

4 March 2016

Blue Star Capital plc
("Blue Star" or the "Company")

Final Results for the year ended 30 September 2015

Blue Star Capital plc (AIM: BLU), an investing company in technology and gaming, is pleased to announce its final results for the year ended 30 September 2015.

Highlights:

- Loss for the period of £106,370 (2014: profit of £276,833)
- Net assets increased by 5.98% to £1,877,170 (2014: £1,771,140)
- Net asset value per share at 30 September 2015 of 0.4p (2014: 0.4p)
- Cash Position at 30 September 2015 of £27,473 (2014: £4,868)

The Annual Report (containing the Notice of Annual General Meeting ("AGM")) is available to view on the Company's website <http://www.bluestarcapital.co.uk> and will be posted to shareholders.

The AGM will be held at the offices of Cairn Financial Advisers LLP, 61 Cheapside, London, EC2V 6AX at 11:30am on 29 March 2016.

For further information:

Blue Star Capital plc

Tony Fabrizi
Graham Parr

0777 178 2434
07788916111

Cairn Financial Advisers LLP
(Nominated Adviser and Broker)
Emma Earl
Jo Turner

020 7148 7900

Chairman's Statement

The last financial year has been one of consolidation for Blue Star as the Board endeavours to build the Company's NAV with limited resources. As previously reported, the Company now has a clear strategy for investment into technology businesses, whether pure technology or technology-led gaming and media businesses.

Financials

The Company reported a loss for the period of £106,370 compared to a profit of £276,333 in the corresponding period.

Net assets have shown a small increase rising to £1,877,170 at 30 September 2015 from £1,771,140 at 30 September 2014. Blue Star's cash position at 30 September 2015 was £27,473 compared to a balance of £4,868 at 30 September 2014.

Portfolio Review

Oak Media Limited ('Oak')

Company Description

OAK was formed in order to take advantage of the global growth in the gaming for entertainment industry amid a rapidly-evolving regulatory environment.

As noted in the Company's interim report for the six months ended 31 March 2015, Oak has not performed as expected and accordingly Oak is considering other mobile based opportunities. Oak and the Directors are optimistic that this will result in a transaction in H1 2016 (calendar year). Blue Star's interest in Oak has a carrying value of £50,000 as at 30 September, 2015 compared with £114,634 at 30 September 2014.

Blue Star's holding in OAK

The Company's shareholding in OAK is currently 65%.

Disruptive Tech Limited ("DTL")

Company Description

DTL is a Gibraltar based investing company. DTL has five current investments, the most important of which are its 15% stake in Nektan plc, a leading international B2B mobile gaming company, a 38% stake in VNU Group LLC, a speciality online direct retailer of premium goods paid for through an instant credit facility, 100% shareholding in Interest Labs, which builds consumer and commercial applications around user behaviour and 12% of Freeformers which helps companies fulfil the employee aspects of their digital strategies.

The Directors had anticipated that DTL would have a valuation and/or liquidity event in 2015 after the Company's interim period end. Although this has yet to occur, DTL has recently informed investors that it will seek to exit all the shareholdings in the five portfolio companies, during the course of the next 3 years and will disperse the proceeds back to DTL's shareholders. Disbursement of proceeds will either be through the distribution of shares if a company is listed on a public market (post any lock in period and stability in the share price) or cash from the sale of DTL's positions.

Blue Star's holding in DTL

Blue Star's £300,000 investment in DTL was made in 2007. Since its original investment, DTL has raised money at significantly higher valuations and while the Company's percentage shareholding has fallen to 2.1% the value of its investment has risen significantly and now stands at £1.6 million, which is unchanged from the prior year. The Company's carrying value of its investment in DTL is based on the valuation at which DTL last raised money.

Vigilant Applications Limited ('VAL')

Company Description

Vigilant Applications (VAL) is a software development company specialising in security solutions for monitoring and shaping user behaviour on fixed and mobile 'end point' devices, including PC's, tablets and smartphones. Its VigilancePro agent software is deployed in the enterprise space in both the public and private sector for monitoring professional standards, securing data and compliance. Its LiveStore retail product uses the core VigilancePro capabilities to monitor all activity at an Electronic Point of Sale – EPOS. Through its patented technology it is able to integrate with existing security infrastructure (CCTV) to provide irrefutable real-time remote reporting of all transaction activity within a retail environment.

In order to sustain its growth plans, VAL has raised additional funding during the course of the

Company's last financial year at a valuation of £4.5m and is continuing to raise funds at that level. Based on the price achieved on this latest fund raise Blue Star's holding in VAL is valued at £220,445 compared with the carrying value in Blue Star's accounts of £88,000 as at 31 March 2015.

Blue Star's holding in VAL
The Company's shareholding in VAL is currently 4.9%.

Sthaler Limited ("Sthaler")

Company Description

In June 2015 the Company invested £50,000 in Sthaler Limited, an early stage identity and payments technology business which enables a consumer to identify themselves and pay using just their finger at retail points of sale.

Sthaler jointly developed Fingopay in conjunction with Hitachi. Fingopay uses a unique finger vein ID process which is considered to be more secure than finger print readers and faster than chip and pin operations. The technology is widely adopted in Japan and it is Sthaler's aim to commercialise the technology in the area of payments globally.

It is the Directors' understanding that Sthaler is having ongoing discussions with large organisations which may be instrumental in commercialising the technology. Whilst there is no guarantee that these discussions will result in commercial sales in the short term or at all, the Directors are optimistic of an exciting future for Sthaler and anticipate there being events this year which will provide a basis for reassessing the carrying value of Blue Star's investment in Sthaler later in the year.

Blue Star's Shareholding in Sthaler
The Company's shareholding in Sthaler is currently 1.45%.

Shares issued during the year ended 30 September 2015

On 29 October 2014, the Company raised £225,000 (pre expenses) through the issue of 40,909,091 Ordinary Shares at 0.55p per share. These funds were used to make the final payment of £25,000 to Oak, which formed part of the Company's original £100,000 investment, and to provide further funds for existing and new investments as well as working capital moving forward.

Post Balance Sheet Events

On 6 October 2015, the Company raised £25,000 (pre expenses) through the issue of 12,500,000 Ordinary Shares at 0.20p per share. These funds were to be used for general working capital purposes.

On 26 February 2016 the Company announced that it has conditionally raised £20,000 before expenses by way of a direct subscription with the Company of 16,000,000 new ordinary shares of 0.1p each at an issue price of 0.125p per share.

Outlook

The Company's day to day running costs are limited and kept under strict control. As previously announced, the Directors are continuing to accrue Directors' salaries until such a time as a more significant fundraise is deemed appropriate and there is a meaningful update in relation to the Company's current portfolio or new investment opportunities.

The Directors are continuing to seek investments which have the potential to deliver significant shareholder value and which may or may not constitute a reverse takeover if completed. The Directors are also considering how best to realise value for shareholders in the Company's existing portfolio of investments.

Strategic Report

Review of Business and Analysis Using Key Performance Indicators

The full year's pre-tax loss was £106,370 compared to a pre-tax profit of £276,333 for the year ended 30 September 2014.

The cash position at the end of the year increased to £27,473 from £4,868 as at 30 September 2014. Since the year end the Company has raised further funds, details of which are provided in the Chairman's Statement.

Key Performance Indicators

The Board monitors the activities and performance of the Company on a regular basis. The indicators set out below have been used by the Board to assess performance over the year to 30 September 2015. The main KPIs for the Company are listed as follows:

	2015	2014
Valuation of investments	£1,917,982	£1,800,349
Cash and cash equivalents	£27,473	£4,868
Net Current Liabilities	£40,812	£29,209
(Loss)/Profit before tax	(£106,370)	£276,333

Investing Policy

Assets or Companies in which the Company can invest

The Company can invest in assets or companies in the following sectors:

- Gaming;
- Media;
- Technology.

The Company's geographical range is mainly UK companies but considers opportunities in the mainland EU and will actively co-invest in larger deals.

The Company can take positions in investee companies by way of equity, debt or convertible or hybrid securities.

Whether investments will be active or passive investments

The Company's investments are passive in nature, but may be actively managed. The Company may be represented on, or observe, the boards of its investee companies.

Holding period for investments

The Company's investments are likely to be illiquid and consequently are to be held for the medium to long term.

Spread of investments and maximum exposure limits, Policy in relation to cross-holdings and Investing Restrictions

The Company does not have any maximum exposure limits, limits on cross-holdings or other investing restrictions. Under normal circumstances, it is the Directors intention not to invest more than 10% of the Company's gross assets in any individual company (calculated at the time of investment).

Policy in relation to gearing

The Directors may exercise the powers of the Company to borrow money and to give security over its assets. The Company may also be indirectly exposed to the effects of gearing to the

extent that investee companies have outstanding borrowings.

Returns and Distribution Policy

It is anticipated that returns from the Company's investment portfolio will arise upon realization or sale of its investee companies, rather than from dividends received. Whilst it is not possible to determine the timing of exits, the Board will seek to return capital to shareholders when appropriate.

Life of the Company

The Company has an indefinite life dependent on obtaining sufficient funding.

Future Developments

The Company is continuing to develop an investment portfolio with the capacity for substantial growth and increases in value. During the year, the Company has raised £225,000 to provide for working capital and support the current portfolio of the investments. Additional details of future development are explained in the Chairman's Statement.

Principle risks and uncertainties

The Company seeks investments in late stage venture capital and early stage private equity opportunities, which by their very nature allow a diverse portfolio of investments within different sectors and geographic locations. The risk is loss or impairment of investments.

This is mitigated by careful management of the investment and in particular, only continuing to support those investments which demonstrate potential to achieve a positive exit and decisively determining those which do not. Portfolio and capital management techniques are fully applied according to industry standard practice.

It will be necessary to raise additional funds in the future by a further issue of new Ordinary Shares or by other means. However, the ability to fund future investments and overheads in Blue Star Capital Plc as well as the ability of investments to return suitable profit cannot be guaranteed, particularly in the current economic climate.

The Company may not be able to identify suitable investment opportunities and there is no guarantee that investment opportunities will be available and the Company may incur costs in conducting due diligence into potential investment opportunities that may not result in an investment being made.

The value of companies similar to those in Blue Star Capital's portfolio and in particular those at an early stage of development, can be highly volatile. The price at which investments are made, and the price which the Company may realise for its investment, will be influenced by a large number of factors, some specific to the company and its operations and some which may affect the sector.

Independent Auditor's Report

The Independent Auditor's report, prepared by Adler Shine LLP, Statutory Auditor, includes an emphasis of matter in relation to Going Concern:

Emphasis of matter – Going concern

"In forming our opinion, which is not qualified, we have considered the adequacy of the disclosures made in note 1 to the financial statements concerning the Company's ability to continue as a going concern. The going concern assumption is predicated on one of two scenarios, either the receipt of funds from the sale of certain investments in order to

fund working capital or an equity fundraising to provide working capital. The receipt of these funds is not yet certain. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Company was unable to continue as a going concern."

Statement of Comprehensive Income For the year ended 30 September 2015

	Notes	2015 £	2014 £
Revenue		—	22,500
Gain arising from investments held at fair value through profit or loss	12	67,633	477,021
Impairment of deferred consideration receivable	13	—	(26,984)
Loss on disposal of investments		(8,529)	—
		59,104	472,537
Administrative expenses		(165,499)	(193,384)
Operating (loss)/profit	3	(106,395)	279,153
Finance income	4	25	1,842
Finance costs	5	—	(4,662)
(Loss)/profit before and after taxation and total comprehensive (loss)/income for the year		(106,370)	276,333
(Loss)/earnings per ordinary share:			
Basic and diluted (loss)/earnings per share on (loss)/profit for the year	10	(0.02p)	0.07p

Statement of Financial Position
For the year ended 30 September 2015

	Notes	2015 £	2014 £
Non-current assets			
Investments	12	1,917,982	1,800,349
Current assets			
Trade and other receivables	13	6,501	26,688
Cash and cash equivalents	14	27,473	4,868
Total current assets		33,974	31,556
Total assets		1,951,956	1,831,905
Current liabilities			
Trade and other payables	15	74,786	60,765
Total liabilities		74,786	60,765
Net assets		1,877,170	1,771,140
Shareholders' equity			
Share capital	16	471,663	430,754
Share premium account		7,688,265	7,516,774
Other reserves		36,327	36,327
Retained earnings		(6,319,085)	(6,212,715)
Total shareholders' equity		1,877,170	1,771,140

Statement of Changes in Equity
For the year ended 30 September 2015

	Share capital £	Share premium £	Other reserves £	Retained earnings £	Total £
Year ended 30 September 2014					
At 1 October 2013	192,942	6,815,347	—	(6,489,048)	519,241
Profit for the year and total comprehensive income	—	—	—	276,333	276,333
Shares issued in the year	117,273	382,727	—	—	500,000
Loans converted in the year	120,539	348,199	—	—	468,738
Share based payments	—	—	36,327	—	36,327
Share issue costs	—	(29,499)	—	—	(29,499)
At 30 September 2014	430,754	7,516,774	36,327	(6,212,715)	1,771,140
Year ended 30 September 2015					
At 1 October 2014	430,754	7,516,774	36,327	(6,212,715)	1,771,140
Loss for the year and total comprehensive income	—	—	—	(106,370)	(106,370)
Shares issued in year	40,909	184,091	—	—	225,000
Share issue costs	—	(12,600)	—	—	(12,600)
At 30 September 2015	471,663	7,688,265	36,327	(6,319,085)	1,877,170

Cash Flow Statement
For the year ended 30 September 2015

	Notes	2015 £	2014 £
Operating activities			
(Loss)/profit for the year		(106,370)	276,333
Adjustments:			
Finance income		(25)	(1,842)
Finance costs		—	4,662
Fair value gains		(67,633)	(477,021)
Impairment of deferred consideration receivable		—	26,984
Loss on disposal		8,529	—
Share based payments	6	—	21,693
Working capital adjustments			
Working capital adjustments			
Decrease/(increase) in trade and other receivables		20,187	(14,502)
Increase/(decrease) in trade and other payables		14,021	(98,211)
Net cash used in operating activities		(131,291)	(261,904)
Investing activities			
Purchase of investments		(84,121)	(100,000)
Interest received		25	22
Proceeds from sale of investments		25,592	—
Net cash generated from investing activities		(58,504)	(99,978)
Financing activities			
Proceeds from issue of equity		225,000	500,000
Reduction in borrowings		—	(137,756)
Share issue costs		(12,600)	(29,499)
Net cash generated from financing activities		212,400	332,745
Net increase in cash and cash equivalents		22,605	(29,137)
Cash and cash equivalents at start of the year	14	4,868	34,005
Cash and cash equivalents at end of the year	14	27,473	4,868

Notes to the Financial Statements

For the year ended 30 September 2015

1. Accounting policies

General information

Blue Star Capital Plc (the Company) invests principally in the media, technology and gaming sectors.

The Company is a public limited company incorporated and domiciled in the United Kingdom. The address of its registered office is Griffin House, 135 High Street, Crawley RH10 1DQ.

The Company is listed on the AIM market of the London Stock Exchange plc.

Basis of preparation

The principal accounting policies adopted in the preparation of the financial statements are set out below. The policies have been consistently applied to all the years presented, unless otherwise stated.

These financial statements have been prepared in accordance with International Financial Reporting Standards, International Accounting Standards and Interpretations (collectively IFRS) issued by the International Accounting Standards Board (IASB) as adopted by the European Union ("adopted IFRSs") and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

The historical cost convention has been applied as modified by the revaluation of assets and liabilities held at fair value.

Associates are those entities in which the Company has significant influence, but no control, over the financial and operating policies. Investments that are held as part of the Company's investment portfolio are carried in the statement of financial position at fair value even though the Company may have significant influence over those companies. This treatment is permitted by IAS 28 Investment in Associates, which requires investments held by venture capital organisations to be excluded from its scope where those investments are designated, upon initial recognition, as at fair value through profit or loss and accounted for in accordance with IAS 39, with changes in fair value recognised in the statement of comprehensive income in the period of the change. The Company has no interests in associates through which it carries on its business.

Going concern

The financial statements have been prepared on the going concern basis, which assumes that the Company will be able to meet its liabilities as they fall due.

At 30 September 2015, the Company had cash balances of £27,473 but net current liabilities of £40,812. During the year the Company has raised £225,000 before expenses. On 6 October 2015, the company issued a further 12,500,000 shares, raising a further £25,000.

The Company is seeking to progress the sale of certain investments or raise further funds to provide the Company with additional working capital. However, this is not certain and the amount realised may or may not provide sufficient funds to cover the on-going working capital needs of the Company. Should these expected transactions not take place, the Company would need to obtain alternative finance. There can be no certainty that further financing will be available.

These conditions constitute a material uncertainty that may cast doubt about the Company's ability to continue as a going concern. The financial statements do not contain the adjustments that would result if the Company were unable to continue as a going concern.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses.

Depreciation is calculated to write off the cost of property, plant and equipment less estimated residual values over their expected useful lives as follows:

Office equipment	25% per annum, straight line
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Impairment provisions are made if the carrying value of an asset exceeds the recoverable amount.

Revenue recognition

Revenue is recognised to the extent that it is possible that the economic benefits will flow to the Company and the revenue can be reliably measured. The Company provides consulting services and recognises revenue in the period in which the services are provided. Revenue is measured at the fair value of the consideration received, excluding value added taxes.

Financial assets

The Company classifies its financial assets into one of the categories discussed below, depending on the purpose for which the asset was acquired. The Company has not classified any of its financial assets as held to maturity or available for sale.

The Company's accounting policy for each category is as follows;

Fair value through profit or loss

Financial assets at fair value through profit or loss are either financial assets held for trading or other investments that have been designated at fair value through profit or loss on initial recognition.

Financial assets at fair value through profit or loss are initially recognised at fair value and any gains or losses arising from subsequent changes in fair value are presented in the statement of comprehensive income in the period in which they arise.

The fair value of unlisted securities is established using International Private Equity and Venture Capital ("IPEVC") guidelines. The valuation methodology used most commonly by the Company is the 'price of recent investment' contained in the IPEVC valuation guidelines. The following considerations are used when calculating the fair value using the 'price of recent investment' guidelines:

- Where the investment being valued was itself made recently, its cost will generally provide a good indication of fair value;
- Where there has been any recent investment by third parties, the price of that investment will provide a basis of the valuation;
- If there is no readily ascertainable value from following the 'price of recent investment' methodology, the company considers alternative methodologies in the IPEVC guidelines, being principally discounted cash flows and price earnings multiples requiring management to make assumptions over the timing and nature of future earnings and cash flows when calculating fair value;
- Where a fair value cannot be readily estimated the investment is reported at the carrying value at the previous reporting date unless there is evidence that the investment has been impaired.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less.

For the purpose of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

Financial liabilities

The Company classifies its financial liabilities in the category of financial liabilities measured at amortised cost. The Company does not have any financial liabilities at fair value through profit or loss.

Financial liabilities measured at amortised cost
Financial liabilities measured at amortised cost include:

Trade payables and other short-term monetary liabilities, which are initially recognized at fair value and subsequently carried at amortised cost using the effective interest rate method

Finance income

Finance income relates to interest income arising on cash and cash equivalents held on deposit and interest accrued on loans receivable. Finance income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Operating loss

Operating loss is stated after crediting all items of operating income and charging all items of operating expense.

Deferred taxation

Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability in the balance sheet differs from its tax base.

Recognition of deferred tax assets is restricted to those instances where it is probable that taxable profit will be available against which the difference can be utilised.

The amount of the asset or liability is determined using tax rates that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the deferred tax liabilities/(assets) are settled/(recovered).

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of the cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Present obligations under onerous leases are recognised and measured as provisions. An onerous contract is considered to exist where the company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

Standards, Amendments and Interpretations in issue not yet effective

The Company has not applied the following new and revised IFRSs that have been issued but are not yet effective:

		Effective for accounting periods beginning on or after:
IFRS 5	Amendments resulting from September 2014 Annual improvements to IFRSs	1 January 2016
IFRS 7	Amendments resulting from September 2014 Annual improvements to IFRSs	1 January 2016
IFRS 9	Finalised version, incorporating requirements for classification and measurement, impairment, general hedge accounting and de-recognition	1 January 2018
IFRS 10	Amendments regarding the sale or contribution of assets between an investor and its associate or joint venture	Deferred indefinitely
IFRS 10	Amendments regarding the application of the consolidation	1 January 2016
IFRS 11	Amendments regarding the accounting for acquisitions of an interest in a joint operation	1 January 2016
IFRS 12	Amendments regarding the application of the consolidation	1 January 2016
IFRS 14	Original issue of Regulatory Deferral Accounts	1 January 2016
IFRS 15	Original issue of Revenue from Contracts with Customers	1 January 2018
IFRS 16	Original issue of Leases	1 January 2019
IAS 1	Amendments resulting from the disclosure initiative	1 January 2016
IAS 7	Amendments as result of the disclosure initiative	1 January 2017
IAS 12	Amendments regarding the recognition of deferred tax assets for unrealised losses.	1 January 2017
IAS 16	Amendments regarding the clarification of acceptable methods of depreciation and amortisation	1 January 2016
IAS 16	Amendments bringing bearer plants into scope of IAS 16	1 January 2016
IAS 19	Amendments resulting from September 2014 Annual Improvements to IFRSs	1 January 2016
IAS 27	Amendments reinstating the equity method as an accounting option for investments in subsidiaries, joint ventures and associates in an entity's separate financial statements	1 January 2016
IAS 28	Amendments regarding the sale or contribution of assets between an investor and its associate or joint venture	Deferred indefinitely
IAS 28	Amendments regarding the application of the consolidation	1 January 2016
IAS 34	Amendments resulting from September 2014 Annual Improvements to IFRSs	1 January 2016
IAS 38	Amendments regarding the clarification of acceptable methods of depreciation and amortisation	1 January 2016
IAS 41	Amendments bring bearer plants into scope of IAS 16	1 January 2016

Share-based payments

All services received in exchange for the grant of any share based remuneration are measured at their fair values. These are indirectly determined by reference to the fair value of the share options/warrants awarded. Their value is appraised at the grant date and excludes the impact of any non-market vesting conditions (for example, profitability and sales growth targets).

Share based payments are ultimately recognised as an expense in the Statement of Comprehensive Income with a corresponding credit to other reserves in equity, net of deferred tax where applicable. If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options/warrants expected to vest. Non-market vesting conditions are included in assumptions about the number of options/warrants that are expected to become exercisable. Estimates are subsequently revised, if there is any indication that the number of share options/warrants expected to vest differs from previous estimates. No adjustment is made to the expense or share issue cost recognised in prior periods if fewer share options ultimately are exercised than originally estimated.

Upon exercise of share options, the proceeds received net of any directly attributable transaction costs up to the nominal value of the shares issued are allocated to share capital with any excess being recorded as share premium.

Where share options are cancelled, this is treated as an acceleration of the vesting period of the options. The amount that otherwise would have been recognised for services received over the remainder of the vesting period is recognised immediately within the Statement of Comprehensive Income.

2. Critical accounting estimates and judgements

The Company makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are those in relation to:

Fair value of financial instruments

The Company holds investments that have been designated at fair value through profit or loss on initial recognition. The Company determines the fair value of these financial instruments that are not quoted, using valuation techniques, contained in the IPEVC guidelines. These techniques are significantly affected by certain key assumptions. Other valuation methodologies such as discounted cash flow analysis assess estimates of future cash flows and it is important to recognise that in that regard, the derived fair value estimates cannot always be substantiated by comparison with independent markets and, in many cases, may not be capable of being realized immediately.

In certain circumstances, where fair value cannot be readily established, the Company is required to make judgements over carrying value impairment, and evaluate the size of any impairment required.

The methods and assumptions applied, and the valuation techniques used, are disclosed in note 12.

Share based payments

The calculation of the fair value of equity-settled share based awards and the resulting charge to the statement of comprehensive income requires assumptions to be made regarding future events and market conditions. These assumptions include the future volatility of the Company's share price. These assumptions are then applied to a recognized valuation model in order to calculate the fair value of the awards. Details of these assumptions are set out in note 6.

3. Operating loss

2015	2014
£	£

This is stated after charging:		
Auditor's remuneration – statutory audit fees	9,500	12,000
Share based payments	—	21,693

4. Finance Income

	2015 £	2014 £
Unwinding of discount on deferred consideration	—	1,820
Interest received on short term deposits	25	22
	25	1,842

5. Finance Costs

	2015 £	2014 £
Interest on shareholder loans	—	4,662
	—	4,662

6. Share based payments

The Company operates an unapproved scheme for executive directors and employees, and a corresponding unapproved scheme for non-executive directors. Under both unapproved schemes, one third of the options vest if the average share price of the Company exceeds 6p for three consecutive months; similarly, one third vest if its average share price exceeds 9p for three consecutive months and the final third vest if the average share price exceeds 12p for three consecutive months.

	2015		2014	
	Weighted average exercise price (p)	Number	Weighted average exercise price (p)	Number
Outstanding at the beginning of the year	—	—	4.5	3,132,046
Lapsed during the year	—	—	(4.5)	(3,132,046)
	—	—	—	—

There were no options exercisable at year end as all of the options have lapsed.

Share warrants

On 19 November 2013, the Company granted 9,000,000 warrants to the Directors in lieu of cash remuneration, with The Rt Hon the Lord Geoffrey Dear, Anthony Fabrizi and Graham Parr each receiving 3 million warrants at an exercise price of 0.6p until October 2016. The charge to the profit and loss account was £nil. (2014: £14,376)

On 24 December 2013, the Company granted 6,000,000 warrants to the Directors of Oak Media Limited as consideration for the investment made in Oak Media Limited. An additional 3,000,000 warrants were granted to a third party as an introduction fee to the Oak Media Limited investment. The warrants granted are exercisable at a price of 0.6p until 6 October 2016. The charge to the profit and loss account was £nil (2014: £7,317). The charge to the cost of investment in Oak Media Limited was £nil (2014: £14,634)

	2015		2014	
	Weighted average exercise price (p)	Number	Weighted average exercise price (p)	Number
Outstanding at the beginning of the year	1.24	33,000,000	2	15,000,000
Lapsed during the year	—	—	—	—
Granted during the year	—	—	0.6	18,000,000
	1.24	33,000,000	1.24	33,000,000

The weighted average exercise price of warrants outstanding at the end of the year was 1.24p (2014: 1.24p) and their weighted average contractual life was 1 year (2014: 1.5 years).

Of the total number of warrants outstanding at the end of the year, all had vested and were exercisable before the end of October 2016.

The following information is relevant in the determination of the fair value of warrants granted during the year under the equity share based remuneration schemes operated by the Company.

Date of Grant	19 November 2013	24 December 2013
Option pricing model used	Black-Scholes	Black-Scholes
Share price at date of grant (in pence)	0.5p	0.64p
Exercise price (in pence)	0.6p	0.6p
Contractual life (years)	3	3
Expected volatility	50%	50%
Risk free interest rate	3.00%	3.00%
Fair value per warrant	0.16p	0.24

The volatility assumption, measured at the standard deviation of expected share price returns, is based on a statistical analysis of daily share prices over a three-year period.

The Black-Scholes valuation technique was adopted because, in the opinion of the directors, the market based vesting conditions were not materially sensitive to the valuation.

The share-based expense (note 3) comprises:

	2015 £'000	2014 £'000
Share Warrants	-	21,693
	-	21,693

7. Staff costs, including directors

	2015 £'000	2014 £'000
Wages and salaries	65,000	42,500
Social security costs	3,882	1,964
	68,882	44,464

During the year the company had an average of 3 employees who were management (2014:3). The employees were both directors and key management personnel of the company.

8. Directors' and key management personnel

		2015 £'000	2014 £'000
Director			
Anthony Fabrizi	Emoluments	30,000	25,000
	Share warrants	-	4,792
Graham Parr	Emoluments	20,000	12,500
	Share warrants	-	4,792
William Henbury	Emoluments	15,000	5,000
	Share warrants	-	-
Lord Dear	Emoluments	-	-
	Share warrants	-	4,792

Included in the above amounts is £21,667 of accrued but unpaid emoluments at 30 September 2015.

9. Taxation

The tax assessed on loss before tax for the year differs to the applicable rate of corporation tax in the UK for small companies of 20% (2014: 20%). The differences are explained below:

	2015 £'000	2014 £'000
Loss before tax	(106,370)	276,333
(Loss)/profit before tax multiplied by effective rate of corporation tax of 20% (2014 – standard rate of 20%)	(21,274)	55,267
Effect of:		
Expenses not deductible for tax purposes	—	9,940
Capital losses/(Unrealised Gains) carried forward	(11,821)	(62,889)
Capital allowances	(706)	(3,923)
Other adjustments	—	928
Losses carried forward	33,801	677
Tax charge in the income statement	—	—

The Company has incurred tax losses for the year and a corporation tax expense is not anticipated. The amount of the unutilised tax losses has not been recognised in the financial statements as the recovery of this benefit is dependent on future profitability, the timing of which

cannot be reasonably foreseen. The unrecognised and revised deferred tax asset at 30 September 2015 is £1,008,250 (2014: £972,759).

10. (Loss) / Earnings per ordinary share

The earnings and number of shares used in the calculation of loss/earnings per ordinary share are set out below

	2015	2014
Basic:		
(Loss)/Profit for the financial period	(£106,370)	£276,333
Weighted average number of shares	468,412,312	373,905,665
(Loss)/Profit per share (pence)	(0.02)	0.07
Fully Diluted:		
(Loss)/Profit for the financial period	(£106,370)	£276,333
Weighted average number of shares	468,412,312	403,619,802
(Loss)/Profit per share (pence)	(0.02)	0.07

As at the end of the financial period there were 33,000,000 share warrants in issue, which had an anti-dilutive effect on the weighted average number of shares.

11. Property, plant and equipment

	£
Cost	
At 1 October 2013	29,935
Additions	—
At 30 September 2014 and 30 September 2015	29,935
Depreciation	
At 1 October 2013	29,935
Charge for the year	—
At 30 September 2014 and 30 September 2015	29,935
Net book value	
At 30 September 2015	—
At 30 September 2014	—

12. Investments

	2015 £	2014 £
At start of year	1,800,349	1,208,694
Additions	84,121	114,634
Disposals	(34,121)	—
Net fair value gain for the year	67,633	477,021
At end of year	1,917,982	1,800,349

Unquoted investments	Class of shares/investment	Book value and fair value
		£
Vigilant Applications Limited	Ordinary 1p	220,445
Disruptive Tech. Limited	Ordinary 1p	1,597,537
Sthaler	Ordinary 1p	50,000
Oak Media Limited	Ordinary 1p	50,000
		1,917,982

All of the above investments are incorporated in the United Kingdom with the exception of Disruptive Tech. Limited which is based in Gibraltar. The methods used to value these unquoted investments are described below.

Fair value

The fair value of unquoted investments is established using valuation techniques. These include the use of recent arm's length transactions, the Black-Scholes option pricing model and discounted cash flow analysis. Where a fair value cannot be estimated reliably the investment is reported at the carrying value at the previous reporting date in accordance with International Private Equity and Venture Capital ("IPEVC") guidelines.

The Company assesses at each balance sheet date whether there is any objective evidence that the unquoted investments are impaired. The unquoted investments are deemed to be impaired, if and only if, there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event (or events) has an impact on the estimated future fair value of the investments that can be reliably measured.

12. Trade and other receivables

	2015	2014
	£	£
Prepayments	2,276	2,473
Other receivables	505	16,062
Social security and other taxes	3,720	8,153
	6,501	26,688

13. Cash and cash equivalents

	2015	2014
	£	£
Cash at bank and in hand	27,473	4,868
	27,473	4,868

Cash and cash equivalents comprise cash at bank and other short-term highly liquid investments with an original maturity of three months or less. The directors consider that the carrying value of cash and cash equivalents approximates to their fair value.

14. Trade and other payables

	2015	2014
	£	£
Bank loans and overdrafts	—	10
Trade payables	11,424	6,385
Accruals	34,467	27,398
Other payables	28,895	25,016
Social security and other taxes	—	1,956
	74,786	60,765

All trade and other payables fall due for payment within one year. The directors consider that the carrying value of trade and other payables approximates to their fair value.

15. Share Capital

	2015	Issued and fully paid 2014	2014
	£	Number	£
At 1 October	430,753,532	430,754	192,942,191
Shares issued in the year	40,909,091	40,909	237,811,341
At 30 September	471,662,623	471,663	430,753,532

During the year the following shares were issued:

	Number	£	Issue price per share
29 October 2014	40,909,091	40,909	0.55p
	40,909,091	40,909	

16. Events after the reporting date

On 6 October 2015, the Company raised £25,000 before expenses by way of a direct subscription of 12,500,000 new Ordinary Shares at a price of 0.20p per share. The Company used the net proceeds of the subscription to provide working capital and support the current portfolio investments.

On 26 February 2016 the Company announced that it has conditionally raised £20,000 before expenses by way of a direct subscription with the Company of 16,000,000 new ordinary shares of 0.1p each at an issue price of 0.125p per share.

17. Financial Instruments

Categories of financial assets and liabilities

The following tables set out the categories of financial instruments held by the company:

Financial assets	Notes	Loans and receivables	
		2015 £	2014 £
Trade and other receivables	13	6,501	26,688
Cash and cash equivalents	14	27,473	4,868
		33,974	31,556

	Notes	Fair value through profit or loss		
		Held for trading £	Designated upon initial recognition £	Total £
Investments	12			
At 30 September 2015		—	1,917,982	1,917,982
At 30 September 2014		—	1,800,349	1,800,349

	Notes	Fair value measurement		
		Level 1 £	Level 2 £	Level 3 £
Investments	12			
At 30 September 2015		—	1,917,982	—
At 30 September 2014		—	1,800,349	—

Financial liabilities	Notes	Financial liabilities measured at amortised cost	
		2015 £	2014 £
Trade payables	15	11,424	6,385
Accruals	15	34,467	27,398
		45,891	33,783

The Company's financial instruments comprise investments held for trading, cash and cash equivalents and trade payables that arise directly from the Company's operations. The main purpose of these instruments is to invest in portfolio companies. Investments held for trading and other investments have been held at fair value through profit and loss. The main risks arising from holding these financial instruments is market risk and credit risk.

Interest rate risk

The Company's exposure to changes in interest rates relate primarily to cash and cash equivalents. Cash and cash equivalents is held either on current or on short term deposits at floating rates of interest determined by the relevant bank's prevailing base rate. The Company seeks to obtain a favourable interest rate on its cash balances through the use of bank treasury deposits. Any reasonable change in interest rate would not have a material impact on finance income that the Company could receive in the course of a year, based on the current level of cash and cash equivalents either held in current accounts or short term deposits.

Market risk

All trading instruments are subject to market risk, the potential that future changes in market conditions may make an instrument less valuable, due to fluctuations in security prices, as well as interest and foreign exchange rates. Market risk is directly impacted by the volatility and liquidity in the markets in which the related underlying assets are traded.

Sensitivity analysis

The following table looks at the impact on net result and net assets based on a given movement in the fair value of all the investments;

10% movement either way will result in £191,798 profit or (loss)

20% movement either way will result in £383,597 profit or (loss)

30% movement either way will result in £575,395 profit or (loss)

Borrowing facilities

The operations to date have been financed through the placing of shares and investor loans. It is Board policy to keep borrowing to a minimum, where possible.

Liquidity risks

The Company seeks to manage liquidity risk by ensuring sufficient liquid assets are available to meet foreseeable needs and to invest liquid funds safely and profitably. All cash balances are immediately accessible and the Company holds no trades payable that mature in greater than 3 months, hence a contractual maturity analysis of financial liabilities has not been presented. Since these financial liabilities all mature within 3 months, the directors believe that their carrying value reasonably equates to fair value.

Credit risk

The Company's credit risk is attributable to cash held on deposit at financial institutions.

Cash is deposited with reputable financial institutions with a high credit rating. The maximum credit risk relating to cash and cash equivalents and trade and other receivables is equal to their carrying value of £33,974 (2014: £31,556).

Capital Disclosure

As in previous years, the Company defines capital as issued capital, reserves and retained earnings as disclosed in statement of changes in equity. The Company manages its capital to ensure that the Company will be able to continue to pursue strategic investments and continue as a going concern. The Company does not have any externally imposed financial requirements.

18. Related party transactions

During September 2015 the directors Graham Parr, Anthony Fabrizi and William Henbrey invested £5,000 each in a share subscription. The shares were allotted and issued on 6 October 2015.

On 12 June 2014 Graham Parr and Anthony Fabrizi invested £20,000 and £5,000 in a share subscription and were issued with 3,636,363 and 909,090 ordinary shares respectively. On 12 June 2014, Anthony Fabrizi agreed to convert a loan amounting to £15,158 into 2,756,000 ordinary shares at a price of 0.55p per share.

On 19 November 2013, the Company granted warrants in lieu of Directors fees to Anthony Fabrizi, Graham Parr and former Director The Rt Hon The Lord Geoffrey Dear. Each Director received 3,000,000 warrants at an exercise price of 0.6p, exercisable until October 2016. During 2014 the Company invoiced £7,500 to Oak Media Limited for consultancy services provided.

19. Operating lease commitments

At the balance sheet date the Company had no outstanding commitments under operating leases.

20. Ultimate Controlling Party

The Company considers that there is no ultimate controlling party.