TEATHERS FINANCIAL PLC

Annual Report and financial statements for the year ended 31 October 2017

Company No. 00092343 (England and Wales)

TEATHERS FINANCIAL PLC

Contents

TEATHERS FINANCIAL PLC

Company information
For the year ended 31 October 2017

Directors:	Stuart Langelaan Matthew Turney
Secretary:	Blakelaw Secretaries Limited New Kings Court Tollgate Chandler's Ford Eastleigh SO53 3LG
Company Number:	00092343 (England and Wales)
Registered Office:	83 Ducie Street Manchester M1 2JQ
Independent Auditors:	Welbeck Associates Chartered Accountants & Registered Auditors 30 Percy Street London W1T 2DB
Principal Bankers:	Natwest Bank 13 Stratheden Parade Old Dover Road London SE3 7SY
Solicitors to the Company:	Blake Morgan LLP Apex Plaza Forbury Road Reading RG1 1AX
Registrar:	Share Registrars Ltd The Courtyard 17 West Street Farnham GU9 7DR
Company Website:	www.teathers.com

TEATHERS FINANCIAL PLC

Chief Executive's statement

For the year ended 31 October 2017

Teathers 2016/17 Chief Executive's Statement

I am extremely pleased to report that Teathers made a £74,871 profit across the group during 2016/17. Net assets grew to £170,731, including £65,055 attributed to the development of the Teathers App and net current assets of £105,676. This underlines the progress the Company has made over the course of the year and provides us with a solid foundation to build the business from here.

During the period Stuart and I ran the Company with an appropriate, sustainable cost base and were also able to repay in full the debts and liabilities inherited from the former board. Over the course of 2016/17 Teathers paid £101,597 from free cash flow to cover all outstanding legacy debts and liabilities. At the same time Stuart and I saved the Company £83,332 worth of debts by negotiating with former suppliers and £92,700 in waived notice periods, due under the terms of former board members' service agreements. As a result of our efforts we have successfully cleaned the business up and are no longer encumbered by the poor decisions of form directors.

Teathers is now debt free, has relaunched the App and proved the commercial viability of its model. The Company also has £982,179 in retained applicable losses, presenting a wonderful opportunity to return significant value to the business, tax-free.

During 2017/18 we also achieved a number of other key milestones with Teathers. These included:

- Relaunch of the Teathers App on 19 December 2016, raising £292,000 for Big Sofa Technologies (LSE:BST).
- Raising a total of £1,154,067 on behalf of 10 companies in 12 deals, of which 11 were fully subscribed for.
- Successfully renegotiating the partnership with Shard Capital, from a 40/60 commission split to a 50/50 arrangement.
- Recruiting a new technical development team, Sputnik Digital (https://sputnik.digital), to develop the App.
- Upgrading the Company's technology, to include an overhaul of the back-end console, implementation of WorldPay functionality to enable users to fund their accounts within the App, updating the user interface and releasing versions of the new App in both the Apple Store and Google Play.

Throughout this time we have continued to enjoy a highly productive and happy working relationship with Shard Capital. The Teathers model wouldn't be possible without Shard's involvement and Stuart and I are enormously grateful for all the support they have provided the Company over the year. We are looking forward to achieving even more together over the coming year.

As another reflection of the progress we have in restoring value to Teathers, at the year-end the Company issued 5,214,294 shares in settlement of certain amounts owed to suppliers and in lieu of fees for extra time Stuart and I spent working on the business. This helped improve Teathers' cash position and emphasises the confidence we have in the Company moving forward.

The Teathers asset-trading arm

Some of our greatest successes in 2016/17 have come through market trades we made, deploying Teathers' working capital. We successfully traded deals offered through the App and other trades made in the secondary market.

As a result of this we were able to realise a cash-trading surplus of £133,765 by the end of the period, while still holding £156,350 in the stock portfolio. Favourable market conditions certainly helped our performance here, but we are also satisfied with the manner in which we've managed the Company's investments. Although we cannot rely on trading stocks to such an extent for the future health of the business, the contribution this activity has made to Teathers' turnaround is clear.

Chief Executive's statement

For the year ended 31 October 2017

Future plans

As we move further into 2017/18 our main goals for Teathers include:

- **Recapitalising Teathers.** One of the greatest risk factors facing Teathers has been our lack of access to sufficient working capital. We have been heavily invested in the market over 2016/17. Our highest priority for the business is to secure sufficient funds to enable us to accelerate the Company's growth, while also positioning the Company to be able to withstand better any downturn in the markets.
- **Increasing profitable deal flow through the App.** Now that we have proven the Teathers App model works and once we have secured additional working capital it is imperative we offer more profitable deal flow through the App. During 2016/17 the App generated £36,947 in revenue. There is a lot of scope for us to increase this figure. As of writing this report we have already raised £1million for companies via the App in the first two and a half months of the financial year.
- **Open new revenue stream through ValueTheMarkets.com.** In May 2017 Teathers acquired 95% of the market commentary website www.valuethemarkets.com. During the year we continued to add content to the site to increase readership and create a library. We are currently finalising the specification for the redevelopment of ValueTheMarkets.com. Once this is complete we plan to offer fee-paying investor relations services through the site. We anticipate this could become a significant contributor to Teathers' financial model.

Where 2016/17 was largely dominated by our focus on the Company's survival and proving the App was commercially viable, we expect 2017/18 will be a much more exciting year as our attention moves to accelerating Teathers' growth. Stuart and I are very confident about the Company's prospects and look forward to providing updates as we continue to make progress.

We would also like to thank David Kipling for his service to the Company. David played a key role in the successful action group and was non-executive Chairman of Teathers until February 2017, when he retired from the board. David has continued to provide us with informal assistance over the course of the year and we think it important to acknowledge his continued contribution to the Company.

Finally, Stuart and I would like to thank shareholders for your continued support in all our efforts. We remain committed as ever to delivering a return on your investments and hope you are as encouraged as we are with the results we now present.

There is much to look forward to in 2017/18.

Ben Turney, Chief Executive Officer
24 January 2018

Directors

Matthew Benjamin Turney, Chief Executive
Matthew Benjamin Turney ("Ben") is a shareholder activist and financial writer, with a specialist focus on AIM. Ben is best known for his roles as editor/contributor on the website ShareProphets, as founder of NWOGaction (the New World Oil & Gas shareholder action group), and, more recently, as the Executive Chairman of Teathers Financial Plc, having fought and won a successful shareholder action. Ben is also a Director Eridge Capital (formerly known as New World Oil & Gas Plc), a privately owned investing company, and of Technical Forecasting Ltd, a private business consultancy.

Stuart Langelaan, Director
Stuart Langelaan is a private investor and current director of Teathers Financial Plc and Teathers Financial Software Ltd. Stuart founded the Teathers Shareholder Group and quickly recruited over 150 members. Stuart is a professional music producer and international DJ. He is well established within the industry. He has been investing on AIM for the last 11 years. Stuart has held one other directorship at his music production company, Lange Productions Ltd, since 1999.

Strategic Report

For the year ended 31 October 2017

Review of the business

A comprehensive review of the business is given in the Chief Executive's Statement on page 1.

Principal risks and uncertainties

Set out below are the principal risks which we believe could materially affect the Company's ability to achieve its objectives. The risks are not listed in order of significance.

Reliance on its Directors

The Company's business, development and prospects are dependent upon the continued services and performance of its Directors. The experience and commercial relationships of the Directors help provide the Company with a competitive edge. The Directors believe that the loss of services of any of its Directors, for any reason, or failure to attract and retain necessary personnel in the future, could adversely impact the business, development, financial condition, results of operations and prospects of the Company.

Other directorships

Investors should note that none of the Directors is in any way limited (other than by their normal duties as company directors) by way of their involvement with the Company, from acting in the management or conduct of the affairs of any other company. Should any conflicts of interest be identified, they will be declared and dealt with appropriately.

Market conditions

Market conditions may have a negative impact on the Company's ability to execute investments in suitable entities which generate acceptable returns. There is no guarantee that the Company will be successful in sourcing suitable investments. The Company can give no assurance as to how long it will take it to invest any or all of its cash resources, if at all, and the longer the period the greater the likely impact on the Company's performance and financial condition.

Costs associated with potential investments

The Company expects to incur certain third party costs associated with the sourcing of suitable investments. The Company can give no assurance as to the level of such costs, and given that there can be no guarantee that negotiations to acquire any given investment will be successful, the greater the number of deals that do not reach completion, the greater the likely impact of such costs on the Company's performance, financial condition and business prospects.

Valuation error

The Company may miscalculate the realisable value of an investment in a project. A lack of reliable information, errors in assumptions or forecasts and/or inability to successfully implement an investment, among other factors, could all result in the project having a lower realisable value than anticipated. If the Company is not able to realise an investment at its anticipated levels of profitability, projected investment returns could be adversely affected.

Financing

The Company's sources of financing currently are limited. The Company's ability to raise further funds will depend on the success of investments made. The Company may not be successful in procuring the requisite funds on terms which are acceptable to it (or at all) and, if such funding is unavailable, the Company may be required to reduce the scope of its investments or anticipated expansion. Further, Shareholders' holdings of new share issues may be materially diluted if debt financing is not available.

General economic climate

The Company may acquire or make investments in companies and businesses that are susceptible to economic recessions or downturns. During periods of adverse economic conditions, these companies and businesses may experience decreased revenues, financial losses, difficulties in obtaining access to, and fulfilling commitments in respect of, financing and increased funding costs. Any of the foregoing could cause the value of the investment to decline. In addition, during periods of adverse economic conditions, the Company may have difficulty accessing financial markets, which could make it more difficult or impossible for the Company to obtain funding for additional investments and negatively affect the Company's net asset value and operating results. Accordingly, adverse economic conditions may have a material adverse effect on the business, financial condition, results of operations and prospects of the Company. Factors that may contribute to the general economic climate include industrial disruption, interest rates and the rate of inflation.

Due diligence process
The Company intends to conduct such due diligence as it deems reasonably practicable and appropriate, based on the facts and circumstances applicable to each potential project, before making an investment. The objective of the due diligence process will be to identify material issues which might affect an investment decision. When conducting due diligence and making an assessment regarding an investment, the Company will be required to rely on resources available to it, including, in the main, public information and, in some circumstances, third party investigations. As a result, there can be no assurance that the due diligence undertaken with respect to any potential project will reveal or highlight all relevant facts that may be necessary or helpful in evaluating such project. Further, there can be no assurance as to the adequacy or accuracy of information provided during any due diligence exercise or that such information will be accurate and/or remain accurate in the period from conclusion of the due diligence exercise until the desired investment has been made. Due diligence may also be insufficient to reveal all of the past and future liabilities relating to the operations and activities of the target, including but not limited to liabilities relating to litigation, breach of environmental regulations or laws, governmental fines or penalties, pension deficits or contractual liabilities.

Ownership risks
Under the Investing Policy, the Company has the ability to enter into a variety of investment structures, including, but not limited to, joint ventures, acquisition of controlling interests or acquisition of minority interests. In the event the Company acquires a 100 per cent. interest in a particular entity, or makes a single investment in an entity, the resulting concentration of risk may result in a total or partial loss on its investment and have a material adverse effect on the Company's performance.

In the event that the Company acquires less than a 100 per cent interest in a particular entity, the remaining ownership interest will be held by third parties and the subsequent management and control of such an entity may entail risks associated with multiple owners and decision-makers. Any such investment also involves the risk that third party owners might become insolvent or fail to fund their share of any capital contribution which might be required. In addition, such third parties may have economic or other interests which are inconsistent with the Company's interests, or they may obstruct the Company's plans, or they may propose alternative plans. If such third parties are in a position to take or influence actions contrary to the Company's interests and plans, this may affect the ability of the Company to implement its strategies.

In addition, there is a risk of disputes between the Company and third parties who have an interest in the entity in question. Any litigation or arbitration resulting from any such disputes may increase the Company's expenses. The Company may also, in certain circumstances, be liable for the actions of such third parties.

Specific future risks relating to AIM companies and unquoted companies, joint ventures or projects considering a quotation on AIM within 12 to 18 months are as follows:

Early stage development
The Company may make investments in entities and assets at a relatively early stage of development. There can be no assurances that such companies or assets will successfully develop or that the technologies they have will be suitable for commercialisation. Such entities and assets may require the injection of further capital at a level that the Company, or any third party, is unable or unwilling to meet. Such an outcome may have a material adverse effect on the business, financial condition, results of operations and prospects of the Company.

Realisation and value of investments
The Company's investments may be difficult and take time to realise. It can take a period of years for the underlying value or quality of the businesses of smaller companies, such as those in which the Company invests, to be fully reflected in their market value and their market values are often also materially affected by general market sentiment, which can be negative for prolonged periods.

Liquidity and degree of risk associated with AIM traded companies
Investment in AIM traded companies and unquoted companies, joint ventures or projects which the Board believes will trade on AIM within 12 to 18 months of such investment, by its nature, involves a higher degree of risk than investments in companies listed on the Official List. In particular, small companies often have limited product lines, markets or financial resources and may be dependent for their management on a small number of key individuals. In

addition, the market for securities in smaller companies is often less liquid than that for securities in larger companies, bringing with it potential difficulties in acquiring, valuing and disposing of such securities. Proper information for determining their value or the risks to which they are exposed may also not be available. Investment returns will, therefore, be uncertain and involve a higher degree of risk than investment in a company on the Official List.

Investments in unquoted companies, joint ventures or projects which the Board anticipate will trade on AIM within 12 to 18 months of such investment may never admit to trading on AIM
As part of its Investing Policy the Board intends to make investments in unquoted companies, joint ventures or projects which the Board anticipate will commence trading on AIM within 12 to 18 months of such investment. There is no certainty or guarantee that such companies will ever be admitted to trading on AIM and in circumstances, where an application to trading on AIM is unsuccessful or never progresses, it may not be possible for the Board to realise such initial investment.

Investments in unquoted companies, joint ventures or projects are subject to a number of risks
The Company may invest in or acquire unquoted companies, joint ventures or projects which the Board anticipate to trade on AIM within 12 to 18 months of such investment which may, inter alia:

- be highly leveraged and subject to significant debt service obligations, stringent operational and financial covenants and risks of default under financing and contractual arrangements, which may adversely affect their financial condition;
- have limited operating histories and smaller market shares than larger businesses making them more vulnerable to changes in market conditions or the activities of competitors;
- have limited financial resources;
- be more dependent on a limited number of management and operational personnel, increasing the impact of the loss of any one or more individuals;
- prove illiquid in terms of the ability to realise value; and
- require additional capital.

All or any of these factors may have a material adverse effect on the business, financial condition, results of operations and prospects of the Company.

Competition
The Company may face competition from other entities for the same investments, many of which may have significantly greater financial resources than the Company. There is therefore no guarantee that even if the Company identifies a suitable investment it will be successful in completing such investment.

Future outlook
The Chief Executive's Statement on page 1 gives information on the future outlook of the Company.

Key Performance Indicators (KPIs)
The key performance indicators currently used by the Company are investments made to-date and cash resources. The Company intends to establish other key performance indicators in due course once the Company has matured sufficiently. The Company does not use and does not at present intend to use non-financial key performance indicators.

	2017	**2016**
	£	**£**
Cash and cash equivalents	18,669	658
Net assets	170,731	69,789

Review of strategy and business model
The Board of directors judge the Company’s financial performance by reference to the internal budget which it establishes at the beginning of each financial year and the expected performance of its investments in the future.

The Company’s strategy is to invest in AIM companies and unquoted companies, joint ventures or projects considering a quotation on AIM within 12 to 18 months.

Strategic Report (Continued)
For the year ended 31 October 2017

Investing policy
To invest in AIM quoted companies either on flotation, through secondary offerings or by purchasing shares in the market and unquoted companies, joint ventures or projects which the Board believes will be seeking a quotation on AIM within 12 to 18 months of such investment. The Directors intend to focus primarily on AIM traded companies which they believe have good liquidity and are undervalued hence providing an opportunity for them to create Shareholder value. Although the Board will consider investing in companies of all sectors they intend to focus on sectors which have market appeal from time to time. It is the Board's opinion that currently such sectors include the technology sector and certain areas of natural resources with a specific emphasis on the oil and gas sector. Such investments are likely to be made in companies which have a permanent place of business in the UK. However the Company will not be limited by geography and companies operating anywhere in the world may be considered.

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

The Company intends to be an involved and active investor. Accordingly, where necessary, the Company may seek participation in the management or with the board of directors of an entity in which the Company invests or, in the event that it is acquired, in the on-going enlarged entity. Where appropriate, the Board intends to add their expertise to the management of the business, and utilise their industry relationships and access to finance.

New investments will be held for the medium to longer term, although a shorter term disposal of any investments cannot be ruled out.

There will be no limit on the number of projects into which the Company may invest, and the Company's financial resources may be invested in a number of propositions or in just one investment, which may be deemed to be a reverse takeover pursuant to Rule 14 of the AIM Rules. Where the Company builds a portfolio of related investments it is possible that there may be cross-holdings between such investments. The Company does not currently intend to fund any investments with debt or other borrowings but may do so if appropriate. Investments may be made in all types of entities and there will be no investment restrictions.

The Company's primary objective is that of securing for the Shareholders the best possible value consistent with achieving, over time, both capital growth and income for Shareholders through developing profitability coupled with dividend payments.

Environment
The Directors consider that the nature of the Company's activities is not inherently detrimental to the environment.

Social, community, and human rights
The Board recognises that the Company has a duty to be a good corporate citizen and to respect the laws, and where appropriate the customs and culture of the territories in which it operates. It contributes as far as is practicable to the local communities in which it operates and takes a responsible and positive approach to employment practices.

The Strategic Report was approved by the Board and signed on its behalf by:

Stuart Langelaan, Executive Director
24 January 2018

Directors' Report

For the year ended 31 October 2017

The Directors present their report and the audited financial statements of Teathers Financial Plc for the year ended 31 October 2017.
On 4 December 2015, the company was suspended from AIM for not implementing its Investing policy. Despite several submissions to the regulatory authority, the company has been deemed not to implement its Investing Policy. As a result of this the Company lost its AIM listing on 06 June 2016. On 28 June 2016 an EGM was held to seek the replacement of the existing board of directors to be replaced by the current board of directors.

Corporate details
Teathers Financial Plc is incorporated and registered in England and Wales number 00092343. The registered office is 83 Ducie Street, Manchester M1 2JQ.

Directors
The following Directors have held office during the period:
Stuart Langelaan
Matthew Turney
David Kipling Resigned 11 February 2017

In accordance with the Company's Articles of Association, Directors are required to retire by rotation.

Principal activities
The principal activity the Company's investing policy was to invest in AIM quoted companies either on flotation, through secondary offerings or by purchasing shares in the market and unquoted companies, joint ventures or projects which the Board believes will be seeking a quotation on AIM within 12 to 18 months of such investment.

Strategic Report
In accordance with section 414C(11) of the Companies Act 2006 the Company chooses to report the review of the business, the future outlook and the risks and uncertainties faced by the Company in the Strategic Report on page 4.

Dividends
There were no dividends paid or proposed by the Company in the current period (2016: £nil).

Going concern
The Directors have considered the applicability of the going concern basis in the preparation of these financial statements. This included the review of internal budgets and financial results which show, taking into account reasonably probable changes in financial performance, that the Company should be able to operate within the level of its current funding arrangements.

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis of preparation for its financial statements.

Financial risk management
The financial risk management is discussed in Note 23 of the financial statements.

Creditors' payment policy
The Company's policy is to agree terms of payment with suppliers and abide by those terms subject to timely submission of acceptable invoices. Where prompt payment settlement discount is available it is the Company's policy to settle accounts whenever possible within the discount period. In order to manage their cash more effectively, where possible, the Company negotiates special terms with certain suppliers to delay payments. At the year end, the amounts owing to trade creditors represented an average of 35 days (2016 - 35 days).

Directors' Report (Continued)
For the year ended 31 October 2017

Directors' interest in shares and debentures
Directors' interests in the shares of the Company, including family interests, were as follows:

Director	As at 31 October 2017 Ordinary Shares of 0.5p each	As at 31 October 2016 Ordinary Shares of 0.5p each
Matthew Turney	1,873,464*	-
Stuart Langelaan	637,771**	157,771

* Of these shares, 1,200,000 are held in Technical Forecasting Ltd.
** Of these shares, 480,000 are held in Lange Productions Ltd.

Post balance sheet events

The Company's legacy lease on the office in Chelsea ended on 07 December 2017. Costs of dilapidations were £10,400, which were deducted from the Company's deposit. The Company received £2,442.37 back and wrote the balance off. The Company no longer has any further liability or commitment to legacy lease.

Directors' indemnity
The Company has not provided qualifying third-party indemnities for the benefit of its Directors.

Auditors
Welbeck Associates have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Annual General Meeting
The resolutions to be proposed at the forthcoming Annual General Meeting are set in the formal notice of the meeting.

Recommendation
The Board considers that the resolutions to be proposed at the Annual General Meeting are in the best interests of the Company and it is unanimously recommended that shareholders support these proposals as the Board intends to do in respect of their own holdings.

The Directors' Report was approved by the Board and signed on its behalf by:

Ben Turney, Chief Executive
24 January 2018

Statement of Directors' Responsibilities in the preparation of the Financial statements

For the year ended 31 October 2017

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors are required to prepare the Group and Company financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and Article 4 of the IAS Regulation and have also chosen to prepare the Company financial statements under IFRSs as adopted by the EU. Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss of the Group for that period. In preparing those financial statements, International Accounting Standard 1 requires the Directors to:

- properly select and consistently apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- make judgements and accounting estimates that are reasonable and prudent
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Group's ability to continue as a going concern.

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

Disclosure of information

In the case of each of the persons who are acting as Directors of the Company at the date when this report was approved:-

- so far as each of the Directors is aware, there is no relevant audit information (as defined in the Companies Act 2006) of the which the Company's auditor is not aware; and
- each of the Directors has taken all the steps that he ought to have taken as a Director to make himself aware of any relevant audit information (as defined) and to establish that the Company's auditor is aware of that information.

The Directors are also responsible for the maintenance and integrity of the investor information contained on the website. Legislation in the UK concerning the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Publication of Accounts on the Company Website

Financial statements are published on the Company's website. The maintenance and integrity of the website is the responsibility of the Directors. The Director's responsibility also extends to the financial statements contained therein.

By order of the Board,

Ben Turney, Chief Executive
24 January 2018

Corporate Governance Statement
For the year ended 31 October 2017

Compliance
The Directors recognise the value of complying with the Quoted Companies Alliance ("QCA") guidelines. The Company seeks to apply certain provisions of the QCA guidelines where practicable and appropriate for a Company of its size.

The following statement describes how the company seeks to address certain of the principles of the QCA guidelines.

Board composition and responsibility
The Board comprises two Executive Directors who meet on a regular basis. The Board considers its composition is appropriate in view of the size and requirements of the Company's business. David Kipling has announced his intention to retire by rotation from the board at the AGM on 11 February 2017. The Board shall seek to find a suitable replacement for David.

All Directors are subject to election by shareholders at the first Annual General Meeting after their appointment, and are subject to re-election at least every three years. The Board's primary objective is to focus on adding value to the assets of the Company by identifying and assessing business opportunities and ensuring that potential risks are identified, monitored and controlled. Matters reserved for Board decisions include strategic long-term objectives and capital structure of major transactions. The implementation of Board decisions and day to day operations of the Company are delegated to the executive directors.

Board meetings and attendance
Since the new directors took office on 28 June 2016 the Company held 10 board meetings. The Directors' attendance record during the year are as follows:

Director	Attendance at Board Meetings
Stuart Langelaan	10
Matthew Turney	10

Audit committee
The audit committee, which comprises Matthew Turney (Chief Executive) and Stuart Langelaan (Director), has the primary responsibility for monitoring the quality of internal control and ensures that the financial performance of the Company is properly measured and reported on and reviews reports from the Company's auditors relating to the Company's accounting and internal controls. The committee is also responsible for making recommendations to the Board on the appointment of auditors and the audit fee and for ensuring that the financial performance of the Company is properly monitored and reported. The audit committee will meet not less than four times a year.

Remuneration committee
The remuneration committee, which comprises Matthew Turney (Chief Executive) and Stuart Langelaan (Director), is responsible for the review and recommendation of the scale and structure of remuneration for senior management, including any bonus arrangements or the award of share options with due regard to the interests of the Shareholders and the performance of the Company.

Company rules for appointment and replacement of Directors
The appointment and removal of Directors was governed by the Company's Memorandum and Articles of Association. New Articles of Association were adopted in December 2013 and the appointment and removal of Directors is now governed by these.

Corporate Governance Statement (Continued)

For the year ended 31 October 2017

Internal controls

The Directors are responsible for ensuring that the Company maintains a system of internal control to provide them with reasonable assurance regarding the reliability of financial information used within the business and for publication and that the assets are safeguarded. There are inherent limitations in any system of internal control and accordingly even the most effective system can provide only reasonable, but not absolute, assurance with respect to the preparation of financial reporting and the safeguarding of assets.

The Company, in administering its business has put in place strict authorisation, approval and control levels within which senior management operates. These controls reflect the Company's organisational structure and business objectives. The control system includes clear lines of accountability and covers all areas of the organisation. The Board operates procedures which include an appropriate control environment through the definition of the above organisation structure and authority levels and the identification of the major business risks.

Internal financial reporting

The Directors are responsible for establishing and maintaining the Company's system of internal reporting and as such have put in place a framework of controls to ensure that the on-going financial performance is measured in a timely and correct manner and that risks are identified as early as is practicably possible. There is a comprehensive budgeting system and monthly management accounts are prepared which compare actual results against both the budget and the previous year. They are reviewed and approved by the Board, and revised forecasts are prepared on a regular basis.

Relations with shareholders

The Company reports to shareholders once a year. The Company dispatches the notice of its Annual General Meeting, together with a description of the items of special business, at least 21 clear days before the meeting. Each substantially separate issue is the subject of a separate resolution and all shareholders have the opportunity to put questions to the Board at the Annual General Meeting. The members of the Audit and Remuneration Committees normally attend the Annual General Meeting and will answer questions which may be relevant to their work.

The Chairman advises the meeting of the details of proxy votes cast on each of the individual resolutions after they have been voted on in the meeting. The Board intend to maintain a good and continuing understanding of the objectives and views of the shareholders.

Report of the Remuneration Committee
for the year ended 31 October 2017

Statement of compliance
This report does not constitute a Directors' Remuneration Report in accordance with the Directors' Remuneration Regulations 2007 which do not apply to the Company as it is not fully listed. This report sets out the Company policy on Directors' remuneration, including emoluments, benefits and other share-based awards made to each Director.

Policy on Directors' remuneration
Remuneration packages are designed to motivate and retain the Directors to ensure the continued development of the Company and to reward them for enhancing value to shareholders. The main elements of the remuneration package for Executive Directors are basic salary or fees, performance-related bonuses, benefits and share option incentives.

Directors' remuneration
The remuneration of the Directors received/ receivable for the year ended 31 October 2017 is shown below:

			2017	2016
	Salary	**Share Payments**	**Total**	Total
Director	**£**	**£**	**£**	£
Jason Drummond resigned 23 June 2016	-	-	-	18,750
Oliver Fattal resigned 28 June 2016	-	-	-	35,770
Nilesh Jagatia resigned 28 June 2016	-	-	-	36,667
Stuart Langelaan	14,400	2,400	**16,800**	4,590
Matthew Turney	31,200	6,000	**37,200**	10,200
	45,600	**8,400**	**54,000**	105,977

Ben Turney, Chief Executive
24 January 2018

Independent Auditors' Report

to the members of Teathers Financial plc

Opinion

We have audited the financial statements of Teathers Financial Plc (the 'Company') and its subsidiaries (the "Group") for the year ended 31 October 2017 which comprise the Group statement of comprehensive income, the Group and Parent Company statements of financial position, the Group and Parent Company statements of changes in equity, the Group and Parent Company statements of cash flows, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and parent company's affairs as at 31 October 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

An overview of the scope of our audit

All entities of the group were subject to full scope audit procedures for group and statutory reporting purposes. We did not rely on the work of any component auditors

As part of our planning we assessed the risk of material misstatement including those that required significant auditor consideration at the component and group level. Procedures were then performed to address the risk identified and for the most significant assessed risks of material misstatement.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Independent Auditors' Report

to the members of Teathers Financial plc

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 9, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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

Jonathan Bradley-Hoare, FCA (Senior Statutory Auditor)
For and on behalf of
Welbeck Associates Chartered Accountants and Statutory Auditor
30 Percy Street, London, W1T 2DB
24 January 2018

TEATHERS FINANCIAL PLC

Group Statement of Comprehensive Income

for the year ended 31 October 2017

	Notes	2017	2016
		£	£
Continuing operations			
Turnover		**36,947**	-
Administrative expenses	**5**	**(156,689)**	(362,724)
Operating loss		**(119,742)**	(362,724)
Gain/ (loss) on fair value of investments		**-**	(190,246)
Impairment of intangible assets		**-**	(208,900)
Amortisation of intangible assets		**(5,960)**	-
Result on sale of investments		**133,765**	(37,174)
Unrealised revaluation on investments		**19,043**	-
Finance costs	**9**	**367**	(435)
Profit/(loss) on ordinary activities before taxation		**27,473**	(799,479)
Income tax credit	**10**	**22,061**	56,004
Profit/(loss) for the year from continuing operations		**49,534**	(743,475)
Discontinued operations			
Profit for the year from discontinued operations	**6**	**25,337**	6,250
Profit/(loss) for the year attributable to owners of the company		**74,871**	(737,225)
Total comprehensive income/(loss) for the year		**74,871**	(737,225)
Earnings/(loss) per ordinary share from continuing and discontinued operations attributable to the equity holders of the Company during the year		**Pence**	Pence
From continuing operations – Basic and fully diluted	**11**	**0.08**	(1.15)
From discontinued operations – Basic and fully diluted	**11**	**0.04**	0.01
From continuing and discontinued operations – Basic and fully diluted	**11**	**0.12**	(1.14)

The notes on pages 21 to 33 are an integral part of these financial statements.

TEATHERS FINANCIAL PLC

Group and Company Statement of Financial Position

for the year ended 31 October 2017

		GROUP		COMPANY	
	Notes	**2017**	**2016**	**2017**	**2016**
		£	**£**	**£**	**£**
Assets					
Non-current assets					
Intangibles	**14**	65,055	21,220	-	-
Investment in subsidiary		-	-	150,000	150,000
Total non-current assets		**65,055**	**21,220**	**150,000**	**150,000**
Current assets					
Trade and other receivables	**15**	31,892	82,402	296,095	237,898
Investments	**16**	156,350	97,686	156,350	97,686
Cash and cash equivalents	**17**	18,669	658	18,669	658
Total current assets		**206,911**	**180,746**	**471,114**	**336,242**
TOTAL ASSETS		**271,966**	**201,966**	**621,114**	**486,242**
Equity attributable to owners of the company					
Share capital	**19**	348,780	322,709	348,780	322,709
Share premium	**19**	1,518,752	1,518,752	1,518,752	1,518,752
Share based payments	**21**	7,395	7,395	7,395	7,395
Retained earnings		(1,704,196)	(1,779,067)	(1,355,048)	(1,494,791)
Total equity		**170,731**	**69,789**	**519,879**	**354,065**
Liabilities					
Current liabilities					
Trade and other payables	**18**	101,235	132,177	101,235	132,177
Total current liabilities		**101,235**	**132,177**	**101,235**	**132,177**
TOTAL EQUITY AND LIABILITIES		**271,966**	**201,966**	**621,114**	**486,242**

The notes on pages 21 to 33 are an integral part of these financial statements.

The financial statements were approved and authorised for issue by the Board on 24 January 2018.

Chief Executive
Teathers Financial plc Registered No. 00092343

Group Statement of Changes in Equity

for the year ended 31 October 2017

	Share capital	Share premium	Share based payments reserve	Retained earnings	Total
	£	£	£	£	£
At 31 October 2015	**322,709**	**1,518,752**	**-**	**(1,041,842)**	**799,619**
Changes in Equity for the year ended 31 October 2016					
Total Comprehensive loss for the year	-	-	-	(737,225)	(737,225)
Share based payment	-	-	7,395	-	7,395
At 31 October 2016	**322,709**	**1,518,752**	**7,395**	**(1,779,067)**	**69,789**
Changes in Equity for the year ended 31 October 2017					
Total Comprehensive loss for the year	-	-	-	74,871	74,871
Proceeds from share issue (net of expenses)	26,071	-	-	-	26,071
At 31 October 2017	**348,780**	**1,518,752**	**7,395**	**(1,704,196)**	**170,731**

The notes on pages 21 to 33 are an integral part of these financial statements.

Company Statement of Changes in Equity
for the year ended 31 October 2017

	Share capital	Share premium	Share based payments reserve	Retained earnings	Total
	£	£	£	£	£
At 31 October 2015	**322,709**	**1,518,752**	**-**	**(1,004,521)**	**836,940**
Changes in Equity for the year ended 31 October 2016					
Total Comprehensive loss for the year	-	-	-	(490,270)	(490,270)
Share based payment	-	-	7,395	-	7,395
At 31 October 2016	**322,709**	**1,518,752**	**7,395**	**(1,494,791)**	**354,065**
Changes in Equity for the year ended 31 October 2017					
Total Comprehensive profit for the year	-	-	-	139,743	139,743
Proceeds from share issue (net of expenses)	26,071	-	-	-	26,071
At 31 October 2017	**348,780**	**1,518,752**	**7,395**	**(1,355,048)**	**519,879**

The notes on pages 21 to 33 are an integral part of these financial statements.

TEATHERS FINANCIAL PLC

Group and Company Statement of Cash Flows
for the year ended 31 October 2017

		GROUP		COMPANY	
	Notes	**2017**	2016	**2017**	2016
		£	£	**£**	£
Cash flow from operating activities					
Cash used in operations	**22**	**(68,889)**	(271,082)	**(118,684)**	(292,702)
Net cash used in operating activities		**(68,889)**	(271,082)	**(118,684)**	(292,702)
Cash flow from investing activities					
Purchase of investments		**(292,409)**	(25,000)	**(292,409)**	(25,000)
Purchase of intangible assets		**(49,795)**	(21,220)	**-**	-
Purchase of assets		**-**	(4,010)	**-**	(4,010)
Proceeds from sale of investments		**385,533**	179,739	**385,533**	179,739
Proceeds from sale of PPE		**-**	6,858	**-**	6,858
Net cash generated from investing activities		**43,329**	136,367	**93,124**	157,587
Cash flows from financing activities					
Proceeds from issuance of ordinary shares		**26,071**	-	**26,071**	-
Loans received		**27,500**	-	**27,500**	-
Loans repaid		**(10,000)**	-	**(10,000)**	-
Net cash generated by financing activities		**43,571**	-	**43,571**	-
Net increase/(decrease) in cash and cash equivalents		**18,011**	(134,715)	**18,011**	(135,115)
Cash and cash equivalents at beginning of year		**658**	135,373	**658**	135,773
Cash carried forward	**17**	**18,669**	658	**18,669**	658

The notes on pages 21 to 33 are an integral part of these financial statements.

Notes to the consolidated financial statements

For the year ended 31 October 2017

1. General information

Teathers Financial Plc is a company incorporated and domiciled in the United Kingdom. The Company is a public limited company, the address of the registered office is 83 Ducie Street, Manchester M1 2JQ.

The principal activity of the Company during the year was to invest in AIM quoted companies either on flotation, through secondary offerings or by purchasing shares in the market and unquoted companies, joint ventures or projects which the Board believes will be seeking a quotation on AIM within 12 to 18 months of such investment.

The financial statements are presented in British Pounds Sterling, which is also the currency of the primary economic environment in which the Company's operates.

2. Accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. The policies have been consistently applied throughout the year.

Basis of preparation

The consolidated financial statements of Teathers Financial Plc have been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRS Interpretations Committee (IFRS IC) as adopted by the European Union and the Companies Act 2006 applicable to companies reporting under IFRS.

The financial statements have been prepared under the historical cost convention, except in respect of the revaluation of investments.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

Basis of consolidation

The consolidated financial statements include the financial statements of Teathers Financial Plc and its subsidiary, Teathers Financial Software Limited, made up to 31 October 2017.

Subsidiaries are entities over which the Group has control. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The Group obtains and exercises control through voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the company controls another entity.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Profits and losses resulting from inter-company transactions that are recognised in assets are also eliminated.

2. Accounting policies (continued)

Adoption of new and revised International Financial Reporting Standards (IFRS)

Standards and interpretations adopted in the current year

The financial statements comply with IFRS as adopted by the European Union. The Group has adopted all new and revised Standards and Interpretations which became effective for the current period. The adoption of these standards and interpretations does not have a material impact on the Group.

Standards and interpretations in issue, not yet adopted

The following new standards and amendments to standards and interpretations have been issued but are not yet effective and not early adopted. None of these are expected to have a significant effect on the financial statements of the Group.

		Effective date
IFRS 9	Financial Instruments	1 January 2018
IFRS 15	Revenue from Contracts with Customers	1 January 2018

The directors anticipate that the adoption of the Standards and Interpretations listed above in future periods will have no material impact on the financial statements of the Group, except for the following:

IFRS 9 is a new standard which enhances the ability of investors and other users of financial information to understand the accounting for financial assets and reduces complexity. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortised cost or fair value, replacing the many different rules in IAS 39. This standard is effective for accounting periods commencing on or after 1 January 2018.

Going concern

The Directors have considered the applicability of the going concern basis in the preparation of these financial statements. This included the review of internal budgets and financial results which show, taking into account reasonably probable changes in financial performance that the Group should be able to operate within the level of its current funding arrangements.

The Directors have a reasonable expectation that the Group have adequate resources to continue in operation for the foreseeable future. For this reason they have adopted the going concern basis in the preparation of the financial statements.

Revenue

Revenue is recognised at the fair value of the consideration received or receivable.

Intangible assets

Intangible assets comprise capitalised software development costs. Development costs are capitalised where the outcome of the project is assessed as being reasonably certain as regards viability and technical feasibility. Capitalised development costs are stated at cost less accumulated amortisation and impairment losses. The costs are amortised over the expected sales life of the software, being generally a period not longer than five years commencing in the year the sales of the product were first made.

2. Accounting policies (continued)

Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and any provision for impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the asset and bringing the asset to its working condition for its intended use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only where it is probable that future economic benefits associated with the asset will flow to the Company and the cost of the asset can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred. Any borrowing costs associated with qualifying property plant and equipment are capitalised and depreciated at the rate applicable to that asset category.

Depreciation is calculated using the straight-line method over their estimated useful lives, over the period of 3 years.

An asset's carrying value is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Financial assets

Classification
The Company classifies its financial assets in the following categories: loans and receivables and financial assets at fair value through profit or loss. The classification depends on the purpose for which the financial assets were acquired and management determines the classification of its financial assets at initial recognition.

(a) Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. The Company's loans and receivables comprise 'trade and other receivables' and cash and cash equivalents in the balance sheet.

(b) Financial assets at fair value through profit or loss.
Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term.

Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade date – the date on which the Company commits to purchase the asset. Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added or deducted from the value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets are derecognised when the risk and rewards of ownership have been transferred.

Loans and receivables are subsequently carried at amortised cost using the effective interest rate method, less any impairment losses.

Investments held at fair value through profit or loss are subsequently carried at fair value. This is either the bid price or the last traded price, depending on the convention of the exchange on which the investment is quoted. The fair value of the financial instruments in the balance sheet is based on the quoted bid price at the balance sheet date, with no deduction for any estimated future selling cost. Unquoted investments are valued by the directors using primary valuation techniques such as recent transactions, last price and net asset value.

2. Accounting policies (continued)

Cash and cash equivalents

Cash and short-term deposits in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of less than three months, reduced by overdrafts to the extent that there is a right of offset against other cash balances.

Share capital

Ordinary shares are classified as equity. Proceeds in excess of the nominal value of shares issued are allocated to the share premium account and are also classified as equity. Incremental costs directly attributable to the issue of new Ordinary shares or options are deducted from the share premium account.

Share-based payments

The Company operates a number of equity-settled, share-based compensation plans, under which the Company receives services from employees as consideration for equity instruments of the Company. Equity-settled share-based payments are measured at fair value at the date of grant and are expensed over the vesting period based on the number of instruments that are expected to vest. Fair values are measured using appropriate valuation models, taking into account the terms and conditions of the awards.

When the share-based payment awards are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium.

Financial liabilities

Debt is measured at fair value, being net proceeds after deduction of directly attributable issue costs, with subsequent measurement at amortised cost. Debt issue costs are recognised in the income statement over the expected term of such instruments at a constant rate on the carrying amount.

Trade and other payables

Financial liabilities included in trade and other payables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest rate method. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Current and deferred income tax

The tax expense comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income where the associated tax is also recognised in other comprehensive income.

The current income tax charge is calculated on the basis of the tax rates at the balance sheet date. Management evaluates the position and establishes provisions on the basis of amounts expected to be paid to the tax authority.

Deferred tax is recognised, using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and tax losses, to the extent that they are regarded as recoverable. They are regarded as recoverable where, on the basis of available evidence, there will be sufficient taxable profits against which the future reversal of the underlying temporary differences can be deducted.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on the current tax rates at the balance sheet date.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities.

2. Accounting policies (continued)

3. Critical accounting estimates and judgements

In the process of applying the accounting policies, management has made accounting judgements in the determination of the carrying value of certain assets and liabilities. Due to the inherent uncertainty involved in making assumptions and estimates, actual outcomes will differ from those assumptions and estimates. The following judgements have the most significant effect on the amounts recognised in the financial statements.

Going concern

As at 31 October 2017 the Group had a cash balance of £18,669 (2016: £658), net current assets of £105,676 (2016: £48,569) and net assets of £170,731 (2016: £69,789). The Group continues to incur costs in the development and modification of the app.

The Directors have considered the applicability of the going concern basis in the preparation of these financial statements. This included the review of internal budgets and financial results which show, taking into account reasonably probable changes in financial performance that the Group should be able to operate within the level of its current funding arrangements.

The Directors have a reasonable expectation that the Group have adequate resources to continue in operation for the foreseeable future. For this reason they have adopted the going concern basis in the preparation of the financial statements.

Development costs

The Group capitalises software development costs in accordance with the accounting policy. Initial capitalisation of costs is based on management's judgement that technological and economic feasibility is confirmed. In determining the amounts to be capitalised, management makes assumptions regarding the expected future cash generation of the project, discount rates to be applied and the expected period of benefits.

Impairment of receivables

Trade and other receivables are carried at the contractual amount due less any estimated provision for non-recovery. Provision is made based on a number of factors including the age of the receivable, previous collection experience and the financial circumstances of the counterparty.

Fair value of financial assets

The Group holds investments that have been designated as held at fair value through profit or loss. Unquoted investments are valued by the directors using primary valuation techniques such as recent transactions, last price and net asset value. These techniques are significantly affected by certain key assumptions and the derived fair value estimates cannot always be substantiated by comparison with independent markets and, in many cases, may not be capable of being realised immediately.

4. Segmental reporting

Management has determined the Company's operating segments based on the management reports presented to the Chief Operating Decision Maker ('CODM').

The principal activity of the Company is that of an Investment Company undertaking in United Kingdom only. As such the Board considers that there is no separate segmental reporting required. The current key reporting performance measure used by the CODM is the operating results, cash resources and investments made to date

5. Expenses by nature

	2017 £	2016 £
Employee benefit expense (Note 8)	51,723	133,270
Other expenses	104,966	229,454
Total administrative expenses	**156,689**	**362,724**

6. Discontinued operations

There remains some outstanding proceeds and related costs from the historical buttons business.

7. Auditor remuneration

During the year the Company obtained the following services from the auditor:

	2017 £	2016 £
Fees payable to the auditor for the audit of the Company	10,000	10,000
Fees payable to the auditor for other services:		
Tax services	1,500	1,500
Total auditor's remuneration	**11,500**	11,500

8. Employee benefit expense

	2017 £	2016 £
Wages and salaries	10,840	27,073
Directors' remuneration	40,883	106,197
Total employee benefit expense	**51,723**	133,270

All the wages and salaries were paid to the Directors and employees. Further disclosures in respect to Directors' remuneration are included in the Report of the Remuneration Committee on page 13.

9. Finance cost

	2017 £	2016 £
Bank charges	(367)	435
	(367)	**435**

During the year, the Company received compensation from Natwest with regards to their handling of adding new, and removing previous, Directors to the bank account. Natwest caused unnecessary delay which resulted in the company paying additional charges.

Notes to the consolidated financial statements (Continued)

For the year ended 31 October 2017

10. Taxation

	2017	2016
	£	£
R&D tax credit	-	56,004
R&D tax credit prior year adjustment	22,061	-
Income tax credit	**22,061**	**56,004**

The tax credit on the loss before tax differs from the theoretical amount that would arise using the standard tax rate applicable to the results of the company as follows:

	2017	2016
	£	£
Profit/(loss) on ordinary activities before taxation	**27,473**	(799,479)
Tax calculated at domestic rate applicable to UK standard rate for small companies of 19.42% (2016 - 20%)	**5,335**	(159,896)
Effects of:		
Expenses not deductible for tax purposes	**-**	-
Tax losses carried forward	**(5,335)**	159,896
Other movements	**22,061**	56,004
Income tax credit	**22,061**	56,004

Tax losses totalling £982,179 (2016:£987,514) have been carried forward for use against future taxable profits.

Deferred income tax assets are only recognised to the extent that the realisation of the related tax benefit through future taxable profits is probable. The Company did not recognise deferred income tax assets of approximately £370,000 (2016:370,000), mainly in respect of tax losses amounting to approximately £982,000 (2016 - £987,000) that can be carried forward against future taxable income.

11. Earnings/ (loss) per share

Basic earnings/ (loss) per share is calculated by dividing the profit/loss attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year. No share warrants outstanding at 31 October 2017 were dilutive and all such potential ordinary shares are therefore excluded from the weighted average number of Ordinary shares for the purposes of calculating diluted earnings per share. Details of warrants outstanding are given in note 20.

	2017	2016
	£	£
Profit/ (loss) attributable to equity holders of the company	**74,871**	(737,225)
Profit/ (loss) from continuing operations attributable to equity holders of the company	**49,534**	(743,475)
Profit from discontinued operations attributable to equity holders of the company	**25,337**	6,250
Weighted average number of ordinary shares in issue	**64,541,810**	64,541,810
	Pence	Pence
Basic and diluted earnings/(loss) per share	**0.12**	(1.14)
Basic and diluted earnings/(loss) per share from continuing operations	**0.08**	(1.15)
Basic and diluted earnings per share from discontinued operations	**0.04**	0.01

Notes to the consolidated financial statements (Continued)
For the year ended 31 October 2017

12. Dividends

There were no dividends paid or proposed by the Company in either year.

13. Property, plant and equipment

	2017	2016
	£	£
Cost		
At 1 November	**14,379**	17,227
Additions	**-**	4,010
Disposal	**-**	(6,858)
At 31 October	**14,379**	14,379
Depreciation		
At 1 November	**14,379**	3,715
Charge for the year	**-**	10,664
At 31 October	**14,379**	14,379
Net Book Value		
At 31 October	**-**	-

14. Intangibles

	2017	2016
	£	£
Cost		
At 1 November	**21,220**	208,900
Additions during the year	**49,795**	21,220
Impairment	**-**	(208,900)
Amortisation	**(5,960)**	-
At 31 October	**65,055**	21,220

The software was successfully launched in December 2016 and is currently in use.

15. Trade and other receivables

	GROUP		**COMPANY**	
	2017	2016	**2017**	2016
	£	£	**£**	£
Tax credit receivable	**-**	56,004	**-**	-
Other receivable	**31,892**	26,398	**31,892**	26,398
Due from subsidiary	**-**	-	**264,203**	211,500
	31,892	82,402	**296,095**	237,898

The Directors consider that the carrying amount of trade and other receivables approximates to their fair value.

16. Investments held at fair value through profit and loss

	2017	2016
	£	£
At 1 November	**97,686**	479,845
Additions	**292,409**	25,000
Disposals during the year	**(252,788)**	(216,913)
Fair value adjustment	**-**	(190,246)
Unrealised revaluation on investments	**19,043**	-
31 October	**156,350**	97,686
Categorised as:		
Level 1 – Quoted investments	**137,307**	97,686
Level 2 – Warrants	**19,043**	-
Level 3 – Unquoted investments	**-**	-
	156,350	97,686

The table of investments sets out the fair value measurements using the IFRS 7 fair value hierarchy. Categorisation within the hierarchy has been determined on the basis of the lowest level of input that is significant to the fair value measurement of the relevant asset as follows:

Level 1 – valued using quoted prices in active markets for identical assets.

Level 2 – valued by reference to valuation techniques using observable inputs other than quoted prices included within Level 1.

Level 3 – valued by reference to valuation techniques using inputs that are not based on observable market data.

The valuation techniques used by the company are explained in the accounting policy note, "Investments held at fair value through profit or loss"

17. Cash and cash equivalents

	GROUP		COMPANY	
	2017	2016	**2017**	2016
	£	£	**£**	£
Cash at bank and on hand	**18,669**	658	**18,669**	658
	18,669	658	**18,669**	658

All of the Company's cash and cash equivalents are at floating rate. The Directors consider that the carrying amount of cash and cash equivalents approximates to their fair value.

18. Trade and other payables

	GROUP		COMPANY	
	2017	2016	2017	2016
	£		£	
Trade and other payables	61,840	81,777	61,840	81,777
Directors' remuneration	7,395	7,395	7,395	7,395
Directors' loan	17,500	-	17,500	-
Accruals and deferred income	14,500	43,005	14,500	43,005
	101,235	**132,177**	**101,235**	**132,177**

The Directors consider that the carrying amount of trade payables approximates to their fair value.

19. Share capital and share premium

Ordinary shares of 0.5p	Number of shares issued and fully paid	Share capital (£)	Share premium (£)	Total
1 November 2016	64,541,810	322,709	1,518,752	1,841,461
Issue of shares during the year	5,214,294	26,071	-	26,071
At 31 October 2017	**69,756,104**	**348,780**	**1,518,752**	**1,867,532**

20. Share warrants

	2017		2016	
	Number of Warrants	Weighted average exercise price	Number of Warrants	Weighted average exercise price
	£	£	£	£
At the beginning of the period	10,723,402	0.04	23,973,402	0.05
Granted during the period	-	-	-	-
Exercised during the period	-	-	-	-
Expired during the period	(2,233,333)	0.04	(13,250,000)	0.06
At the end of the period	8,490,069	0.04	10,723,402	0.04
Exercisable at 31 October	7,302,556	0.04	7,302,556	0.04

Movements related to the changes in the share warrants are recognised in the retained earnings.

Notes to the consolidated financial statements (Continued)

For the year ended 31 October 2017

20. Share warrants (continued)

The following warrants are outstanding at the end of the year:

Date granted	Party	Number of warrants	Exercise price	Expiry date
21 March 2014	Beaumont Cornish	525,000	0.04	18 December 2018
21 March 2014	J Rowland	1,901,600	0.04	7 August 2019
21 March 2014	Jason Drummond	932,200	0.04	7 August 2019
3 December 2014	Jason Drummond	1,710,423	0.03-0.04	3 December 2024
3 December 2014	Oliver Fattal	1,710,423	0.03-0.04	3 December 2024
3 December 2014	Nilesh Jagatia	1,710,423	0.03-0.04	3 December 2024

The weighted average fair value of warrants granted for services during the year determined using the Black-Scholes valuation model. The significant inputs into the model are detailed below:

Year of issue	2015	2014
Weighted average share price	6p	4p
Weighted average warrants exercise price	6p	4p
Expected volatility	40%	40%
Risk-free interest rate	0.5%	0.5%
Expected life	1 year	1 year
Dividend yield	–	–
Fair value	0.4p	0.6p

Expected volatility was determined by calculating the volatility in the historic share price over a period consistent with the expected exercise period of the warrants. This level of volatility has then been benchmarked by comparing the level of share price volatility for other similar AIM company over a period.

21. Share based payments reserve

The reserve represents the amount of directors' remuneration for the year to be settled in shares.

22. Cash flow from operations

	2017	2016
GROUP	**£**	£
Profit/(loss) before tax	**74,871**	(737,225)
Adjustments for:		
Amortisation/Depreciation	**5,960**	10,664
Share based payment	**-**	7,395
Changes in investments	**(153,175)**	227,420
Intangibles impairment	**-**	208,900
Changes in working capital		
Trade and other receivables	**49,254**	29,210
Trade and other payables	**(49,442)**	(17,446)
Non-cash decrease in creditors	**26,071**	-
Tax Paid	**(22,061)**	-
Interest Paid	**(367)**	-
Net cash used in operations	**(68,889)**	(271,082)

23. Financial instruments

The Group's financial assets comprise investments, trade and other receivables and cash and cash equivalents whilst the Group's financial liabilities comprise of trade and other payables which arise directly from its operations.

An equity instrument is any contract that gives a residual interest in the assets of the Group after deducting all of its liabilities. Instruments issued by the Group are recorded at the proceeds received, net of direct issue costs.

Management objectives and policies

The Group's policy is to maximise the after tax return on cash deposits, to take all discounts available from the settlement of financial liabilities and to offer settlement discounts that result in the early payment of financial assets, thus minimising credit risk.

Information relating to financial assets and liabilities

With the discontinued activity the trade receivables were receivable within 30 days from the date of invoice and didn't bear interest. Trade payables of the discontinued and continuing activities are repayable between 30 and 60 days from the date of invoice; provided that they are paid by their due date, they are interest free. Trade payables are denominated primarily in pounds sterling.

Details of the carrying value of the financial assets and liabilities are given in the Statement of Financial Position and the related notes. The carrying value of these approximate to their fair value.

The main risks arising from the Group's instruments with the continuing operations are interest rate and capital risk management. The policy for managing these risks are summarised below and will be applied.

Interest rates

Cash deposits are denominated in sterling and held in interest bearing bank accounts which currently require no notice and are with recognised clearing banks. The accounts have been selected to achieve the maximum possible interest rate whilst meeting the Group's daily working capital requirements and are regularly reviewed. The interest rates vary with the bank's base rate.

Categories of financial instruments

The IAS 39 categories of financial asset included in the consolidated statement of financial position and the headings ir which they are included are as follows:

	2017	2016
	£	£
FINANCIAL ASSETS:		
Cash and cash equivalents	**18,669**	658
Loans and receivables	**31,892**	82,402
Investments held at fair value through profit or loss	**156,350**	97,686
	206,911	180,746

FINANCIAL LIABILITIES AT AMORTISED COST:

The IAS 39 categories of financial liabilities included in the statement of financial position and the headings in which they are included are as follows:

	2017	2016
	£	£
Trade and other payables	**101,235**	132,177
	101,235	132,177

24. Capital risk management

The Group's objectives when managing capital are:

- to safeguard the Group's ability to continue as a going concern, so that it continues to provide returns and benefits for shareholders;
- to support the Group's growth; and
- to provide capital for the purpose of strengthening the Group's risk management capability.

The Group actively and regularly reviews and manages its capital structure to ensure an optimal capital structure and equity holder returns, taking into consideration the future capital requirements of the Group and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities. Management regards total equity as capital and reserves, for capital management purposes.

The Group monitors capital on the basis of the value of its investments and the cash reserve. The Group is currently largely un-geared, having net cash at 31 October 2017. It is the stated strategy of the Group to invest in companies funded through an equity fundraising or issue of debt instruments.

25. Related party transactions

During the year, Lange Productions Limited, a company in which Stuart Langelaan is a Director, charged consultancy fees of £16,800, which included a £2,400 payment in shares (2016: £4,590).
Technical Forecasting Limited, in which Matthew Ben Turney is a Director, also charged consultancy fees of £37,200, which included a £6,000 payment in shares (2016: £10,200).

During the year, the Directors also made the following interest free loans to the Company:

	2017
	£
Stuart Langelaan	**16,000**
Matthew Ben Turney	**11,500**

26. Post balance sheet events

The Company's legacy lease on the office in Chelsea ended on 07 December 2017. Costs of dilapidations were £10,400, which were deducted from the Company's deposit. The Company received £2,442.37 back and wrote the balance off. The Company no longer has any further liability or commitment to legacy lease.

27. Ultimate controlling party

The Directors do not consider there to be a single ultimate controlling party.