of cash balances. Further details are disclosed in the Directors report on page 10.

statement of comprehensive income

for the year ended 31 March 2015

	Notes	**31 March 2015 £'000**	31 March 2014 £'000
Revenue	1	**8**	4
Administrative expenses			
– share-based payments		**(107)**	–
– other administrative expenses		**(204)**	(167)
– Loss on disposal of investments		**–**	–
Total administrative expenses		**(311)**	(167)
Operating loss	2	**(303)**	(163)
Profit/(loss) before tax		**(303)**	(163)
Income tax	5	**–**	45
Profit/(loss)		**(303)**	**(118)**
Other comprehensive income:			
Items that will or may be reclassified to profit or loss:			
Fair value movement on available-for-sale investments		**253**	–
Other comprehensive income for the year		**253**	–
Total comprehensive income		**(50)**	**(118)**
Attributable to:			
Equity holders of the Company		**(50)**	(118)
Earnings per share			
Basic and diluted earnings/(loss) per share (pence)	6	**(0.12)**	(0.10)

balance sheet
as at 31 March 2015

	Notes	31 March 2015 £'000	31 March 2014 £'000
Non-current assets			
Investments	7	**1,147**	524
Current assets			
Trade and other receivables	8	**31**	306
Cash and cash equivalents	11	**156**	9
Total current assets		**187**	315
Total assets		**1,334**	839
Equity and liabilities			
Equity			
Called up share capital	10	**459**	222
Share premium account		**936**	723
Available-for-sale reserve		**253**	–
Share option reserve		**107**	–
Retained earnings		**(450)**	(147)
Total equity		**1,305**	798
Current liabilities			
Trade and other payables	9	**29**	41
Total liabilities		**29**	41
Total equity and liabilities		**1,334**	839

These financial statements were approved by the Board, authorised for issue and signed on their behalf on 2 September 2015 by:

Nigel Brent Fitzpatrick MBE
Non-Executive Director

Company registration number: 03904195

cash flow statement
for the year ended 31 March 2015

	Notes	31 March 2015 £'000	31 March 2014 £'000
Operating activities			
(Loss)/Profit before tax		**(303)**	(163)
Share-based charge		**107**	–
Issue of shares in lieu of services		**65**	
(Increase)/Decrease in receivables		**(5)**	(295)
(Decrease)/Increase in payables		**(12)**	(35)
Tax charge		**–**	45
Total cash flow from operating activities		**(148)**	(448)
Investing activities			
Consideration for disposal of investment		**6**	–
Consideration for purchase of investment		**(276)**	(524)
Total cash flow from investing activities		**(270)**	(524)
Financing activities			
Proceeds from the issue of ordinary share capital		**565**	877
Total cash flow from financing activities		**565**	877
Net (decrease)/increase in cash and cash equivalents		**147**	(95)
Cash and cash equivalents at start of year		**9**	104
Cash and cash equivalents at the end of the year/period	**11**	**156**	9

	Notes	31 March 2015 £'000	31 March 2014 £'000
Cash and cash equivalents comprise:			
Cash and cash in bank		**156**	9
Cash and cash equivalents at end of year/period	**11**	**156**	9

statement of changes in equity

for the year ended 31 March 2015

	Share Capital £'000	Share Premium £'000	Capital Redemption Reserve £'000	Retained Earnings £'000	Available for sale reserve £'000	Share option Reserve £'000	Total Equity £'000
Balance at 1 April 2014	**222**	**723**	**–**	**(147)**	**–**	**–**	**798**
Transactions with owners							
Issue of share options	**–**	**–**	**–**	**–**	**–**	**107**	**107**
Issue of share capital	**237**	**213**	**–**	**–**	**–**	**–**	**450**
Transactions with owners	**237**	**213**	**–**	**–**	**–**	**107**	**557**
Loss for the year	–	–	–	(303)	–	–	(303)
Other comprehensive income	–	–	–	–	253	–	253
Total comprehensive loss	–	–	–	(303)	253	–	(50)
Balance at 31 March 2015	**459**	**936**	**–**	**(450)**	**253**	**107**	**1,305**

	Share Capital £'000	Share Premium £'000	Capital Redemption Reserve £'000	Retained Earnings £'000	Available for sale reserve £'000	Share option Reserve £'000	Total Equity £'000
Balance at 1 April 2013	4,912	24,032	13,188	(42,093)	–	–	39
Transactions with owners							
Capital reorganisation	(4,844)	(24,032)	(13,188)	42,064	–	–	–
Issue of share capital	154	723	–	–	–	–	877
Transactions with owners	(4,690)	(23,309)	(13,188)	42,064	–	–	877
Loss for the period and total comprehensive loss for the period	–	–	–	(118)	–	–	(118)
Balance at 31 March 2014	222	723	–	(147)	–	–	798

notes to the financial statements
for the year ended 31 March 2015

1 Revenue and segmental information

The Company is an investment Company and as such there is only one identifiable operating segment, being the holding and support of investments. Furthermore the Company operates in a single geographic segment being the United Kingdom. The results and balance and cashflows of the segment are as presented in the primary statements. Revenue received in the period under review represents the accrued value for interest receivable from loan notes held in Stream TV Networks.

2 Loss from operations

Loss from operations is stated after charging:

	31 March 2015 £'000	31 March 2014 £'000
Auditors' remuneration for auditing of accounts	**9**	14
Auditors' remuneration for non-audit services	**1**	6
Foreign exchange gains	**(6)**	–

3 Staff costs

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

	31 March 2015	31 March 2014
Directors and senior management	**2**	2
Management	**–**	–
Non-management	**–**	–
Total	**2**	2

The aggregate payroll costs for these persons were as follows:

	31 March 2015 £'000	31 March 2014 £'000
Aggregate wages and salaries	**44**	27
Social security costs	**–**	–
Share-based payments	**107**	–
Pensions costs	**–**	–
	151	27

4 Directors and senior management

Directors' remuneration

	31 March 2015				
	Salary £'000	**Fees £'000**	**Pension £'000**	**Equity £'000**	**Total £'000**
N B Fitzpatrick	**–**	**21**	**–**	**–**	**21**
A Laiker	**–**	**23**	**–**	**–**	**23**
	–	**44**	**–**	**–**	**44**

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

Directors' and senior management's interests in shares

The Directors who held office at 31 March 2015 held the following shares:

	31 March 2015	31 March 2014
N B Fitzpatrick	**1,500,000**	–
A Laiker	**25,416,724**	1,916,724

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

	31 March 2015 £'000	31 March 2014 £'000
Directors	**107**	–
Non-management	**–**	–

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

The exercise price of the options is at a discount of 38.2% to the mid market price on 8 April 2014 of 1.375p per share and at a premium of 70% to the Company's most recent placing announced on 25 March 2014.

On 2 October 2014 the Company announced that it granted options over a further 4,000,000 ordinary shares of 0.1 pence each, representing approximately 1.6 per cent of the Company's issued ordinary share capital at the time of the grant, at an exercise price of 0.325 pence per share. The options were granted equally to the Directors, taking their holding to 6,117,647 options each as at 31 March 2015. The options vest as to one third on grant and one third on each of the first and second anniversaries of grant. They are not subject to any performance conditions and will lapse 7 years from the date of grant.

The options have been valued using the Black-Scholes method and the appropriate charge made to the financial statements during the year under review. Further details regarding the valuation methodology are provided in note 13 to the financial statements.

5 Tax

	31 March 2015 £'000	31 March 2014 £'000
Current tax:		
UK tax	–	(45)
Tax charge	–	(45)

A deferred tax asset relating to losses carried forward has not been recognised due to uncertainty over the existence of future taxable profits against which the losses can be used. The Company has unused tax losses of £4,010,000 (2014: £3,736,000).

Tax reconciliation

	31 March 2015 £'000	31 March 2014 £'000
(Loss)/Profit before tax	(303)	(159)
Tax at 21% (2014: 24%) on loss before tax	(63)	(38)
Effects of:		
Other expenses not deductible	17	–
Utilisation of losses	–	(7)
Unrelieved losses carried forward	46	–
Total tax (credit)/expense	–	(45)

6 Earnings per share

Earnings per share has been calculated on a loss after tax of £303,000 loss (31 March 2014: £118,000 loss) and the weighted number of average shares in issue for the year of 263,087,300 (31 March 2014: 122,943,751 weighted).

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

	31 March 2015 £'000	31 March 2014 £'000
(Loss)/Profit (£'000)	(303)	(118)
Earnings per share (pence)	(0.12)	(0.10)

7 Investments

	31 March 2015 £'000	31 March 2014 £'000
Opening balance	524	–
Additions during the year	369	524
Disposals during the year	(5)	–
Exchange rate differences	6	–
Gain included in Other Comprehensive Income	253	–
Closing balance	1,147	524

IPO of Rosslyn Analytics

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

Further investment in Portr

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

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

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

Further acquisition of interest in Portr and issue of equity

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

Following the issue of the Consideration Shares, John Garner is interested in 20,000,000 ordinary shares in the Company representing 4.36% of the issued share capital in the Company.

Investment in 3Legs Resources plc ("3Legs")

On 10 March 2015 the Company announced an investment of £36,875 in 3Legs. The Company acquired a total of 17,500,000 existing ordinary shares in 3Legs (AIM: 3LEG) at an average price of 0.212 pence per share. Vela's holding of 19,000,000 shares in 3Legs represents 4.06% of the total voting rights of 3Legs.

3Legs is an Isle of Man incorporated investing Company whose shares are traded on AIM. In February 2015, 3Legs completed a corporate reorganisation which included the adoption of a new investing policy to invest in and/or acquire companies within the technology sector or within the resources sector, particularly where a resource can be brought into production through the application of modern technologies. As part of the above reorganisation, 3Legs raised £800,000 through a subscription for new ordinary shares at a price of 0.232 pence per share which valued 3Legs at approximately £1 million with the funds to be used by 3Legs in connection with the implementation of the new investing policy.

The shares in 3Legs were acquired in the market by Vela between 27 February 2015 and 9 March 2015 as follows:

Date of purchase	**No of ordinary shares purchased**	**Price/ share (p)**	**Investment**
27 February 2015	5,000,000	0.2	£10,000
6 March 2015	7,500,000	0.215	£16,125
9 March 2015	5,000,000	0.215	£10,750
25 March 2015	1,500,000	0.21	£3,150

8 Trade and other receivables

	31 March 2015 £'000	31 March 2014 £'000
Other receivables	**19**	296
Prepayments and accrued income	**12**	10
	31	306

9 Trade and other payables

	31 March 2015 £'000	31 March 2014 £'000
Trade payables	**5**	10
Corporation tax payable	**–**	–
Accruals and deferred income	**24**	31
	29	41

10 Share capital

	31 March 2015 £'000	31 March 2014 £'000
Authorised capital		
9,999,520,000 ordinary shares of 0.1 pence each	**10,000**	10,000
	10,000	10,000
Allotted, called up and fully paid capital		
459,088,020 (2013: 222,087,300) ordinary shares of 0.1 pence each	**459**	222
	459	222

Allotments during the period

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

	31 March 2015
Shares in issue at 1 April 2014	**222,088,021**
Shares issued during the year	236,999,999
Shares in issue at 31 March 2015	**459,088,020**

	31 March 2014
Shares in issue at 1 April 2013	67,679,309
Shares issued during the period	154,408,712
Shares in issue at 31 March 2014	222,088,021

On 30 July 2014 the Company issued 20,000,000 new ordinary shares of 0.1p each for consideration for an investment in Portr at a price of 0.5p per share, totalling £100,000.

On 31 July 2014 the Company issued 7,000,000 new ordinary shares of 0.1p each to a consultant in lieu of fees. The shares were issued at a price of 0.5p per share, totalling £35,000.

On 2 October 2014 the Company issued 6,000,000 new ordinary shares of 0.1p each in settlement of certain Directors fees. The shares were issued at 0.4p each, totalling £24,000.

On 13 February 2015 the Company issued 4,000,000 new ordinary shares of 0.1p each in settlement of certain fees for Mr Antony Laiker, a Director of the Company. The shares were issued at 0.15p each, totalling £6,000.

On 2 October 2014 the Company placed 200,000,000 new ordinary shares of 0.1p each. The shares were issued at 0.15p each, totalling £300,000. Mr Antony Laiker, a Director of the Company, subscribed for 15,000,000 of the placing shares.

11 Cash and cash equivalents

Cash and cash equivalents comprise the following:

	31 March 2015 £'000	31 March 2014 £'000
Cash and cash in bank:		
Pound sterling	**156**	9
Cash and cash equivalents at end of year	**156**	9

12 Financial instruments

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

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

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

Currency risk

There was minimal exposure to foreign exchange fluctuations to 31 March 2015, and as such sensitivity analysis has not been presented.

Credit risk

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

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

Classes of financial assets – carrying amounts	**31 March 2015 £'000**	31 March 2014 £'000
Financial assets measured at fair value through other comprehensive income	**1,147**	524
Loans and receivables	**19**	9
	1,166	533

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

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

The Company is required to report the category of fair value measurements used in determining the value of its investments, to be disclosed by the source of its inputs, using a three-level hierarchy. There have been no transfers between Levels in the fair value hierarchy.

Quoted market prices in active markets – "Level 1"

Inputs to Level 1 fair values are quoted prices in active markets for identical assets. An active market is one in which transactions occur with sufficient frequency and volume to provide pricing information on an ongoing basis. The Company has three investments classified in this category. The aggregate historic cost of the three investments is £199,972 and the fair value as at 31 March 2015 was £127,683, giving rise to a net loss of £72,289 charged to Other Comprehensive Income.

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

Inputs to Level 2 fair values are inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly. The Company has one unquoted investment classified in this category. The historic cost of this investment is £200,000 and the fair value as at 31 March 2015 was £525,444, giving rise to a gain of £325,444 credited to Other Comprehensive Income. The investment was valued using the transaction price ascribed to the shares following a placing by the investee Company in February 2015.

Valued using models with significant unobservable market parameters – "Level 3"

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

Liquidity risk

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

Maturity analysis for financial liabilities

	31 March 2015		31 March 2014	
	Within 1 year £'000	**Later than 1 year £'000**	Within 1 year £'000	Later than 1 year £'000
At amortised costs:				
Financial liabilities at amortised cost	**5**	**–**	10	–
Lease commitments provision	**–**	**–**	–	–
	5	**–**	10	–

Capital risk management

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

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

The Company policy is to set the amount of capital in proportion to its overall financing structure, i.e. equity and long-term loans. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, issue new shares or loan notes, or sell assets to reduce debt.

13 Share-based payments

During the year 12,235,294 options were issued to the Directors of the Company. The options were issued in two tranches, with 8,235,294 issued on 8 April 2014 and 4,000,000 issued on 2 October 2014. The fair values of the options granted during the year were determined using the Black Scholes valuation model. The model has been applied to each issue of options incorporating the share price prevailing at the time the options were granted.

The model takes into account volatility rates of 74.23% at 8 April 2014 and 95.16% at 2 October 2014, which have been derived from historical experience. A weighted average risk-free interest rate of 2.0% has been applied. The share price was 1.5 pence as at 8 April 2014 and 0.325 pence as at 2 October 2014 and the exercise prices of the options were 0.85 pence and 0.325 pence at 8 April 2014 and 2 October 2014 respectively.

The options are not subject to any performance conditions and will lapse 7 years from the date of grant. All share options granted during the year are equity settled.

The amount of remuneration expense in respect of the share options granted amounts to £107,000 (period ended 31 March 2014: £nil).

The inputs to the option pricing model are as follows:

	Options granted 8 April 2014	Options granted 2 October 2014
Share price at grant date (pence)	**1.50**	0.33
Exercise price (pence)	**0.85**	0.33
Expected life (years)	**7**	7
Annualised volatility (%)	**74.23**	95.16
Risk-free interest rate (%)	**2.0**	2.0
Fair value determined (pence)	**1.17**	0.26
Number of options granted	**8,235,294**	4,000,000

There were no share options in existence at the start of the year. During the year 12,235,294 options were granted, as described above, and no options were exercised, forfeited or cancelled.

As at 31 March 2015 there were 8,235,294 options in issue with an exercise price of 0.85 pence and 4,000,000 with an exercise price of 0.325 pence.

14 Related party transactions

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

Ocean Park Developments Limited

Nigel Brent Fitzpatrick, Non-Executive Director, is also a Director of Ocean Park Developments Limited. During the year the Company paid £21,000 (31 March 2014: £12,000) in respect of his Directors fees to the Company. The balance due to Ocean Park Developments Limited at the year end was £nil (31 March 2014: £nil)

Risk Alliance Insurance Brokers Limited

Nigel Brent Fitzpatrick, Non-Executive Director, is also a Director of Risk Alliance Insurance Brokers Limited. During the year the Company paid £5,830 (31 March 2014: £3,975) in respect of insurance fees at arm's length, for the Company. The balance due to Risk Alliance Insurance Brokers Limited at the year end was £nil (31 March 2014: £nil)

Widdington Limited

Antony Laiker, Director, is also a Director of Widdington Limited. During the year the Company paid £23,000 (31 March 2014: £nil) in respect of his Directors fees to the Company. The balance due to Widdington Limited at the year end was £nil (31 March 2014: £nil).

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