

REGISTERED NUMBER. 06138814 (England and Wales)

**ETAIREIA INVESTMENTS PLC**  
(formerly Aquarius Media plc)

**REPORT OF THE DIRECTORS AND  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 MARCH 2011**

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**ETAIREIA INVESTMENTS PLC**

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FOR THE YEAR ENDED 31 MARCH 2011**

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**ETAIREIA INVESTMENTS PLC**

**COMPANY INFORMATION  
FOR THE YEAR ENDED 31 MARCH 2011**

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**DIRECTORS:** G Collier  
L Yerolemou

**REGISTERED OFFICE:** Hilden Park House  
79 Tonbridge Road  
Hildenborough  
Kent  
TN11 9BH

**REGISTERED NUMBER:** 06138814 (England and Wales)

**AUDITORS:** Welbeck Associates  
Chartered Accountants and Registered Auditor  
31 Harley Street  
London  
W1G 9QS

**SOLICITORS:** Beachcroft LLP  
100 Fetter Lane  
London  
EC4A 1BN

**REGISTRARS:** Capita Registrars  
Northern House  
Woodsome Park  
Fenay Bridge  
Huddersfield  
West Yorkshire HD8 0LA

**ETAIREIA INVESTMENTS PLC**

**CHAIRMAN'S STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2011**

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I am pleased to be able to make this report to you as Chairman of the Company

**Financial Overview**

There was a loss from continuing operations for the year of £46,417 (2010 £97,971) This was offset by the loss accruing from the liquidation of Full Portion Media Limited ("Full Portion") being less than provided for in last year's accounts This has resulted in there being a credit of £141,169 from the discontinued operations of Full Portion (2010 Loss £324,109), so enabling the Company to show a profit for the year of £94,752 (2010 Loss £422,080) As at 31 March 2011 the Company had net liabilities attributable to shareholders of £21,339 (2010 £279,341)

**Review of Activities**

In August 2010, as stated in last year's report, the Company's trading subsidiary, Full Portion Media Limited ("Full Portion") a public relations business servicing the media sector, was put into liquidation

Since the liquidation of Full Portion, the Directors have negotiated with the major creditors of the Company, to convert the amounts due to them, totalling £163,250, into equity, which has left the Company largely debt free and consequently resulting in a significant reduction in the shareholders' deficit

On 28 February 2011 the Company held an Annual General Meeting ("AGM") at which Shareholders approved the reorganisation of the Company's share capital, whereby, the ordinary shares of 0 25p were replaced by ordinary shares of 0 01p with the balance being in deferred shares of 0 24p This reduction in the nominal value of the shares was effected as the price at which the Company was able to raise additional capital was less than the then nominal value of 0 25p At this AGM, Shareholders also approved the change of the Company's name from Aquarius Media Plc to Etaireia Investments Plc and the change of the Company's investment strategy to a generalist one, with no specific national or regional focus

During the period there have been some changes to the Board of Directors Teresa Maharajh and Adam Ward stepped down from the Board, whilst Louis Yerolemou and Gregory Collier have joined the Board as Non-Executive Director and Executive Director respectively

Since the liquidation of Full Portion, the Company has had no trading activities and has had immense support from its creditors and professional advisors to continue as a going concern The Directors continue to seek suitable investment opportunities that will enable the Company to attract new equity investment, and so move forward



Greg Collier  
Executive Director  
28 September 2011

## **ETAIREIA INVESTMENTS PLC**

### **REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 MARCH 2011**

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The Directors present their report with the financial statements of the Company for the year ended 31 March 2011. On 31 March 2011 the shareholders approved the change of the Company's name from Aquarius Media plc to Etaireia Investments plc.

#### **PRINCIPAL ACTIVITY**

The Company is currently a cash shell.

#### **REVIEW OF BUSINESS**

The results for the period are as shown in the annexed financial statements. A detailed review of the business and future developments is included in the Chairman's Statement.

#### **PRINCIPAL RISKS AND UNCERTAINTIES**

At present, Etaireia Investments Plc is dependent upon the support of interested parties and its ability to raise additional finance in order to continue as a going concern.

#### **DIRECTORS**

The Directors during the period under review were:

T Maharajh	- resigned 28 2 11
A Ward	- resigned 12 5 11
G Collier	- appointed 12 5 11
L Yerolemou	- appointed 28 2 11

#### **DIVIDENDS**

No dividends will be distributed for the period ended 31 March 2011 (2010 - £Nil).

#### **DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS**

The directors are responsible for preparing the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law, the directors have elected to prepare the group and parent company financial statements in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union. The financial statements are required by law to give a true and fair view of the state of affairs and of the profit or loss of both the group and the company for the period.

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 the affairs of the group and the company and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether the financial statements comply with IFRSs as adopted by the European Union, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group or the company as applicable will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**ETAIREIA INVESTMENTS PLC**

**REPORT OF THE DIRECTORS - continued  
FOR THE YEAR ENDED 31 MARCH 2011**

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**CREDITORS PAYMENT POLICY**

It is Group policy that payments to suppliers are made in accordance with all relevant terms and conditions. Creditor days have been calculated at 132 (2010 – 123) days.

**DISCLOSURE OF INFORMATION TO AUDITORS**

In the case of each person who was a director at the time this report was approved:

- so far as that director was aware there was no relevant available information of which the company's auditors were unaware, and
- that director had taken all steps that the director ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditors were aware of that information.

This information is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

**AUDITORS**

Welbeck Associates have indicated their willingness to continue in office and in accordance with the provisions of the Companies Act it is proposed that they be re-appointed as auditors to the Company for the ensuing year.

**ON BEHALF OF THE BOARD:**



**Greg Collier**  
Director

28 September 2011

## REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF ETAIREIA INVESTMENTS PLC

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We have audited the Group and Parent Company financial statements of Etaireia Investments Plc for the year ended 31 March 2011 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Balance Sheets, the Consolidated and Company Cash Flow Statements, the Consolidated and Company Statements of Changes in Equity, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

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

### **Respective responsibilities of directors and auditors**

As explained more fully in the Directors' Responsibilities Statement, 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 (APBs) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

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

### **Opinion on financial statements**

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2011 and of the group's profit for the year then ended,
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union,
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006, and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

**REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF  
ETAIREIA INVESTMENTS PLC - continued**

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**Emphasis of matter – going concern**

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosures in note 1 to the financial statements concerning the Group's ability to continue as a going concern. At the balance sheet date the group had net current liabilities of £21,339. As also described in Note 1, the directors are currently in negotiations to secure additional equity funds to enable the company to continue as a going concern. However, these conditions indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Group was unable to continue as a going concern.

**Opinion on other matters prescribed by the Companies Act 2006**

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

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following:

Under the Companies Act 2006 we are required 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 and the part of the Directors' Remuneration Report to be audited 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  
Chartered Accountants  
Statutory Auditor  
31 Harley Street  
London  
W1G 9QS

Date 28 September 2011



**ETAIREIA INVESTMENTS PLC**

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2011**

	Notes	Year ended 31.03.11	Year ended 31 03.10
<b>CONTINUING OPERATIONS</b>			
Administrative expenses		(46,417)	(97,059)
<b>LOSS FROM OPERATIONS</b>		(46,417)	(97,059)
Finance costs	6	-	(912)
<b>LOSS FROM CONTINUING OPERATIONS BEFORE INCOME TAX</b>		(46,417)	(97,971)
Income tax	7	-	-
<b>LOSS FOR THE PERIOD FROM CONTINUING OPERATIONS</b>		(46,417)	(97,971)
Result from discontinued operations	8	141,169	(324,109)
<b>PROFIT/(LOSS) FOR THE PERIOD AND TOTAL COMPREHENSIVE INCOME</b>		94,752	(422,080)
<b>ATTRIBUTABLE TO EQUITY HOLDERS</b>		94,752	(422,080)
<b>Earnings per share.</b>	9		
Basic and diluted earnings per share from continuing operations		(0 05)p	(0 11)p
Basic and diluted earnings per share from discontinued operations		0 16p	(0 38)p
Basic and diluted earnings per share from total operations		0 11p	(0 49)p

ETAIREIA INVESTMENTS PLC – COMPANY NUMBER 06138814

CONSOLIDATED BALANCE SHEET  
AS AT 31 MARCH 2011

		31.03.11 £	31.03.10 £
<b>Non-current assets</b>			
Property, plant and equipment	12	-	6,274
		<u>-</u>	<u>6,274</u>
<b>Current assets</b>			
Trade and other receivables	13	4,218	41,506
Cash and cash equivalents	16	24	11,060
		<u>4,242</u>	<u>52,566</u>
<b>Current liabilities</b>			
Trade and other payables	14	(25,581)	(338,181)
		<u>(21,339)</u>	<u>(285,615)</u>
<b>Net current liabilities</b>			
		<u>(21,339)</u>	<u>(285,615)</u>
<b>NET LIABILITIES</b>			
		<u>(21,339)</u>	<u>(279,341)</u>
<b>Equity</b>			
Issued share capital	15	217,036	212,917
Share premium account		448,491	289,360
Merger reserve		-	1,219,167
Reverse acquisition reserve		-	(561,210)
Accumulated losses		(686,866)	(1,439,575)
		<u>(21,339)</u>	<u>(279,341)</u>
<b>SHAREHOLDERS' DEFICIT</b>			
		<u>(21,339)</u>	<u>(279,341)</u>

The financial statements were approved by the Board of Directors and authorised for issue on 28 September 2011



Greg Collier  
Director



L Yerolemou  
Director

COMPANY BALANCE SHEET  
AS AT 31 MARCH 2011

	Notes	31.03.11 £	31.03.10 £
<b>Current assets</b>			
Trade and other receivables	13	4,218	5,105
Cash and cash equivalents	16	24	7,614
		<u>4,242</u>	<u>12,719</u>
<b>Current liabilities</b>			
Trade and other payables	14	(25,581)	(160,091)
		<u>(21,339)</u>	<u>(147,372)</u>
<b>Net current (liabilities)/assets</b>		<u>(21,339)</u>	<u>(147,372)</u>
<b>NET (LIABILITIES)/ASSETS</b>		<u>(21,339)</u>	<u>(147,372)</u>
<b>Equity</b>			
Issued share capital	15	217,036	212,917
Share premium account		448,491	289,360
Merger reserve		-	1,219,167
Accumulated losses		(686,866)	(1,868,816)
		<u>(21,339)</u>	<u>(147,372)</u>
<b>SHAREHOLDERS' (LIABILITIES)/FUNDS</b>		<u>(21,339)</u>	<u>(147,372)</u>

The financial statements were approved by the Board of Directors and authorized for issue on 28 September 2011



Greg Collier  
Director



L Yerolemou  
Director

ETAIREIA INVESTMENTS PLC

CONSOLIDATED CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2011

	Notes	Year ended 31.03.11 £	Year ended 31.03.10 £
<b>Cash flow from operating activities</b>			
Profit/(loss) before income tax		94,752	(422,080)
<b>Adjusted for.</b>			
Finance costs		-	1,238
Depreciation		911	6,041
Impairment provisions		-	298,690
Gain on disposal of discontinued operations		(142,953)	-
Operating cash flows before movements in working capital		<u>(47,290)</u>	<u>8,279</u>
Decrease in trade and other receivables		4,860	2,908
Increase in trade and other payables		52,667	121,482
<b>Net cash inflow from operating activities</b>		<u>10,237</u>	<u>8,279</u>
<b>Cash flows from investing activities</b>			
Purchase of property, plant & equipment		-	(995)
Cash balances of discontinued operations		(21,273)	-
Finance revenue		-	-
Finance costs		-	(1,239)
<b>Net cash outflow from investing activities</b>		<u>(21,273)</u>	<u>(2,234)</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>		(11,036)	6,045
<b>Cash and cash equivalents at beginning of year</b>		11,060	5,015
<b>Cash and cash equivalents at end of year</b>	16	<u>24</u>	<u>11,060</u>

ETAIREIA INVESTMENTS PLC

COMPANY CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2011

	Notes	Year ended 31.03.11 £	Year ended 31.03.10 £
<b>Cash flow from operating activities</b>			
Loss before income tax		(37,217)	(847,910)
<b>Adjusted for:</b>			
Finance revenue		-	(35,955)
Finance costs		-	911
Impairment provisions		-	869,894
Increase in trade and other receivables		887	(14,794)
Increase in trade and other payables		28,740	36,334
<b>Net cash inflow/(outflow) from operating activities</b>		<u>(7,590)</u>	<u>8,480</u>
<b>Cash flows from investing activities</b>			
Finance costs		-	(911)
<b>Net cash (outflow)/inflow from investing activities</b>		<u>-</u>	<u>(911)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>		(7,590)	7,569
<b>Cash and cash equivalents at 01.04.10</b>		7,614	45
<b>Cash and cash equivalents at 31.03.11</b>	16	<u>24</u>	<u>7,614</u>

ETAIREIA INVESTMENTS PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2011

GROUP

	Share Capital	Share premium	Merger reserve	Reverse acquisition reserve	Accumulated losses	Total equity
	£	£	£	£	£	£
At 01 04 09	212,917	289,360	1,219,167	(561,210)	(1,017,495)	142,739
Total recognised income and expense for the period	-	-	-	-	(422,080)	(422,080)
At 31 03 10	<u>212,917</u>	<u>289,360</u>	<u>1,219,167</u>	<u>(561,210)</u>	<u>(1,439,575)</u>	<u>(279,341)</u>
Total recognised income and expense for the period	-	-	-	-	94,752	94,752
Issue of shares	4,119	159,131	-	-	-	163,250
Adjustment on disposal of subsidiary	-	-	(1,219,167)	561,210	657,957	-
At 31 03 11	<u>217,036</u>	<u>448,491</u>	<u>-</u>	<u>-</u>	<u>(686,866)</u>	<u>(21,339)</u>

ETAIREIA INVESTMENTS PLC

COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2011

COMPANY

	Share Capital £	Share premium £	Merger reserve £	Accumulated losses £	Total equity £
At 01 04 09	212,917	289,360	1,219,167	(1,020,906)	700,538
Total recognised income and expense for the period	-	-	-	(847,910)	(847,910)
At 31 03 10	<u>212,917</u>	<u>289,360</u>	<u>1,219,167</u>	<u>(1,868,816)</u>	<u>(147,372)</u>
Total recognised income and expense for the period	-	-	-	(37,217)	(37,217)
Issue of shares	4,119	159,131	-	-	163,250
Adjustment on disposal of subsidiary	-	-	(1,219,167)	1,219,167	-
At 31 03 11	<u>217,036</u>	<u>448,491</u>	<u>-</u>	<u>(686,866)</u>	<u>(21,339)</u>

## ETAIREIA INVESTMENTS PLC

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

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#### 1 GENERAL INFORMATION

Etaireia Investments Plc is a public limited company incorporated in the United Kingdom under the Companies Act 1985 (Registration Number 06138814). The address of the registered office is given on page 1.

As disclosed in the Report of the Directors, the Company is currently a cash shell.

#### GOING CONCERN

Despite concluding a debt for equity swap arrangement with the creditors, the Company had net current liabilities of £21,339 at the balance sheet date. However, after making enquiries, the Directors have formed a judgement at the time of approving the financial statements, that there is a reasonable expectation that they will be able to conclude their current negotiations with a third party for the introduction of additional equity funds which will provide the group with adequate resources to continue in operational existence for the foreseeable future. In addition, another third party has given an undertaking to underwrite the necessary expenses incurred by the Company for a period of at least twelve months from the date of these accounts.

For these reasons, the Directors continue to adopt the going concern basis in preparing the financial statements. However, the Directors have not yet concluded an agreement for further investment in the Company. While there can be no certainty that there will be a successful outcome to their negotiations, the Directors consider that, based upon financial projections and dependent on the success of their efforts to conclude an agreement for the introduction of additional equity funds, the Group will be a going concern for twelve months from the date of approval of these financial statements.

If it is not possible for the Directors to realise their plans, over which there is significant uncertainty, the carrying value of the assets of the Group are likely to be impaired. In addition, other costs may arise in the course of realising assets of the Group.

#### 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
IAS 1 (amendment)	Presentation of financial statements – clarification of statement of changes in equity	1 January 2011
IAS 24 (revised)	Related Party Disclosures	1 January 2011
IAS 34 (amendment)	Interim financial reporting – significant events and transactions	1 January 2011
IFRS 7 (amendment)	Financial instruments – clarification of disclosures	1 January 2011
IFRS 7 (amendment)	Financial instruments – disclosures about transfers of financial assets	1 July 2011
IFRS 9	Financial Instruments – classification and measurement	1 January 2013
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments	1 July 2010



1 GENERAL INFORMATION - continued

STATEMENT OF COMPLIANCE – continued

The Directors anticipate that the adoption of them in future periods will have little or no impact on the financial statements of the Company when the relevant Standards come into effect for periods commencing on or after 1 May 2010

2. ACCOUNTING POLICIES

(a) Basis of preparation of the financial statements

The financial statements have been prepared in accordance with International Financial Reporting Standards including standards and interpretations as issued by the International Accounting Standards Board and adopted by the EU, and have been prepared using the historical cost convention unless as otherwise stated below. The financial statements are prepared in Pounds Sterling, which is the functional currency of Etaireia Investments Plc, rounded to the nearest pound.

(b) Basis of consolidation

The financial statements have been prepared using the reverse accounting provisions of International Financial Reporting Standard 3.

Reverse accounting has been determined to be required in accounting for the business combination of the Company and Full Portion Media Limited because following the business combination, the Parent company is effectively controlled by the Board and the former shareholders of Full Portion Media Limited. In effect, the transaction is accounted for as though Full Portion Media Limited was the acquiring company rather than the acquired and Etaireia Investments plc has been treated as the company being acquired. The reverse acquisition reserve consists of amounts arising from the adjustment made to the equity instruments of the legal acquiree in reverse acquisition accounting.

The Group has calculated the Goodwill arising on the business combination as being the fair value of the consideration deemed to have been paid by Full Portion Media Ltd, as calculated in accordance with IFRS 3 Appendix B, less the fair value of the Parent company's assets and liabilities at the date of the business combination.

The fair value of the consideration has been calculated based on the fair value of the shares in Full Portion Media Limited at the date of the business combination, as determined with reference to the fair value of the shares issued in the Placing that was linked to the acquisition.

The financial information of subsidiaries is included in the consolidated financial statements using the acquisition method of accounting. On the date of acquisition the assets and liabilities of the relevant subsidiaries are measured at their fair values. All intra-Group transactions, balances, income and expenses are eliminated on consolidation.

The merger reserve consists of amounts arising from the acquisition of subsidiaries where the acquisition satisfies the provision of sections 131 to 134 of the Companies Act 1985 for merger relief.

(c) Revenue

Revenue consists of fees for public relations work undertaken and is recognised net of sales tax and any discounts given. Monthly retainer fees are recognised in the month to which they relate. Fees for specific work are recognised on completion of the project.

## ETAIREIA INVESTMENTS PLC

### NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2011

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#### 2 ACCOUNTING POLICIES - continued

##### (d) Goodwill and Impairment

Goodwill arising on the acquisition of a subsidiary represents the excess of the cost of acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the subsidiary recognized at the date of acquisition. Goodwill is initially recognized as an asset at cost and is subsequently measured at cost less any accumulated impairment losses.

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

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

##### (e) Property, plant and equipment

Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. Depreciation is charged on a straight line basis over three to five years.

The gain or loss arising from disposal or retirement of an asset is determined as the difference between sales proceeds and the carrying amount of the asset and is recognised in the income statement.

##### (f) Financial assets

The Group classifies its financial assets as loans and receivables which are initially measured at fair value, plus transaction costs. Loans and receivables, which include trade and other receivables, loans and cash at bank, are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (trade receivables) and also incorporate other types of contractual monetary assets. The Group considers that there are no significant differences between the historical value and fair value of its financial assets.

##### (g) Trade receivables

Trade receivables are not interest-bearing and are stated at their historical value, reduced by appropriate allowances for estimated irrecoverable amounts.

##### (h) Cash and cash equivalents

Cash and cash equivalents comprise current and deposit account bank balances which are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value. This definition is also used for the cash flow statement.

## ETAIREIA INVESTMENTS PLC

### NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2011

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#### 2. ACCOUNTING POLICIES - continued

##### (i) Financial liabilities

The Group classifies its financial liabilities as other financial liabilities. Other financial liabilities, which include trade and other payables, are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis. The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

##### (j) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

##### (i) Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

##### (ii) Deferred tax

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

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interest in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

**ETAIREIA INVESTMENTS PLC**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2011**

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**2. ACCOUNTING POLICIES - continued**

**(ii) Deferred tax – continued**

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period in which the liability is settled or the asset is realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

**(iii) Current and deferred tax for the period**

Current and deferred tax are recognized as an expense or income in the income statement, except when they relate to items credited or debited directly to equity, in which case tax is also recognized directly in equity, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or in determining the excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost of the business combination.

**(k) Equity instruments**

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

**(l) Share-based payments**

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest. At each balance sheet date, the Group revises its estimate of the number of equity instruments expected to vest (no revision is considered necessary for the current period). The impact of the revision of the original estimates, if any, is recognised in profit or loss over the remaining vesting period, with a corresponding adjustment to the profit and loss reserve. Equity-settled share-based payment transactions with other parties are measured at the fair value of the goods or services received, except where the fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service. There are no non-market vesting conditions.

**(m) The Group as lessee**

Operating lease payments are recognized as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognized as an expense in the period in which they are incurred. Rentals payable under an operating lease are charged to the Income Statement on a straight line basis over the lease term.

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ETAIREIA INVESTMENTS PLC

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2011

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2 ACCOUNTING POLICIES - continued

(n) Accounting estimates and judgements

The Company makes estimates and judgements concerning the future and the resulting estimates may, by definition, vary from the related actual results. The Directors considered the critical accounting estimates and judgements used in the financial statements and concluded that the main areas of judgement are

- Carrying value of the investment in the subsidiary (see note b), and
- Valuation of intangible assets (see note d)

These estimates are based on historical experience and various other assumptions that management and the Board of Directors believe are reasonable under the circumstances and are discussed, to the extent necessary, in more detail in their respective notes

3 EMPLOYEES AND DIRECTORS

	Year ended 31 03.11 £	Year ended 31.03.10 £
Discontinued operations		
Staff costs	42,897	203,037
Social security costs	2,615	24,391
	<u>45,512</u>	<u>227,428</u>

There were no salary costs relating to continuing operations

	Year ended 31 03.11 £	Year ended 31 03.10 £
The remuneration of the Directors was as follows		
T Maharajh	-	75,000
	<u>-</u>	<u>75,000</u>

	Year ended 31.03 11	Year ended 31.03.10
The average monthly number of employees was as follows		
Directors and employees	<u>3</u>	<u>5</u>

## ETAIREIA INVESTMENTS PLC

### NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2011

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#### 4. COMPANY PROFIT AND LOSS ACCOUNT

As permitted by section 408 of the Companies Act 2006 the income statement of the Parent Company is not presented as part of these financial statements. The Company made a loss for the period of £37,217 (2010 - £847,910) after impairment provisions of £nil (2010 - £869,894)

#### 5. SEGMENT REVENUES AND RESULTS

The segmental analysis of revenues and results is determined by the Group having a single business segment. This is considered to be the provision of public relations related services, being the services provided by Full Portion Media Limited, the Group's trading subsidiary, to which a liquidator was appointed in August 2010. All of the Group's operations are carried out in the UK and therefore there is no appropriate primary or secondary segmental analysis to be disclosed.

The operating loss is stated after charging

	Year ended 31 03 11 £	Year ended 31 03 10 £
Continuing operations		
Auditors remuneration		
- fees payable to the Company's auditors for the audit of the Company's annual accounts	6,600	3,000
- fees payable to the Company's auditors for the audit of the subsidiary's annual accounts	-	3,500
Discontinued operations		
Depreciation	-	6,041
Bad debts	-	13,398
Impairment provisions	-	298,690
	<hr/>	<hr/>

#### 6. FINANCE COSTS

	Year ended 31.03 11 £	Year ended 31.03 10 £
Continuing operations		
Other interest	-	912
Discontinued operations		
Bank interest	-	327
	<hr/>	<hr/>
	-	1,239
	<hr/>	<hr/>

ETAIREIA INVESTMENTS PLC

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2011

7. INCOME TAXATION

	Year ended 31.03.11 £	Year ended 31.03.10 £
Tax expense comprises		
Current tax	-	-
	<u>          </u>	<u>          </u>
Loss from continuing operations	(46,417)	(97,971)
	<u>          </u>	<u>          </u>
Income tax expense calculated at 21% (2010 – 21%)	(9,748)	(20,574)
Effect of expenses that are not deductible in determining taxable profit	-	3,932
Effect of unused tax losses and tax offsets	9,748	16,642
	<u>          </u>	<u>          </u>
	<u>          </u>	<u>          </u>

The total amount of unused tax losses for which no deferred tax asset is recognised in the balance sheet is £385,319 (2010 - £480,071). This asset has not been recognised on the basis that it will only be recoverable when sufficient profits have accrued and this is not expected to happen for the foreseeable future.

8. GAIN/(LOSS) ON DISPOSAL OF DISCONTINUED OPERATIONS

In August 2010 a liquidator was appointed to the Company's sole trading subsidiary, Full Portion Media Limited. The amounts included in the Group accounts in respect of Full Portion Media Limited are as follows:

	Year ended 31.03.11 £	Year ended 31.03.10 £
Revenue	80,681	360,390
Expenses	(82,465)	(684,499)
	<u>          </u>	<u>          </u>
Loss before tax	(1,784)	(324,109)
Taxation	-	-
	<u>          </u>	<u>          </u>
Loss from discontinued operations	(1,784)	(324,109)
	<u>          </u>	<u>          </u>
Net liabilities on disposal		
Trade and other payables	202,017	-
Property, plant and equipment	(5,363)	-
Trade and other receivables	(32,428)	-
Cash balances	(21,273)	-
	<u>          </u>	<u>          </u>
Gain on disposal	142,953	-
	<u>          </u>	<u>          </u>
Total gain/(loss) from discontinued operations	141,169	(324,109)
	<u>          </u>	<u>          </u>

ETAIREIA INVESTMENTS PLC

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2011

9 EARNINGS PER SHARE

The basic earnings per share is calculated by dividing the profit or loss for the financial period attributable to shareholders by the weighted average number of shares in issue

	Year ended 31.03.11 £	Year ended 31.03.10 £
Profit/(Loss) attributable to owners of the Company		
Continuing operations	(46,417)	(97,971)
Discontinued operations	141,169	(324,109)
	<u>94,752</u>	<u>(422,080)</u>
	<b>Number</b>	<b>Number</b>
Weighted average number of ordinary shares for calculating basic and diluted earnings per share	85,166,666	85,166,666
	<b>Pence</b>	<b>Pence</b>
Basic and diluted earnings per share		
Continuing operations	(0 05)p	(0 11)p
Discontinued operations	0 16p	(0 38)p
	<u>0 11p</u>	<u>(0 49)p</u>

10 GOODWILL

	Company £
<b>Cost</b>	
As at 01 04 09	298,690
Impairment provision for the year	(298,690)
As at 31 03 10 and 31 03 11	<u>-</u>

Goodwill arising on consolidation represented the excess of the cost of the reverse acquisition over the net assets of Etaireia Investments Plc at the date of the business combination, less impairment provisions. The amount was written down to nil in the accounts for the year ending 31 March 2010 as a result of the liquidation of the Company's sole subsidiary



ETAIREIA INVESTMENTS PLC

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2011

11 INVESTMENTS IN SUBSIDIARIES

	<b>Company £</b>
<b>Cost</b>	
As at 01 04 09	360,000
Impairment provision for the year	(360,000)
	<u>          </u>
As at 31 03 10 and 31 03 11	<u>          </u> -

The Company owns 100% of the issued share capital of Full Portion Media Limited, a company registered in the UK. Full Portion Media Limited appointed a liquidator on 6 August 2010 and no distribution to shareholders is expected.

12 PROPERTY, PLANT AND EQUIPMENT

<b>Group</b>	<b>Office equipment £</b>	<b>Fixtures &amp; fittings £</b>	<b>Total £</b>
<b>Cost</b>			
As at 01 04 09	20,199	4,513	24,712
Additions	995	-	995
	<u>          </u>	<u>          </u>	<u>          </u>
As at 31 03 10	21,194	4,513	25,707
Disposals	(21,194)	(4,513)	(25,707)
	<u>          </u>	<u>          </u>	<u>          </u>
As at 31 03 11	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Depreciation</b>			
As at 01 04 09	11,209	2,183	13,392
Charge for the period	4,913	1,128	6,041
	<u>          </u>	<u>          </u>	<u>          </u>
As at 31 03 10	16,122	3,311	19,433
Charge for the period	723	189	912
Disposals	(16,845)	(3,500)	(20,345)
	<u>          </u>	<u>          </u>	<u>          </u>
As at 31 03 11	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>
Net book value at 31 03 11	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>
Net book value at 31 03 10	5,072	1,202	6,274
	<u>          </u>	<u>          </u>	<u>          </u>

**Company**

The Company had no property, plant and equipment during either period.

ETAIREIA INVESTMENTS PLC

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2011

13. TRADE AND OTHER RECEIVABLES

	Group 31 03.11 £	Group 31.03.10 £	Company 31.03.11 £	Company 31 03.10 £
Trade receivables	-	32,297	-	-
Bad debt provision	-	(5,012)	-	-
	<u>-</u>	<u>27,285</u>	<u>-</u>	<u>-</u>
Other debtors	-	1,770	-	178
Prepayments	4,218	12,451	4,218	4,927
	<u>4,218</u>	<u>41,506</u>	<u>4,218</u>	<u>5,105</u>

	Group 31 03.11 £	Group 31 03.10 £
The ageing analysis of trade receivables is given as follows		
Less than one month past due	-	7,552
One to three months past due	-	20,256
More than three months but less than 12 months past due	-	4,489
	<u>-</u>	<u>32,297</u>
Movement in bad debt provision		
At beginning of the period	-	39,619
Amounts written-off in the period	-	(13,398)
(Decrease)/Increase in provision	-	(21,209)
At end of the period	<u>-</u>	<u>5,012</u>

The Group does not hold any collateral as security. At the year end, the carrying amounts of the Group's trade and other receivables were denominated in Pounds Sterling.

14. TRADE AND OTHER PAYABLES

	Group 31 03.11 £	Group 31.03.10 £	Company 31.03.11 £	Company 31 03.10 £
Trade payables	13,581	86,100	13,581	65,754
Other taxes and social security	-	51,053	-	587
Other payables	3,200	7,395	3,200	-
Accruals	8,800	193,633	8,800	93,750
	<u>25,581</u>	<u>338,181</u>	<u>25,581</u>	<u>160,091</u>

At the year end, the carrying amounts of the Company's trade and other payables were denominated in Pounds Sterling.

ETAIREIA INVESTMENTS PLC

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2011

15 CALLED UP SHARE CAPITAL

	Group 31.03.11 £	Group 31.03.10 £
Issued and fully paid		
126,360,784 ordinary shares of 0.01p each (2010)		
85,166,666 shares of 0.25p each)	12,636	212,917
85,166,666 deferred ordinary shares of 0.24p each	204,400	-
	217,036	212,917

On 31 March 2011 the shareholders approved a share reorganisation resulting in each existing ordinary share of 0.25p being split into one new ordinary share of 0.01p and one deferred share of 0.24p. The restricted rights attaching to the deferred shares are such that the deferred shares have no economic value.

Also on 31 March 2011 the shareholders approved the issue of 10,294,118 new ordinary shares at 0.085p each and 30,900,000 shares at 0.5p each in settlement of amounts owed by the Company.

**Warrants**

The Company issued warrants convertible into New Ordinary shares of 0.25 pence on exercise. The warrants carried neither rights to dividends nor voting rights. The warrants could be exercised at any time from the date of vesting to the date of their expiry.

The following warrants were in existence and exercisable at 31 March 2010 and lapsed on 19 July 2010, none having been exercised prior to lapsing.

<u>Issue date</u>	<u>Number</u>	<u>Period</u>	<u>Exercise price</u> (pence)	<u>Fair value at date of grant</u> (pence)
Issued 19 July 2007	12,500,000	19/07/2007-19/07/2010	1.00	0.1
Issued 19 July 2007	5,000,000	19/07/2007-19/07/2010	1.00	2.16

The 12,500,000 warrants with a fair value of 0.1 pence at date of grant were priced using an estimate of the fair value of the services performed and for which they were issued as part consideration.

The 5,000,000 warrants with a fair value of 2.16 pence at date of grant were priced using the Black-Scholes method. Where relevant, the expected life used in the model was adjusted based on management's best estimate for the effects of non-transferability, exercise restrictions (including the probability of meeting market conditions attached to the warrants), and behavioural considerations. Expected volatility was based on management's best estimate of the historic volatility of similar shares in the market.

At the year end all warrants had expired. At 31 March 2010 the average exercise price was 1 pence and the average remaining life of the warrants was 0.3 years.

ETAIREIA INVESTMENTS PLC

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2011

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16 CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of balances with banks and comprise the following balance sheet amounts

	Group 31.03.11 £	Group 31.03.10 £	Company 31.03.11 £	Company 31.03.10 £
Cash and cash equivalents	24	11,060	24	7,614

The Company's cash and cash equivalents are all held at institutions rated by international credit agencies as at least A+ or equivalent. All cash and cash equivalents are stated at fair value.

17 RELATED PARTY TRANSACTIONS

At the date of appointment of a liquidator to Full Portion Media Limited £469,155 was owed to the Company by its subsidiary, in respect of loan notes secured over the assets of the subsidiary, and £45,539 was owed in respect of working capital advances. The amounts owed to the Company in respect of the loan notes and the working capital advances at 31 March 2010 were £469,155 and £40,739, respectively. Full provision was made against these amounts in the Company's accounts in 2010. Interest charged on the loan notes during the year was £nil (2010 - £35,955).

Management charges of £Nil (2010 - £84,000) were made by the Company to its subsidiary during the period.

Key management compensation is disclosed in Note 2.

ETAIREIA INVESTMENTS PLC

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2011

18 FINANCIAL INSTRUMENTS

(a) Financial instruments by category

	31 03.11 £	31 03 10 £
<b>Financial assets – Group</b>		
Loans and receivables		
Trade and other receivables, excluding prepayments	-	29,055
Cash and cash equivalents	24	11,060
	<u>24</u>	<u>40,115</u>
<b>Financial assets – Company</b>		
Loans and receivables		
Trade and other receivables, excluding prepayments	-	-
Cash and cash equivalents	24	7,614
	<u>24</u>	<u>7,614</u>
<b>Financial liabilities at amortised cost – Group</b>		
Trade and other payables, excluding statutory liabilities	16,781	287,128
<b>Financial liabilities at amortised cost - Company</b>		
Trade and other payables, excluding statutory liabilities	16,781	159,504

(a) Liquidity risk

The Group currently has no obligations or commitments associated with its financial instruments. The directors regularly review both short and medium term cash flow projections in order to manage the Company's cash flow.

ETAIREIA INVESTMENTS PLC

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2011

18. FINANCIAL INSTRUMENTS - continued

(b) Fair value interest rate risk

	At	<u>Total</u>	<u>Floating Rate</u>	<u>Fixed rate</u>
		<u>£</u>	<u>Financial</u>	<u>Financial</u>
			<u>Assets</u>	<u>Assets</u>
			<u>£</u>	<u>£</u>
Currency – Pounds Sterling Cash and cash equivalents	31 03 11	24	24	-
Currency – Pounds Sterling Cash and cash equivalents	31 03 10	11,060	11,060	-

Floating rate financial assets comprise cash deposits on overnight deposit at variable short-term rates, ranging from 2.5% to 3.5%. The Company has no borrowing facilities agreed with its bankers.

(c) Cash flow interest rate risk

Interest rate changes may affect the Group's ability to raise funds for future projects by influencing the amount to which investors are willing to commit.

(d) Capital risk

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders. The directors regularly review both short and medium term forecasts to achieve this.

19 NON-CANCELLABLE OPERATING LEASING COMMITMENTS

	<u>Group</u>	<u>Group</u>
	<u>31.03.11</u>	<u>31.03.10</u>
	<u>£</u>	<u>£</u>
Less than one year	-	20,310
Longer than 1 and not longer than 5 years	-	28,773
	<u>-</u>	<u>49,083</u>

Operating lease payments represent future minimum lease payments payable by the Company's subsidiary for office property. The total operating lease payments incurred during the year were £3,185 (2010 - £20,984).

The Company had no lease commitments in either period.