Financial Statements

Viridas plc

For the year ended 31 December 2011

Company no: 269566

COMPANY INFORMATION

COMPANY REGISTRATION NUMBER :	269566
REGISTERED OFFICE :	31 Harley Street London W1G 9QS
DIRECTORS :	N Lee (Executive Chairman) G Haselden
SECRETARY :	G Haselden
REGISTRAR AND TRANSFER OFFICE :	Share Registrars Limited Suite E, First Floor 9 Lion and Lamb Yard Farnham Surrey GU9 7LL
BANKERS :	Barclays Bank Plc 77 Albion Street Leeds LS1 5AW
SOLICITORS :	Adams & Remers LLP Dukes Court 32 Duke Street St James's London SW1Y 6DF
AUDITORS :	Welbeck Associates Registered Auditors Chartered Accountants 31 Harley Street London W1G 9QS
NOMINATED ADVISOR AND JOINT BROKER:	Westhouse Securities Limited One Angel Court London EC2R 7HJ
JOINT BROKER:	Rivington Street Corporate Finance Ltd 3 London Wall Buildings London EC2M 5SY

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EXECUTIVE CHAIRMAN'S STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2011

INTRODUCTION

During the year ended 31 December 2011, the Company was successfully repositioned as an investment company with a focus on the natural resources sector. Furthermore, significant progress has been made in the pursuit of this strategy.

FINANCIAL

The period under review partially relates to the Company's previous strategy and, accordingly, does not represent a complete period reflecting current operations. The results for this period comprised a loss after taxation of £393,726 (2010: loss £362,053). This period included overheads relating to the Company's previous operations, including one off costs of £226,000, being incurred by the Company prior to me joining the board. This figure is therefore not representative of the current overhead base of the Company.

The net assets of the Company as at 31 December 2011 were £2,168,091 (2010: £4,044) representing a significant uplift on the prior year figure. The Company's principal investments at the year end comprised holdings in Leed Resources plc and Brady Exploration plc. The year end figure for net assets, however, does not reflect the very substantial additional gain of around £1.5 million before costs and taxes achieved from the sale of the majority of the Company's investment in Leed Resources plc in January 2012.

At 31 December 2011, the Company had cash balances of £375,659 (2010: £42,461). Again, as a result of the sale of the majority of the Company's investment in Leed Resources plc in January 2012, this balance increased very significantly to around £3.2 million.

The key performance indicators are set out below.

COMPANY STATISTICS	2011	2010	Change %
Net asset value	£2,168,091	£4,044	N/A
Net asset value – fully diluted per share	0.355p	0.012p	+2,958%
Closing share price	0.50p	2.0p	-75%
Share price premium to net asset value	41%	N/A	N/A
Market capitalisation	£3,054,000	£657,000	+465%

OUTLOOK

In terms of strategy, we are constantly reviewing new opportunities in the natural resources sector and are seeking opportunities that offer scope for high returns against the background of a sensible level of risk. The Company is seeking to make relatively significant investments with ongoing involvement and influence either by way of board representation or similar, with the principal purpose of monitoring and supporting the investment. Whilst we see many opportunities, only a few meet our strict investment criteria. In the current market environment, cash is particularly valuable and so we are very focused on investing it wisely. Given the success of the Company's strategy to date, we are extremely well placed to take advantage of interesting opportunities as they arise.

I firmly believe that shareholders can look forward to a very exciting and financially rewarding future for their Company.

Nicholas Lee
Executive Chairman

29 May 2012

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2011

The Directors present their annual report on the affairs of the Group, together with financial statements for the year ended 31 December 2011.

PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

During the year, the group terminated its investment in the development of a plantation model for the growing of jatropha curcas as a dedicated energy crop for the production of biofuels, and changed its investment policy to focus on the natural resources sector.

The development of the Group during the period, together with details of its future plans, are set out in the Executive Chairman's Statement.

RESULTS AND DIVIDENDS

The Group made a loss after taxation of £393,726 (2010: £362,053). The Directors do not propose a dividend (2010: £nil).

The key performance indicators are shown in the Executive Chairman's statement.

DIRECTORS

The Directors of the Company at the end of the year are listed below. All served on the Board throughout the year, unless otherwise stated.

The Directors' beneficial interests in the shares of the Company were as follows:

	Percentage of issued share capital	31 December 2011	31 December 2010
N Lee (appointed 28 April 2011)	–	–	-
S J Wootliff (resigned 11 May 2011)	–	–	5,108,263
M Brink (resigned 1 June 2011)	–	–	250,000
D Thompson (resigned 28 April 2011)	–	–	250,000
J L Posner (resigned 28 April 2011)	–	–	182,857
G Haselden	0.1%	25,000	25,000
K M Robinson (resigned 28 April 2011)	–	–	438,571

Details of the Directors' warrants are shown below:

Name of Director	Number of warrants at 31 December 2011	Exercise price	Vesting date	Expiry Date
G Haselden	50,000	10p	20.11.2011	20.11.2014

Refer to Note 8 for further information.

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2011

SUBSTANTIAL INTERESTS

The Company is aware that at 31 December 2011, the following, other than the Directors shown above, held in excess of 3% of the issued share capital of the Company:

	Number of ordinary shares	Percentage of issued share capital
Ronald Bruce Rowan	100,000,000	17.31%
Zoltav Resources Inc	44,000,000	7.61%

KEY RISKS AND UNCERTAINTIES

Currently the principal risk is that the Company is unable to find sufficient suitable investments to ensure compliance with the requirements of its listing on AIM.

Early stage investments in the natural resources sector carry a high level of risk and uncertainty, although the rewards can be outstanding. At this stage there can be no certainty of outcome and, in addition, there is often a lack of liquidity in the Company's investments which are either unquoted or quoted on AIM, such that the Company may have difficulty in realising the full value in a forced sale. Accordingly, a commitment is only made after thorough research into both the management and the business of the target, both of which are closely monitored thereafter. Furthermore, the Company limits the amount of each commitment, both as to the absolute amount and percentage of the target company. Details of other financial risks and their management are given in Note 17 to the financial statements.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Details of the Group's financial risk management objectives and policies are set out in Note 17 to these financial statements.

SUPPLIER PAYMENT POLICY

The Group's policy is to settle the terms of payment with suppliers when agreeing the terms of each transaction, ensure that suppliers are made aware of the terms of payment and abide by the terms of the agreement. The Group had 20 days' purchases outstanding at 31 December 2011 based on the average daily amount invoiced by suppliers during the period. At 31 December 2010 the Group had no trade creditors.

GOING CONCERN

As disclosed in Note 2, after making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

CORPORATE GOVERNANCE

Although the Company is not required to comply with the principles of corporate governance, this report sets out how the Company does comply with the principles of good corporate governance.

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2011

BOARD OF 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. It meets regularly and has a schedule of matters specifically reserved to it for decision. Management 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, the executive chairman, Nicholas Lee and a non-executive director, Graham Haselden.

The Directors are subject to re-election every three years and, on appointment, at the first AGM after appointment.

Given the size of the Board, there is no separate nomination committee. All Director appointments are approved by the Board as a whole.

COMMUNICATIONS WITH SHAREHOLDERS

Communications with shareholders are given a high priority. In addition to the publication of an annual report and an interim report, there is regular dialogue with shareholders and analysts. The Annual General Meeting is viewed as a forum for communicating with shareholders, particularly private investors. Shareholders may question the Executive Chairman and other members of the Board at the Annual General Meeting.

INTERNAL CONTROL

The Directors acknowledge they are responsible for the Group's system of internal control and for reviewing the effectiveness of these systems. The risk management process and systems of internal control are designed to manage rather than eliminate the risk of the Group failing to achieve its strategic objectives. It should be recognised that such systems can only provide reasonable and not absolute assurance against material misstatement or loss. The Group has well established procedures which are considered adequate given the size of the business.

AUDITORS

The Board as a whole considers the appointment of external auditors, including their independence, specifically including the nature and scope of non audit services provided.

REMUNERATION

The remuneration of the directors has been fixed by the Board as a whole. The Board seeks to provide appropriate reward for the skill and time commitment required so as to retain the right calibre of director at a cost to the Company which reflects current market rates.

Details of directors' fees and of payments made for professional services rendered are set out in Note 6 to the financial statements and details of the directors' share options are set out in Note 8.

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2011

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the 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 parent financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). In addition the Directors have elected to prepare Group financial statements in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs). 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 and group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently
- make judgments and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards/IFRSs have been followed, subject to any material departures disclosed and explained in the financial statements
- 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. 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.

In so far as each of the Directors is aware:

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

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

POST YEAR END EVENTS

On 24 January 2012 the Company announced that it had sold 592,666,667 shares in Leed Resources plc at an average price of 0.48p per share, for a total consideration of £2,869,200.

On 17 February 2012 the Company announced that following the disposal of its stake in Leed Resources plc it had disposed of substantially all of its assets, within the meaning of AIM Rule 15, and had 12 months from 24 January 2012 to implement its current investing policy in accordance with AIM Rule 15 or make an acquisition(s) constituting a reverse takeover under AIM Rule 14.

On 13 March 2012 the Company announced that it had subscribed for 12,000,000 shares (16.5% of the total equity) in Pan Pacific Aggregates plc, the Canadian aggregates business listed on AIM, as part of its recent placing, at a price of 2.5p per share for a total consideration of £300,000. The Company will also receive 6,000,000 warrants exercisable at a price of 5p per share at any time up to March 2013. On 20 March 2012, Nicholas Lee was appointed a director of Pan Pacific Aggregates plc.

Also on 13 March 2012 the Company announced that Nicholas Lee had been granted options to subscribe for 14 million new ordinary shares in the Company at an exercise price of 0.48p per share. The options are exercisable for a period of ten years from the date of grant, with one third becoming exercisable on the first, second and third anniversaries of the date of grant respectively.

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2011

AUDITORS

Welbeck Associates were appointed during the year, following the resignation of Grant Thornton LLP, and, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006 unless the Company receives notice under section 488(1) of the Companies Act 2006.

ON BEHALF OF THE BOARD

G Haselden
Secretary

29 May 2012

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF VIRIDAS PLC
FOR THE YEAR ENDED 31 DECEMBER 2011

We have audited the financial statements of Viridas plc for the year ended 31 December 2011 which comprise the group income statement, the group statement of comprehensive income, the group and company statements of changes in equity, the group and company statements of financial position, the group and company statements of cash flows, and the related notes. The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union. The financial reporting framework that has been applied in the preparation of the parent Company financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As explained more fully in the statement of Directors' responsibilities set out on page 7, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

OPINION ON FINANCIAL STATEMENTS

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2011 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRS as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements 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 Report of the directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VIRIDAS PLC

FOR THE YEAR ENDED 31 DECEMBER 2011

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

Jonathan Bradley-Hoare
Senior Statutory Auditor
for and on behalf of Welbeck Associates
Statutory Auditor, Chartered Accountants
31 Harley Street
London
W1G 9QS

29 May 2012

GROUP INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2011

	Note	2011 £	2010 £
CONTINUING OPERATIONS:			
Administrative expenses		(166,423)	(471,826)
Directors' severance payments		(226,000)	–
OPERATING LOSS	4	(392,423)	(471,826)
Finance income	5	876	407
LOSS BEFORE TAXATION		(391,547)	(471,419)
Taxation	9	1,391	–
LOSS FOR THE YEAR FROM CONTINUING OPERATIONS	4	(390,156)	(471,419)
(Loss)/profit for the year from discontinued operations	10	(3,570)	109,366
LOSS FOR THE YEAR ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		(393,726)	(362,053)
(LOSS)/EARNINGS PER SHARE			
- Basic and diluted - continuing operations	11	(0.11p)	(1.43p)
- Basic and diluted - discontinued operations	11	0.00p	0.33p
- Total basic and diluted loss per share	11	(0.11p)	(1.10p)

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2011

	2011 £	2010 £
Loss for the financial year	(393,726)	(362,053)
Market value adjustment to investments	1,085,573	–
Exchange differences on translation of foreign operations	–	(10,753)
TOTAL COMPREHENSIVE INCOME/(EXPENSE) FOR THE YEAR	691,847	(372,806)

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2011

	Called up share capital £	Share premium account £	Investment reserve £	Other reserves (Note 19) £	Retained deficit £	Total equity £
BALANCE AT 1 JANUARY 2010	3,285,796	1,852,339	–	145,543	(4,799,038)	484,640
Loss for the year	–	–	–	–	(362,053)	(362,053)
Other comprehensive expense:						
Exchange differences on translating foreign operations	–	–	–	(10,753)	–	(10,753)
Total comprehensive expense for the year	–	–	–	(10,753)	(362,053)	(372,806)
Recognition of foreign exchange gains on discontinued activities (Note 10)	–	–	–	(107,790)	–	(107,790)
BALANCE AT 31 DECEMBER 2010	3,285,796	1,852,339	–	27,000	(5,161,091)	4,044
Loss for the year	–	–	–	–	(393,726)	(393,726)
Other comprehensive income:						
Market value adjustment to investments	–	–	1,085,573	–	–	1,085,573
Total comprehensive income/(expense) for the year	–	–	1,085,573	–	(393,726)	691,847
Issue of share capital	545,000	1,005,000	–	–	–	1,550,000
Share issue costs	–	(82,490)	–	–	–	(82,490)
Share based payment costs	–	–	–	4,690	–	4,690
Transactions with owners	545,000	922,510	–	4,690	–	1,472,200
BALANCE AT 31 DECEMBER 2011	3,830,796	2,774,849	1,085,573	31,690	(5,554,817)	2,168,091

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

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2011

	Called up share capital £	Share premium account £	Investment reserve	Other reserves (Note 19) £	Retained deficit £	Total equity £
BALANCE AT 1 JANUARY 2010	3,285,796	1,852,339	–	27,000	(4,716,154)	448,981
Loss for the year and total comprehensive expense	–	–	–	–	(478,420)	(478,420)
BALANCE AT 31 DECEMBER 2010	3,285,796	1,852,339	–	27,000	(5,194,574)	(29,439)
Loss for the year	–	–	–	–	(370,174)	(370,174)
Other comprehensive income:						
Market value adjustment to investments	–	–	1,085,573	–	–	1,085,573
Total comprehensive income for the year	–	–	1,085,573	–	(370,174)	715,399
Issue of share capital	545,000	1,005,000	–	–	–	1,550,000
Share issue costs	–	(82,490)	–	–	–	(82,490)
Share based payment costs	–	–	–	4,690	–	4,690
Transactions with owners	545,000	922,510	–	4,690	–	1,472,200
BALANCE AT 31 DECEMBER 2011	3,830,796	2,774,849	1,085,573	31,690	(5,564,748)	2,158,160

STATEMENTS OF FINANCIAL POSITION

FOR THE YEAR ENDED 31 DECEMBER 2011

		GROUP		COMPANY		
		2011	2010	2011	2010	2009
	Note	£	£	£	£	£
NON-CURRENT ASSETS						
Investment in subsidiary undertakings	12	–	–	–	–	49,000
Available-for-sale investments	13	1,760,086	–	1,760,086	–	–
		1,760,086	–	1,760,086	–	49,000
CURRENT ASSETS						
Trade and other receivables	14	85,170	8,578	83,352	5,561	74,955
Cash and cash equivalents	15	375,659	42,461	357,940	3,008	476,635
		460,829	51,039	441,292	8,569	551,590
TOTAL ASSETS		2,220,915	51,039	2,201,378	8,569	600,590
CURRENT LIABILITIES						
Trade and other payables	16	52,824	46,995	43,218	38,008	151,609
		52,824	46,995	43,218	38,008	151,609
NET ASSETS		2,168,091	4,044	2,158,160	(29,439)	448,981
EQUITY						
Share capital	18	3,830,796	3,285,796	3,830,796	3,285,796	3,285,796
Share premium account		2,774,849	1,852,339	2,774,849	1,852,339	1,852,339
Capital redemption reserve		27,000	27,000	27,000	27,000	27,000
Investment reserve		1,085,573	–	1,085,573	–	–
Share option reserve		4,690	–	4,690	–	–
Retained losses		(5,554,817)	(5,161,091)	(5,564,748)	(5,194,574)	(4,716,154)
TOTAL EQUITY		2,168,091	4,044	2,158,160	(29,439)	448,981

These Financial Statements were approved by the board of Directors on 29 May 2012 and were signed on its behalf by:

N Lee
Director, Viridas plc

Company number: 269566

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2011

		GROUP		COMPANY	
		2011	2010	2011	2010
	Note	£	£	£	£
CASH FLOWS FROM OPERATING ACTIVITIES					
Loss before taxation - continuing operations	4	(391,547)	(471,419)	(370,174)	(478,420)
(Loss)/profit before taxation - discontinued operations	10	(3,570)	2,306	–	–
Share based payment expense		4,690	–	4,690	–
Provision for impairment of investments		–	–	–	49,000
Dividend from subsidiary		–	–	(11,296)	–
Interest receivable		(876)	(1,323)	(731)	(408)
Interest payable		–	–	–	–
Decrease in trade and other receivables		(76,592)	21,118	(77,791)	69,394
Decrease in trade and other payables		5,829	(65,857)	5,210	(113,601)
Foreign exchange movement		–	(10,753)	–	–
		(462,066)	(525,928)	(450,092)	(474,035)
Interest paid		–	–	–	–
Tax received/(paid)		1,391	(90,199)	–	–
NET CASH USED BY OPERATING ACTIVITIES		(460,675)	(616,127)	(450,092)	(474,035)
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of investments		(674,513)		(674,513)	–
Dividend from subsidiary		–	–	11,296	–
Interest received		876	1,323	731	408
NET CASH FROM INVESTING ACTIVITIES		(673,637)	1,323	(662,486)	408
CASH FLOWS FROM FINANCING ACTIVITIES					
Issue of shares		1,550,000	–	1,550,000	–
Share issue expenses		(82,490)	–	(82,490)	–
NET CASH FROM FINANCING ACTIVITIES		1,467,510	–	1,467,510	–
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		333,198	(614,804)	354,932	(473,627)
Cash and cash equivalents at the beginning of the year		42,461	657,265	3,008	476,635
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	15	375,659	42,461	357,940	3,008

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2011

1 GENERAL INFORMATION

Viridas plc is a public limited company incorporated in the United Kingdom. The shares of the Company are listed on the AIM stock exchange. The address of its registered office is 31 Harley Street, London W1G 9QS. The Group's principal activities are described in the Directors' report.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied throughout all periods presented in the financial statements, except where the Company has applied certain accounting policies and exemptions upon transition to IFRS.

As in prior periods, the Group financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. A third statement of financial position in respect of the Company, as at the date of transition, has been presented as required by IAS1 (revised) as these are the Company's first financial statements prepared in accordance with IFRS. The information is unchanged from the previously published financial statements. The financial statements have been prepared using the measurement bases specified by IFRS for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies below.

An overview of standards, amendments and interpretations to IFRSs issued but not yet effective, and which have not been adopted early by the Group are presented below under 'Statement of Compliance'.

GOING CONCERN

The directors have, at the time of approving the financial statements, a reasonable expectation that the Company and the Group have adequate resources to continue in existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. These estimates and assumptions are based upon management's knowledge and experience of the amounts, events or actions. Actual results may differ from such estimates. No significant estimates are included in the financial statements.

2 SUMMARY OF SIGNIFICANT ACCOUNT POLICIES (continued)

STATEMENT OF COMPLIANCE

The financial statements comply with International Financial Reporting Standards as adopted by the European Union. At the date of authorisation of these financial statements, the following Standards and Interpretations affecting the Company, which have not been applied in these financial statements, were in issue, but not yet effective (and in some cases had not been adopted by the EU):

		Effective for accounting periods beginning on or after
IFRS 7 (amended)	Financial Instruments: Disclosures - Risk exposures relating to the transfers of Financial Assets and netting arrangements	1 July 2011
IFRS 9	Financial Instruments – Classification and measurement of financial assets and liabilities	1 January 2013
IFRS 10	Consolidated Financial Statements – Identification of the concept of control of an entity and the requirement to include in consolidated accounts	1 January 2013
IFRS 11	Joint Arrangements	1 January 2013
IFRS 12	Disclosure of Interests in Other Entities	1 January 2013
IFRS 13	Fair Value Measurement	1 January 2013
IAS 1 (amended)	Presentation of Items of Other Comprehensive Income	1 July 2012
IAS 12 (amended)	Deferred Tax: Recovery of Underlying Assets	1 January 2012
IAS 19 (revised)	Employee Benefits	1 January 2013
IAS 27 (revised	Separate Financial Statements	1 January 2013
IAS 28 (revised)	Investments in Associates and Joint Ventures	1 January 2013
IAS 32 (amended)	Financial Instruments: Presentation	1 January 2014

The Directors have considered these new standards and interpretations and do not expect them to have a material impact on the Group.

BASIS OF CONSOLIDATION

The consolidated income statement and statement of financial position include the financial information of the Company and its subsidiary undertakings made up to 31 December 2011. Acquisitions of subsidiaries are dealt with by the purchase method. The purchase method involves the recognition at fair value of all identifiable assets and liabilities, including contingent liabilities of the subsidiary, at the acquisition date, regardless of whether or not they were recorded in the financial statements of the subsidiary prior to acquisition. On initial recognition, the assets and liabilities of the subsidiary are included in the consolidated statement of financial position at their fair values, which are also used as the bases for subsequent measurement in accordance with the Group accounting policies. Goodwill is stated after separating out identifiable intangible assets of the acquired subsidiary at the date of acquisition.

2 SUMMARY OF SIGNIFICANT ACCOUNT POLICIES (continued)

SEGMENTAL REPORTING

The accounting policy for identifying segments is now based on internal management reporting information that is regularly reviewed by the chief operating decision maker, which is identified as the Board of Directors.

In identifying its operating segments, management generally follows the Group's service lines which represent the main products and services provided by the Group. The Directors believe that all continuing operations in the bio-fuel market relate to one segment.

VALUATION OF INVESTMENTS

Investments are initially measured at fair value plus incidental acquisition costs. Subsequently, they are measured at fair value in accordance with IAS 39. This is either the bid price or the last traded price, depending on the convention of the exchange on which the investment is quoted.

Investments are recognised as available-for-sale financial assets. Gains and losses on measurement are recognised in other comprehensive income except for impairment losses and foreign exchange gains and losses on monetary items denominated in a foreign currency, until the assets are derecognised, at which time the cumulative gains and losses previously recognised in other comprehensive income are recognised in profit or loss.

The Company assesses at each balance sheet date whether there is any objective evidence that a financial asset or group of financial assets classified as available-for-sale has been impaired. An impairment loss is recognised if there is objective evidence that an event or events since initial recognition of the asset have adversely affected the amount or timing of future cash flows from the asset. A significant or prolonged decline in the fair value of a security below its cost shall be considered in determining whether the asset is impaired.

When a decline in the fair value of a financial asset classified as available-for-sale has been previously recognised in other comprehensive income and there is objective evidence that the asset is impaired, the cumulative loss is removed from other comprehensive income and recognised in profit or loss. The loss is measured as the difference between the cost of the financial asset and its current fair value less any previous Impairment.

LEASED ASSETS

In accordance with IAS 17, the economic ownership of a leased asset is transferred to the lessee if the lessee bears substantially all the risks and rewards related to the ownership of the leased asset. The related asset is recognised at the time of inception of the lease at the fair value of the leased asset or, if lower, the present value of the minimum lease payments plus incidental payments, if any, to be borne by the lessee. A corresponding amount is recognised as a finance leasing liability.

The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the income statement over the year of the lease.

All other leases are regarded as operating leases and the payments made under them are charged to the income statement on a straight line basis over the lease term. Lease incentives are spread over the term of the lease.

2 SUMMARY OF SIGNIFICANT ACCOUNT POLICIES (continued)

TAXATION

Current taxation is the taxation currently payable on taxable profit for the year.

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 an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Temporary differences include those associated with shares in subsidiaries and joint ventures and are only not recognised if the Group controls the reversal of the difference and it is not expected for the foreseeable future. In addition, tax losses available to be carried forward as well as other income tax credits to the Group are assessed for recognition as deferred tax assets.

Deferred tax liabilities are provided in full, with no discounting. Deferred tax assets are recognised to the extent that it is probable that the underlying deductible temporary differences will be able to be offset against future taxable income. Current and deferred tax assets and liabilities are calculated at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted at the statement of financial position date. Changes in deferred tax assets or liabilities are recognised as a component of tax expense in the income statement, except where they relate to items that are charged or credited to equity in which case the related deferred tax is also charged or credited directly to equity.

FOREIGN CURRENCY TRANSLATION

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the statement of financial position reporting date. All exchange differences are dealt with through the profit or loss as they arise except where they arise from translation on consolidation, where they are recognised in other comprehensive income and reclassified to profit or loss on the disposal of the foreign operation. Following transition to IFRS1, the Group has disclosed a translation reserve, under the transitional rules this reflects only exchange gains and losses since 1 March 2006.

FINANCIAL ASSETS

The Group's financial assets comprise primarily cash and bank deposits that arise from its operations.

CASH AND CASH EQUIVALENTS

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

2 SUMMARY OF SIGNIFICANT ACCOUNT POLICIES (continued)

FINANCIAL LIABILITIES

The Group's financial liabilities comprise trade payables. Financial liabilities are obligations to pay cash or other financial assets and are recognised when the Group becomes a party to the contractual provisions of the instruments.

TRADE PAYABLES

Trade payables are initially measured at fair value and are subsequently measured at amortised cost, using the effective interest rate method.

SHARE-BASED PAYMENTS

All share based payments are accounted for in accordance with IFRS 2 – "Share-based payments". The Company issues equity-settled share based payments in the form of share options to certain directors and employees. Equity settled share based payments are measured at fair value at the date of grant. The fair value determined at the grant date of equity-settled share based payments is expensed on a straight line basis over the vesting period, based on the Company's estimate of shares that will eventually vest.

Fair value is estimated using the Black-Scholes valuation model. The expected life used in the model has been adjusted, on the basis of management's best estimate for the effects of non-transferability, exercise restrictions and behavioural considerations. At each balance sheet date, the Company revises its estimate of the number of equity instruments expected to vest as a result of the effect of non-market based vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to retained earnings.

DIVIDENDS

Dividend distributions payable to equity shareholders are included in "current financial liabilities" when the dividends are approved in general meeting prior to the statement of financial position date.

EQUITY

Equity comprises the following:

- "Share capital" represents the nominal value of equity shares.
- "Share premium" represents the excess over nominal value of the fair value of consideration received for equity shares, net of expenses of the share issue.
- "Capital redemption reserve" represents the nominal value of shares repurchased or redeemed by the Company.
- "Investment reserve" represents unrealised gains on investments
- "Option reserve" represents the cumulative cost of share based payments.
- "Retained losses" represents retained losses.

DISPOSAL OF ASSETS

The gain or loss arising on the disposal of an asset is determined as the difference between the disposal proceeds and the carrying amount of the asset and is recognised in the income statement. The gain or loss arising from the sale of non-current assets is generally included in "other income" or "other expense" in the income statement.

3 SEGMENTAL INFORMATION

The Group is organised around business class and the results are reported to the Chief Operating Decision Maker according to this class. There is one continuing class of business, being the investment in the natural resources sector.

Given that there is only one continuing class of business, operating within the UK no further segmental information has been provided.

4 OPERATING LOSS

	2011	2010
	£	£
Operating loss is stated after charging:		
Operating lease rentals		
- land and buildings	3,000	6,000

AUDITOR'S REMUNERATION

During the year the Group obtained the following services from the Company's auditor:

	2011	2010
	£	£
Fees payable to the Company's auditor for the audit of the parent company and the Group financial statements	10,000	11,000
Fees payable to the Company's auditor and its associates for other services:		
The audit of the Company's subsidiaries pursuant to legislation	–	500
Other services relating to taxation	2,000	4,000
	12,000	15,500

5 FINANCE INCOME

	2011	2010
	£	£
Interest receivable	876	407

6 DIRECTORS' EMOLUMENTS

	2011 £	2010 £
Aggregate emoluments	58,625	275,163
Compensation payments	226,000	–
Social security costs	5,315	–
Share based payment expense	4,690	–
	294,630	275,163

Name of director	Fees £	Benefits £	Compensation for loss of office £	Total 2011 £	Total 2010 £
N Lee	28,250	–	–	28,250	–
G Haselden	26,983	–	30,000	56,983	60,803
S J Wootliff	–	3,392	120,000	123,392	123,660
M Brink	–	–	36,000	36,000	63,750
D Thompson	–	–	25,000	25,000	21,250
J L Posner	–	–	5,000	5,000	4,200
KM Robinson	–	–	10,000	10,000	60,803
	55,233	3,392	226,000	284,625	334.466

£9,250 of the fees in respect of Mr N Lee was paid to ACL Capital Limited.

7 EMPLOYEE INFORMATION

	2011 £	2010 £
Wages and salaries	55,233	253,675
Social security costs	5,315	28,993
Other benefits	3,392	
Compensation payments	226,000	–
Share based payment expense	4,690	
	294,630	282,668

Average number of persons employed:

	2011 Number	2010 Number
Office and management	2	2

COMPENSATION OF KEY MANAGEMENT PERSONNEL

There are no key management personnel other than the Directors of the Company.

8 SHARE BASED PAYMENTS

WARRANTS

During the previous year, the Company issued warrants, each entitling the holder to subscribe in cash for one share at a price of 10p per share:

Number of warrants at 1 Jan 2011	Issued in the year	Exercised in the year	Number of warrants at 31 Dec 2011	Exercise price	Vesting Date	Expiry date
2,125,000	–	–	2,125,000	10p	20.11.2011	20.11.2014

The Directors do not consider the fair value of warrants to be material to the Company accordingly a charge has not been recognised in accordance with IFRS.

EQUITY-SETTLED SHARE OPTION SCHEME

The Company operates share-based payment arrangements to remunerate directors and key employees in the form of a share option scheme. Equity-settled share-based payments are measured at fair value (excluding the effect of non-market based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of shares that will eventually vest and adjusted for the effect of non-market based vesting conditions.

On 26 October 2011, Nicholas Lee was granted options to subscribe for 28,000,000 new ordinary shares in the Company at an exercise price of 0.32p per share. The options are exercisable for a period of ten years from the date of grant, with one third becoming exercisable on the first, second and third anniversaries of the date of grant respectively.

The weighted average fair value of the options granted during the year was determined using the Black-Scholes option pricing model and was £6.20 per option. The significant inputs to the model were as follows:

Grant date share price	0.32p
Exercise share price	0.32p
No. of share options	28,000,000
Risk free rate	3%
Expected volatility	40%
Option life	10 years
Calculated fair value per share	0.15p

The total share-based payment expense recognised in the income statement for the year ended 31 December 2011 in respect of the share options granted was £4,690 (2010: £nil).

Number of options at 1 Jan 2011	Issued in the year	Exercised in the year	Number of options at 31 Dec 2011	Exercise price	Vesting Date	Expiry date
–	9,333,334	–	9,333,334	0.32p	26.10.2012	26.10.2021
–	9,333,333	–	9,333,333	0.32p	26.10.2013	26.10.2021
–	9,333,333	–	9,333,333	0.32p	26.10.2014	26.10.2021
	28,000,000	–	28,000,000	0.32p		

9 INCOME TAX EXPENSE

	2011	2010
	£	£
Current tax - continuing operations	(1,391)	–

The tax on the Group's loss before tax differs from the theoretical amount that would arise using the weighted average rate applicable to profits of the Consolidated entities as follows:

	2011	2010
	£	£
Loss before income tax from continuing operations	(391,547)	(471,419)
Loss before income tax multiplied by rate of corporation tax in the UK of 26.5% (2009: 28%)	(103,760)	(131,997)
Expenses not deductible for tax purposes	–	–
Difference between capital allowances and depreciation	–	–
Increase in unused losses	102,369	131,997
Tax adjustments	–	–
Total tax	(1,391)	–

Unrelieved tax losses of £3,220,000 (2010: £2,834,000) remain available to offset against future taxable trading profits. No deferred tax asset has been recognised in respect of the losses as recoverability is uncertain.

10 DISCONTINUED OPERATIONS

In 2009 the business activities relating to distribution of underwear and Ninaclip products were discontinued. Then in 2011 the Company discontinued its strategy to develop a commercial biofuel operation. Both these activities have been treated as discontinued. The income and expenditure account and cash flows have been split between continuing and discontinued activities in accordance with IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations".

	2011	2010
	£	£
Administrative expenses	(3,570)	–
Other income	–	1,390
Operating (loss)/profit	(3,570)	1,390
Net finance income/(expenses)	–	916
(Loss)/profit before taxation	(3,570)	2,306
Taxation	–	(730)
(Loss)/profit after taxation	(3,570)	1,576
Recognition of foreign exchange gains on discontinued foreign operations	–	107,790
(Loss)/profit for the year	(3,570)	109,366
Net cash used by operating activities	–	660
Net cash from investing activities	–	916

11 LOSS PER SHARE

The basic earnings per share is based on the profit/(loss) for the year divided by the weighted average number of shares in issue during the year. The weighted average number of ordinary shares for the year ended 31 December 2011 assumes that all shares have been included in the computation based on the weighted average number of days since issue.

	2011	2010
	£	£
Profit/(loss) attributable to equity holders of the Group:		
Loss from continuing operations	(390,156)	(471,419)
(Loss)/profit from discontinued operations	(3,570)	109,366
Loss for the year attributable to equity holders of the Group	(393,726)	(362,053)
Weighted average number of ordinary shares in issue for basic earnings	350,912,751	32,857,956
Earnings per share attributable to equity holders of the Group:		
Basic and diluted loss per share from continuing operations	(0.11p)	(1.43p)
Basic and diluted earnings per share from discontinued operations	0.00p	0.33p
Basic and diluted loss per share for the year	(0.11p)	(1.10p)

The share options in issue are anti-dilutive in respect of the loss per share calculation and have therefore not been included.

12 INVESTMENT IN SUBSIDIARY UNDERTAKINGS

	COMPANY	
	2011	2010
	£	£
COST		
As at 1 January	1,480,098	2,072,098
Additions	–	68,000
Disposals	–	(660,000)
As at 31 December	1,480,098	1,480,098
PROVISIONS		
As at 1 January	1,480,098	2,023,098
Provision in the year	–	117,000
Disposals	–	(660,000)
As at 31 December	1,480,098	1,480,098
NET BOOK VALUE	–	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2011

12 INVESTMENT IN SUBSIDIARY UNDERTAKINGS (continued)

The Company has investments in the following subsidiary undertakings :

Name of subsidiary undertaking	Status of Company	Country of incorporation	Nature of business	Description of holding	Proportion held
Viridas GmbH	Private	Germany	Dormant	EURO 25,000 Registered shares	100%
Viridas Brasil Agronegocios Ltd	Private	Brazil	Dormant	R$ 100,000	100%
Viridas Enterprises Brasil Limited	Private	UK	Dormant	£1 Ordinary shares	100%

Challioner & Walker Limited was dissolved on 17 May 2011 and Viridas Trading Limited was dissolved on 8 November 2011.

ASSOCIATED UNDERTAKINGS

At the year end the company held a 29% and 22% share in the subscribed share capital of Brady Exploration Plc and Leed Resources Plc, respectively.

13 AVAILABLE-FOR-SALE INVESTMENTS

	GROUP		COMPANY		
	2011	2010	2011	2010	2009
	£	£	£	£	£
Quoted investments at cost	674,513	–	674,513	–	–
Market value adjustment	1,085,573	–	1,085,573	–	–
	1,760,086	–	1,760,086	–	–

14 TRADE AND OTHER RECEIVABLES

	GROUP		COMPANY		
	2011	2010	2011	2010	2009
	£	£	£	£	£
Amounts owed by group companies	–	–	–	–	45,968
Other receivables	74,148	3,017	72,330	–	6,998
Prepayments and accrued income	11,022	5,561	11,022	5,561	21,989
	85,170	8,578	83,352	5,561	74,955

15 CASH AND CASH EQUIVALENTS

	GROUP		COMPANY		
	2011	2010	2011	2010	2009
	£	£	£	£	£
Cash and cash equivalents	375,659	42,461	357,940	3,008	476,635

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2011

16 TRADE AND OTHER PAYABLES

	GROUP		COMPANY		
	2011	2010	2011	2010	2009
	£	£	£	£	£
Amounts owed to group companies	–	–	–	–	49,557
Trade payables	21,468	–	21,468	–	–
Social security and other taxes	2,288	6,444	2,288	–	21,380
Other payables	2,682	–	2,682	–	–
Accrued expenses	26,386	40,551	16,780	38,008	80,672
	52,824	46,995	43,218	38,008	151,609

17 FINANCIAL INSTRUMENTS

The Group uses financial instruments, other than derivatives, comprising cash to provide funding for the Group's operations.

The main risk arising from the Group financial instruments is liquidity risk. The Group does not have any significant other risks. The Directors agree policies for managing these risks and they are summarised below:

LIQUIDITY RISK

The Group seeks to manage financial risk, to ensure sufficient liquidity is available to meet foreseeable needs.

An analysis of trade and other payables is given in note 16. These payables are payable within a year.

NET FOREIGN CURRENCY MONETARY ASSETS

Functional currency of the operation	Euro £	Total £
Sterling	17,718	17,718

The Directors do not consider they have significant exposure to movements in foreign currency with their monetary assets.

The Group is mainly exposed to the movements in the Euro. The following table details the Group's sensitivity to a 10% increase and decrease in sterling against the Euro. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year end for a 10% change in foreign currency rates.

	2011	2010
	£	£
Profit or loss	1,772	3,864
Other equity	–	32,667

17 FINANCIAL INSTRUMENTS (continued)

FAIR VALUE

There was no material difference between the book values and fair values of the Group's financial assets and liabilities.

CATEGORIES OF FINANCIAL INSTRUMENTS

	2011	2010
	£	£
FINANCIAL ASSETS:		
Cash and bank balances	375,659	42,461
Loans and receivables	74,148	3,077
Available for sale financial assets	1,760,086	–
FINANCIAL LIABILITIES AT AMORTISED COST:		
Trade and other payables	26,438	–

18 SHARE CAPITAL

	Number of shares		Share capital	
	Deferred	Ordinary	Deferred	Ordinary
			£	£
ISSUED AND FULLY PAID:				
Balance at 1 January 2010		24,357,956		2,435,796
Shares issued for cash		8,500,000		850,000
Balance at 31 December 2010	–	32,857,956	–	3,285,796
Share reorganisation:				
Deferred shares of 9.9p each	32,857,956	–	3,252,938	–
Ordinary shares of 0.1p each	–	32,857,956	–	32,858
Shares issued for cash	–	545,000,000	–	545,000
Balance at 31 December 2011	32,857,956	577,857,956	3,252,938	577,858

On 10 May 2011 the shareholders approved a reorganisation of the Company's share capital, whereby each ordinary share of 10p was split into one ordinary share of 0.1p and one deferred share of 9.9p. The deferred shares have restricted rights such that they have no economic value.

On 31 March 2011 the Company raised additional capital through the issue of £1,050,000 of Convertible Loan Notes. Following the approval of the reorganisation of the share capital on 10 May 2011 the Convertible Loan Notes were converted at 0.25p per share into 420,000,000 ordinary shares of 0.1p each.

On 18 July 2011 the Company issued 125,000,000 ordinary shares for cash at 0.4p per share raising £500,000 before expenses.

19 OTHER RESERVES

	Capital redemption reserve £	Translation reserve £	Share option reserve £	Total Other reserves £
BALANCE AT 1 JANUARY 2010	27,000	118,543	–	145,543
Other comprehensive expense:				
Exchange differences on translating foreign operations	–	(10,753)	–	(10,753)
Recognition of foreign exchange gains on discontinued activities (Note 10)	–	(107,790)	–	(107,790)
BALANCE AT 31 DECEMBER 2010	27,000	–	–	27,000
Share based payment costs	–	–	4,690	4,690
BALANCE AT 31 DECEMBER 2011	27,000	_	4,690	31,690

20 OPERATING LEASE COMMITMENTS – MINIMUM LEASE PAYMENTS

The Group leases an office under a non-cancellable operating lease agreement.

The future aggregate minimum lease payments are:

	2011 £	2010 £
	Buildings	Buildings
Within one year	–	3,000

21 RELATED PARTY TRANSACTIONS

Transactions between the company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note.

The compensation payable to Key Management personnel comprised £284,625 (2010: £334,466) paid by the Group to the Directors in respect of services to the Group. Full details of the compensation for each Director are provided in Note 6.

Nicholas Lee is a director and controlling shareholder of ACL Capital Limited which invoiced the Company £9,250 in respect of consultancy fees due for the year. £2,500 of this amount was invoiced and paid after the year end. No other amounts were owed at 31 December 2011.

Nicholas Lee is also a director of Leed Resources plc, in which the Company had a 22% shareholding at the year end, and Brady Exploration plc, in which the Company has a 29% shareholding.

22 POST YEAR END EVENTS

The significant post year end events are set out in the Directors' report.