

9 August 2013

HUNTER RESOURCES PLC
(“Hunter” or the “Company”)

Final Results for the year to 31 December 2012 & Return from Suspension

Final Results

Hunter Resources Plc (AIM: HUN), today announces its final results for the year to 31 December 2012, which are published below. The Company’s annual report and audited accounts for the year have been published on the Company’s website <http://www.hunter-resources.com/> in accordance with the Company’s articles of association, and are available to shareholders.

Return from Suspension

The Company is pleased to announce that following the release this morning of the financial results for the year to 31 December 2012, the Company’s ordinary 0.1p shares have returned from suspension to trading on AIM.

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Report of the Executive Chairman

Dear Shareholder,

I am pleased to announce the results of the Hunter Resources Plc (formerly GEM BioFuels Plc) ('Hunter' or the 'Company') group (the 'Group') for the year ended 31 December 2012.

The Group's activities have undergone significant change in the period – activities related to the management of Jatropha plantations to produce oil based fruit, principally for the production of biodiesel (the 'Jatropha Operations'), have ended and the Group is now focused on the natural resources and mining sector. The change was approved at the Company's Annual General Meeting held on 28 December 2012 (the '2012 AGM') at which holders of the Ordinary Shares in the Company ('Shareholders') approved the Company's new Investing Policy (as more fully described in the section of the Directors' Report entitled 'Principal activities').

The cessation of the Jatropha Operations, which were abandoned from April 2012, reflects an assessment completed during the early part of 2012 into the commercial viability of those operations. As you are aware, the Group's plantations performed poorly during 2011 and the early part of 2012. This lack of progress led the Board to complete a detailed internal review of the plantation operations which showed that the plantation activities were not likely to become commercially viable within a reasonable timeframe, mainly due to a lack of sufficient financial resources. Further examination through external agronomic consultants confirmed that the success levels were too low to make a commercially viable business from the Group's existing plantations. Other recent third-party research on Jatropha further suggested that it requires significantly more agronomic care and maintenance than originally thought as well as higher rainfall and the addition of fertilizers. The same report suggested that successful commercial scale exploitation of Jatropha would not be expected before 2020 and would require significant improvement on the techniques employed by the Group and the breeding stock.

The external consultants further examined other plantation crop opportunities both utilising the Group's land bank and in other areas within the country. Whilst several such opportunities appeared to have great potential it was deemed too difficult to capitalise on them without major new funding for this purpose. Over and above this, the Board examined several other plantation crop projects in other countries and spent a considerable amount of time investigating these. However, it proved too difficult to bring any such project within the Group's original plantation focus to fruition for a number of reasons.

Following this detailed assessment, the Board concluded that a new strategy should be explored which could provide Shareholders with some return going forward and it was decided that this could be achieved through the mining and resources sector. Accordingly, the Company's new Investing Policy and change of name to reflect the new focus of the Group were proposed and approved at the 2012 AGM. In addition to this clear investing mandate, the reorganisation of the Company's capital structure was further approved at the AGM to reduce the par value of the Company's ordinary shares ('Ordinary Shares') from £0.01 per ordinary share to £0.001 and create a new class of deferred shares, such reorganisation being necessary to permit the Company to issue new Ordinary Shares for cash which was otherwise not possible because the Company's share price on AIM had fallen below the par value of its Ordinary Shares. Shareholders further provided the Board with certain allotment authorities, free from pre-emption rights, to issue new Ordinary Shares (refer to note 18.2.1 to the financial statements for full details of the allotment authorities), of which 350,000,000 were allocated for the issue of new Ordinary Shares under a private subscription. 284,131,944 Ordinary Shares were subsequently allotted under this authority in January 2013 raising £284,132 (pre issue expenses). A further £25,868 (pre issue expenses) was raised at the same time under a convertible loan note, taking the total raised in January 2013 to £310,000 (pre issue expenses). These funds have provided the initial working capital necessary for the Company to continue in operation and to commence implementing the Investing Policy.

The change in the activities of the Group was accompanied by changes to the board of Directors (the 'Board'). On 28 March 2012 Paul Benetti resigned as Chief Executive Officer, and I became Executive Chairman to carry out the full review of the business referred to above and attract new investors. At the 2012 AGM, Malcolm Williams resigned as Non-Executive Director and John Molyneux and David Paull were appointed as Non-Executive Directors, bringing with them a wide and deep experience in the mining sector.

The Group's loss for the year was £417,470 (2011: £2,294,886), or a loss per ordinary share of 0.45p (2011 (as restated (note 4: loss of 4.28p)). The reduction in the loss for the current period reflects the significantly reduced scope of operations following the abandonment of the plantation operations from April 2012, and the significant impairments recorded during 2011 against the Group's biological assets and goodwill. The results of the Jatropha Operation for both periods presented are reported within discontinued operations in the Consolidated Statement of Profit or Loss and Other Comprehensive Income, with the prior year amounts represented as required by IFRS. As at the date of this report, the Company has cash balances of approximately £96,000 which are sufficient for the immediate requirements of the Company, but will be insufficient to allow the Company to fully implement its Investing Policy. Accordingly the Group will require additional funding to develop its business. Further details on the going concern status of the Company and Group are provided in note 3.2 to the financial statements.

Having adopted the new Investing Policy focussed on the natural resources and mining sector, the Board is confident of moving forward on a project in the relatively near future.

Simon D Hunt
Executive Chairman
Date: 8 August 2013

Directors' Report

The directors of the Company (the 'Directors') present their annual report on the affairs of the Group together with the financial statements and Independent Auditor's Report thereon, for the year ended 31 December 2012.

Except where otherwise noted, amounts are presented in this Directors' Report in Great British Pounds ('£' or GBP).

Listing details and change of name

Hunter is an Isle of Man company with Ordinary Shares quoted on the AIM Market of the London Stock Exchange ('AIM') under symbol HUN (formerly GBF). The Company's name was changed on 28 December 2012 from GEM BioFuels Plc to better reflect the change in the Company's activities as more fully described below in the section of this Directors' Report entitled 'Principal activity'.

Principal activity

Effective from 28 December 2012 and as at the date of this report, the Company is an Investing Company on AIM (as defined by the AIM Rules for Companies) focussed on the natural resources and mining sector. The Company's Investing Policy (as defined by the AIM Rules for Companies), as approved by Shareholders at the 2012 AGM, is as follows:

"Investing Policy

The Directors intend initially to seek to acquire a direct and/or an indirect interest in projects and assets in the mining sector. However they will consider opportunities in the wider natural resources sector. The Company will focus on opportunities in Europe, Africa and the Middle East but will also consider possible opportunities anywhere in the world.

The Company may invest by way of purchasing quoted shares in appropriate companies, outright acquisition or by the acquisition of assets, including the intellectual property, of a relevant business, or by entering into partnerships or joint venture arrangements. Such investments may result in the Company acquiring the whole or part of a company or project (which in the case of an investment in a company may be private or listed on a stock exchange, and which may be pre-revenue), and such investments may constitute a minority stake in the company or project in question. The Company will not have a separate investment manager.

The Company may be both an active and a passive investor depending on the nature of the individual investments. Although the Company intends to be a medium to long-term investor, the Directors will place no minimum or maximum limit on the length of time that any investment may be held and therefore shorter term disposal of any investments cannot be ruled out.

There will be no limit on the number of projects into which the Company may invest, and the Company's financial resources may be invested in a number of propositions or in just one investment, which may be deemed to be a reverse takeover pursuant to Rule 14 of the AIM Rules. The Company will carry out an appropriate due diligence exercise on all potential investments and, where appropriate, with professional advisers assisting as required. The Board's principal focus will be on achieving capital growth for Shareholders.

Investments may be in all types of assets and there will be no investment restrictions.

The Company will require additional funding as investments are made and new opportunities arise. The Directors may offer new Ordinary Shares by way of consideration as well as cash, thereby helping to preserve the Company's cash resources for working capital. The Company may in appropriate circumstances, issue debt securities or otherwise borrow money to complete an investment. The Directors do not intend to acquire any cross-holdings in other corporate entities that have an interest in the Ordinary Shares."

Prior to becoming an Investing Company, the Company's principal activity was to establish and manage *Jatropha* plantations to produce oil based fruit, principally for the final production of biodiesel, such activities being wholly conducted in Madagascar through a 100% subsidiary company. These activities were abandoned in April 2012. Between April 2012 and December 2012, the Company assessed various alternative uses for its land bank in Madagascar, along with alternative agricultural focussed projects throughout Africa. Despite all efforts, no reasonable and viable alternative use or project could be identified and the Board concluded that better value for Shareholders could be achieved through adopting the Investing Policy.

Result for year and review of operations

A review of the Group's operations in the period is provided in the Report of the Executive Chairman.

The Group's loss for the year ended 31 December 2012 was £417,470 (2011: £2,294,886). The Company made a loss for the year ended 31 December 2012 of £176,084 (2011 (as restated – note 4): £3,412,675).

Certain comparative amounts for the year ended 31 December 2011 have been restated in these financial statements to correct clerical errors in the summation of balances presented for the year then ended in the audited financial statements for the Group and Company for the year ended 31 December 2011. Details of the corrections are provided in note 4 to the financial statements.

Going concern basis

Details of the Directors' review of the going concern status of the Company (and by extension the Group) are provided in note 3.2. Based on the matters discussed therein, the Directors have a reasonable expectation that the Company and the Group have, or will have, adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Directors

The Directors, who served throughout the year and to date, were as follows:

		Date of appointment	Date of Resignation
Simon Hunt	Executive Chairman	15 October 2007	-
Paul Benetti	Chief Executive	20 December 2005	28 March 2012
Malcolm Williams	Non-Executive Director	15 October 2007	28 December 2012
John Molyneux	Non-Executive Director	28 December 2012	-
David Paull	Non-Executive Director	28 December 2012	-

Directors' interests

The Directors who held office during the current financial period had the following interests in the Company's Ordinary Shares and options over Ordinary Shares as at 31 December 2012:

	Shares		Options	
	31 December 2012⁽¹⁾	31 December 2011	31 December 2012^{(1) (2)}	31 December 2011
Simon Hunt	1,000,000	1,000,000	-	210,000
Paul Benetti	9,256,000	9,256,000	-	840,000
Malcolm Williams	-	-	-	140,000
	<u>10,256,000</u>	<u>10,256,000</u>	<u>-</u>	<u>1,190,000</u>

⁽¹⁾ Or date of cessation of appointment if earlier

⁽²⁾ All options over Ordinary Shares in the Company lapsed unexercised on 15 October 2012

Subsequent to the period end on 28 February 2013 and pursuant to the authorities granted to the Board at the 2012 AGM, 36,000,000 warrants (the 'Director Warrants') over new Ordinary Shares were issued to the Directors. Further details are provided in note 23.2 to the financial statements.

Substantial shareholding interests

The following shareholdings of 3% or more of the Ordinary Share Capital of the Company are set out in the register of members of the Company as at 31 July 2013:

	Number	%
Marine Investments (WA) Pty Limited ⁽¹⁾	111,231,944	29.48
RAB Capital	50,926,500	14.49
Hatfield Nominees Pty Limited ⁽²⁾	30,033,833	7.99
James Weaver	21,500,000	5.70
Faris Cassim	20,000,000	5.30
Howard Spooner	20,000,000	5.30
Total	<u>253,692,277</u>	<u>68.26</u>

- (1) Includes 2,000,000 Ordinary Shares held by Mrs Diana Lalor and 1,000,000 Ordinary Shares held by Mr Peter Lalor and 600,000 Ordinary Shares held by Blackwood Consolidated Pty Limited. Marine Investments (WA) Pty and Blackwood Consolidated Pty Limited are both controlled by Mr P Lalor.
- (2) Includes 19,666,333 Ordinary Shares in the name of Hatfield Nominees Pty Limited, 165,000 shares in the name of Galgo Investments Pty Limited and 10,165,000 Ordinary Shares in the name of Finmont Pty Limited and 37,500 Ordinary Shares in the name of Jacobs Ladder Investments Pty Limited

Corporate governance

As an AIM-listed company, the Company is not required to comply with the UK Corporate Governance Code, issued by the Financial Reporting Council in May 2010 (the 'Governance Code'). However, the Directors recognise the value of the provisions set out in the Governance Code and provide certain corporate governance disclosures based on the disclosures required by that code.

As the Company currently has three directors all matters relating to audit and remuneration are considered by the Board as a whole.

The Board receives and reviews reports from management and the Group's auditor relating to the annual financial statements and the accounting and internal control systems in use throughout the Group.

The Board reviews the scale and structure of the remuneration and terms and conditions of appointment of all Directors both Executive and Non-Executive. The board also administers the Directors' Warrants.

Dividends

The directors do not recommend the payment of a dividend for the year ended 31 December 2012 (2011: £nil).

Events subsequent to the balance sheet date

Details of events subsequent to the balance sheet date which are considered by the Directors to be material and require disclosure in these financial statements are provided in note 23.

Independent auditor and statement of provision of information to the independent audit

Mazars LLP have expressed their willingness to continue in office as independent auditor of the Company and a resolution to re-appoint them will be proposed at the forthcoming Annual General Meeting.

The Directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is not aware; and each Director has taken all the steps that he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Additional information

Additional information on the Company can be found on the Company's website at www.hunter-resources.com.

Approved by the Board and signed on its behalf by:

Simon Hunt
Director and Executive Chairman
Date: 8 August 2013

**Consolidated and Company Statements of Profit or Loss
and Other Comprehensive Income
for the year ended 31 December 2012**

	Note	2012 Group £	2011 Group (represented – note 11) £	2012 Company £	2011 Company (restated – note 4) £
CONTINUING OPERATIONS					
Administrative expenses		(145,324)	(290,263)	(174,648)	(290,263)
Foreign exchange loss		(2,090)	(10,680)	(2,090)	(10,680)
Impairment of loan to subsidiary undertaking	21.3	-	-	-	(2,169,357)
Impairment of investment in subsidiary undertaking	13	-	-	-	(935,400)
Loss on disposal of property, plant and equipment		-	(5,813)	-	(5,813)
Interest income	9	654	210	654	210
Finance costs	9	-	(1,372)	-	(1,372)
Loss before taxation		(146,760)	(307,918)	(176,084)	(3,412,675)
Taxation	10	-	-	-	-
Loss for the year from continuing operations		(146,760)	(307,918)	(176,084)	(3,412,675)
DISCONTINUED OPERATIONS					
Loss for the year from discontinued operations	11	(270,710)	(1,986,968)	-	-
LOSS FOR THE YEAR		(417,470)	(2,294,886)	(176,084)	(3,412,675)
Foreign currency translation gain / (loss) on foreign operations in the year		-	41,006	-	(68,748)
Foreign currency translation gains and losses recycled to loss from discontinued operations in the year		238,491	-	-	-
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		(178,979)	(2,253,880)	(176,084)	(3,481,423)
LOSS PER SHARE					
Basic and diluted loss per share from continuing operations – pence	12.2	(0.16)	(0.57)	(0.19)	(6.36)
Basic and diluted loss per share from continuing and discontinued operations – pence	12.1	(0.45)	(4.28)	(0.19)	(6.36)

The loss and the total comprehensive loss for the current and preceding financial years are wholly attributable to equity holders of the parent Company.

**Consolidated and Company Statements of Financial Position
as at 31 December 2012**

	Note	2012 Group £	2011 Group £	2012 Company £	2011 Company £
ASSETS					
Non-current assets					
Investment in subsidiary undertakings	13	-	-	-	-
Goodwill	14	-	-	-	-
Property, plant and equipment	15	-	4,002	-	1,108
Biological assets	16	-	-	-	-
		-	4,002	-	1,108
Current Assets					
Prepayments		-	1,851	-	1,850
VAT refundable		12,682	11,103	12,682	11,103
Other receivable		-	20,187	-	20,187
Cash and cash equivalents		23,227	279,614	23,227	279,614
		35,909	312,755	35,909	312,754
TOTAL ASSETS		35,909	316,757	35,909	313,862
LIABILITIES					
Current liabilities					
Trade and other payables	17	185,951	287,820	185,951	287,820
TOTAL LIABILITIES		185,951	287,820	185,951	287,820
NET CURRENT (LIABILITIES)/ASSETS		(150,042)	24,935	(150,042)	24,934
NET (LIABILITIES)/ASSETS		(150,042)	28,937	(150,042)	26,042
Share capital	18	931,648	931,648	931,648	931,648
Share premium	18	5,202,423	5,202,423	5,202,423	5,202,423
Currency translation reserve	18	471,380	232,889	471,380	471,380
Share option reserve		-	686,524	-	686,524
Accumulated losses		(6,755,493)	(7,024,547)	(6,755,493)	(7,265,933)
(DEFICIT) / EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY		(150,042)	28,937	(150,042)	26,042

These financial statements were approved by the Board of Directors and authorised for issue on 8 August 2013. Signed on behalf of the Board of Directors by:

Simon Hunt
Director and Executive
Chairman
8 August 2013

**Consolidated and Company Statements of Changes in Equity
for the year ended 31 December 2012**

	Note	Share capital £	Share premium £	Currency translation reserve £	Share option reserve £	Accumulated losses £	Total £
CONSOLIDATED							
Balance at 1 January 2011		353,515	4,999,556	191,883	686,524	(4,729,661)	1,501,817
Total comprehensive loss for the year (as restated)	4	-	-	41,006	-	(2,294,886)	(2,253,880)
Issue of Ordinary Shares		578,133	208,867	-	-	-	787,000
Expenses incurred in issuing Ordinary Shares		-	(6,000)	-	-	-	(6,000)
Balance as at 31 December 2011 (as restated)	4	931,648	5,202,423	232,889	686,524	(7,024,547)	28,937
Total comprehensive income / (loss) for the year		-	-	238,491	-	(417,470)	(178,979)
Transferred to accumulated losses on lapse of share options		-	-	-	(686,524)	686,524	-
Balance as at 31 December 2012		931,648	5,202,423	471,380	-	(6,755,493)	(150,042)
COMPANY							
Balance at 1 January 2011		353,515	4,999,556	540,128	686,524	(3,853,258)	2,726,465
Total comprehensive loss for the year (as restated)	4	-	-	(68,748)	-	(3,412,675)	(3,481,423)
Issue of Ordinary Shares		578,133	208,867	-	-	-	787,000
Expenses incurred in issuing Ordinary Shares		-	(6,000)	-	-	-	(6,000)
Balance as at 31 December 2011 (as restated)	4	931,648	5,202,423	471,380	686,524	(7,265,933)	26,042
Total comprehensive loss for the year		-	-	-	-	(176,084)	(176,084)
Transferred to accumulated losses on lapse of share options		-	-	-	(686,524)	686,524	-
Balance as at 31 December 2012		931,648	5,202,423	471,380	-	(6,755,493)	(150,042)

**Consolidated and Company Cash Flow Statements
for the year ended 31 December 2012**

	2012 Group	2011 Group	2012 Company	2011 Company (restated – note 4)
	£	£	£	£
Cash flows from operating activities				
Loss for the year	(417,470)	(2,294,885)	(176,084)	(3,412,675)
Adjustments for:				
Investment revenues	(654)	(210)	(654)	(210)
Finance costs	-	1,372	-	1,372
Foreign exchange loss	2,090	11,441	2,090	10,680
Recycled foreign exchange loss on discontinued operations	238,491	-	-	-
Impairment of goodwill	-	980,547	-	-
Impairment of biological assets	-	926,974	-	-
Impairment of loan to subsidiary undertaking	-	-	-	2,169,357
Impairment of investment in subsidiary undertaking	-	-	-	935,400
Loss on disposal of property, plant and equipment	2,894	5,813	-	5,813
Depreciation of property, plant and equipment	1,108	13,585	1,108	4,446
Operating cash flows before movements in working capital	(173,541)	(355,363)	(173,540)	(285,817)
Decrease/(increase) in receivables	20,459	(8,953)	20,458	(1,286)
(Decrease)/increase in trade and other payables	(101,869)	23,568	(101,869)	45,461
Cash used in operating activities	(254,951)	(340,748)	(254,951)	(241,642)
Cash flows from investing activities				
Interest received	654	210	654	210
Interest paid	-	(1,372)	-	(1,372)
Loans to subsidiary undertaking	-	-	-	(12,420)
Net cash from / (used in) investing activities	654	(1,162)	654	(13,582)
Cash flows from financing activities				
Proceeds from the issue of new Ordinary Shares	-	350,000	-	350,000
Issue expenses of new Ordinary Shares	-	(6,000)	-	(6,000)
Proceeds from the issue of convertible loan notes	-	200,000	-	200,000
Net cash provided by financing activities	-	544,000	-	544,000
Net (decrease)/increase in cash and cash equivalents	(254,297)	202,090	(254,297)	288,776
Effects of exchange rate changes on the balance of cash held in foreign currencies	(2,090)	69,334	(2,090)	(10,304)
Cash and cash equivalents at the beginning of the year	279,614	8,190	279,614	1,142
Cash and cash equivalents at the end of the year	23,227	279,614	23,227	279,614

1. GENERAL INFORMATION

Hunter Resources PLC (formerly GEM BioFuels Plc) is a company incorporated and domiciled in the Isle of Man, under the Companies Acts 1931 to 2004, with registered number 115011C. Further details, including the address of the registered office, are given in the section of this report entitled 'Company Information and Advisers'. The nature of the Group's operations and its principal activities are set out in the Directors' Report. Details of the Company's dormant subsidiary, including the name, country of incorporation, operation and ownership interest is given in note 13.

As permitted by the AIM Rules for Companies, the financial statements have been prepared in accordance with IFRSs as issued by the IASB as they apply to the financial statements of the Company and Group for the year ended 31 December 2012.

The consolidated financial information is a consolidation of the Company and its subsidiary. These financial statements are presented in Pounds Sterling. Foreign operations are included in accordance with the policies set out in note 3.5.

2. ADOPTION OF NEW AND REVISED STANDARDS AND INTERPRETATIONS

New Standards and Interpretations adopted with no significant effect on the financial statements

The following new and revised Standards and Interpretations have been adopted in these financial statements. Their adoption has not had any significant impact on the amounts reported in these financial statements, but may impact the accounting for future transactions and arrangements.

IAS 12	Amendment 2010	Deferred tax - recovery of underlying assets
IFRS 7	Amendment 2010	Disclosures – transfers of financial assets

New Standards and Interpretations in issue but not yet effective

At the date of authorisation of these financial statements, the following Standards and Interpretations are in issue but not yet effective (and in some cases had not yet been adopted by the EU):

IAS 1	Amendment 2011	Presentation of items of other comprehensive income
IAS 19	Amendment 2011	Employee benefits
IAS 27	Amendment 2011	Separate financial statements
IAS 28	Amendment 2011	Investment in associates and joint ventures
IAS 32	Amendment 2011	Offsetting financial assets and financial liabilities
IFRS 10, IFRS 12 and IAS 27	Amendment 2012	Investment entities
IFRS 1	Amendment 2012	Government loans
IFRS 7	Amendment 2011	Disclosures – offsetting financial assets and financial liabilities
IFRS 9	New 2009, Amendment 2010 and 2011	Financial instruments
IFRS 10	New 2011	Consolidated financial statements
IFRS 11	New 2011	Joint arrangements
IFRS 12	New 2011	Disclosure of interest in other entities
IFRS 13	New 2011	Fair value measurement
IFRIC 20	New 2011	Stripping costs in the production phase of a surface mine
Improvements to IFRS	Amendments 2012	Annual improvements to IFRSs 2209-2011

The Directors do not anticipate that the adoption of these Standards and Interpretations will have a material impact on the Group's financial statements in the period of initial application.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1. Basis of preparation, critical accounting judgments and sources of estimation uncertainty

The Group's and the Company's financial statements are prepared on the historical cost basis. The Group's and the Company's accounting policies have been consistently applied to the results, gains and losses, assets, liabilities and cash flows of entities included in the financial statements.

The preparation of financial statements in conformity with IFRSs requires the Directors to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that year or in the year of the revision and future periods if the revision affects both current and future years.

Other than for the adoption of the going concern basis of preparation (refer to note 3.2), there are no critical accounting judgments or key sources of estimation uncertainty which are considered by the Directors to be sufficiently material to require separate disclosure in these financial statements for the year ended 31 December 2012. Details of critical accounting judgments and estimates made in the preparation of the financial statements for the year ended 31 December 2011 are provided in note 3 to the financial statements for the year then ended available at the Company's website (www.hunter-resources.com).

3.2. Going concern

The Company (and by extension the Group) financial statements have been prepared on a going concern basis, which contemplates the continuity of business activity. As at the date of this report the Company has available cash balances of approximately £96,000 which are sufficient for the immediate working capital requirements of the Company and, subject to careful management of expenditure, sufficient to enable the Company to continue in operation for a period of twelve months from the date of this report. As discussed more fully in the section of the Directors' Report entitled 'Principal Activity' and further in the Report of the Executive Chairman, the Company is now an Investing Company on AIM. The Company's available cash balances are insufficient to fund the full implementation of the new Investing Policy. To implement the Investing Policy and therefore to remain a going concern for a period greater than 12 months from the date of this report, the Company will need to access additional sources of funding which in all likelihood will involve the issue of additional new Ordinary Shares through one or a combination of a placing and an open offer. The attractiveness of the Company's Ordinary Shares as an investment opportunity will depend on a number of factors, including but not limited to, the quality and experience of its management team, the nature of the projects it identifies and the anticipated return available to Shareholders

The Directors are assessing various potential investment opportunities and believe that they will identify suitable assets in which to invest and which will provide an investment grade return to shareholders. Accordingly, and having consulted with the Company's financial advisers, the Directors believe that the Company will be able to raise additional funding to implement its Investing Policy. While the Directors have been successful in securing funding in January 2013 (refer to note 23.1), there can however be no certainty that additional funding will be available, or if available, whether the terms will be acceptable to the Company. Consequently, there is a material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern beyond 12 months of the date of signing these financial statements.

3.3. Basis of consolidation and discontinued operations

The Consolidated financial statements (comprising the balances and transactions identified as 'Group' within these financial statements) incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 31 December. Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the Consolidated Statement of Profit or Loss and Other Comprehensive Income from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

The acquisition of subsidiaries is accounted for using the purchase method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 are recognised at their fair value at the acquisition date, except for non-current assets (or disposal groups) that are classified as held for resale in accordance with IFRS 5, *Non-Current Assets Held for Sale and Discontinued Operations*, which are recognised and measured at fair value less costs to sell.

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceed the cost of the business combination, the excess is recognised immediately in profit or loss.

During the period ended 31 December 2012, the Group abandoned its Jatropa Operations principally undertaken through its subsidiary company in Madagascar. The Jatropa Operations represented a single, identifiable cash generating unit of the Group being the major component of the Group's operations. As required by IFRS 5, the results of the Jatropa Operations are presented within discontinued operations in the Consolidated Statement of Profit or Loss and Other Comprehensive Income. The results of operations reported for the period ended 31 December 2011 have been re-presented for these discontinued operations as required by IFRS 5. Further details are provided in note 11).

3.4. Revenue recognition

The Group did not recognise any revenue from the sale of goods or services in either period presented. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

3.5. Foreign currencies

In preparing the financial statements of the individual companies in the Group, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the year in which they arise except for:

- exchange differences which relate to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on foreign currency borrowings; and
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur, which form part of the net investment in a foreign operation, and which are recognised in the foreign currency translation reserve and recognised in profit or loss on disposal of the net investment.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's non GBP functional currency entities are translated at exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during that year, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are classified as other comprehensive income and transferred to the Group's translation reserve. Such translation differences are recognised as income or as expenses in the year in which the operation is disposed of, or abandoned. Translation differences arising on the Jatropa Operations were accordingly recognised within the loss for discontinued operations for the year ended 31 December 2012.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

On 1 January 2012 the functional currency of the Company was changed from US\$ to £. The Group's presentation currency remains £, which is now the functional currency of the Company and the currency of the country in which the Company's Ordinary Shares are listed on AIM. Accordingly, no adjustments have been made to the presentation of the translation reserve arising within the Company.

3.6. Taxation

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

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the Statement of Profit or Loss and Other Comprehensive Income 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.

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

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests 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.

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

Deferred tax is calculated at the tax rates that are expected to apply in the year when the liability is settled or the asset is realised. Deferred tax is charged or credited in the statement of comprehensive income, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

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

3.7. Property, plant and equipment

Items of property, plant and equipment are initially recorded at cost, being the fair value of consideration paid plus incidental costs, including an amount for dismantling costs where applicable. Items of plant and equipment, including motor vehicles, fixtures and fittings and leasehold improvements are depreciated from the date of acquisition using the straight line method over their estimated useful lives. Depreciation rates are reviewed annually.

The depreciation rates used for each class of asset are as follows:

Motor vehicles	25%
Fixtures and equipment	5% - 40%

As at 31 December 2012 the Group has no items of property, plant and equipment.

3.8. Biological assets

A biological asset is a living animal or plant. In the Group's case biological assets were Jatropha trees in Madagascar. A biological asset is required to be recognised when the Group controls the asset as a result of a past event, it is probable that the future economic benefits associated with the asset will flow to the entity and the fair value or cost of the asset can be measured reliably.

The biological asset should be measured on initial recognition and at each balance sheet date at its fair value less estimated costs to sell at the point of harvest, except where the fair value could not be measured reliably. Fair value is not reliably measurable when market determined prices are not available and for which alternative measures of fair value are clearly unreliable. For these reasons and the fact that the planted areas were relatively immature and still to yield substantial harvests, the Directors did not believe it to be possible to reliably measure the fair value of these assets and, as such, did not use fair value accounting for the Jatropha trees.

Costs incurred may approximate fair value when little biological transformation has taken place since the initial cost occurrence. As disclosed in note 16, the Group recognised plantation assets at cost, being the Directors' best estimate of their fair value. Depreciation of these assets was expected to commence when assets were ready for their intended use. Changes in the fair value (gains or losses) of the biological asset are recorded in profit or loss in the period in which the change occurs.

During the year ended 31 December 2011 and in accordance with the policy for impairment of assets described below in note 3.10, the Directors measured the extent to which the Jatropha assets should be impaired given that the crop had not been fully developed in that year. The Directors believed that the biological assets should be impaired in full based on expected cash flows and full impairment was recognised within profit or loss for the year

ended 31 December 2011. Subsequently and during the year ended 31 December 2012, the Jatropa Operations have been abandoned. Accordingly, no adjustment has been made to the carrying value of the Jatropa assets in the current period.

3.9. Investment in subsidiary

The investment in subsidiary undertakings in the Company only financial statements is stated at cost, less any provision for impairment.

3.10. Impairment of assets

At each reporting date, the Group reviews the carrying amounts of its tangible and intangible assets and biological assets, and the Company further reviews the carrying amount of its investment in subsidiary undertakings, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Goodwill, intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually and whenever there is an indication that the asset may be impaired. An impairment of goodwill is not subsequently reversed.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised in profit or loss immediately.

During the year ended 31 December 2011, the Directors measured the extent to which the Goodwill arising in the consolidated financial statements on the acquisition of its subsidiary undertaking in Madagascar (which undertook the Jatropa Operations) and the Group's biological assets, and the carrying value of the investment in subsidiary undertakings in the Company only financial statements, should be impaired. These assets were fully impaired in the financial year ended 31 December 2011 because the Jatropa Operations were not revenue generating and the Directors had concluded that the results from the Jatropa plantations were unlikely to lead to a commercial return. Subsequently and during the year ended 31 December 2012, the Jatropa Operations have been abandoned. Accordingly, no adjustment has been made to the carrying value of the Jatropa assets in the current period.

3.11. Financial instruments

Financial assets and financial liabilities are recognised on the balance sheet when the Group becomes a party to the contractual provisions of the instrument.

3.11.1. Loans and other receivables

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

All of the group's financial instruments are classified as 'loans and receivables'.

3.11.2. Other financial liabilities

Trade payables and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services.

3.11.3. Impairment of financial assets

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

For the loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the reversal of the previously recognised impairment loss is recognised in the consolidated income statement.

3.12. Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, and it is probable that the Group will be required to settle that obligation. Provisions are measured at the Directors' best estimate of the expenditure required to settle the obligation at the balance sheet date, and are discounted to present value where the effect is material.

3.13. Share-based payments

Equity-settled share-based payments with employees and others providing similar services are measured at the fair value of the equity instrument at the grant date. Fair value is measured by use of a binomial model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

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 reporting date, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss over the remaining vesting period, with corresponding adjustment to the equity-settled employee benefits reserve.

No amount has been recognised in the financial statements in respect of other equity-settled share based payments.

Equity-settled share-based payment transactions with other parties are measured at the fair value of the goods and 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.

For cash-settled share-based payments, a liability equal to the portion of the goods or services received is recognised at the current fair value determined at each reporting date.

3.14. Leases

Leases are classified as finance leases whenever the terms of the lease substantially transfer the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. The Group has not held any assets under finance leases. During the year ended 31 December 2011 the Group rented office space on a rolling operating lease. Payments under the operating lease were charged to profit and loss on a straight line basis over the period of the lease.

4. RESTATEMENT OF THE COMPARATIVE INFORMATION

During the preparation of the financial statements for the year ended 31 December 2012, certain non-material, arithmetic errors were identified in the computation of amounts reported in the financial statements for the year ended 31 December 2011. These errors are all of a clerical nature and do not affect the underlying recording of transactions and balances, or previously reported net assets and total equity, within the Company and Group financial statements. The errors have been corrected by restatement of the comparative disclosures within these financial statements.

5. SEGMENT REPORTING

IFRS 8, *Operating Segments*, requires operating segments to be identified on the basis of internal reports of the Group that are regularly reviewed by the Group's chief operating decision maker ('CODM'). The CODM of the Group is considered to be the Board. Until 12 April 2012, the Directors considered that the primary reporting format for the Group was by business segment. The Directors considered there to be one business segment, being the Jatropa Operations which were operated to provide feedstock to the biofuels and biochemical markets. All administrative expenditure of the Group, and all assets and liabilities, were allocated to this segment. The Group abandoned the Jatropa Operations on 12 April 2012. The directly identifiable income and expenditure related to the Jatropa Operations are presented within discontinued operations in note 11. Following the approval by the Company's shareholders at the 2012 AGM of the new Investing Policy, the Company has become an Investing Company on AIM. All income and expenditure for continuing activities is now allocated to this activity which accounts for all of the Group's assets and liabilities as at 31 December 2012.

6. LOSS BEFORE TAXATION

Loss before taxation from continuing operations is stated after charging / (crediting):

	2012 Group	2011 Group (represented – note 11)	2012 Company	2011 Company (restated – note 4)
	£	£	£	£
Depreciation of property, plant and equipment	1,108	4,620	1,108	4,620
Loss on disposal of property, plant and equipment	-	5,813	-	5,813
Impairment of investment in subsidiary undertakings	-	-	-	935,400
Impairment of loans to subsidiary undertakings	-	-	-	2,169,357
Exchange loss	2,090	10,680	2,090	10,680
Staff costs (note 7)	68,300	46,125	68,300	46,125
Operating lease rentals ⁽³⁾	-	23,400	-	23,400
Adjustment to liabilities following settlement with creditors ⁽¹⁾	(122,446)	-	(122,446)	-
Auditor's remuneration ⁽²⁾	15,000	20,000	15,000	20,000

⁽¹⁾ Included within 'Administrative expenditure' for the Group and Company for the year ended 31 December 2012 is a credit of £122,446 (2011: £nil) arising from the extinguishment of certain obligations of the Company to past employees and non-executive Directors by mutual agreement with the creditor party. These obligations arose prior to 31 December 2011.

⁽²⁾ The auditor's remuneration relates to fees payable for the audit of the Company's accounts. No fees were payable in either period presented for the audit of the Company's subsidiary, or for non-audit services.

⁽³⁾ The Company rented office space in Perth, Australia, under a 'cancellable, month to month' operating lease. The contract was terminated in February 2012 with no payments made, or due, by the Company for the year ended 31 December 2012. Minimum payments due under operating leases which were non-cancellable were accordingly £nil as at 31 December 2012 and 31 December 2011.

7. STAFF NUMBERS AND COSTS

The average number of persons employed (including Executive Directors) during the year, by category, was as follows:

	2012 Group No.	2011 Group No.	2012 Company No.	2011 Company No.
Executive Directors	1	1	1	1
Technical	-	1	-	-
Administration	-	1	-	1
	1	3	1	2

The costs incurred in respect of these employees (including Executive Directors) were:

	2012 Group	2011 Group	2012 Company	2011 Company (restated – note 4)
	£	£	£	£

Wages and salaries	68,300	61,584	68,300	46,125
Of which relating to:				
Continuing operations	68,300	46,125	68,300	46,125
Discontinued operations	-	15,459	-	-
	68,300	61,584	68,300	46,125

Staff costs exclude non-executive Director's emoluments. Information on the remuneration of the Directors, including executive and non-executive Directors is provided in note 8.

8. REMUNERATION OF DIRECTORS AND KEY MANAGEMENT

The Directors' remuneration (who are the key management personnel) in respect of both the Group and the Company is as follows:

	Basic Salary	Fees	Total 2012	Total 2011 (restated - note 4)
	£	£	£	£
Executive directors:				
Paul R Benetti	6,000	-	6,000	10,000
Simon D Hunt ⁽¹⁾⁽³⁾	48,000	14,300	62,300	48,000
Non-executive directors:				
Malcolm F Williams ⁽²⁾	-	12,000	12,000	24,000
John Molyneux	-	-	-	-
David Paull	-	-	-	-
	54,000	26,300	80,300	82,000

⁽¹⁾ Of the amounts reported above, £48,000 were in respect of executive fees which were paid to Cornerstone Capital Limited, a company of which Mr S Hunt is both a Director and shareholder (refer to note 21.3) with an additional £14,300 for additional days paid directly to Mr S Hunt.

⁽²⁾ Mr M Williams was paid £12,000 in respect of his fees for 2012. He was paid a further £12,000 in January 2013 in settlement of £27,200 of outstanding obligations of the Company from previous years. The balance of £15,200 has been written off and is not included in the amounts reported above (refer to note 21.3).

⁽³⁾ Mr S Hunt was a Non-Executive Director in the 12 month period ended 31 December 2011. His emoluments for the year then ended are presented as comparatives in the table above. His emoluments for 2011 are not included in the computation of staff salaries and costs for the 12 month period ended 31 December 2011 as presented in note 7. His emoluments for 2012 are included in the computation of staff salaries and costs for the 12 month period ended 31 December 2012 as presented in note 7.

9. NET FINANCE INCOME / (EXPENSE)

	2012 Group £	2011 Group £	2012 Company £	2011 Company £
Interest income on bank deposits	654	210	654	210
Investment revenues	654	210	654	210
Interest expense	-	(1,372)	-	(1,372)
Finance costs	-	(1,372)	-	(1,372)
Net finance income / (expense)	654	(1,162)	654	(1,162)

10. INCOME TAX EXPENSE

The Income Tax (Amendment) Act 2006 provides that a standard zero rate of income tax applies to the Company in the Isle of Man for 2006/07 and subsequent years of assessment. Therefore no provision for liability to Isle of Man income tax has been included in these accounts. The Group's continuing operations are all resident for tax purposes in the Isle of Man.

The Company's subsidiary pays tax at a rate of 23% on its taxable profits. No tax charge has been recorded in the current year within discontinued operations in respect of the operations of the subsidiary because it has not incurred any income or expenditure in the year and accordingly has no taxable result. As at 31 December 2011, the Company's subsidiary had a deferred tax asset, which was fully provided for, amounting to £867,399. Due to the abandonment of the Jatropha Operations during the period, which were principally conducted by the Company's subsidiary in Madagascar, the Directors now believe that this asset will never be recoverable and it has been written off in full against the related provision.

Due to the above factors, there is no difference between the statutory tax rate applicable to the Group from continuing operations and the effective tax rate.

11. DISCONTINUED OPERATIONS

As described more fully in the Report of the Executive Chairman the Group's Jatropha Operations, principally conducted through the Company's subsidiary in Madagascar were abandoned in April 2012.

The Jatropha Operations represented the major business segment of the Group and accordingly, as required by IFRS 5, the results of the Jatropha Operations are presented as discontinued operations within the Consolidated Statement of Profit or Loss and Other Comprehensive Income. The results of operations reported for the period ended 31 December 2011 have been re-presented for these discontinued operations as required by IFRS 5.

The results of the discontinued Jatropha Operations, which have been included in the Consolidated Statement of Profit or Loss and Other Comprehensive Income, were as follows:

	2012 Group £	2011 Group £
Loss from Jatropha Operations ⁽¹⁾:		
Expenses ⁽²⁾	(32,219)	(1,986,968)
Loss before taxation	(32,219)	(1,986,968)
Taxation (note 10)	-	
Loss after tax from discontinued operations	(32,219)	(1,986,968)
Loss on abandonment of Jatropha Operations:		
Recycled foreign exchange losses on discontinued operations	(238,491)	-
Net loss attributable to discontinued operations (attributable to owners of the Company)	(270,710)	(1,986,968)

⁽¹⁾ The Jatropha Operations did not realise any sales or revenue in either period presented.

⁽²⁾ Included in expenses for the year ended 31 December 2012 is £nil (2011: £980,547) arising on the impairment of goodwill (refer to note 14) and £nil (2011: £926,974) arising on the impairment of biological assets (refer to note 16).

During the year the Jatropha Operations contributed a cash outflow of £29,325 (2011: £99,106) to the Group's net operating cash outflows. There were no further cash flows arising from the Jatropha Operations in either period presented.

12. LOSS PER ORDINARY SHARE

There is no difference between the diluted loss per share and the basic loss per share presented as the Group and Company are loss making in all periods presented.

12.1. From continuing and discontinued operations

The calculation of basic and diluted loss per share from continuing and discontinued operations is based on the following data:

	2012 Group	2011 Group (restated – note 4)	2012 Company	2011 Company (restated – note 4)
Loss for the year - £	(417,470)	(2,294,886)	(176,084)	(3,412,675)
Weighted average number of Ordinary Shares	93,164,834	53,630,076	93,164,834	53,630,076

Basic and diluted loss per Ordinary Share – pence	(0.45)	(4.28)	(0.19)	(6.36)
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12.2. From continuing operations

The calculation of basic and diluted loss per share from continuing operations is based on the following data:

	2012 Group	2011 Group (represented – note 11)	2012 Company	2011 Company (restated – note 4)
Loss for the year - £	(417,470)	(2,294,886)	(176,084)	(3,412,675)
Adjustments to exclude loss for the period from discontinuing operations – £	270,710	1,986,968	-	-
Loss from continuing operations – £	(146,760)	(307,918)	(176,084)	(3,412,675)
Weighted average number of Ordinary Shares	93,164,834	53,630,076	93,164,834	53,630,076
Basic and diluted loss per Ordinary Share – pence	(0.45)	(0.57)	(0.19)	(6.36)

13. INVESTMENTS IN SUBSIDIARY COMPANIES

The Company has one direct, 100% owned subsidiary undertaking, Green Energy Madagascar sarl ('Green Energy'), a company incorporated in Madagascar. This subsidiary undertaking is dormant at the period end. Transactions between the Company and its subsidiary undertaking are eliminated on consolidation. A provision for impairment of £2,169,357 was recorded against the Company's investment in Green Energy during the financial year ended 31 December 2011 reducing the carrying value of 'Investments in subsidiary companies' within the Company only financial statements to £nil.

14. GOODWILL

The following table presents a reconciliation of the net book value of the Group's goodwill:

	Group £	The Group's goodwill related to
Balance at 1 January 2011	1,016,241	
Impairment	(980,547)	
Effects of foreign currency exchange difference	(35,694)	
Balance at 31 December 2011 and at 31 December 2012	-	

the acquisition of its subsidiary undertaking in Madagascar (which undertook the majority of the Jatropha Operations). During the year ended 31 December 2011 the Directors measured the extent to which the Goodwill arising in the consolidated financial statements should be impaired. The recoverable amount of the cash generating unit ('CGU') to which the goodwill was allocated was determined from value in use calculations from its Jatropha plantation operations. The key assumptions for the value in use calculations were those regarding the discount rates, oil yield from seeds, seed yields from trees and expected changes to selling prices and direct costs. Management estimated the discount rates using pre-tax rates that reflected market assessments of the time value of money and the risks specific to the CGU, with a range of discount factors between 14% and 31% to account for a number of potential outcomes to the risks inherent in the project at the time. Oil yield assumed from seeds was set at 29% and was based on the Group's direct experience from commercial-scale crushing of seeds in Madagascar. Following the full review and calculation carried out for the year ending 31 December 2011, as a result of a lack of intervention and maintenance there were fewer trees reaching maturity than had been anticipated. As a result of the value-in use calculations the Directors wrote down the goodwill figure to £nil at 31 December 2011. Subsequently and during the year ended 31 December 2012, the Jatropha Operations have been abandoned. Accordingly, no adjustment has been made to the carrying value of the Jatropha assets, including the goodwill, in the current period.

15. PROPERTY, PLANT AND EQUIPMENT

GROUP

COST

At 1 January 2011
Disposals
Exchange difference
At 31 December 2011
Disposals
At 31 December 2012

ACCUMULATED DEPRECIATION

At 1 January 2011
Charge for the year
Eliminated on disposals
Exchange difference
At 31 December 2011
Charge for the year
Eliminated on disposals
At 31 December 2012

NET BOOK VALUE

At 31 December 2012
At 31 December 2011

	Motor Vehicles	Fixtures and equipment	Total (restated – note 4)
	£	£	£
At 1 January 2011	16,854	63,465	80,319
Disposals	-	(11,627)	(11,627)
Exchange difference	(942)	(2,272)	(3,214)
At 31 December 2011	15,912	49,566	65,478
Disposals	(15,912)	(49,566)	(65,478)
At 31 December 2012	-	-	-
At 1 January 2011	13,816	42,811	56,627
Charge for the year	4,432	23,792	28,224
Eliminated on disposals	-	(5,813)	(5,813)
Exchange difference	(2,336)	(15,226)	(17,562)
At 31 December 2011	15,912	45,564	61,476
Charge for the year	-	1,108	1,108
Eliminated on disposals	(15,912)	(46,672)	(62,584)
At 31 December 2012	-	-	-
At 31 December 2012	-	-	-
At 31 December 2011	-	4,002	4,002

COMPANY

COST

At 1 January 2011
Additions
Disposals
Exchange difference
At 31 December 2011
Disposals
At 31 December 2012

ACCUMULATED DEPRECIATION

At 1 January 2011
Charge for the year
Eliminated on disposals
Exchange difference
At 31 December 2011
Charge for the year
Eliminated on disposals
At 31 December 2012

NET BOOK VALUE

At 31 December 2012
At 31 December 2011

	Fixtures and equipment	Total
	£	£
At 1 January 2011	22,311	22,311
Additions	-	-
Disposals	(11,627)	(11,627)
Exchange difference	27	27
At 31 December 2011	10,711	10,711
Disposals	(10,711)	(10,711)
At 31 December 2012	-	-
At 1 January 2011	10,791	10,791
Charge for the year	4,620	4,620
Eliminated on disposals	(5,814)	(5,814)
Exchange difference	6	6
At 31 December 2011	9,603	9,603
Charge for the year	1,108	1,108
Eliminated on disposals	(10,711)	(10,711)
At 31 December 2012	-	-
At 31 December 2012	-	-
At 31 December 2011	1,108	1,108

16. BIOLOGICAL ASSETS

NET BOOK VALUE

At 1 January 2011
Impairment
Exchange difference
At 31 December 2011 and 31 December 2012

2012 Group	£
At 1 January 2011	921,765
Impairment	(926,974)
Exchange difference	5,209
At 31 December 2011 and 31 December 2012	-

The Group's biological assets related to its Jatropha plantations which arose entirely within its Jatropha Operations in Madagascar. During the year ended 31 December 2011, a full annual review and calculation was carried out to assess the biological assets for impairment. The key assumptions of this value in use calculation are disclosed in note 14, being the same as those applied for the assessment of the carrying value of goodwill. Following this review, the value of the biological assets was impaired. Subsequently and during the year ended 31 December 2012, the Jatropha Operations have been abandoned. Accordingly, no adjustment has been made to the carrying value of the Jatropha assets, including the biological assets, in the current period.

17. TRADE AND OTHER PAYABLES

	2012 Group £	2011 Group £	2012 Company £	2011 Company £
Trade payables	75,434	215,538	75,434	215,538
Other payables	78,292	52,282	78,292	52,282
Accrued expenses	32,225	20,000	32,225	20,000
	185,951	287,820	185,951	287,820

The amounts reported above principally comprise amounts outstanding for Directors and ex-employees and recurring expenditure of the Company, such as audit fees. The amounts are stated at their invoiced value, or amount payable based on the Directors assessment of obligations incurred but not yet invoiced.

18. SHARE CAPITAL AND SHARE PREMIUM

18.1. Authorised share capital and rights attaching to shares

The authorised share capital of the Company is comprised of the following:

	31 December 2012		31 December 2011	
	No.	£	No.	£
Ordinary Shares of £0.001 each	700,000,000	700,000	-	-
Deferred Shares of £0.009 each	200,000,000	1,800,000	-	-
Ordinary Shares of £0.01 each	-	-	200,000,000	2,000,000
	900,000,000	2,500,000	200,000,000	2,000,000

At the 2012 AGM, Shareholders approved the re-organisation of the Company's capital structure through the creation of a new class of deferred shares of £0.009 each ('Deferred Shares') and by sub-dividing and re-designating each existing Ordinary Share of £0.01 each into one Ordinary Share of £0.001 each and one Deferred Share (the 'Capital Re-Organisation'). The purpose of the Capital Re-Organisation was to reduce the par value of the Company's Ordinary Shares such that the Company would be permitted to issue new Ordinary Shares for cash in the future. The recent trading price of the Company's Ordinary Shares had been below their previous par value and the Company was prohibited by the Companies (Isle of Man) Law from issuing an Ordinary Share for a value that is lower than its par value. Following the Capital Re-Organisation, Shareholders held the same number of Ordinary Shares as they did before, but with a lower par value. Their economic interest in the Company was accordingly unaffected by the capital re-organisation. Further and at the 2012 AGM, the Company's authorised share capital was increased by £500,000 through an increase in the number of authorised Ordinary Shares of £0.001 each.

The Company's Ordinary Shares carry no right to fixed income. Each Ordinary Share carries the right to one vote at the general meetings of the Company. The Company's Deferred Shares do not carry voting rights or a right to receive a dividend. The holders of Deferred Shares do not have the right to receive notice of any general meeting of the Company, nor have any right to attend, speak or vote at any such meeting. In addition, holders of Deferred Shares will only be entitled to a payment on a return of capital or on a winding up of the Company after each of the holders of Ordinary Shares has received a payment of £100,000 in respect of each Ordinary Share. Accordingly, the Deferred Shares have no economic value. The Deferred Shares are not admitted to trading on any stock exchange.

18.2. Ordinary Share allotment authorities free from pre-emption rights and agreements with Marine

18.2.1. Ordinary Share allotment authorities

At the 2012 AGM, Shareholders provided the Directors with authorities to issue new Ordinary Shares, or enter into instruments which may result in the allotment and issue of new Ordinary Shares for the following purposes:

- a) up to 350,000,000 new Ordinary Shares in connection with a proposed subscription of new Ordinary Shares at £0.001 per Ordinary Share for cash consideration (the 'Subscription') to raise up to £350,000. 284,131,944 new Ordinary Shares were issued under this authority in January 2013 (refer to note 23.1);
- b) up to 70,000,000 new Ordinary Shares in connection with warrants to be conditionally issued to Marine Investments (WA) Pty Limited ('Marine') as partial consideration for the underwriting of the Subscription (the 'Underwriting Warrants') (refer below to note 18.2.2) for further details on the terms of the underwriting agreement with Marine). 62,000,000 new Ordinary Shares were reserved for issue under this authority in connection with the Underwriting Warrants subsequent to the period end (refer to note 23.2);
- c) such number of new Ordinary Shares not exceeding 10 per cent. of the total fully diluted Ordinary Shares of the Company from time to time in connection with the Directors Warrants. Further details on the Directors Warrants, of which 36,000,000 have been issued subsequent to the period end, are provided in note 23.2.
- d) such number of new Ordinary Shares in connection with an invitation or offer of equity securities to the holders of Ordinary Shares in the capital of the Company on a fixed record date in proportion (as nearly as practicable) to their respective holdings of such Ordinary Shares or in accordance with the rights attached to such Ordinary Shares (but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or as a result of legal or practical problems under the laws of, or the requirements of any regulatory body or any stock exchange in any territory or otherwise howsoever). No Ordinary Shares have been allotted or issued under this authority to the date of this report.
- e) up to 52,500,000 new Ordinary Shares on the terms and at the times to be set by the Directors at their discretion. 23,000,000 new Ordinary Shares were reserved for issue under this authority subsequent to the period end being 3,000,000 Ordinary Shares for the Allenby Warrants as more fully described in note 23.2 and 20,000,000 Ordinary Shares which may become issuable to Marine (refer to note 18.2.2).

The above authorities expire on the earlier of 15 months from the date of the 2012 AGM, or the conclusion of the next AGM of the Company.

18.2.2. Agreements with Marine

On 30 November 2012, the Company entered into an agreement with Marine (the 'Underwriting Agreement'), whereby Marine undertook to subscribe for new Ordinary Shares at £0.001 per Ordinary Share (the 'Subscription Price') in respect of the amount by which the aggregate proceeds of the Subscription (before expenses) (refer to notes 23.1 and 18.2.1) received by the Company were less than £250,000. The Subscription was therefore underwritten by Marine to the extent required to result in the Company raising a minimum of £250,000 (before expenses) pursuant to the Subscription.

In consideration for underwriting the Subscription and conditional on Marine performing its obligations under the Underwriting Agreement, the Company agreed to pay a fee of 5 per cent. of the total gross proceeds of the Subscription and to issue the Underwriting Warrants to Marine on the basis of one Underwriting Warrant for every five Ordinary Shares issued pursuant to the Subscription. Each Underwriting Warrant confers to Marine the right (but not the obligation) to subscribe for one Ordinary Share during the period commencing on the admission of the Subscription Shares to AIM ('Admission') and ending on the date which is the third anniversary of the date of Admission at a price of £0.005 per Ordinary Share. The Underwriting Warrants will not be admitted to listing or trading on any stock exchange. Underwriting Warrants will rank equally with each other and will not carry the right to receive any dividends from the Company or the right to attend and vote at general meetings of the Company. 62,000,000 Underwriting Warrants were issued to Marine subsequent to the period end as more fully described in note 23.2.

By way of separate agreement dated 4 December 2012, the Company has also agreed that Marine will receive a fee if Marine identifies a transaction for the Company as a result of which the Company is subject to a reverse takeover pursuant to the AIM Rules. If such a transaction arises, the Company will pay a fee to Marine equal to £50,000 in cash and the issue for no additional consideration of 20,000,000 Ordinary Shares. No such transaction has been identified or entered into as at the date of this report.

18.3. Shares in issue

18.3.1. Ordinary Shares

The table below presents a reconciliation of the Company's Ordinary Shares in issue and the Company's Share Capital and Share Premium accounts:

Number of Shares Issued and Fully	Share Capital⁽⁶⁾ £	Share Premium £
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	Number of Shares Issued and Fully Paid ⁽¹⁾	Share Capital ⁽⁶⁾ £	Share Premium £
Balance at 1 January 2011	35,351,501	353,515	4,999,556
Conversion of convertible note at 1.5p each ⁽³⁾	13,333,333	133,333	66,667
Conversion of outstanding payables at 2.5p each ⁽⁴⁾	8,480,000	84,800	127,200
Issue of Ordinary shares at 1p each ⁽²⁾	35,000,000	350,000	-
Issue of Ordinary shares in lieu of fees at 2.5p each ⁽⁴⁾	1,000,000	10,000	15,000

⁽¹⁾ The number of Ordinary Shares as at 31 December 2012 is presented in Ordinary Shares of £0.001. The remaining movements in the table above relate to Ordinary Shares of £0.01 issued during the year ended 31 December 2011. There were no new Ordinary Shares issued during the year ended 31 December 2012. Pursuant to the Capital Re-Organisation completed at the 2012 AGM (refer to note 18.1 above), each Ordinary Share of £0.01 in issue at the date of 2012 AGM was exchanged for one Ordinary Share of £0.001. The Capital Re-Organisation accordingly reduced the par value of the Ordinary Shares in issue but did not affect the number of Ordinary Shares in issue or the economic interest of the Ordinary Shareholders in the Company.

⁽²⁾ On 19 December 2011, the Company completed the placing of 35,000,000 ordinary shares at 1p per share, raising £350,000 in cash.

⁽³⁾ In March 2011, the Company issued a convertible loan note for £200,000. The loan note was converted in full into 13,333,333 new Ordinary Shares issued at 1.5p each in December 2011. No interest was charged on this loan note.

⁽⁴⁾ In December 2011, £212,500 of outstanding payables and £25,000 of outstanding fees were settled by the Company through the issue of new Ordinary Shares at 2.5p, resulting in the issue of 8,480,000 and 1,000,000 new Ordinary Shares respectively. There was no profit or loss impact as a result of settling these payables.

⁽⁵⁾ Details of Ordinary Shares issued subsequent to the period end are provided in note 23.1.

⁽⁶⁾ The amounts reported for Share Capital include the nominal value of the Ordinary Shares issued by the Company. Pursuant to the Capital Re-Organisation, the Company created a new class of Deferred Shares and reduced the par value of its Ordinary Shares. The £ amount of the Company's share capital was unaffected by this capital re-organisation.

18.3.2. Deferred Shares

During the period the Company issued 93,164,834 (2011: none) new Deferred Shares pursuant to the Capital Re-Organisation described in note 18.1 above.

18.4. Share Premium reserve

The Share Premium reserve represents the premium over the nominal value of Ordinary Shares raised on the issue of Ordinary Shares by the Company.

18.5. Currency translation reserve

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's non GBP functional currency entities are translated at exchange rates prevailing at the balance sheet date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising are taken to the 'Currency translation reserve'. Following the abandonment of the Jatropa Operations during the year ended 31 December 2012, exchange differences accumulated in the currency translation reserve related to those operations conducted through Green Energy were recycled to profit and loss from discontinued operations (refer to note 11). The amounts reported in the 'Currency translation reserve' as at 31 December 2012 relate to the parent Company and arose prior to 1 January 2012, the date on which the Company's functional currency was changed from US\$ to GBP. The Company's functional currency and presentation currency are now both GBP and accordingly no movements will occur on the 'Currency translation reserve' until either the Company's operations are disposed of, or the Company's functional currency or Group's presentation currency, are changed.

19. SHARE-BASED PAYMENTS

The Company and Group have two share option schemes for Directors and executives of the Group. The expense recognised in profit or loss for the Group and the Company for share-based payments in respect of services received during the year to 31 December 2012 is £nil (2011: £nil). Details of movements in the number of options granted and exercisable, all of which related to Directors of the Company, during the period and weighted average exercise price ('WAEP') are as follows:

2012 No.	2012 WAEP £	2011 No.	2011 WAEP £
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Outstanding at 1 January ⁽¹⁾	1,190,000	0.6	1,190,000	0.6
Lapsed during the year	(1,190,000)	0.6	-	-
Outstanding at 31 December	-	-	1,190,000	0.6
Exercisable at 31 December	-	-	1,190,000	0.6

⁽¹⁾ The Directors' options were granted in October 2007 and expired on 15 October 2012. The weighted average remaining contractual life of the options in issue at 31 December 2011 was 0.8 years.

Subsequent to the period end and as more fully described in note 23.2, the Company has issued certain warrants which will be accounted for as share based payments in the financial year ended 31 December 2013. There were no grants of warrants during the year ended 31st December 2012.

20. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

20.1. Financial risk management objectives

The Company and Group manage the risks arising from its operations, and financial instruments at Board level. The Board has overall responsibility for the establishment and oversight of the risk management framework and to ensure that the Company and Group have adequate policies, procedures and controls to manage successfully the financial risks that they face.

While the Group does not have a written policy relating to risk management of the risks arising from any financial instruments held, the close involvement of the Executive Chairman in the day to day operations of the Group ensures that risks are monitored and controlled in an appropriate manner for the size and complexity of the Group. Financial instruments are not traded, nor are speculative positions taken. The principal risks that the Group faces as at 31 December 2012 with an impact on financial instruments are summarised below. Risks which were relevant to the Group in prior periods and before the abandonment of the Jatropa Operations are discussed in the Group's 31 December 2011 financial statements.

20.2. Risk exposure

As at 31 December 2012, the principal risks arising from financial instruments that affect the Group and Company are credit risk on its balances held at bank and liquidity risk. The Company's has no significant exposure to market risk, where market risk is the risk that changes in interest rates, foreign exchange rates, equity prices and other rates, prices, volatilities, correlations or other market conditions, will have an adverse impact on the Group's and Company's financial position or results.

20.2.1. Credit risk

The Group's and the Company's principal financial assets are bank balances and cash, and recoverable VAT assets. The Group and Company has two significant concentration of credit risk being (1) cash balances held with its bank and, (2) recoverable VAT assets from Her Majesty's Revenue and Customs in the United Kingdom. Credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies. Credit risk on VAT recoverable assets is limited because of the credit standing of the counterparty.

20.2.2. Liquidity risk and managing capital

Liquidity risk is the risk that the Company and Group will not be able to meet their financial obligations as they fall due. The Company raises funds as and when required on the basis of forecast expenditure and inflows. When funding is required, the Company balances the costs and benefits of equity and debt financing. When funds are received they are deposited with banks of high standing in order to obtain competitive market interest rates. The Company aims to optimise the Group's capital structure by holding an appropriate level of debt relative to equity in order to maximise shareholder value. The appropriate level of debt is set with reference to a number of factors and financial ratios including expected operating and capital expenditure cash flows, contingent liabilities and the level of unrestricted cash as well as the general economic environment. The Company aims to control its capital structure by issuing new Ordinary Shares and raising debt finance to the extent that it is possible on commercially acceptable terms. The Group's developing nature and the economic conditions prevailing are restricting the Company's ability to raise debt finance and exert any significant degree of control over its gearing ratio. As a result, the Company is currently financed exclusively from equity.

As at 31 December 2012, the Group and Company have net current liabilities. Due to the developments in the Group subsequent to the balance sheet date and in particular the funding of £310,000 secured in in January 2013 (refer to note 23.1), liquidity as at 31 December 2012 is not representative of the liquidity of the Company or Group as at the date of this report. The Going Concern section of note 3 provides further information on the planned future liquidity and the Going Concern basis of the Company and Group.

20.2.3. Currency risk

On its on-going trading activities the Company and Group undertake a small number of transactions in currencies other than £ but there is limited currency risk. As at the period end, all of the Group's material financial assets and liabilities are denominated in £ and accordingly the Company and Group has no material exposure to currency risk as at 31 December 2012.

20.2.4. Interest rate risk

Interest rate risk arises when interest rates move. Neither the Group nor the Company have any interest bearing borrowings. The Group and Company hold cash balances on deposit but does not hedge or fix these rates given the scale and nature of the Group and the Company's operations. All amounts are carried at amortised cost, and, other than cash in hand, are interest bearing assets, with interest rates arranged with counterparty financial institutions based on commercial negotiations, reflecting the term, currency and amount of each deposit. As at 31 December 2012 and 31 December 2011 all bank balances were held in current accounts or deposit accounts with a maturity of less than one month. Interest income or expense and the related changes in interest rates are accordingly insignificant to the carrying value of the Company and Group's financial instruments and interest rate risk is not material to the Company or Group.

20.3. Categories and classes of financial instruments

20.3.1. Financial assets

The Company's and Group's financial assets comprise the amounts disclosed in the Statement of Financial Position as 'Cash and cash equivalents', 'VAT refundable' and 'Other receivable'. Based on the application of the accounting policies with respect to financial instruments, these financial assets are accounted for as loans and receivables. The financial assets are considered one class of financial instrument based on the risk profile to which they expose the Company and Group, being credit risk. Further details are provided in note 20.2.1. None of the Group's and Company's financial assets are past due, or impaired, nor has the Group or Company provided against any financial assets.

20.3.2. Financial liabilities

The Company's and Group's financial liabilities comprise the amounts disclosed in the Statement of Financial Position as 'Trade and other payables'. Based on the application of the accounting policies with respect to financial instruments, these financial liabilities are accounted for as financial liabilities at amortised cost. The financial liabilities are considered one class of financial instrument based on the risk profile to which they expose the Company and Group, being liquidity risk. Further details are provided in note 20.2.2. All of the Company and Group's financial liabilities are due on demand within less than one month from the balance sheet date.

20.3.3. Fair value of financial assets and financial liabilities

The carrying amount of the Company's and Group's financial instruments approximates to their fair value due to their short maturity.

21. RELATED PARTIES

21.1. Subsidiary undertakings

Details of the Company's subsidiary undertaking are provided in note 13.

21.2. Remuneration of key management personnel

Remuneration of key management personnel of the Company and Group, which comprise the Directors of the Company, is provided in note 8.

21.3. Other transactions with related parties

Trading transactions

The Company paid £48,000 (2011: £48,000), by way of fees for Mr S Hunt's services under an agreement with Cornerstone Capital Limited, a company in which Mr S Hunt is a shareholder and a director. The contract is based on normal commercial terms. A further £14,300 (2011: £nil) was paid directly to Mr S Hunt during the year ended 31 December 2012. As at 31 December 2012, the Company owed Cornerstone Capital Limited £18,000 (2011: £22,800) and owed Mr S Hunt £14,300 (2011: £nil)

Mr M Williams, who resigned as a non-executive director on 28 December 2012, was owed £27,200 as at 31 December 2011. During the year ended 31 December 2012, £15,200 of this was written off by mutual agreement with Mr M Williams, leaving £12,000 owing as at 31 December 2012. This balance was settled in January 2013.

Mr P Benetti, who resigned as Chief Executive on 28 March 2012, was owed £67,200 of expenses as at 31 December 2011. During the year ended 31 December 2012, £10,000 of this amount was paid to him and £40,040 was written off by mutual agreement with Mr P Benetti, leaving £17,060 owing as at 31 December 2012. This balance was settled in January 2013.

The Company paid £nil (2011: £22,200) in rent for office space in Perth, Australia under a 'cancellable, month-to-month' operating lease to DAPRB Pty Ltd, a company in which Mr P Benetti is a director. The contract was based on normal commercial terms and ended in February 2012 with no amounts recorded as due for the current financial year.

Loans

There are no outstanding loans granted or guarantees provided by the Company to or for the benefit of any of the Directors, nor are there any outstanding loans or guarantees provided by the Directors to or for the benefit of the Company other than as described above.

Loan to subsidiary

In the financial year ended 31 December 2011 the Company lent an additional £12,420 to Green Energy, bringing the total amount loaned by the Company to Green Energy as at 31 December 2011 to £2,204,277. Having reviewed this loan and the cash flows expected to arise from this loan the Directors considered that it was unlikely to be repaid in the foreseeable future and therefore considered it appropriate to recognise a full impairment at 31 December 2011. No further movements have been recorded on this loan account during the year ended 31 December 2012.

22. ULTIMATE CONTROLLING PARTY

During the year ended 31 December 2012, the ultimate controlling party of the Company was RAB Special Situations (Master) Fund Limited ('RAB'), a company incorporated in the Cayman Islands. Subsequent to the period end and following the Subscription described in further detail in note 23.1, RAB Special Situations (Master) Fund Limited ceased to be the ultimate controlling party. As at the date of this report, the Directors are of the opinion that there is no ultimate controlling party of the Company.

23. EVENTS SUBSEQUENT TO THE BALANCE SHEET DATE

23.1. Issue of Equity and Convertible Loan Note

On 7 January 2013 and pursuant to the authorities granted to the Directors at the 2012 AGM (refer to note 18.2.1), the Company raised a total of £310,000 through a combination of a subscription of new Ordinary Shares (the 'Subscription') and the issue of a convertible loan note. £284,132 was raised through the Subscription of 284,131,944 new Ordinary Shares in the Company (the 'Subscription Shares') at a price of £0.001 per Subscription Share. A further £25,868 was raised through the issue of a convertible loan note to Marine (the 'Loan Note'). The Loan Note carries no interest charge, is unsecured and repayable within one year and is convertible into Ordinary Shares in the Company at the holders request at any time and at a conversion price of £0.001 per Ordinary Share. The Subscription and issue of the Loan Note was completed to provide funds to the Company for working capital purposes and to implement its Investing Policy.

Pursuant to the Underwriting Agreement (refer to note 18.2.2), Marine was due a fee in cash of £15,500 in connection with the Subscription which was settled from the proceeds of the Subscription and a further 62,000,000 Underwriting Warrants which were issued in accordance with the terms of that agreement (refer to note 23.2).

23.2. Issue of warrants

On 28 February 2013 the Company issued warrants to certain parties as more fully described below over 101,000,000 Ordinary Shares in the Company.

Underwriting Warrants

The Company issued Marine with 62,000,000 Underwriting Warrants in connection with the Underwriting Agreement and the Subscription more fully described in notes 18.2.2 and 23.1. Each Underwriting Warrant entitles Marine to subscribe for one Ordinary Share in the Company at a price of £0.005 per Ordinary Share at any time until 8 January 2018.

Allenby Warrants

The Company also issued 3,000,000 warrants to Allenby Capital Limited ('Allenby'), the Company's Nominated Adviser and Broker, as part of the fee agreement between the Company and Allenby (the 'Allenby Warrants'). The Allenby Warrants have the same terms as the Underwriting Warrants.

Directors' Warrants

The Company has further issued 36,000,000 Director's Warrants to the Directors as follows:

- warrants over 20,000,000 Ordinary Shares to Mr S Hunt through Cornerstone Capital Limited;
- warrants over 8,000,000 Ordinary Shares to Mr D Paull;
- warrants over 8,000,000 Ordinary Shares to Mr J Molyneux.

Each Director's Warrant entitles the holder to subscribe for one Ordinary Share in the Company at a price of £0.0045 per Ordinary Share at any time until 28 February 2018. The exercise price of the Directors' Warrants has been calculated on the average volume weighted trading price of the Ordinary Shares of the Company over the 30 trading days prior to the issue of the warrant. Half of the Directors' Warrants issued to each director are subject to the following vesting conditions:

- the Company must have completed either a Reverse Takeover (as defined in the AIM Rules for Companies) or acquired an asset valued in excess of £500,000 (at the date of the acquisition); and
- the average volume weighted trading price of the Ordinary Shares of the Company over the 30 trading days prior to the vesting of the Directors' Warrants subject to the additional conditions must be in excess of £0.00625 per Ordinary Share.