

REGISTERED NUMBER: 06138814 (England and Wales)

ETAIREIA INVESTMENTS PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

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ETAIREIA INVESTMENTS PLC

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

	Page
Company Information	1
Chairman's Statement	2
Strategic Report	3
Report of the Directors	4
Report of the Independent Auditors	6
Statement of Comprehensive Income	8
Statement of Financial Position	9
Statement of Cash Flows	10
Statement of Changes in Equity	11
Notes to the Financial Statements	12

ETAIREIA INVESTMENTS PLC

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2015**

DIRECTORS:

G Collier
P McGinlay
J Kirkwood

REGISTERED OFFICE:

2nd Floor Cambridge House
Cambridge Road
Harlow
Essex
CM20 2EQ

REGISTERED NUMBER:

06138814 (England and Wales)

INDEPENDENT AUDITORS:

Welbeck Associates
Chartered Accountants and Statutory Auditors
30 Percy Street
London
W1T 2DB

SOLICITORS:

Strefford Tulips
118 Cadzow Street
Hamilton
ML3 6HP

REGISTRARS:

Share Registrars Limited
Suite E First Floor
9 Lion & Lamb Yard
Farnham
Surrey
GU9 7LL

ETAIREIA INVESTMENTS PLC

CHAIRMAN'S STATEMENT FOR THE YEAR ENDED 31 MARCH 2015

I am pleased to present the audited results for Etaireia Investments PLC for the year ended 31 March 2015.

Financial Overview

There was a loss from continuing operations for the year of £363,122 (2014: £102,974).

The Company's net assets at the end of the period were £2,133,766 (2014: £534,508)

Review of Activities

During the twelve month period to 31 March 2015, the Company raised £1,100,000, net of issue costs, through the issue of ordinary shares of 0.01 pence in the Company ("Ordinary Shares") and a further £90,000 by issue of convertible loan notes. £105,000 of existing convertible loan notes were converted to equity.

On 22 May 2014 the Company acquired 1.2 hectares of land in Scotland known as Bridgend Mills, Tofts, Dalry for a consideration of £725,000. This site does not currently have any planning permission, but the Directors intend to submit an application for formal planning permission before the end of September 2015.

On the 25 February 2015 Philip McGinlay was appointed to the Board of the Company as Executive Director.

On the 23 March 2015, the Company acquired a site located within the Roystonhill area of Glasgow, situated north of the River Clyde, for a consideration of £700,000 paid in cash. The area is subject to an ongoing regeneration program that has seen a 1960's tower block demolished to make way for 100 new homes. The Company has acquired 2.456 acres within this area, with full planning permission for 47 homes (mixed between apartments and terraced properties). The Directors are confident that the current value of this land is above that at which the land was acquired.

Post Balance Sheet Events

On the 14 May 2015 James Kirkwood joined the Board of the Company as Land & Development Director. At the same time, Stuart Black resigned from the Board.

Since the financial year end the Company has raised a further £50,000 by way of subscription of new ordinary shares.

The Company has also issued an additional 36,000,000 Ordinary Shares as a result of the conversion of £90,000 convertible loan notes.

The Board continues to actively seek investment and acquisition opportunities to enhance shareholder value and we hope to make further announcements in the near future.

Greg Collier
Chairman
30 September 2015



ETAIREIA INVESTMENTS PLC

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2015

The Directors present their strategic report for the Company for the year ended 31 March 2015.

REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

The operating loss for the year was £357,124 (2014: £87,419). Additional equity funding of £1,134,210 was raised net of costs and a further £90,000 was raised through the issue of convertible loan notes. The £105,000 of loan notes outstanding at 31 March 2014 were converted into equity.

Also in the year the Company has made its first two property investments, firstly purchasing land with development potential in Dalry, Scotland for £725,000 and then subsequently in March 2015 a site at Roystonhill, Glasgow for a cash consideration of £700,000. The Company has commissioned independent reports that have placed an indicative value of £2.2 million on the two sites.

KEY PERFORMANCE INDICATORS

The Directors consider that the Company's Key Performance Indicators are.

COMPANY STATISTICS	31 March 2015	31 March 2014	Change %
Net assets/(liabilities)	£2,133,766	£534,508	+299%
Net asset value – fully diluted per share	0.16p	0.09p	+100%
Gross investment assets (including cash)	£2,314,315	£680,469	+240%
Share price	0.20p	0.26p	-23%
Market capitalisation	£2,453,000	£1,555,000	+58%

PRINCIPAL RISKS AND UNCERTAINTIES

Currently the main risk that could affect the Company is that demand for residential property may decrease in the area where its real estate asset is located, which would have an adverse effect on the value of the asset.

GOING CONCERN BASIS

The Company had net assets of £2,133,766 at the balance sheet date and cash balances of £75,535. Since the year end some convertible loan notes have been converted, adding £90,000 to the net assets of the Company. Also £50,000 additional equity has been raised from share subscriptions and the Directors are in the process of raising further funds from share subscriptions.

The Directors have prepared cash forecasts, which assume that there are no further property transactions within the period and the directors have agreed to only draw salaries when the Company has funds surplus to that required for the management and maintenance of the business. The forecasts indicate that the Company has sufficient financial resources to meet its commitments for at least twelve months following the date of signing of these financial statements. In any event, the directors believe should further funds be required, besides seeking new investors, a bank loan secured against the land or exiting one of the current land deals are viable options. For these reasons, at the time of approving the financial statements, the Directors consider that the Company has sufficient funds to enable it to continue in existence for the foreseeable future, and they continue to adopt the going concern basis of accounting in preparing the financial statements.

ON BEHALF OF THE BOARD:

Greg Collier
Director
30 September 2015



ETAIREIA INVESTMENTS PLC

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 MARCH 2015

The Directors present their report with the financial statements of the Company for the year ended 31 March 2015.

PRINCIPAL ACTIVITY

The Company is an investment company.

During the year the Company has continued its investment strategy, focused on the property and real estate sector, the objective being to provide shareholders with strong investment returns and a balanced exposure to lower risk, income generating assets and opportunities that will provide a higher capital return. The Company looks to invest in residential schemes as well as commercial, retail and industrial property within the UK. The Directors look to purchase assets significantly undervalued by the current market.

DIRECTORS

The Directors during the period under review were:

Greg Collier
Philip McGinlay (appointed 25 February 2015)
Stuart Black
Priya Shah (resigned 25 February 2015)

On 14 May 2015, Mr James Kirkwood was appointed as a director and Mr Stuart Black resigned as a director.

DIVIDENDS

No dividend will be distributed for the period ended 31 March 2015 (2014 - £Nil).

DIRECTORS' REMUNERATION

The details of the directors' remuneration are set out in note 3 to the financial statements.

DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

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

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

Under Company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

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

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

ETAIREIA INVESTMENTS PLC

**REPORT OF THE DIRECTORS - continued
FOR THE YEAR ENDED 31 MARCH 2015**

POST BALANCE SHEET EVENTS

Post balance sheet events are disclosed in note 17 to the financial statements.

DISCLOSURE OF INFORMATION TO AUDITORS

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

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

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

AUDITORS

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

ON BEHALF OF THE BOARD:



Greg Collier
Director
30 September 2015

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

We have audited the financial statements of Etaireia Investments Plc for the year ended 31 March 2015 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Cash Flow, the Statement of Changes in Equity, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006.

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

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement, as set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APBs) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Chairman's Statement, Strategic Report and Report of the Directors to identify any information that is apparently materially incorrect based on, or materially inconsistent with the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implication for our report.

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2015 and of the company's loss 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 and Article 4 of the IAS Regulation.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept by the company, 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.



Jonathan Bradley-Hoare, Senior statutory auditor

For and on behalf of Welbeck Associates
Statutory Auditor
30 Percy Street
London
W1T 2DB

Date: 30 September 2015

ETAIREIA INVESTMENTS PLC

**INCOME STATEMENT
FOR THE YEAR ENDED 31 MARCH 2015**

	Notes	2015 £	2014 £
CONTINUING OPERATIONS			
Administrative expenses		(357,124)	(87,419)
LOSS FROM OPERATIONS		(357,124)	(87,419)
Convertible loan finance charge	5	(5,998)	(15,555)
LOSS FROM CONTINUING OPERATIONS BEFORE INCOME TAX		(363,122)	(102,974)
Income tax	6	-	-
ATTRIBUTABLE TO EQUITY HOLDERS		(363,122)	(102,974)
Earnings per share:	7		
Basic and diluted earnings per share from total operations		(0.04)p	(0.05)p

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2015**

	2015 £	2014 £
Loss for the financial year	(363,122)	(102,974)
Other comprehensive income:		
Revaluation of investment properties	609,092	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	245,970	(102,974)

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2015

	Notes	2015 £	2014 £
Fixed assets			
Investment properties	8	2,238,780	-
Current assets			
Trade and other receivables	9	37,986	-
Cash and cash equivalents	10	75,535	680,469
		113,521	680,469
Current liabilities			
Trade and other payables	11	(147,576)	(53,155)
Net current (liabilities)/assets		(34,055)	627,314
Non-current liabilities			
Convertible loan notes	12	(70,959)	(92,806)
NET ASSETS		2,133,766	534,508
Equity			
Issued share capital	13	327,061	264,197
Share premium account		2,317,104	1,140,758
Revaluation reserve		609,092	-
Convertible loan – equity reserve	14	23,080	26,927
Share option reserve		101,233	-
Accumulated losses		(1,243,804)	(897,374)
SHAREHOLDERS' FUNDS		2,133,766	534,508

The financial statements were approved by the Board of Directors and authorised for issue on 30 September 2015.



Greg Collier
Director

ETAIREIA INVESTMENTS PLC

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2015**

	Notes	2015 £	2014 £
Cash flow from operating activities			
Loss before income tax		(363,122)	(102,974)
Adjusted for:			
Share based payment costs		101,233	-
Finance costs		5,998	15,555
(Increase)/decrease in trade and other receivables		(37,986)	1,500
Increase in trade and other payables		94,421	34,305
Net cash outflow from operating activities		(199,456)	(51,614)
Investing activities			
Purchase of investment properties		(1,629,688)	-
Net cash used in investment activities		(1,629,688)	-
Cash flows from financing activities			
Net proceeds from share issues		1,134,210	594,428
Proceeds from issue of convertible loan notes		90,000	-
Net cash inflow from financing activities		1,224,210	594,428
Net (decrease)/increase in cash and cash equivalents		(604,934)	542,814
Cash and cash equivalents at 1 April 2014		680,469	137,655
Cash and cash equivalents at 31 March 2015	10	75,535	680,469

ETAIREIA INVESTMENTS PLC

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2015**

	Share Capital £	Share premium £	Revaluation reserve £	Loan note equity reserve £	Share option reserve	Accumulated losses £	Total equity £
At 1 April 2013	217,036	448,491	-	108,882	-	(817,096)	(42,687)
Total comprehensive income and expense for the period	-	-	-	-	-	(102,974)	(102,974)
Share issue	32,661	620,557	-	-	-	-	653,218
Share issue costs	-	(58,790)	-	-	-	-	(58,790)
Conversion of loan notes	14,500	130,500	-	(81,955)	-	22,696	85,741
At 31 March 2014	264,197	1,140,758	-	26,927	-	(897,374)	534,508
Total comprehensive income and expense for the period	-	-	609,092	-	-	(363,122)	245,970
Issue of convertible loan notes	-	-	-	23,080	-	-	23,080
Conversion of loan notes	10,500	94,500	-	(10,235)	-	-	94,765
Loan note equity reserve transfer on conversion	-	-	-	(16,692)	-	16,692	-
Grant of share options	-	-	-	-	101,233	-	101,233
Share issue	52,364	1,182,800	-	-	-	-	1,235,164
Share issue costs	-	(100,954)	-	-	-	-	(100,954)
At 31 March 2015	327,061	2,317,104	609,092	23,080	101,233	(1,243,804)	2,133,766

ETAIREIA INVESTMENTS PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

1. GENERAL INFORMATION

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

As disclosed in the Report of the Directors, the Company is an investment company.

GOING CONCERN

The Company had net assets of £2,133,766 at the balance sheet date and cash balances of £75,535. Since the year end some convertible loan notes have been converted, adding £90,000 to the net assets of the Company. Also £50,000 additional equity has been raised from share subscriptions and the Directors are in the process of raising further funds from share subscriptions.

The Directors have prepared cash forecasts, which assume that there are no further property transactions within the period and the directors have agreed to only draw salaries when the Company has funds surplus to that required for the management and maintenance of the business. The forecasts indicate that the Company has sufficient financial resources to meet its commitments for at least twelve months following the date of signing of these financial statements. In any event, the directors believe should further funds be required, besides seeking new investors, a bank loan secured against the land or exiting one of the current land deals are viable options. For these reasons, at the time of approving the financial statements, the Directors consider that the Company has sufficient funds to enable it to continue in existence for the foreseeable future, and they continue to adopt the going concern basis of accounting in preparing the financial statements.

STATEMENT OF COMPLIANCE

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

- IFRS 9 Financial Instruments
- IFRS 15 Revenue from Contracts with Customers
- IFRS 11 (amendments) Accounting for Acquisitions of Interests in Joint Operations
- IAS 16 and IAS 38 (amendments) Clarification of Acceptable Methods of Depreciation and Amortisation
- IAS 19 (amendments) Defined Benefit Plans: Employee Contributions
- IAS 27 (amendments) Equity Method in Separate Financial Statements
- IFRS 10 and IAS 28 (amendments) Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- Annual Improvements to IFRSs: 2010-2012 Amendments to: IFRS 2 Share-based Payment, IFRS 3 Business Combinations, IFRS 8 Operating Segments, IFRS 13 Fair Value Measurement, IAS 16 Property, Plant and Equipment, IAS 24 Related Party Disclosures and IAS 38 Intangible Assets
- Annual Improvements to IFRSs: 2011-2013 Amendments to: IFRS 3 Business Combinations, IFRS 13 Fair Value Measurement and IAS 40 Investment Property
- Annual Improvements to IFRSs: 2012-2014 Cycle Amendments to: IFRS 5 Non-current Assets Held for Sale and Discontinued Operations, IFRS 7 Financial Instruments: Disclosures, IAS 19 Employee Benefits and IAS 34 Interim Financial Reporting

The Directors anticipate that the adoption of the above Standards and Interpretations in future periods will have little or no impact on the financial statements of the Company when the relevant Standards come into effect for future reporting periods.

2. ACCOUNTING POLICIES

(a) Principal accounting policies

The Principal Accounting Policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all periods presented, unless otherwise stated.

(b) Basis of preparation of the financial statements

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) and IFRIC interpretations as adopted by the European Union applicable to companies reporting under IFRSs

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

The financial statements are presented in Pounds Sterling, which is the functional currency of Etaireia Investments Plc.

(c) Investment properties

Investment properties are those properties that are held either to earn rental income or for capital appreciation or both.

Acquired investment properties are measured initially at cost, including related transaction costs. After initial recognition at cost, investment properties are carried at their fair values based on a professional valuation made as of each reporting date. Properties are treated as acquired at the point when the Company assumes the significant risks and returns of ownership and as disposed when these are transferred to the buyer. Additions to investment properties consist of costs of a capital nature.

The difference between the fair value of an investment property at the reporting date and its carrying amount prior to remeasurement is included in the Statement of Comprehensive Income as a valuation gain or loss. When the Company begins to redevelop an existing investment property for continued future use as an investment property, the property remains an investment property and is accounted for as such.

(d) Financial assets

The Company classifies its financial assets as loans and receivables which are initially measured at fair value, plus transaction costs. Loans and receivables, which include trade and other receivables, loans and cash and cash equivalents are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The Company considers that there are no significant differences between the historical value and fair value of its financial assets.

(e) Cash and cash equivalents

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

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2015**

2. ACCOUNTING POLICIES - continued

(f) Taxation

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

(i) Current tax

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

(ii) Deferred tax

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

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

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

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

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

(iii) Current and deferred tax for the period

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

2. ACCOUNTING POLICIES - continued

(g) Equity

An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received net of direct issue costs.

The share premium account represents premiums received on the initial issuing of the share capital. Any transaction costs associated with the issuing of shares are deducted from share premium, net of any related income tax benefits.

The Convertible loan equity reserve represents the equity portion of the convertible loan notes currently in issue.

Retained earnings include all current and prior period results as disclosed in the statement of comprehensive income.

(h) Financial liabilities

Financial liabilities are recognised in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument. All interest related charges are recognised as an expense in finance cost in the income statement using the effective interest rate method.

The Company's financial liabilities comprise convertible loan notes, and trade and other payables.

The fair value of the liability portion of the convertible loan notes is determined using a market interest rate for an equivalent non-convertible loan note. This amount is recorded as a liability on an amortised cost basis until extinguished on conversion or maturity of the loan notes. The remainder of the proceeds is allocated to the conversion option, which is recognised and included in shareholders' equity, net of tax effects.

Trade payables are recognised initially at their fair value and subsequently measured at amortised cost less settlement payments.

(i) Accounting estimates and judgements

The Company makes estimates and judgements concerning the future and the resulting estimates may, by definition, vary from the related actual results.

The Directors use estimated interest rates to calculate the value of the conversion option embedded in convertible loan notes. For the current convertible loans the Directors have used the rate of 10% in this calculation.

ETAIREIA INVESTMENTS PLC**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2015****3. EMPLOYEES AND DIRECTORS**

The Company has no employees, apart from the directors. The remuneration of the directors is set out below.

	2015	2014
	£	£
Greg Collier	32,000	14,000
Priyah Shah	11,000	12,000
*Stuart Black	56,000	17,538
Philip McGinlay	5,000	-
Short-term employee benefits	104,000	43,538
Social security costs	4,500	3,450
	108,500	46,988

*Stuart Black's fees are paid to his company, Localiti Consultancy Ltd.

	2015	2014
The average monthly number of persons employed:		
Office and management	3	2

4. SEGMENT REVENUES AND RESULTS

The Company had one operational segment, that of investment property, and the results of this activity is disclosed in the income statement, so no additional segmental analysis is disclosed.

The operating loss is stated after charging:

	2015	2014
	£	£
Auditors remuneration:		
- fees payable to the Company's auditors for the audit of the Company's annual accounts	8,500	7,200

5. FINANCE COSTS

	2015	2014
	£	£
Convertible loan notes - notional interest charge	5,998	15,555
	5,998	15,555

The notional interest charge in respect of the zero coupon convertible loan notes represents the opportunity cost inherent in the conversion option of the bonds, using a discount rate of 10%.

ETAIREIA INVESTMENTS PLC

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2015

6. TAXATION

	2015	2014
	£	£
Tax expense comprises:		
Current tax	-	-
Loss from continuing operations	(363,122)	(102,974)
Income tax expense calculated at 20% (2014 - 20%)	(72,624)	(20,595)
Effect of expenses not deductible for tax purposes	4,200	3,111
Effect of unused tax losses and tax offsets	68,424	17,484
	-	-

The total amount of unused tax losses for which no deferred tax asset is recognised in the balance sheet is approximately £920,000 (2014 - £579,000). This asset has not been recognised on the basis that it will only be recoverable when sufficient profits have accrued and this is not expected to happen for the foreseeable future.

7. EARNINGS PER SHARE

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

	2015	2014
	£	£
Loss attributable to owners of the Company:	(363,122)	(102,974)
Weighted average number of ordinary shares for calculating basic and diluted earnings per share	Number 1,025,531,436	Number 190,346,611
Basic and diluted earnings per share	Pence (0.04)p	Pence (0.05)p

ETAIREIA INVESTMENTS PLC**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2015****8. INVESTMENT PROPERTY**

	2015	2014
Fair value	£	£
At 1 April 2014	-	-
Purchases during the year	1,629,688	-
Increase in fair value	609,092	-
	2,238,780	-

The fair value of the Company's investment property at 31 March 2015 has been arrived at on the basis of a valuation at that date carried out by Knight Frank and Whitelaw Baikie Figes.

9. TRADE AND OTHER RECEIVABLES

	2015	2014
	£	£
Other receivables	37,986	-
	37,986	-

10. CASH AND CASH EQUIVALENTS

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

	2015	2014
	£	£
Cash held on bank current accounts	5,070	589,004
Cash held on Client accounts	70,465	91,465
Cash and cash equivalents	75,535	680,469

All cash and cash equivalents are stated at fair value.

11. TRADE AND OTHER PAYABLES

	2015	2014
	£	£
Trade payables	126,716	9,207
Other payables	1,760	1,760
Accruals	19,100	42,188
	147,576	53,155

All trade and other payables are short term. The carrying values are considered to be a reasonable approximation of fair value.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2015

12. CONVERTIBLE LOAN NOTES

On 10 July 2012 the Company issued £250,000 of zero coupon, convertible loan notes ("Loan Notes"). The Loan Notes are unsecured and convertible at a price of 0.1 pence per share, exercisable at any time up to 10 July 2015. At 31 March 2014 £105,000 of these loan notes were outstanding and they were then all converted into shares during the year, £50,000 on 9 May 2014 and £55,000 on 20 June 2014.

On 1 August 2014 the Company issued £50,000 of zero coupon, convertible loan notes and on 23 September 2014, £40,000 of zero coupon, convertible loan notes were issued. Both issues were repayable 3 years from the date of issue if not converted prior to that date.

The net proceeds from the issue of the loan notes have been split between the liability element and an equity component, representing the fair value of the embedded option to convert the liability into equity of the company as follows:

	2015 £	2014 £
Liability component at 31 March 2014	92,806	162,992
Nominal value of convertible loan notes issued	90,000	-
Conversion of loan notes	(94,765)	(85,741)
Equity component of convertible loan notes issued	(23,080)	-
	64,961	77,251
Notional interest charged	5,998	15,555
Liability component at 31 March 2015	70,959	92,806

The interest charged during the period is calculated by applying an effective average interest rate of 10% to the liability component for the period since the loan notes were issued.

The Directors estimate the fair value of the liability component of the loan notes at 31 March 2015 to be approximately £70,959. This fair value has been calculated by discounting the future cash flows at the market rate of 10%.

ETAIREIA INVESTMENTS PLC

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2015

13. CALLED UP SHARE CAPITAL

	2015 £	2014 £
Issued and fully paid:		
1,226,607,476 ordinary shares of 0.01p each (2013: 597,969,794)	122,661	59,797
85,166,666 deferred ordinary shares of 0.24p each	204,400	204,400
	327,061	264,197

On 8 April 2014, 147,858,930 ordinary shares were issued for cash at 0.2p per share raising £295,717 before expenses.

On 9 May 2014, 50,000,000 ordinary shares were issued at 0.1p per share on the conversion of loan notes totaling £50,000.

On 22 May 2014, 106,160,000 ordinary shares were issued for cash at 0.25p per share raising £265,400 before expenses.

On 20 June 2014, 55,000,000 ordinary shares were issued at 0.1p per share on the conversion of loan notes totaling £55,000.

On 1 August 2014, 24,400,000 ordinary shares were issued for cash at 0.25p per share raising £61,000 before expenses.

On 15 August 2014, 82,198,844 ordinary shares were issued for cash at 0.25p per share raising £205,497 before expenses.

On 3 September 2014, 27,192,000 ordinary shares were issued for cash at 0.25p per share raising £67,980 before expenses.

On 23 September 2014, 19,760,000 ordinary shares were issued for cash at 0.25p per share raising £49,400 before expenses.

On 24 February 2015, 116,067,908 ordinary shares were issued for cash at 0.25p per share raising £290,170 before expenses.

The restricted rights attaching to the deferred shares are such that the deferred shares have no economic value.

14. CONVERTIBLE LOAN – EQUITY RESERVE

	2015 £	2014 £
Balance brought forward	26,927	108,882
Equity component of convertible loan notes issued	23,080	-
Equity component of loan notes converted	(10,235)	(59,259)
Transfer to accumulated losses on conversion of loan notes	(16,692)	(22,696)
Balance carried forward	23,080	26,927

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2015

15. SHARE OPTIONS

On 10 April 2014, the Company granted, under the company's share option scheme, options over 74,582,872 ordinary shares to the directors of the Company. Each option carries the right to subscribe for one Ordinary Share in the Company at a price of 0.3 pence per share. These options are exercisable for a period of three years from the date of the Grant.

The fair value of the options granted during the year was determined using the Black-Scholes pricing model. The significant inputs to the model in respect of the options were as follows:

Date of grant	10 April 2014
Share price at date of grant	0.3p
Exercise price per share	0.3p
No. of options	74,582,872
Risk free rate	2%
Expected volatility	50%
Life of option	5 years
Calculated fair value per share option	0.1357p

Options outstanding at 31 March 2015 and their weighted average exercise price are as follows:

	2015	2015	2014	2014
	Weighted average exercise price		Weighted average exercise price	
	(pence)	Number	(pence)	Number
Outstanding at the beginning of the year		-		-
Cancelled during the year		-		-
Granted during the year:-				
Stuart Black	0.3p	46,614,295		-
Greg Collier	0.3p	18,645,718		-
Priya Shah	0.3p	9,322,859		-
Outstanding at the end of the year	0.3p	74,582,872		-
Exercisable at the end of the year	0.3p	74,582,872		-

The total share-based payment expense recognised in the income statement for the year ended 31 March 2015 in respect of options granted was £101,233 (2014: £nil).

ETAIREIA INVESTMENTS PLC

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2015

16. RELATED PARTY TRANSACTIONS

During the year, the company advanced funds to the sum of £31,440 to the director Stuart Black. The loan is repayable on demand and is interest-free.

On 9 April 2014, a total of 74,582,872 share options granted to directors, Stuart Black, Greg Collier and Priya Shah, at an exercise price of 0.3p per share, exercisable at any time up to and including 9 April 2019.

Key management are the directors whose compensation is disclosed in Note 3. At 31 March 2015 remuneration of £2,000 was owed to Greg Collier and £1,000 to Stuart Black

17. POST BALANCE SHEET EVENTS

On 10 June 2015, 20,000,000 ordinary shares were issued for cash at 0.25p per share raising £50,000 before expenses. On the same day, 36,000,000 ordinary shares were issued at 0.25p per share on the conversion of loan notes for the sum of £90,000.

18. FINANCIAL INSTRUMENTS

FINANCIAL ASSETS BY CATEGORY

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

	2015 £	2014 £
Financial assets		
Loans and Receivables	31,440	-
Cash and cash equivalents	75,535	680,469
	106,975	680,469

FINANCIAL LIABILITIES BY CATEGORY

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

Financial liabilities at amortised cost		
Borrowings – Convertible loan notes	70,959	92,806
Trade and other payables, excluding statutory liabilities	126,228	10,967
	197,187	103,773

The Company is exposed to a variety of financial risks which result from both its operating and investing activities. The Company's risk management is coordinated by the Board of Directors, and focuses on actively securing the Company's short to medium term cash flows by minimising the exposure to financial markets.

The main risks the Company is exposed to through its financial instruments are liquidity risk and credit risk.

(a) Liquidity risk

The directors regularly review both short and medium term cash flow projections in order to manage the Company's cash flow.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2015**

18. FINANCIAL INSTRUMENTS (continued)

(b) Credit risk

The Company's financial instruments, that are subject to credit risk, are loans and receivables, and cash and cash equivalents. Loans and receivables comprise a loan to a former director of the Company which the directors consider to be recoverable in full. The credit risk for cash and cash equivalents is considered negligible since the counterparties are reputable financial institutions.

The Company's maximum exposure to credit risk is £106,975 (2014: £680,469) comprising loans and receivables, and cash and cash equivalents.

(c) Capital risk management

The Company's objectives when managing capital are:

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

The Company 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 Company 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.

19. CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

The Company had no contingent liabilities or capital commitments as at 31 March 2015 (2014: £nil).

20. ULTIMATE CONTROLLING PARTY

There was no single controlling party throughout the current or previous periods.