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## Regulatory Story

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**Company** Westmount Energy Limited  
**TIDM** WTE  
**Headline** Final Results - Replacement  
**Released** 10:19 27-Nov-2013  
**Number** 0543U10

RNS Number : 0543U  
Westmount Energy Limited  
27 November 2013

The following amendment has been made to the Final Results announcement released on 27 November at 7am under RNS No 0099U.

The Annual General Meeting Date has been amended to Thursday 19 December 2013 at 3.00 pm.

All other details remain unchanged.

The full amended text is shown below.

**Westmount Energy Limited**  
**("Westmount" or the "Company")**  
**Final Results**

The Company is pleased to announce its Final Results for the year ended 30 June 2013. A copy of the results is available on the Company's website, [www.westmountenergy.com](http://www.westmountenergy.com), and will be posted to shareholders by 29 November 2013.

Notice is hereby given that the Annual General Meeting of Westmount will be held at 47 Esplanade, St. Helier, Jersey, JE1 0BD, Channel Islands on Thursday 19 December 2013 at 3.00pm.

### CHAIRMAN'S REVIEW

The fiscal year has been one of frustration as we have been continuing with our strategy of seeking alternatives that would create value for our shareholders but without much success.

The energy market has been out of favour with the Investors and thus the Board has had difficulty in finding transactions which would justify their valuation. We have thus broadened our approach and are looking at other value creating areas in order to achieve our objectives.

Whilst we have been pursuing this new policy we have been conscious of the need to reduce our overheads and we announced in January 2013 that the Directors have reduced their fees. Mr Walsh and Mr O'Gorman have waived their fees in entirety and I and Mr Richardson have reduced our fees by fifty per cent as from 1 January 2013.

I can reassure shareholders that we are actively pursuing opportunities and will report on developments as and when they arise. We are fully aware of our obligation to our Shareholders to create real value for the Company.

**MERVYN BRADLOW**  
Chairman

### Enquiries:

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**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2013**

	Notes	30 June 2013 £	30 June 2012 £
Realised profit/(loss) on disposal of investments		69,043	(1,371,884)
Unrealised (loss)/ gain on financial assets at fair value through profit or loss		(627,157)	1,513,407
Administrative expenses		<u>(196,977)</u>	<u>(480,914)</u>
<b>Operating loss</b>		<b>(755,091)</b>	<b>(339,391)</b>
Interest receivable		<u>-</u>	<u>205</u>
<b>Loss before tax</b>		<b>(755,091)</b>	<b>(339,186)</b>
Taxation	3	<u>-</u>	<u>-</u>
<b>Comprehensive loss for the year</b>		<b><u>(755,091)</u></b>	<b><u>(339,186)</u></b>
Basic loss per share (pence)	4	<u>(7.72)</u>	<u>(3.85)</u>
Diluted loss per share (pence)	4	<u>(7.72)</u>	<u>(3.85)</u>

All results are derived from continuing operations.

The Company has no items of other comprehensive income.



**STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2013**

	Notes	As at 30 June 2013 £	As at 30 June 2012 £
<b>ASSETS</b>			
<b>Non Current Assets</b>			
Financial assets at fair value through profit or loss	5	746,175	1,464,718
<b>Current Assets</b>			
Other receivables	6	7,642	7,430
Cash and cash equivalents	7	226,565	251,471
		<u>234,207</u>	<u>258,901</u>
<b>Total assets</b>		<u><u>980,382</u></u>	<u><u>1,723,619</u></u>
<b>LIABILITIES AND EQUITY</b>			
<b>Current Liabilities</b>			
Trade and other payables	8	89,921	98,067
<b>EQUITY</b>			
Share capital	9	1,966,060	1,946,060
Share premium account	10	492,103	480,295
Share option account	10	293,427	305,235
Retained Earnings		<u>(1,861,129)</u>	<u>(1,106,038)</u>
<b>Total equity</b>		<u>890,461</u>	<u>1,625,552</u>
<b>Total liabilities and equity</b>		<u><u>980,382</u></u>	<u><u>1,723,619</u></u>

These financial statements were approved and authorised for issue by the Board of Directors on 26 November 2013 and were signed on its behalf by:

**P J RICHARDSON**

Director

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2013**

	<i>Share capital Account £</i>	<i>Share Premium Account £</i>	<i>Share Option Account £</i>	<i>Retained Earnings £</i>	<i>Total Equity £</i>
<b>As at 1 July 2011</b>	1,506,060	451,341	128,111	(766,852)	1,318,660
<b>Comprehensive Income</b>					
Loss for the year ended 30 June 2012	-	-	-	(339,186)	(339,186)
<b>Transaction with owners</b>					
Issue of ordinary shares	440,000	-	-	-	440,000
Expired redemption of B shares not taken up	-	28,954	-	-	28,954
Cost of share options	-	-	177,124	-	177,124
<b>At 30 June 2012</b>	<u>1,946,060</u>	<u>480,295</u>	<u>305,235</u>	<u>(1,106,038)</u>	<u>1,625,552</u>
<b>Comprehensive Income</b>					
Loss for the year ended 30 June 2013	-	-	-	(755,091)	(755,091)
<b>Transaction with owners</b>					
Issue of ordinary shares	20,000	-	-	-	20,000
Premium on shares issued	-	11,808	-	-	11,808
Realisation of share options	-	-	(11,808)	-	(11,808)
<b>At 30 June 2013</b>	<u>1,966,060</u>	<u>492,103</u>	<u>293,427</u>	<u>(1,861,129)</u>	<u>890,461</u>



**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2013**

	30 June 2013	30 June 2012
Note	£	£
<b>Cash flows from operating activities</b>		
Total comprehensive loss for the year	(755,091)	(339,186)
Adjustment for interest income	-	(205)
Adjustment for net unrealised loss/(gain) on investments at fair value through profit or loss	627,157	(1,513,407)
Adjustment for costs attributable to share options	-	177,124
Adjustment for realised (gains)/losses on investments at fair value through profit or loss	(69,043)	1,371,884
Increase in prepayments and accrued income	(212)	(202)
Decrease in creditors and accrued expenses	(8,146)	(180,235)
Purchase of investments	-	(623,973)
Sale of investments	160,429	598,993
Net cash outflows from operating activities	<u>(44,906)</u>	<u>(509,207)</u>
<b>Cash flows from investing activities</b>		
Interest received	-	205
Net cash generated from investing activities	<u>-</u>	<u>205</u>
<b>Cash flows from financing activities</b>		
Ordinary shares issued	20,000	440,000
Expired redemption of B shares not taken up	-	28,954
Net cash generated in financing activities	<u>20,000</u>	<u>468,954</u>
<b>Net decrease in cash and cash equivalents</b>	<u>(24,906)</u>	<u>(40,048)</u>
Cash and cash equivalents at beginning of year	<u>251,471</u>	<u>291,519</u>
<b>Cash and cash equivalents at end of year</b>	<u>7</u> <u>226,565</u>	<u>251,471</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2013**

**1. GENERAL INFORMATION AND STATEMENTS OF COMPLIANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS AS ADOPTED BY THE EUROPEAN UNION**

Westmount Energy Limited (the "Company") operates solely as an energy investment company. The investment strategy of the Company is to provide seed capital to small companies that are identified as having significant growth possibilities.

The Company was incorporated in Jersey on 1 October 1992 under the Companies (Jersey) Law 1991, as amended, and is a public company with registered number 53623. The Company is listed on the London Stock Exchange Alternative Investment Market ("AIM").

***Basis of Preparation***

The financial statements have been prepared under the historical cost convention with the exception of investments measured at fair value and are in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union, including standards and interpretations issued by the International Accounting Standards Board ("IASB").

The financial statements for the year ended 30 June 2013 (including comparatives) were approved by the Board of Directors on 26 November 2013.

**2. ACCOUNTING POLICIES**

The significant accounting policies that have been applied in the preparation of these financial statements are summarised below. These accounting policies have been used throughout all periods presented in the financial statements.

**Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company**

At the date of the authorisation of these financial statements, the following new standards, amendments and interpretations to existing standards have been published but are not yet effective and have not been adopted early by the Company. The standards below are not expected to affect the financial position of the Company, however they will require additional disclosure in future financial statements.

- IFRS 9 (revised April 2009) Financial Instruments - Classification and Measurement, effective for annual periods beginning on or after 1 January 2015

***Use of estimates and judgements***

The preparation of financial statements in conformity with IFRS requires the use of accounting estimates and exercise of judgement by the management while applying the Company's accounting policies in relation to the value of options issued, as set out in note 10. These estimates are based on the management's best knowledge of the events which existed at the date of issue of the financial statements and at the statement of financial position date however, the actual results may differ from these estimates.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)  
FOR THE YEAR ENDED 30 JUNE 2013**

**2. ACCOUNTING POLICIES (Continued)**

***Foreign currency***

**a) Functional and presentational currency**

The functional currency of the Company is United Kingdom Sterling ("Sterling"), the currency of the primary economic environment in which the Company operates. The presentation currency of the Company for accounting purposes is also Sterling.

**b) Transactions and balances**

Foreign currency monetary assets and liabilities balances are translated into Sterling at the rate of exchange ruling on the last day of the Company's financial year. Foreign currency transactions are translated at the exchange rate ruling on the date of the transaction. Gains and losses arising on the currency translation are included in administrative expenses in the statement of comprehensive income in the year in which they arise.

***Financial assets***



The Company classifies its financial assets in the following categories:

- at fair value through profit or loss

The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Financial assets at fair value through profit or loss

The Company designates its financial assets as at fair value through profit or loss (FVTPL) as the financial assets are managed and their performance is evaluated on a fair value basis. Financial assets carried at fair value through profit or loss are initially recognised at fair value and any transactions costs are recognised in the statement of comprehensive income. Regular purchases and sales of financial assets are recognised on the trade date, the date on which the Company commits to purchase or sell the investment.

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or the Company has transferred substantially all the risks and rewards of ownership. Financial assets at fair value through profit or loss are subsequently carried at fair value. Any gains or losses on derecognition of investments is calculated after setting the proceeds against the fair value and, in respect of a part disposal, against the fair value at the date of sale. The surplus or loss on realisation is transferred to the statement of comprehensive income.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' are presented in the statement of comprehensive income in the period in which they arise.

#### **Financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

#### **Cash and cash equivalents**

Cash and cash equivalents include cash in hand and deposits held at call with banks. For the purpose of the Statement of Cash Flows, cash and cash equivalents are considered to be all highly liquid investments with maturity of three months or less at inception.

#### **Trade and other payables**

Trade and other payables are not interest bearing and are accounted for at amortised cost using the effective interest method.

### **NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 30 JUNE 2013**

#### **2. ACCOUNTING POLICIES (Continued)**

##### **Equity, reserves and dividend payments**

Ordinary shares are classified as equity. Share premium includes any premiums received on issue of share capital. Transaction costs associated with the issuing of shares are deducted from share premium. Retained earnings include all current and prior period retained profits.

##### **Revenue Recognition**

Revenue comprises interest income from short term deposits and is recognised on an accruals basis.

##### **Expenditure**

The expenses of the Company are recognised on an accruals basis in the Statement of Comprehensive Income.

##### **Share options**

Awards of share options are recorded under IFRS 2: 'Share-based Payment'. The cost of the share options are ascribed a fair value at grant date and accounted for as an administration expense of the Company with an equal Share Option Reserve being created in the Statement of Changes in Equity. The cost is recognised in the Statement of Comprehensive Income over the vesting period of the award.

#### **3. TAXATION**

The Company is subject to income tax at a rate of 0%.

The Company is registered as an International Services Entity under the Goods and Services Tax (Jersey) Law 2007 and a fee of £200 has been paid, which has been included in administrative expenses.

#### **4. EARNINGS PER SHARE**

The calculation of basic earnings per ordinary share is based on the comprehensive loss for the year

of £755,091 (2012:£339,186). The weighted average number of shares in issue during the year was 9,780,985 (2012:£8,808,108). As explained in note 10 there are share options in issue over the Company's ordinary shares. The options would decrease the basic loss per share and as a result there is no dilution effect on the earnings per share, therefore the diluted loss per share is the same as the basic loss per share.

5. **FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS**

	2013	2012
	£	£
Desire Petroleum plc ("Desire")	237,600	435,000
Sterling Energy plc ("Sterling")	176,250	175,000
Argos Resources Ltd ("Argos")	188,800	153,800
Falkland Oil & Gas Ltd ("Falkland")	53,000	348,000
Pancontinental Oil & Gas NL ("Pancontinental")	90,525	352,918
<b>Total investments</b>	<b>746,175</b>	<b>1,464,718</b>

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 30 JUNE 2013**

5. **FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)**

**Investments at fair value through profit or loss at 30 June 2013**

	Cost	Unrealised loss	Fair value
	£	£	£
Desire Petroleum plc ("Desire")	874,643	(637,043)	237,600
Sterling Energy plc ("Sterling")	863,064	(686,814)	176,250
Argos Resources Ltd ("Argos")	310,775	(121,975)	188,800
Falkland Oil & Gas Ltd ("Falkland")	91,386	(38,386)	53,000
Pancontinental Oil & Gas NL ("Pancontinental")	393,246	(302,721)	90,525
	<u>2,533,114</u>	<u>(1,786,939)</u>	<u>746,175</u>

**Investments at fair value through profit or loss at 30 June 2012**

	Cost	Unrealised gain/(loss)	Fair value
	£	£	£
Desire Petroleum plc ("Desire")	874,643	(439,643)	435,000
Sterling Energy plc ("Sterling")	863,064	(688,064)	175,000
Argos Resources Ltd ("Argos")	310,775	(156,975)	153,800
Falkland Oil & Gas Ltd ("Falkland")	182,772	165,228	348,000
Pancontinental Oil & Gas NL ("Pancontinental")	393,246	(40,328)	352,918
	<u>2,624,500</u>	<u>(1,159,782)</u>	<u>1,464,718</u>

On 30 June 2013 the market value of the Company's holding of 2,000,000 (2012:2,000,000) ordinary fully paid shares in Desire, representing 0.58% (2012:0.58%) of the issued share capital of the company was £237,600 (2012:£435,000) (11.88p per share (2012: 21.75p per share)). During the year, the Company disposed of nil (2012:450,000) ordinary shares in Desire, realising a profit/(loss) of £nil (2012:profit £100,303) (after expenses) which is included in the Statement of Comprehensive Income.

On 30 June 2013 the market value of the Company's holding of 500,000 (2012:500,000) ordinary fully paid shares in Sterling representing 0.23% (2012:0.23%) of the issued share capital of the Company was £176,250 (2012:175,000) (35.25p per share, (2012:35.00p per share)). During the year, the Company disposed of nil (2012:1,000,000) ordinary shares in Sterling, realising a profit/(loss) of £nil (2012:loss of £1,326,225) (after expenses) which is included in the Statement of Comprehensive Income.

On 30 June 2013 the market value of the Company's holding of 1,000,000 (2012:1,000,000) ordinary fully paid shares in Argos, representing 0.46% (2012:0.46%) of the issued share capital of the company was £188,800 (2012:£153,800) (18.88p per share, (2012:15.38p per share)). No shares were disposed in the current or prior year.

On 30 June 2013 the market value of the Company's holding of 200,000 (2012:400,000) ordinary fully paid shares in Falkland representing 0.06% (2012:0.13%) of the issued share capital was £53,000 (2012:£348,000) (26.50p per share, (2012:87.00p)). During the year, the Company

disposed of 200,000 (2012:105,000) ordinary shares in Falkland, realising a profit of £69,043 (2012: profit of £54,644) (after expenses) which is included in the Statement of Comprehensive Income.

On 30 June 2013 the market value of the Company's holding of 3,000,000 (2012:3,000,000) ordinary fully paid shares in Pancontinental, representing 0.26% (2012:0.27%) of the issued share capital of the company was £90,525 (2012:£352,918) (3.02p per share, (2012:11.76p per share)). No shares were disposed in the current or prior year.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 30 JUNE 2013**

**6. OTHER RECEIVABLES**

	2013 £	2012 £
Prepayments	7,642	7,430

**7. CASH AND CASH EQUIVALENTS**

	2013 £	2012 £
Cash at bank	226,565	251,471

Cash and cash equivalents are considered to be highly liquid, so that book cost is considered equivalent to fair value.

**8. TRADE AND OTHER PAYABLES**

	2013 £	2012 £
Amounts due to shareholders from returns of capital	65,319	66,319
Accrued expenses	24,602	31,748
	<u>89,921</u>	<u>98,067</u>

**9. SHARE CAPITAL**

	2013 £	2012 £
<b>Authorised:</b>		
200,000,000 (2012: 200,000,000) ordinary shares of 20p each	40,000,000	40,000,000
200,000,000 (2012: 200,000,000) redeemable "B" shares of 1p each	2,000,000	2,000,000

	2013 No. '000	2012 No. '000	2013 £	2012 £
<b>Allotted, called up, fully-paid:</b>				
In issue:				
Ordinary shares	9,830.3	9,730.3	1,966,060	1,946,060
"B" Class	-	-	-	-

shares

	Ordinary shares No.	Ordinary shares £
Movement		
<b>Balance at 30 June 2012</b>	9,730,300	1,946,060
Ordinary shares issued	100,000	20,000
<b>Balance at 30 June 2013</b>	<u>9,830,300</u>	<u>1,966,060</u>

On 20 February 2012 the Company increased the authorised share capital from £2,151,000 divided into 10,000,000 ordinary shares of 20p each and 15,100,000 redeemable "B" shares of 1p each to £42,000,000 divided into 200,000,000 ordinary shares of 20p each and 200,000,000 redeemable "B" shares of 1p each.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 30 JUNE 2013**

**9. SHARE CAPITAL (continued)**

On 29 November 2011, 2,200,000 ordinary shares were issued to G Walsh and T P O'Gorman, both Directors for the Company, at a price of 20 pence per share.

## 10. SHARE PREMIUM AND SHARE OPTIONS

	Share Premium Account £	Share option Account £
<b>1 July 2011</b>	<u>451,341</u>	<u>128,111</u>
Cost of share options	-	177,124
Expired redemption of B shares not taken up	28,954	-
<b>At 30 June 2012</b>	<u>480,295</u>	<u>305,235</u>
Share option exercise	-	(11,808)
Premium on issue of option shares	11,808	-
<b>At 30 June 2013</b>	<u>492,103</u>	<u>293,427</u>

On 22 September 2009 the Company granted 250,000 share options at a weighted average exercise price of 20p per share. The fair value of those options granted was £128,111 using the Black Scholes valuation model.

On 5 December 2011 the Company granted 1,500,000 share options at a weighted average exercise price of 20p per share. The fair value of those options granted was £177,124 and was calculated using the Finnerty valuation model where a discount of 13% for the blocking period for disposing of the shares has been used. The share options are ascribed an expense for the year ended 30 June 2013 of £nil (2012:£177,124).

As at 30 June 2013, options were outstanding over 1,650,000 (2012:£1,750,000) ordinary 20p shares, with a weighted average exercise price of 20p (2012:20p). The options are exercisable at the election of the option holder, expiring 31 December 2016. During the year 100,000 options were exercised and £11,808 of the option reserve was released to share premium.

## 11. FINANCIAL RISK

The Company's investment activities expose it to a variety of financial risks: market risk (including currency risk, price risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

## a) Market Risk

## i) Foreign exchange risk

The Company is not exposed directly to foreign exchange risk as it invests in companies listed on the London Stock Exchange, predominately denominated in Sterling and has cash balances denominated in Sterling.

## ii) Price Risk

Price risk is the risk that the fair value of the future cash flows of a financial instrument will fluctuate due to changes in market prices. The Company is exposed to price risk on the investments held by the Company and classified by the Company on the Statement of Financial Position as fair value through profit or loss. To manage its price risk management closely monitor the activities of the underlying investments.

NOTES TO THE FINANCIAL STATEMENTS (Continued)  
FOR THE YEAR ENDED 30 JUNE 2013

## 11. FINANCIAL RISK (Continued)

The Company's exposure to price risk is as follows:

	Cost	Fair Value
Fair Value Through Profit or Loss, as at 30 June 2013	2,533,114	746,175
Fair Value Through Profit or Loss, as at 30 June 2012	2,624,500	1,464,718

The Company's investments are all publicly traded and listed on either the Alternative Investment Market ("AIM") or on the Australian Stock Exchange. The Company's sensitivity to a 15% increase/(decrease) in market price would be £111,926/(£111,926) (2012: £219,708 /(£219,708)). A positive number indicates an increase in the net assets attributable to ordinary shareholders and a negative number indicates a decrease. The 15% increase/(decrease) on the net assets attributable to ordinary shareholders would have the same impact on the post tax profit for the year. 15% represents management's assessment of a reasonably possible change in the market prices.

## iii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not significantly exposed to interest rate risk as it does not have any borrowings, however, the Company does have short term (<3 months) cash deposits, which exposes the Company to effects of fluctuations in the prevailing levels of market interest rates on its cash flow.

An increase in the interest rates of 1% would cause the Company's net financial assets to increase

by £2,266 (2012:£2,515). An equal change in the opposite direction would have decreased the net assets attributable to shareholders by an equal but opposite amount. 1% represents the management's assessment of a reasonably possible change in interest rates.

The following table summarises the Company's exposure to interest rate risks:

**Interest rate risk profile  
As at 30 June 2013**

	Up to 1 year	Over 1 year	Non-interest bearing	Total £
<b>Assets</b>				
Other receivables	-	-	7,642	7,642
Cash and cash equivalents	226,565	-	-	226,565
	<u>226,565</u>	<u>-</u>	<u>7,642</u>	<u>234,207</u>
<b>Liabilities</b>				
Trade and other payables	-	-	89,921	89,921

**As at 30 June 2012**

	Up to 1 year	Over 1 year	Non-interest Bearing	Total £
<b>Assets</b>				
Trade and other receivables	-	-	7,430	7,430
Cash and cash equivalents	251,471	-	-	251,471
	<u>251,471</u>	<u>-</u>	<u>7,430</u>	<u>258,901</u>
<b>Liabilities</b>				
Trade and other payables	-	-	98,067	98,067

**NOTES TO THE FINANCIAL STATEMENTS (Continued)  
FOR THE YEAR ENDED 30 JUNE 2013**

**11. FINANCIAL RISK (Continued)**

**b) Credit Risk**

Credit risk is the risk that an issuer or counterparty will be unable or unwilling to meet commitments it has entered into with the Company. The carrying amounts of the financial assets best represent the maximum credit exposure at the end of the reporting period. This also relates to the financial assets carried at cost, as they have a short term to maturity.

The Directors do not believe the Company is subject to any significant credit risk exposure regarding trade receivables. At the period end date the Company was exposed to credit risk on the investments of which the shareholders are aware. The Directors regularly review the investments held by the Company.

At the end of the reporting period, the Company's financial assets exposed to credit risk amounted to the following:

	2013 £	2012 £
Investments at Fair Value Through Profit or Loss	746,175	1,464,718
Other receivables	7,642	7,430
Cash and cash equivalents	<u>226,565</u>	<u>251,471</u>
	<u>980,382</u>	<u>1,723,619</u>

The Company considers that all the above financial assets are not impaired or past due for each of the reporting dates under review and are of good credit quality.

**c) Liquidity Risk**

Liquidity risk is the risk that the Company cannot meet its liabilities as they fall due. The Company's primary source of liquidity consists of cash and cash equivalents and investments held at fair value through profit or loss. The Company's investments at fair value through profit or loss are publicly traded and are deemed highly liquid. During the year the Company issued additional share capital to facilitate the capital management of the Company.

The following table details the contractual, undiscounted cash flows of the Company's financial liabilities:

**As at 30 June 2013**

	Up to 3 months	Up to 1 year	Over 1 year	Total £
<b>Financial liabilities</b>				
Accrued expenses	24,602	-	-	24,602
Payable to shareholders	-	65,319	-	65,319
	<u>24,602</u>	<u>65,319</u>	<u>-</u>	<u>89,921</u>

**As at 30 June 2012**

	Up to 3 Months	Up to 1 year	Over 1 year	Total £
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<b>Financial liabilities</b>				
Accrued expenses	31,748	-	-	31,748
Payable to shareholders	-	66,319	-	66,319
	<u>31,748</u>	<u>66,319</u>	<u>-</u>	<u>98,067</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
(Continued)  
FOR THE YEAR ENDED 30 JUNE 2013

**11. FINANCIAL RISK (Continued)**

**Capital Management**

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to provide optimum returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce cost of capital.

In order to maintain or adjust the capital structure, the Company may issue new shares, return capital to shareholders or sell assets. The Company does not have any debt nor is the Company subject to any external capital requirements.

**Fair Value Estimation**

The Company has classified its financial assets as fair value through profit or loss and fair value is determined via one of the following categories:

Level I - An unadjusted quoted price in an active market provides the most reliable evidence of fair value and is used to measure fair value whenever available. As required by IFRS 7, the Company will not adjust the quoted price for these investments, (even in situations where it holds a large position and a sale could reasonably impact the quoted price).

Level II - Inputs are other than unadjusted quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies.

Level III - Inputs are unobservable for the investment and include situations where there is little, if any, market activity for the investment. The inputs into the determination of fair value require significant management judgment or estimation.

The investments held by the Company fall within Level 1 as they are valued by unadjusted quoted prices.

**12. DIRECTORS' REMUNERATION**

	2013 Directors fees	2013 Share Options	2013 Total
	£	£	£
P J Richardson	18,750	-	18,750
D R King	15,220	-	15,220
G Walsh	12,500	-	12,500
T P O'Gorman	12,500	-	12,500
M Bradlow (Non-Executive Chairman)	37,500	-	37,500
	<u>96,470</u>	<u>-</u>	<u>96,470</u>
	2012 Directors fees	2012 Share Options	2012 Total
	£	£	£
P J Richardson	25,000	11,807	36,807
P R Anderson (resigned 20 December 2011)	37,500	-	37,500
D R King	7,500	-	7,500
G Walsh	14,760	59,042	73,802
T P O'Gorman	14,760	59,042	73,802
M Bradlow (Non-Executive Chairman)	50,000	47,233	97,233
	<u>149,520</u>	<u>177,124</u>	<u>326,644</u>

The Company does not employ any staff except for its Board of Directors. The Company does not contribute to the pensions or any other long-term incentive schemes on behalf of its Directors.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
FOR THE YEAR ENDED 30 JUNE 2013

**12. DIRECTORS REMUNERATION (continued)**

During the year 100,000 share options were exercised by Directors (2012:£1,500,000). See note 10 for further information on share options. The Directors' remuneration is included within administration expenses in the statement of comprehensive income.

At the year end the Company owed £nil (2012:£nil) to the Directors in respect of commissions on the sale of shares in Sterling and a further £nil (2012:£3,750) in outstanding directors' fees.

**13. RELATED PARTIES**

The preparation of the financial statements of the Company and Company Secretary services are undertaken by Crestbridge Corporate Services Limited (formerly known as Dominion Corporate Services Limited) of which D R King is a Director. During the year fees totalling £47,830 (2012: £26,763), including D R King's Director fee, were paid to Crestbridge Corporate Services Limited of which £5,500 (2012:£13,750) was outstanding at the year end.

Fees paid to the Directors are disclosed in note 12.

**14. CONTROLLING PARTY**



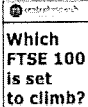

In the opinion of the Directors the Company does not have a controlling party.

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