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## **ABRAXUS INVESTMENTS PLC**

**Annual Report and Accounts  
31 March 2010**

# **ABRAXUS INVESTMENTS PLC**

## **Annual report and accounts for the year ended 31 March 2010**

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# **ABRAXUS INVESTMENTS PLC**

## **Directors, Officers and Advisers**

### **Directors**

David Sparks  
John Anthony  
Uri Heller  
Alon Liberman

### **Secretary**

Jonathan Hale

### **Registered office**

6 New Street Square  
New Fetter Lane  
London  
EC4A 3BF

### **Registered number**

03790823

### **Incorporated in England**

### **PLUS Corporate Adviser**

IAF Capital Limited  
43-44 New Bond Street  
London  
W1S 2SA

### **Solicitors**

DMH Stallard LLP  
6 New Street Square  
New Fetter Lane  
London  
EC4A 3BF

### **Auditor**

Chantrey Vellacott DFK LLP  
Russell Square House  
10-12 Russell Square  
London  
WC1B 5LF

### **Registrars**

Capita Registrars  
The Registry  
34 Beckenham Road  
Beckenham  
KENT  
BR3 4TU

### **Bankers**

National Westminster Bank plc  
P O Box 2021  
10 Marylebone High Street  
London  
W1A 1FW

# ABRAXUS INVESTMENTS PLC

## Chairman's Statement

I am pleased to set out below the Directors' Report and Consolidated Financial Statements of Abraxus Investments PLC ("Abraxus") for the year ended 31 March 2010. Comparatives are for the year ended 31 March 2009.

### Financial Results

Turnover for the year was nil (2009: nil) with a consolidated loss on ordinary activities before taxation of £356,529 (2009: loss £232,327). At 31 March 2010 the Group had cash balances of £714,143 (2009: £1,278,612). The Board is not recommending the payment of a dividend.

### Operational Review

During the year the Group focused on its strategy of identifying various international development and investment opportunities that show an expectation of higher than average returns focusing on Central and Eastern Europe. After examining a number of possibilities in line with this strategy the Group identified a potential target and commenced due diligence.

### Acquisition of S.C. Bridgeconstruct S.R.L. ("Bridgeconstruct")

The Group completed its due diligence on Bridgeconstruct and on 19 April 2010, after the financial year end, obtained the necessary authorisations from shareholders to complete the acquisition. Bridgeconstruct is a company based in Romania which has secured the rights to develop a windfarm in Cudalbi, Galati County, Romania.

The Directors believe the windfarm will generate 10.0 MW when fully constructed and anticipate that the initial costs for the acquisition and development of the initial stages of the windfarm will amount to Euro 1.54 million (approximately £1.387 million).

### Fundraising

To assist in the development of its strategy the Company issued 61,000,000 shares at 0.1p per share on 19 April 2010, raising £0.61 million (before expenses). Un Heller and Michepro Holdings Limited (a company wholly owned by Un Heller) subscribed for 52,408,177 of these shares increasing their holding in the Company to 65.72 per cent.

### Development of Bridgeconstruct

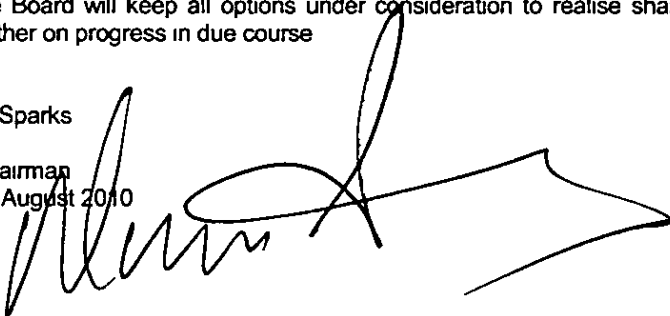
Once fully acquired and connected, the Directors expect that additional funds comprising a combination of bank finance debt and equity of up to approximately Euro 15 million (approximately £12.5 million) will be required to fund the acquisition and installation of the wind turbines and complete the development. Discussions in relation to this funding remain at a very preliminary stage and markets have not improved in the months since Admission.

### Conclusion

The Board is pleased with the progress of the acquisition of Bridgeconstruct. However, as stated in the Admission Document dated 19 March 2010 and noted above it will take further significant capital to develop the windfarm and the Board will keep all options under consideration to realise shareholder value. I look forward to advising you further on progress in due course.

D. Sparks

Chairman  
31 August 2010



# ABRAXUS INVESTMENTS PLC

## Corporate Governance

### General

As a company quoted on the PLUS Market, there is no requirement to comply with the Combined Code – Principles of Good Governance and Code of Best Practice. However, the Company is committed to high standards of corporate governance for which the Board is responsible. The Board meets either physically or by telephone at least four times a year and additional meetings are arranged as necessary. Full and timely information is provided to the Board to enable it to function effectively and to allow the Directors to discharge their responsibilities.

The Board seeks advice and guidance on compliance with the PLUS Market's Rules and other applicable regulations where appropriate from its corporate adviser and its other professional advisers.

### Board Composition and Tenure

The Board consists of four non-executive Directors. The Directors have a breadth of experience relevant to the Company's business and brief biographical details of each Director are set out on page 3. Directors are initially appointed until the following Annual General Meeting when, under the Articles of Association, it is required that they be elected by shareholders. In accordance with the Articles of Association, one third of the Directors are required to stand for re-election each year at the Annual General Meeting.

There has been no change to the composition of the Board over the period.

### Committees of the Board

The Board delegates certain functions and responsibilities to committees, in particular the audit and remuneration committees. Details of the membership of these committees are shown with the Directors' profiles on page 3.

The Audit Committee, whose membership is shown on page 3, met on 16 April 2010 to review the scope of the external audit, its cost effectiveness and to review the independence of the auditor.

The Remuneration Committee, whose membership is shown on page 3, also met on 16 April 2010 to review the remuneration of the Directors. It is the duty of the committee to make recommendations to the Board for final approval as and when deemed necessary.

### Relations with Shareholders

The Board aims to provide shareholders with a full understanding of the Company's activities and performance in the Annual Report and Accounts and otherwise.

All shareholders are encouraged to attend the Annual General Meeting at which the Directors are available in person to meet with and answer, subject to any relevant commercial sensitivity, shareholders' questions.

# ABRAXUS INVESTMENTS PLC

## Directors

### Board

#### David Sparks B.Sc. (Econ.) Aged 68 - Non Executive Chairman \* †

David is a qualified solicitor and a former senior partner of Lovells, a major firm of international solicitors based in the City of London where he specialised in corporate and banking law. He has had wide experience in advising on general corporate matters and finance structures including those related to energy production. Formerly, he has been a non-executive director of a wide range of companies both public and private.

#### John Anthony BCom, LLB (Hons), Msc Aged 52 – Non Executive Director

John was born and educated in South Africa where he read finance and law. After completion of his military service, he studied at the London and Wharton Business Schools. Thereafter he embarked on an investment banking career specialising in emerging markets. He has held senior positions at a number of financial institutions including Lloyds Merchant Bank, Cigna (Europe), the Carnegie Group, Yamaichi and Banque Nationale de Paris (BNP). During this time he was involved in the creation of a number of specialist property investment vehicles in various emerging markets. He successfully concluded one of the first privatisation transactions in Romania post the collapse of the Communist regime. Since late 1999, he has been heavily involved in the resources and extractive sectors and his many transactions include being a founder director and shareholder of Central African Mining and Exploration Company plc until its acquisition by Eurasian Natural Resources Corporation plc in November 2009 and Platmin PLC, which is listed on the AIM and Toronto markets. In 2005 he co-founded Unity Power PLC which owns and is developing one of the largest and most modern coal mines in the UK.

#### Uri Heller Aged 62 - Non Executive Director

Uri is a member of the Engineering Association of Israel. He has over twenty years' experience in property development and investment in Central and Eastern Europe particularly in the Czech Republic and Hungary. The developments he has been responsible for in these countries include offices and hotels. He has well established connections with an Austrian bank which specialises in advancing loan finance for property development in Central and Eastern Europe. He is Chief Executive Officer of Ablon Group Limited, traded on AIM, which is engaged in the development of commercial and residential properties in Hungary, the Czech Republic, Romania and Poland.

#### Alon Liberman LLB, Aged 49 - Non Executive Director \* †

Alon is a qualified lawyer and is a member of the Israel Bar Association. He has wide experience of the property investment market in Central and Eastern Europe particularly in Poland and has recently entered into various projects for the development of commercial and residential properties in Bucharest, Romania. He serves on the boards of a number of companies in Israel including S B F Holdings Ltd.

\* Member of the Audit Committee which is chaired by Mr Sparks

† Member of the Remuneration Committee which is chaired by Mr Sparks

# ABRAXUS INVESTMENTS PLC

## Directors' Report for the year ended 31 March 2010

The Directors present the Annual Report and Accounts of the Group for the year ended 31 March 2010

### Principal activities and review of the business

The Group's principal activity during the year continued to be that of an investment company reviewing development and investment opportunities in Central and Eastern Europe as discussed in more detail in the Chairman's statement on page 1

### Future developments

Future developments are discussed in the Chairman's statement on page 1

### Dividends

The Directors do not recommend payment of a dividend (2009 £nil)

### Risk and uncertainties

The Board routinely monitors risk that could materially and adversely affect the Group's business, financial condition and results of operations. The principal uncertainty relating to the principal activities of the Group concerns the current economic climate in Europe and in particular the current and future status of the banking sector. The status of the banking sector may adversely affect the Group's ability to raise debt finance on a cost effective and timely basis in order to implement its investment strategy

### Capital structure

Details of the ordinary shares of the Company, authorised and issued, are shown in note 11. Following the year end, the Company split its shares and issued new shares and details of the revised capital structure are shown in note 14

### Directors and their interests

The Directors who held office during the year were as follows

David Sparks  
John Anthony  
Un Heller  
Alon Liberman

The Directors who held interests in shares in the Group over the period were as follows

	Class of Share	31 March 2010	%	31 March 2009	%
Un Heller	Ordinary	10,313,334	29.94	10,313,334	29.94
Alon Liberman	Ordinary	1,767,507	5.13	10,175,073	29.54

Following the year end and as detailed in Note 14 "Post Balance Sheet Event", the Company split each existing share into one ordinary share of 0.1p each and one deferred share of 4.9p each. The deferred shares do not have any rights and are not traded. The Company issued 61,000,000 ordinary shares of 0.1p each to bring the total number of shares in issue following the Placing to 95,444,444 ordinary shares of 0.1p each. Un Heller participated in the Placing and following the ratification of the transaction at the Company's General Meeting on 16 April 2010, the Directors who held interests in shares of the Company as of 31 August 2010 were as follows -

	Class of Share	31 August 2010	%
Un Heller <sup>1</sup>	Ordinary	62,721,291	65.71
Alon Liberman <sup>2</sup>	Ordinary	3,245,823	3.40

<sup>1</sup> Un Heller holds 14,283,401 Ordinary Shares directly and Michepro Holdings Limited, a company incorporated in Cyprus wholly owned and controlled by Mr Heller holds 48,437,890 Ordinary Shares

<sup>2</sup> Alon Liberman is interested in 10% of the share capital of Shairline Limited. Shairline Limited holds 9,375,740 Ordinary Shares representing 9.82% of the issued share capital of the Company. Accordingly, Alon Liberman has an indirect beneficial interest in 937,574 Ordinary Shares. Alon Liberman also holds 2,308,249 directly in his own name

# ABRAXUS INVESTMENTS PLC

## Directors' Report for the year ended 31 March 2010 (continued)

### Substantial shareholdings

At 31 August 2010, excluding the interests of Directors, the Company had been notified of the following shareholders with an interest in 3% or more of the Company's issued ordinary share capital -

	Class of Share	31 August 2010	%
Shairline Limited	Ordinary	9,375,740	9.82
Kingscourt Limited <sup>1</sup>	Ordinary	8,438,166	8.84

<sup>1</sup> Kingscourt Limited is interested in 90% of the share capital of Shairline Limited. Shairline Limited holds 9,375,740 Ordinary Shares representing 9.82% of the issued share capital of the Company.

### Creditor payment policy

It is the Group's policy that payments to suppliers are made in accordance with all relevant terms and conditions. Creditor days for the Group have been calculated at nil days (2009: nil).

### Going concern

The Board is of the opinion that the Group will be able to raise sufficient funding to meet its working capital needs. As a result, the Directors consider it appropriate to prepare the financial statements on a going concern basis. In order to ensure successful development of the investment in relation to the windfarm as referred to in the Chairman's statement, there is a need to raise further finance. Discussions in relation to this funding remain at a very preliminary stage and markets have not improved in the months since Admission.

### Directors' responsibilities

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

Company law requires the Directors to prepare Group and parent company financial statements for each financial year. Under that law the Directors are required to prepare the Group financial statements in accordance with International Financial Reporting Standards (IFRS's) as adopted by the EU and have elected to prepare the parent company financial statements on the same basis.

The Group and parent company financial statements are required by law and IFRS's as adopted by the EU to present fairly the financial position of the group and the parent company and the performance of the Group for each financial year. Under company law in the United Kingdom 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. The Companies Act 2006 provides in relation to such financial statements that references in the relevant part of that Act to financial statements giving a true and fair view are references to their achieving a fair presentation. In preparing each of the group and parent company financial statements the Directors are required to

- select suitable accounting policies in accordance with "IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors" and apply them consistently,
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information,
- provide additional disclosures when compliance with the specific requirements in IFRS's is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the group's financial position and financial performance, and
- state that the Group has complied with the IFRS's, subject to any material departures disclosed and explained in the financial statements.

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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



# ABRAXUS INVESTMENTS PLC

## Directors' Report for the year ended 31 March 2010 (continued)

Insofar as the Directors are aware

- there is no relevant audit information of which the Group's auditor is unaware, and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

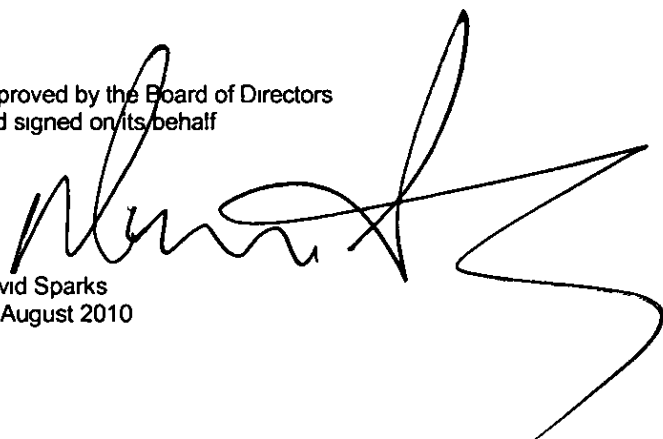
The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

### Auditor

The auditor of the Company is Chantrey Vellacott DFK LLP. A resolution to reappoint the firm will be put to the members at the Annual General Meeting.

Approved by the Board of Directors  
and signed on its behalf

David Sparks  
31 August 2010



Chantrey Vellacott DFK LLP

# ABRAXUS INVESTMENTS PLC

## Independent Auditor's Report to the shareholders of Abraxus Investments PLC

We have audited the financial statements of Abraxus Investments PLC for the year ended 31 March 2010 which comprise the consolidated income statement, the consolidated statement of comprehensive income, the consolidated and company statements of changes in shareholders' equity, the consolidated and company balance sheets, the consolidated and company cash flow statements and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

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

### Respective responsibilities of directors and auditor

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

### Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

### Opinion on financial statements

In our opinion

- the financial statements give a true and fair view of the state of the group's and the parent company's affairs as at 31 March 2010 and of the group's results for the year then ended,
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union,
- the parent company financial statements have been prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006, and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

# ABRAXUS INVESTMENTS PLC

## Independent Auditor's Report to the shareholders of Abraxus Investments PLC (continued)

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

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

### Emphasis of matter – Going concern

In forming our opinion, we have considered the adequacy of the disclosures made in Note 1 of the financial statements concerning the preparation of the financial statements on a going concern basis together with the references made in the Chairman's Statement on page 1 regarding the development of a windfarm. The Group needs to finance its net operating expenses and capital expenditure commitments until such time as the windfarm is successfully developed. As stated in note 1 of the financial statements the Board is of the opinion that it will be able to raise sufficient funding to finance this. However, as such funding is not, as yet, in place there is a material uncertainty, which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustment that would result if the Company was unable to continue as a going concern and our opinion is not qualified in this respect.

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

We have nothing to report in respect of the following

Under the Companies Act 2006 we are required to report to you if, in our opinion

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

Chantrey Vellacott DFK LLP

*Chantrey Vellacott DFK LLP*

**MICHAEL CANNON (Senior Statutory Auditor)**  
for and on behalf of CHANTREY VELLACOTT DFK LLP  
Chartered Accountants and Statutory Auditor  
LONDON

31 August 2010

# **ABRAXUS INVESTMENTS PLC**

## **Consolidated Income Statement for the year ended 31 March 2010**

	Notes	2010 £	2009 £
Administrative expenses		(369,419)	(263,209)
<b>Operating loss</b>	<b>2</b>	<b>(369,419)</b>	<b>(263,209)</b>
Finance income	4	12,890	30,882
<b>Loss on ordinary activities before taxation</b>		<b>(356,529)</b>	<b>(232,327)</b>
Taxation	5	-	-
<b>Retained loss for the period</b>		<b>(356,529)</b>	<b>(232,327)</b>
<b>Loss per ordinary share</b>			
Basic and diluted	6	(1 04)p	(0 67)p

## **Consolidated Statement of Comprehensive Income for the year ended 31 March 2010**

	2010 £	2009 £
Loss and comprehensive income for the year	(356,529)	(232,327)

The notes on pages 15 to 21 form an integral part of these financial statements

**ABRAXUS INVESTMENTS PLC****Consolidated Statement of Changes in Shareholders' Equity  
for the year ended 31 March 2010**

	Share capital £	Share premium £	Retained earnings £	Total equity £
At 1 April 2008	1,722,222	7,435,193	(7,686,818)	1,470,597
Loss and comprehensive income for the year	-	-	(232,327)	(232,327)
At 31 March 2009	1,722,222	7,435,193	(7,919,145)	1,238,270
Loss and comprehensive income for the year	-	-	(356,529)	(356,529)
At 31 March 2010	1,722,222	7,435,193	(8,275,674)	881,741

**Company Statement of Changes in Shareholders' Equity  
for the year ended 31 March 2010**

	Share capital £	Share premium £	Retained earnings £	Total equity £
At 1 April 2008	1,722,222	7,435,193	(7,686,818)	1,470,597
Loss and comprehensive income for the year	-	-	(232,327)	(232,327)
At 31 March 2009	1,722,222	7,435,193	(7,919,145)	1,238,270
Loss and comprehensive income for the year	-	-	(299,779)	(299,779)
At 31 March 2010	1,722,222	7,435,193	(8,218,924)	938,491

The notes on pages 15 to 21 form an integral part of these financial statements

# ABRAXUS INVESTMENTS PLC

## Consolidated Balance Sheet as at 31 March 2010

	Notes	2010 £	2009 £
<b>Assets</b>			
<b>Non current assets</b>			
Property, plant and equipment	8	<u>131,674</u>	<u>-</u>
<b>Current assets</b>			
Trade and other receivables	9	188,676	10,898
Cash and cash equivalents		714,143	1,278,612
		<u>902,819</u>	<u>1,289,510</u>
<b>Total assets</b>		<u><b>1,034,493</b></u>	<u><b>1,289,510</b></u>
<b>Equity</b>			
Share capital	11	1,722,222	1,722,222
Share premium account		7,435,193	7,435,193
Retained earnings		(8,275,674)	(7,919,145)
<b>Total equity</b>		<u><b>881,741</b></u>	<u><b>1,238,270</b></u>
<b>Current liabilities</b>			
Accruals and Deferred Income	10	<u>152,752</u>	<u>51,240</u>
<b>Total equity and liabilities</b>		<u><b>1,034,493</b></u>	<u><b>1,289,510</b></u>

Approved by the Board of Directors and authorised for issue on 31 August 2010  
and signed on its behalf by

  
D. Sparks

The notes on pages 15 to 21 form an integral part of these financial statements

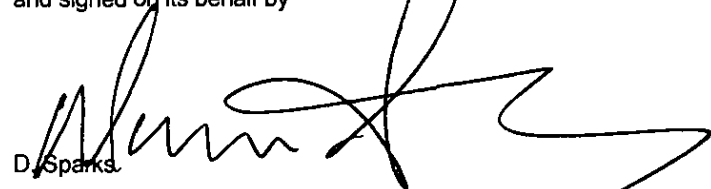
Company Registration number 3790823

# ABRAXUS INVESTMENTS PLC

## Company Balance Sheet as at 31 March 2010

	Notes	2010 £	2009 £
<b>Assets</b>			
<b>Non current assets</b>			
Investments	7	43	-
<b>Current assets</b>			
Trade and other receivables	9	412,267	10,898
Cash and cash equivalents		669,270	1,278,612
		<b>1,081,537</b>	<b>1,289,510</b>
<b>Total assets</b>		<b>1,081,580</b>	<b>1,289,510</b>
<b>Equity</b>			
Share capital	11	1,722,222	1,722,222
Share premium account		7,435,193	7,435,193
Retained earnings		(8,218,924)	(7,919,145)
<b>Total equity</b>		<b>938,491</b>	<b>1,238,270</b>
<b>Current liabilities</b>			
Accruals and Deferred Income	10	143,089	51,240
<b>Total equity and liabilities</b>		<b>1,081,580</b>	<b>1,289,510</b>

Approved by the Board of Directors and authorised for issue on 31 August 2010  
and signed on its behalf by

  
D. Sparks

The notes on pages 15 to 21 form an integral part of these financial statements

Company Registration number: 3790823

# ABRAXUS INVESTMENTS PLC

## Consolidated Cash Flow Statement for the year ended 31 March 2010

	2010	2009
	£	£
<b>Operating</b>		
Loss for the year before interest	(369,419)	(263,209)
Change in trade and other receivables	(177,778)	(6,671)
Change in trade and other payables	101,512	5,579
	<b>(445,685)</b>	<b>(264,301)</b>
<b>Investing</b>		
Interest received	12,890	30,882
Additions to property, plant and equipment	(131,674)	-
	<b>(118,784)</b>	<b>30,882</b>
Net decrease in cash and cash equivalents	<b>(564,469)</b>	<b>(233,419)</b>
Cash and cash equivalents, beginning of the year	1,278,612	1,512,031
<b>Cash and cash equivalents, end of the year</b>	<b>714,143</b>	<b>1,278,612</b>

The notes on pages 15 to 21 form an integral part of these financial statements



**ABRAXUS INVESTMENTS PLC****Company Cash Flow Statement  
for the year ended 31 March 2010**

	2010	2009
	£	£
<b>Operating</b>		
Loss for the year before interest	(309,983)	(263,209)
Change in trade and other receivables	(401,369)	(6,671)
Change in trade and other payables	91,849	5,579
	<b>(619,503)</b>	<b>(264,301)</b>
<b>Investing</b>		
Interest received	10,204	30,882
Additions to investments	(43)	-
	<b>10,161</b>	<b>30,882</b>
Net decrease in cash and cash equivalents	<b>(609,342)</b>	<b>(233,419)</b>
Cash and cash equivalents, beginning of the year	1,278,612	1,512,031
Cash and cash equivalents, end of the year	<b>669,270</b>	<b>1,278,612</b>

The notes on pages 15 to 21 form an integral part of these financial statements

## Notes to the financial statements

### For the year ended 31 March 2010

#### 1. Accounting policies

The financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the European Union ('IFRS') and issued by the International Accounting Standards Board ('IASB')

The Directors are not aware of any Standard or interpretation in issue but not yet effective that would materially impact upon the financial statements

The financial statements have been prepared under the historical cost convention, except for financial assets and liabilities which are carried at amortised cost, and on a going concern basis

#### Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries), made up to 31 March 2010 each year. 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 comprehensive income statement 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 into line with those used by the Group

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

A separate income statement for the Company has not been presented as permitted by section 408 of the Companies Act 2006. The amount of the retained loss for the year dealt with in the accounts of the Company was £299,779 (2009: £232,327)

#### Critical accounting judgments and key sources of estimation uncertainty

The preparation of the financial statements in conformity with IFRS requires management to exercise certain critical accounting judgements and estimates in the process of applying the Group's accounting policies. The Directors base their estimates on historical experience and various other assumptions that they believe are reasonable. Actual results may differ from these estimates under different assumptions or conditions.

#### Going concern

The Board is of the opinion that the Group will be able to raise sufficient funding to meet its working capital needs from either debt or equity sources. As a result, the Directors consider it appropriate to prepare the financial statements on a going concern basis.

#### Property, plant and equipment

Property, plant and equipment is stated at acquisition cost less accumulated depreciation. The gain or loss on the disposal of an asset is determined as the difference between the disposal proceeds and the carrying amount of the asset and is recognised in the income statement.

Depreciation is calculated using the straight line method, at annual rates estimated to write off the cost of the assets less their residual values over their useful economic lives. Material residual value estimates are updated as required, but at least annually, whether or not the asset is revalued.

The land held as fixed assets are deemed to have a residual value in excess of the acquisition costs and have not been depreciated during the period.

#### Investment in subsidiaries

In the accounts of the Company, investments held as non-current assets are stated at cost less provision for impairment.

## Notes to the financial statements

### For the year ended 31 March 2010

#### Equity

Share capital is determined using the nominal value of shares that have been issued. The share premium account includes any premiums received on the initial issuing of the share capital. Any transaction costs associated with the issuing of shares are deducted from the premium paid.

#### Taxation

The tax expense represents the sum of tax currently payable and deferred tax. The tax currently payable is based on taxable profit for the year. 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 only recognised to the extent that recovery is probable.

#### Foreign Currencies

Foreign currency transactions of individual companies are translated at the rates ruling when they occurred. Foreign currency monetary assets and liabilities are retranslated at the rates ruling at the balance sheet date. All differences are taken to the income statement. The results of overseas operations are translated at the average rates of exchange during the year and their balance sheets translated into sterling at the rates of exchange ruling at the balance sheet date. Exchange differences which arise from translation of the opening net assets and results of foreign subsidiary undertakings and from translating the income statement at an average rate are taken to reserves. All other differences are taken to the income statement.

#### Financial assets and liabilities

##### Assets

The Group's financial assets comprise cash and cash equivalents and trade and other receivables which are classified as loans and receivables and are initially recognised at fair value. Loans and receivables are subsequently measured at amortised cost using the effective interest method, less provision for impairment. Any impairment is recognised in the income statement.

Cash and cash equivalents include cash at bank and in hand as well as bank deposits. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

##### Liabilities

The Company's financial liabilities comprise trade and other payables and are recognised when the Group becomes party to the contractual agreements of the instrument.

All interest and related charges are recognised as an expense in the income statement. Trade payables are recognised initially at their fair value and subsequently measured at amortised cost less settlement payments.

Interest-bearing bank loans and overdrafts are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Group's accounting policy for borrowing costs.

#### 2. Operating loss

	2010	2009
	£	£
This is stated after charging		
Auditor's remuneration - audit services	6,500	5,500
- taxation	2,000	2,000
- other	-	22,000
	<u>8,500</u>	<u>29,500</u>

## Notes to the financial statements

### For the year ended 31 March 2010

<b>3</b>	<b>Staff costs, employees and Directors' emoluments</b>	<b>2010</b>	<b>2009</b>
		<b>£</b>	<b>£</b>
i)	Directors' remuneration		
	Fees	<u>65,000</u>	<u>65,000</u>
ii)	Staff costs (including Directors' emoluments)		
	Wages and salaries	<u>65,000</u>	<u>65,000</u>

The Directors consider that key management personnel consists of the Directors only. As such, compensation for key management personnel is not disclosed separately.

The average number of employees (including directors) employed by the Group and by the Company during the year was 4 (2009: 4). No social security costs or pension costs were incurred by the Group or the Company during the year (2009: nil).

<b>4</b>	<b>Finance income</b>	<b>2010</b>	<b>2009</b>
		<b>£</b>	<b>£</b>
	Interest income and similar income	<u>12,890</u>	<u>30,882</u>

#### 5. Taxation

There was no tax charge on the loss on ordinary activities in both current and preceding year.

##### Factors affecting tax charge for period

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Loss on ordinary activities before tax	<u>(356,529)</u>	<u>(232,327)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2009: 28%)	<u>(99,828)</u>	<u>(65,052)</u>
Effects of		
Expenses not deductible for tax purposes	429	30,208
Income not taxable	-	-
Increase in tax losses	<u>99,399</u>	<u>34,844</u>
Current tax for period	<u>-</u>	<u>-</u>

The tax losses carried forward at 31 March 2010 were £2,406,820 (2009: £1,993,743). No deferred tax asset has been recognised in respect of tax losses carried forward in the accounts as there is insufficient evidence that the asset will be recoverable.

## Notes to the financial statements

### For the year ended 31 March 2010

#### 6 Loss per ordinary share

Basic loss per share is calculated by dividing the loss attributable to ordinary shareholders after taxation by the weighted average number of ordinary shares in issue during the year

Diluted loss per share is calculated by adjusting the weighted average number of ordinary shares in issue on the assumption of exercise of all dilutive options

There were no dilutive options outstanding at 31 March 2010

	2010 £	2009 £
Net loss after taxation attributable to ordinary shareholders	(356,529)	(232,327)
Weighted average number of ordinary shares	34,444,444	34,444,444
Loss per ordinary share	(1 04p)	(0 67p)

#### 7 Investments

The investments of the Company are as follows

	Ordinary shares % holding	Registered in	Principal activity	Carrying Value (£)
Abraxus Investments (UK) Limited	100%	England	Dormant	Nil
Energy Rose S R L	100%	Romania	Investment	43

During the year, the Company acquired 100% of the issued share capital of Energy Rose S R L (formerly S C Bnt Finance S R L) for a total consideration of £43. The Company was dormant at the time of acquisition and had not traded since incorporation. It was acquired to carry out the Group's investment strategy in a cost effective manner. No assets, liabilities or contingent liabilities were acquired.

# Notes to the financial statements For the year ended 31 March 2010

## 8 Property, plant and equipment

	Land £	Total £
<b>Cost</b>		
At 1 April 2009	-	-
Additions	131,674	131,674
At 31 March 2010	<u>131,674</u>	<u>131,674</u>
<b>Depreciation</b>		
At 1 April 2009	-	-
Charge for the period	-	-
At 31 March 2010	<u>-</u>	<u>-</u>
<b>Net book value</b>		
At 31 March 2010	<u>131,674</u>	<u>131,674</u>
At 31 March 2009	<u>-</u>	<u>-</u>

9	Trade and other receivables	Group 2010 £	Company 2010 £	Group 2009	Company 2009
	Other debtors	38,089	19,341	10,898	10,898
	Intercompany receivable	-	242,339	-	-
	Prepayments and accrued income	150,587	150,587	-	-
		<u>188,676</u>	<u>412,267</u>	<u>10,898</u>	<u>10,898</u>

10	Trade and other payables	Group 2010 £	Company 2010 £	Group 2009 £	Company 2009 £
	Accruals and deferred income	152,752	143,089	51,240	51,240
		<u>152,752</u>	<u>143,089</u>	<u>51,240</u>	<u>51,240</u>

## Notes to the financial statements

### For the year ended 31 March 2010

<b>11</b>	<b>Share capital</b>	<b>2010</b>	<b>2009</b>
		<b>£</b>	<b>£</b>
	<b>Authorised</b>		
	108,888,888 ordinary shares of 5p each (2009 108,888,888)	<b>5,444,444</b>	<b>5,444,444</b>
	<b>Issued and fully paid</b>		
	34,444,444 ordinary shares of 5p each (2009 34,444,444)	<b>1,722,222</b>	<b>1,722,222</b>

Following the year end, the Company completed a share split and issued further shares as detailed in note 14 to these accounts

#### **12 Controlling party**

As at 31 March 2010 the Directors believe there is no ultimate controlling party

#### **13 Financial risk management**

The Group uses various financial instruments which include loans, cash and various items, such as other receivables and trade and other payables that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the Group's operations and manage its working capital requirements.

The existence of these financial instruments exposes the Group to a number of financial risks, which are described in more detail below. The main risks arising from the Group financial instruments are market risk, currency risk, interest rate risk, credit risk and liquidity risk. The Directors review and agree policies for managing each of these risks. These policies have remained unchanged from previous years.

##### **Market risk**

The Group is exposed to market risk through its use of financial instruments and specifically to currency risk, interest rate risk and certain other price risks, which result from both its operating and investing activities. The Group's risk management is coordinated at its headquarters, in close co-operation with the Board of Directors, and focuses on actively securing the Group's short to medium term cash flows by minimising the exposure to financial markets.

The Group does not actively engage in the trading of financial assets for speculative purposes nor does it write options.

##### **Currency risk**

The Group is exposed to translation and transaction foreign exchange risk. The majority of the Group's transactions are denominated in either sterling, Euros or Romanian New Lei. The Group's exposure to exchange rate fluctuations at the year end is minimal as the majority of the Group's assets are denominated in sterling.

##### **Interest rate risk**

The Group's exposure to upside interest rate risk is limited to the interest bearing deposit accounts in which the Company invests surplus funds. Bank deposit accounts are held at variable interest rates based on Natwest Treasury base rate.

The Directors do not consider the impact of possible interest rate changes based on current market conditions to be material to the net result for the year or the equity position at the year end.

### Credit risk

The Group's exposure to credit risk is limited to the carrying amount of financial asset recognised at the balance sheet date

Generally, the maximum credit risk exposure of financial assets is the carrying amount of the financial assets as shown on the face of the balance sheet (or in the detailed analysis provided in the notes to the financial statements). Credit risk, therefore, is only disclosed in circumstances where the maximum potential loss differs significantly from the financial asset's carrying amount

The Group's other receivables are actively monitored to avoid significant concentrations of credit risk. There is no significant concentration of credit risk. The Directors consider that all the above financial assets that are not impaired for each of the reporting dates under review are of good credit quality. No amounts were past due at the year end (2009: £nil)

None of the Group's financial assets is secured by collateral or other credit enhancements

The credit risk for liquid funds and other short-term financial assets is considered negligible, since the counterparties are reputable banks with high quality external credit ratings

### Liquidity risk

The Group manages its liquidity needs by carefully monitoring scheduled debt servicing payments for long-term financial liabilities as well as cash-outflows due in day-to-day business. Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on the basis of a rolling 30-day projection. Long-term liquidity needs for a 180-day and a 360-day lookout period are identified monthly

All current liabilities were due within twelve months at 31 March 2010 and 31 March 2009

## 14 Post Balance Sheet Event

On 16 April 2010 a General Meeting of the company was held at which shareholders unanimously approved all of the resolutions proposed. The resolutions authorised the Company to split each existing ordinary share with nominal value of 5p per share into one new ordinary share with nominal value of 0.1p and one deferred share with nominal value of 4.9p per share.

The resolutions also approved the placing and open offer of 61,000,000 shares at 1.0 pence per share, the acquisition of S C Bridgeconstruct S R L, the approval of the Rule 9 waiver and other related matters and they were duly passed without amendment by the required majority.

Following the placing, the total number of shares in issue totalled 95,444,444 ordinary shares of 0.1p each.

As part of the proposals the Company issued a put option over 10,000,000 ordinary shares of 0.1p each at a price of 1.0 pence per share which expires on 16 October 2011.