

Company Registration No 2709891 (England and Wales)

TRICOR PLC
(Formerly PNC Telecom Plc)
ANNUAL REPORT
FOR THE YEAR ENDED 31 MARCH 2010

TRICOR PLC

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TRICOR PLC

COMPANY INFORMATION

| | |
|---|---|
| Directors | L.E.V. Knifton (Chairman) L. van Kampen-Brooks (Chief Executive Officer) J.W. Case (Executive Director) |
| Secretary | International Registrars Limited |
| Company number | 2709891 |
| Registered office | Finsgate 5-7 Cranwood Street London EC1V 9EE |
| Registrars | Capita IRG Plc Bourne House 34 Beckenham Road Kent BR3 4TU |
| Bankers | HSBC Bank plc 60 Queen Victoria Street London EC4N 4TR |
| Solicitors | Pritchard Engelfield 14 New Street London EC2M 4HE |
| Auditors | Jeffreys Henry LLP Finsgate 5-7 Cranwood Street London EC1V 9EE |
| Nominated Advisors And brokers | ZAI Corporate Finance Limited 12 Camomile Street London EC3A 7PT |
| Website | www.tricor-plc.com |

TRICOR PLC

CHAIRMAN'S STATEMENT FOR THE YEAR ENDED 31 MARCH 2010

Chairman's statement

The Group made a trading loss of £484,000 in the year ended 31 March 2010 (2009: loss £932,000) . The Specs and Lenses subsidiary was disposed of in January 2010.

Your Directors have made progress in 3 areas:-

- 1) Improved trading performance
- 2) Reorganising the capital structure whilst maintaining the positive pressure to finalise the VAT reclaim
- 3) Funding and initiating the environmental division of the business

Turnover increased to £848,000 at modest margins but the electronics revenue was maintained against a background of retrenchment in most retail markets. In the first quarter of the current financial year sales were £771,000 in the wholesale electronics division, margins remained at modest levels.

Specs and Lenses and its associated liabilities were removed and the old PNC business is now wholly focussed on the wholesale trade in electronic goods.

Several encouraging successes have occurred in the tribunals connected to the VAT reclaim which give the board confidence that the VAT reclaim from HMRC will be treated favourably and will be concluded in the next period.

In parallel with that, the appointment of the new CEO, Lawrence van Kampen-Brooks has enabled fresh capital raising to initiate the formation of the environmental division of the company newly named as Tricor. Furthermore the appointment of Ajay Rajpal in May 2010 as chief financial officer has strengthened the board.

This has allowed your Directors to refine the focus of building both opportunity for further income and provides an engine for growth that should have a significant impact on shareholder value in due course.

On 20 September 2010 the company issued a convertible loan note of £150,000 for working capital purposes. Your directors will continue to seek further working capital if and when required.

We will keep you informed of any further developments.

L.E.V. Knifton
Chairman

29 September 2010

TRICOR PLC

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2010

The directors present their report with the financial statements of the company and the group for the year ended 31 March 2010. The company changed to its present name on 3 November 2009.

Principal activities

The principal activity of the group in the period under review was that of the export and import of mobile phones and other electrical equipment and the sale of spectacles and related lenses.

Key performance indicators

| | £'000 |
|----------------|--------------|
| Revenue | 848 |
| Operating loss | (484) |
| Cash inflow | 174 |

The management assesses the cash inflow position on a regular basis by comparison against the cash flow forecasts.

Key risks and uncertainties

Risk is intrinsic to the business both in the nature of the underlying activities, the relative size of the individual subsidiaries and highly regulatory environment in which both subsidiaries operated. The performance of securities markets particularly in the UK had a material impact on trading activity. The financial risks are discussed in note 3 to the financial statements. The group is gradually reducing its trading business of selling of electronic equipments.

Going forward, the key risks affecting the group would be those relating to the carbon market. Tricor has entered into an exclusive licensing agreement with First Carbon Trust Limited, which has established a trading platform that will service the needs of small and medium-sized enterprises as well as retail investors in the rapidly growing global regulated and voluntary emissions market.

Tricor is seeking to become a major participant in the provision of the commercial and technical interfaces to the supply side of the market. Tricor's objective is to build a profitable business that provides sustainable returns balanced across its value chain to enhance stakeholder value in the company.

Tricor is faced with the uncertainty over the acceptance of small-medium sized enterprises to embark on the carbon market. Further to that, as new entrant in this market, Tricor faces stiff competition from the existing players which have an established clientele and trading platform.

Review of Business and Future Developments

The results for the period and financial position of the company and the group are as shown in the annexed financial statements. For more information refer to the Chairman's Statement.

The group's operating subsidiary, Specs and Lenses Limited, was sold for a nominal sum in January 2010.

Results and Dividends

The consolidated losses for the year are £484,000 on routine activities (2009: loss £1,078,000), which has been allocated against reserves. No dividends will be distributed for the year ended 31 March 2010.

TRICOR PLC

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2010

The subsidiary, Specs and Lens was sold in January 2010 for a nominal sum; all assets, liabilities and trade was acquired by the purchaser.

Directors

The directors during the year under review were:

J. W Case
L.E.V. Knifton
L. van Kampen-Brooks (appointed on 4 January 2010)

All the directors who are eligible offer themselves for re-election at the forthcoming Annual General Meeting.

The beneficial interests of the directors holding office at 31 March 2010 in the ordinary shares of the company, according to the register of directors' interests, were as follows:

| | Ordinary Shares of 0.01p | |
|----------------------|--------------------------|------------------|
| | 31 March 2010 | 31 December 2009 |
| J. W. Case | 35,710,000 | 13,850,000 |
| L. E. V. Knifton | 116,000,000 | 1,000,000 |
| I. Van Kampen-Brooks | - | - |

Options were granted under the EMI Scheme on 1 February 2010, exercisable any time to 28 January 2015 at 0.07p per share to:-

| | Number |
|----------------------|-------------|
| Directors J. W. Case | 50,000,000 |
| L. van Kampen-Brooks | 250,000,000 |
| | <hr/> |
| | 300,000,000 |
| | <hr/> <hr/> |

Substantial Shareholders

As at 28 September 2010, the company had been notified of the following beneficial interests in 3% or more of the issued share capital:

| | Ordinary Shares of 0.01p | |
|---|---------------------------|---|
| | Number of Ordinary Shares | Percentage of existing issued share capital |
| JIM Nominees Limited | 626,831,479 | 23.2% |
| Securities Services Nominees Limited | 646,000,000 | 23.9% |
| Perishing Nominees Limited | 234,285,714 | 8.7% |
| Barclayshare Nominees Limited | 115,526,974 | 4.3% |
| TD Waterhouse Nominees (Europe) Limited | 103,563,680 | 3.8% |
| HSDL Nominees Limited IWEB ACCT | 106,520,630 | 4.0% |
| HSDL Nominees Limited | 106,260,841 | 3.9% |
| L R Nominees Limited | 87,283,995 | 3.2% |

TRICOR PLC

DIRECTORS' REPORT (CONTINUED) **FOR THE YEAR ENDED 31 MARCH 2010**

Publication of Accounts on Company Website

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

Indemnity of Officers

The group may purchase and maintain, for any director or officer, insurance against any liability and the group does maintain appropriate insurance cover against legal action brought against its directors and officers.

Group's Policy on Payment of Creditors

It is the group's normal practice to make payments to suppliers in accordance with agreed terms provided that the supplier has performed in accordance with the relevant terms and conditions.

Employee Involvement

The group places considerable value on the involvement of the employees and has continued to keep them informed on matters affecting the group. This is achieved through formal and informal meetings.

Going Concern

After making appropriate enquiries, the directors consider that the group has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. This is reflected in Note 2.1 in the Annual Report.

Events after the reporting period

Further to issue of new shares under the exclusivity licence on 1 February 2010, the implementation of the platform has passed the initial testing phase and been approved for full scale implementation. Therefore, under the terms of the Exclusivity Agreement signed on 1 February 2010, the balance of 200,000,000 ordinary shares in the Company was issued in May 2010.

On 20 September 2010 a convertible unsecured loan note 2013 for £150,000 was issued to Reed Works Limited. This is to be drawn down over a 12 month period and converts at the option of the loan note holder at 0.2p per new ordinary share.

Directors' responsibilities

The directors are responsible for preparing the directors' report and 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, as required by the AIM Rules of London Stock Exchange, elected to prepare the group and parent financial statements in accordance with International Financial Reporting Standards as adopted for use in the European Union. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether the group and parent company financial statements have been prepared in accordance with IFRSs as adopted by the European Union subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company and the group will continue in business.

TRICOR PLC

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2010

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and group and enable them to ensure that the financial statements comply with the Companies Act 2006 and as regards to the group financial statements, Article 4 of the IAS regulation. They are also responsible for safeguarding the assets of the company and of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information

AUDITORS

In accordance with Section 485 of the Companies Act 2006 a resolution reappointing Jeffrey's Henry LLP as auditors is to be proposed at the forthcoming Annual General Meeting.

On behalf of the board

I. Van Kampen-Brooks
Director

29 September 2010

TRICOR PLC

CORPORATE GOVERNANCE FOR THE YEAR TO 31 MARCH 2010

The directors acknowledge the importance of the Principles set out in The UK Corporate Governance Code ("Code") issued by the Financial Reporting Council. Although the Code is not compulsory for AIM companies and is not yet effective, the directors have applied the principles as far as practicable and appropriate for a relatively small public company as follows:

The Board of Directors

The Board is responsible for strategy and performance, approval of major capital projects and the framework of internal controls. To enable the Board to discharge its duties, all Directors receive appropriate and timely information. All directors have access to the advice and services of the Company Secretary, who is responsible for ensuring that Board procedures are followed and that applicable rules and regulations are complied with.

Audit Committee and Remuneration Committee

The Audit Committee and the Remuneration Committee consists of one non-executive Director and one executive Director. The Audit Committee receives and reviews reports from management and the company's auditors relating to the annual and interim accounts and the accounting and internal control systems of the company. The Audit Committee has unrestricted access to the group's auditors.

The Remuneration Committee reviews the performance of the executive directors, sets their remuneration, determines the payment of bonuses to executive directors and considers the allocation of share options to directors and employees.

Internal Financial Control

The Board is responsible for establishing and maintaining the group's system of internal financial control and places importance on maintaining a strong control environment. The key procedures which the directors have established with a view to providing effective internal financial control are as follows:

- The group's organisational structure has clear lines of responsibility.
- The Board is responsible for identifying the major business risks faced by the company and for determining the appropriate courses of action to manage those risks.
- The Board is involved in regular subsidiary company board meetings and with structured operational reporting requirements.

The directors recognise, however, that such a system of internal financial control can provide only reasonable, not absolute, assurance against material misstatement or loss. The directors have reviewed the effectiveness of the system of internal financial control that will be operated by the group.

Service contracts

The directors have service contracts and letters of appointment, which require not less than 12 months' notice of termination.

Model Code

The Company has adopted and will operate a share dealing code for directors and senior executives on the same terms as the London Stock Exchange Model Code for companies whose shares have been admitted to AIM.

TRICOR PLC

CORPORATE GOVERNANCE FOR THE YEAR TO 31 MARCH 2010

Relations with shareholders

Communications with shareholders are given high priority. The Board uses the Annual General Meeting to communicate with investors and welcomes their participation. The Chairman aims to ensure that the directors are available at Annual General Meetings to answer questions.

Statement by Directors on Compliance with the Provisions of the UK Corporate Governance Code

The Board consider that they have complied with the provisions of the Code, as far as practicable and appropriate for a public company of this size.

REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF TRICOR PLC

We have audited the consolidated financial statements of Tricor Plc for the year ended 31 March 2010, which comprise the consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of financial position, company statement of financial position, company statement of changes in equity, consolidated statement of cash flows, company statement of cash flows 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 Section 496 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 Statement of Directors' Responsibilities set out in the **Directors' Report**, 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 parent company financial statements

In our opinion:

- the financial statements give a true and fair view, of the state of the group and of the parent company's affairs as at 31 March 2010 and of the group's loss and group's and parent company's cash flows 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 properly 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 properly prepared in accordance with the requirements of the Companies Act 2006 and, as regards the group financial statements, Article 4 of the IAS regulation..

Opinion on other matter 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.

REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF TRICOR 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 parent company, or returns adequate for audit have not been received from branches not visited by us; or
- the company 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.

Sanjay Parmar
SENIOR STATUTORY AUDITOR
For and on behalf of Jeffreys Henry LLP, statutory auditor

Finsgate
5-7 Cranwood Street
London
EC1V 9EE
United Kingdom

Date: 29 September 2010

TRICOR PLC

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2010

| | Notes | 2010 £'000 | 2009 £'000 |
|--|-----------|----------------|----------------|
| Revenue | 6 | 848 | 713 |
| Cost of sales | | (843) | (672) |
| Gross profit | | <u>5</u> | <u>41</u> |
| Administrative expenses | | (324) | (363) |
| Exceptional expenses (net) | | - | (610) |
| Operating loss | 8 | <u>(319)</u> | <u>(932)</u> |
| Finance costs | 7 | (165) | (150) |
| Finance income | 7 | - | 4 |
| Loss before tax for the year | | <u>(484)</u> | <u>(1,078)</u> |
| Tax | 9 | - | - |
| Loss after tax for the year | | <u>(484)</u> | <u>(1,078)</u> |
| Other comprehensive income | | | |
| Others | | - | - |
| Total comprehensive income for the year | 21 | <u>(484)</u> | <u>(1,078)</u> |
| Loss for the year attributable to: | | | |
| Owners of the parent | | <u>(484)</u> | <u>(1,078)</u> |
| Total comprehensive income attributable to: | | | |
| Owners of the parent | | <u>(484)</u> | <u>(1,078)</u> |
| Loss per share | | | |
| - basic | 11 | <u>(0.04p)</u> | <u>(0.17p)</u> |
| - diluted | 11 | <u>(0.04p)</u> | <u>(0.17p)</u> |

There is no difference between basic and diluted loss per share.

TRICOR PLC

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT MARCH 2010

| | Notes | 2010 £'000 | 2009 £'000 |
|--|-------|----------------|---------------|
| Assets | | | |
| Non Current assets | | | |
| Intangible assets | 12 | 45 | - |
| Property, plant and equipment | 13 | 8 | 8 |
| Investments | 14 | - | - |
| | | <u>53</u> | <u>8</u> |
| Current assets | | | |
| Inventories | 15 | - | 6 |
| Trade and other receivables | 16 | 1,375 | 1,262 |
| Cash and cash equivalents | 17 | 190 | 16 |
| | | <u>1,565</u> | <u>1,284</u> |
| Liabilities | | | |
| Current liabilities | | | |
| Trade and other payables | 18 | (193) | (845) |
| Borrowings | 19 | (175) | (652) |
| | | <u>(1,197)</u> | <u>(213)</u> |
| Net current assets/(liabilities) | | | |
| | | <u>(1,197)</u> | <u>(213)</u> |
| Non-current liabilities | | | |
| Financial liabilities – borrowings | | | |
| Non-Interest bearing loans | 19 | (1,560) | (385) |
| | | <u>(1,560)</u> | <u>(385)</u> |
| NET LIABILITIES | | | |
| | | <u>(310)</u> | <u>(590)</u> |
| Equity attributable to owners of the parent | | | |
| Share capital | 20 | 3,173 | 2,999 |
| Share premium | 21 | 48,517 | 48,013 |
| Merger premium | 21 | 324 | 324 |
| Share based payment reserve | | 59 | - |
| Retained losses | 22 | (52,383) | (51,926) |
| | | <u>(310)</u> | <u>(590)</u> |
| TOTAL EQUITY/(DEFICIT) | | | |
| | 22 | <u>(310)</u> | <u>(590)</u> |

The financial statements were approved and authorised for issue by the board of directors on 29 September 2010 and were signed on its behalf by:

L. van Kampen-Brooks
Director

Company Registration No: 2709891

TRICOR PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS AT 31 MARCH 2010

| | Share capital £'000 | Share premium £'000 | Share payment reserve £'000 | Other reserves £'000 | Retained losses £'000 | Total Equity £'000 |
|--|------------------------|------------------------|-----------------------------------|----------------------------|-----------------------------|--------------------------|
| As at 1 April 2009 | 2,999 | 48,013 | | 324 | (51,926) | (590) |
| Transactions with owners: | | | | | | |
| Issue of shares | 174 | 504 | | - | - | 678 |
| Share based payment | - | - | 59 | - | - | 59 |
| Total comprehensive income | - | - | | - | (484) | (484) |
| Subsidiary's prior year losses recorded on losses | - | - | | - | 27 | 27 |
| As at 31 March 2010 | <u>3,173</u> | <u>48,517</u> | <u>59</u> | <u>324</u> | <u>(52,383)</u> | <u>(310)</u> |

| | Share capital £'000 | Share premium £'000 | Share payment reserve £'000 | Other reserves £'000 | Retained losses £'000 | Total Equity £'000 |
|-------------------------------|------------------------|------------------------|-----------------------------------|----------------------------|-----------------------------|--------------------------|
| As at 1 April 2008 | 2,999 | 48,013 | - | 324 | (50,848) | 488 |
| Total comprehensive income | - | - | - | - | (1,078) | (1,078) |
| As at 31 March 2009 | <u>2,999</u> | <u>48,013</u> | <u>-</u> | <u>324</u> | <u>(51,926)</u> | <u>(590)</u> |

Share capital (deferred and ordinary) is the amount subscribed for shares at nominal value.

Share premium represents the excess of the amount subscribed for share capital over the nominal value of the respective shares net of share issue expenses.

Other reserves represent a merger reserve.

Share based payments reserve is described in detail in Note 23 to the accounts.

Retained loss represents the cumulative loss of the Group attributable to owners of the parent company.

TRICOR PLC

COMPANY STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2010

| | Notes | 2010 £'000 | 2009 £'000 |
|--|-------|----------------|---------------|
| Assets | | | |
| Non Current assets | | | |
| Intangible assets | 12 | 45 | - |
| Property, plant and equipment | 13 | 8 | 8 |
| Investments | 14 | - | - |
| | | <u>53</u> | <u>8</u> |
| Current assets | | | |
| Inventories | 15 | - | 3 |
| Trade and other receivables | 16 | 1,375 | 1,250 |
| Cash and cash equivalents | 17 | 190 | 3 |
| | | <u>1,565</u> | <u>1,256</u> |
| Liabilities | | | |
| Current Liabilities | | | |
| Trade and other payables | 18 | (193) | (790) |
| Borrowings | 19 | (175) | (652) |
| | | <u>(1,197)</u> | <u>(186)</u> |
| Net current assets/(liabilities) | | | |
| | | <u>(1,197)</u> | <u>(186)</u> |
| Non-current liabilities | | | |
| Non-interest bearing loans | 19 | (1,560) | (385) |
| | | <u>(1,560)</u> | <u>(385)</u> |
| NET (LIABILITIES) | | | |
| | | <u>(310)</u> | <u>(563)</u> |
| Equity attributable to owners of the parent | | | |
| Share capital | 20 | 3,173 | 2,999 |
| Share premium | 21 | 48,517 | 48,013 |
| Merger reserve | 21 | 324 | 324 |
| Share based payment reserve | | 59 | - |
| Retained losses | 22 | (52,383) | (51,899) |
| | | <u>(310)</u> | <u>(563)</u> |
| TOTAL DEFICIT | | | |
| | | <u>(310)</u> | <u>(563)</u> |

The financial statements were approved and authorised for issue by the board of Directors on 29 September 2010 and were signed on its behalf by:

L. van Kampen-Brooks Director

Company Registration No: 2709891

TRICOR PLC

COMPANY STATEMENT OF CHANGES IN EQUITY AS AT 31 MARCH 2010

| | Share capital £'000 | Share premium £'000 | Share based payments Reserve £'000 | Other reserves £'000 | Retained losses £'000 | Total Equity £'000 |
|------------------------------------|---------------------------|---------------------------|--|----------------------------|-----------------------------|--------------------------|
| As at 1 April 2009 | 2,999 | 48,013 | | 324 | (51,899) | (563) |
| Issue of shares | 174 | 504 | | - | - | 678 |
| Share based payments | - | - | 59 | - | - | 59 |
| Losses after tax for the period | - | - | | - | (484) | (583) |
| As at 31 March 2010 | <u>3,173</u> | <u>48,517</u> | <u>59</u> | <u>324</u> | <u>(52,383)</u> | <u>(409)</u> |

| | Share capital £'000 | Share premium £'000 | Share based payments Reserve £'000 | Other reserves £'000 | Retained losses £'000 | Total Equity £'000 |
|----------------------------------|---------------------------|---------------------------|--|----------------------------|-----------------------------|--------------------------|
| As at 1 April 2008 | 2,999 | 48,013 | - | 324 | (50,842) | 494 |
| Losses after tax for the year | - | - | - | - | (1,057) | (1,057) |
| As at 31 March 2009 | <u>2,999</u> | <u>48,013</u> | <u>-</u> | <u>324</u> | <u>(51,899)</u> | <u>(563)</u> |

Share capital (deferred and ordinary) is the amount subscribed for shares at nominal value.

Share premium represents the excess of the amount subscribed for share capital over the nominal value of the respective shares net of share issue expenses.

Other reserves represent a merger reserve.

Share based payment reserve is described in detail in Note 23 to the accounts.

Retained loss represents the cumulative losses of the Company attributable to owners of the Company.

TRICOR PLC

CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 MARCH 2010

| | Notes | 2010 £'000 | 2009 £'000 |
|---|-------|---------------|---------------|
| Cash flows from operating activities | | | |
| Cash (utilised in) operations | 22 | (111) | (153) |
| Net cash from operating activities | | <u>(111)</u> | <u>(153)</u> |
| Cash flows from investing activities | | | |
| Purchase of tangible fixed assets | | (1) | (26) |
| Interest received | | - | 4 |
| Net cash outflow from investing activities | | <u>(1)</u> | <u>(22)</u> |
| Cash flows from financing activities | | | |
| New loan | | 1,650 | - |
| Issue of ordinary shares | | 136 | - |
| Repayment of loan | | (1,500) | - |
| Net cash from financing activities | | <u>286</u> | <u>-</u> |
| (Decrease) in cash and cash equivalents | | 174 | (175) |
| Cash and cash equivalents at beginning of year | 22 | 16 | 191 |
| Cash and cash equivalents at end of year | 22 | <u>190</u> | <u>16</u> |

There was no movement in cash flow from the discontinued operation of Specs and Lenses Limited in the year.

TRICOR PLC

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 MARCH 2010

| | Notes | 2010 £'000 | 2009 £'000 |
|---|-------|-------------------|-----------------|
| Cash flows from operating activities | | | |
| Cash consumed by operations | 22 | (98) | (92) |
| Net cash from operating activities | | <u>(98)</u> | <u>(92)</u> |
| Cash flows from investing activities | | | |
| Purchase of tangible fixed assets | | (1) | - |
| Interest received | | - | 4 |
| Interest paid | | - | - |
| Net cash from investing activities | | <u>(1)</u> | <u>4</u> |
| Cash flows from financing activities | | | |
| New loan | | 1,650 | - |
| Issue of ordinary shares | | 136 | - |
| Repayment of loan | | (1,500) | - |
| | | <u>286</u> | <u>-</u> |
| Increase/(Decrease) in cash and cash equivalents | | 187 | (88) |
| Cash and cash equivalents at beginning of year | 22 | <u>3</u> | <u>91</u> |
| Cash and cash equivalents at end of year | 22 | <u><u>190</u></u> | <u><u>3</u></u> |

TRICOR PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2010

1. GENERAL INFORMATION

Tricor Plc is a company incorporated in England and Wales and quoted on the Alternative Investment Market of the London Stock Exchange; currently its share quotation is suspended. The address of the registered office is disclosed on page 1 of the financial statements. The principal activity of the Group is described on page 3.

2. ACCOUNTING POLICIES

2.1 Going concern

The financial statements have been prepared on the assumption that the Group is a going concern. When assessing the foreseeable future, the directors have looked at a period of twelve months from the date of approval of this report.

The group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Business Review on page 3. In addition note 3 to the financial statements includes the Group's objectives, policies and processes for managing its capital; its financial risk management objectives; and its exposures to credit risk and liquidity risk.

After making enquiries, the directors have a reasonable expectation that the company and group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

Were the group and company to be unable to continue as a going concern, adjustments would have to be made to the balance sheet of the group and company to reduce balance sheet values of assets to their recoverable amounts, to provide for future liabilities that might arise and to reclassify non-current assets and long-term liabilities as current assets and liabilities.

2.2 Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards and IFRIC interpretations issued by the International Accounting Standards Board (IASB) as adopted by the European Union and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention.

The following new standards and amendments to standards are mandatory for the first time for the financial year beginning 1 April 2009.

IAS 1 (revised), 'Presentation of financial statements'. The revised standard prohibits the presentation of items of income and expenses (that is 'non-owner changes in equity') in the statement of changes in equity, requiring 'non-owner changes in equity' to be presented separately from owner changes in equity. All 'non-owner changes in equity' are required to be shown in a performance statement.

Entities can choose whether to present one performance statement (the statement of comprehensive income) or two statements (the income statement and statement of comprehensive income). The group has elected to present a single statement of comprehensive income.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued...)
FOR THE YEAR ENDED 31 MARCH 2010

1. ACCOUNTING POLICIES (continued)

2.2 Basis of preparation (continued...)

- IFRS 8, 'Operating segments'. IFRS 8 replaces IAS 14, 'Segment reporting'. It requires a 'management approach' under which segment information is presented on the same basis as that used for internal reporting purposes.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker has been identified as the executive committee that makes strategic decisions.

As the group operates in a single area of operations and geographical locations, there is no change in the segmental information disclosed in Note 5.

- IFRS 2 (amendment), 'Share-based payment' (effective from 1 January 2009). It deals with vesting conditions and cancellations. It clarifies that vesting conditions are service conditions and performance conditions only. Other features of a share-based payment are not vesting conditions. These features would need to be included in the grant date fair value for transactions with employees and others providing similar services; they would not impact the number of awards expected to vest or valuation there of subsequent to grant date. All cancellations, whether by the entity or by other parties, should receive the same accounting treatment. The group applies IFRS 2 (amendment) from 1 January 2009. It is not expected to have a material impact on the Group's financial statements.
- IFRS 7 'Financial instruments – Disclosures' (amendment) – effective 1 January 2009. The amendment requires enhanced disclosures about fair value measurement and liquidity risk. In particular, the amendment requires disclosure of fair value measurements by level of a fair value measurement hierarchy. As the change in accounting policy only results in additional disclosures, there is no impact on earnings per share.

The following new standards, amendments to standards and interpretations have been issued, but are not effective for the financial year beginning 1 April 2009 and have not been early adopted:

- IFRS 3 (revised), 'Business combinations' and consequential amendments to IAS 27, 'Consolidated and separate financial statements', IAS 28, 'Investments in associates' and IAS 31, 'Interests in joint ventures', effective prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009. Management is assessing the impact of the new requirements regarding acquisition accounting, consolidation and associates on the group. The group does not have any joint ventures.
- The revised standard continues to apply the acquisition method to business combinations, with some significant changes. For example, all payments to purchase a business are to be recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently re-measured through the statement of comprehensive income. There is a choice on an acquisition-by-acquisition basis to measure the minority interest in the acquiree either at fair value or at the minority interest's proportionate share of the acquiree's net assets. All acquisition-related costs should be expensed. The Group will apply IFRS 3 (revised) to all business combinations from 1 April 2010.

TRICOR PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued...) FOR THE PERIOD ENDED 31 MARCH 2010

2. ACCOUNTING POLICIES (continued)

2.2 Basis of preparation (continued...)

- IAS 27 (revised), 'Consolidated and separate financial statements', (effective from 1 July 2009). The revised standard requires the effects of all transactions with non controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. The standard also specifies the accounting when control is lost. Any remaining interest in the entity is remeasured to fair value, and a gain or loss is recognised in profit or loss. The Group will apply IAS 27 (revised) prospectively to transactions with non-controlling interests from 1 April 2010.
- IAS 38 (amendment), 'Intangible Assets'. The amendment is part of the IASB's annual improvements project published in April 2009 and the Group will apply IAS 38 (amendment) from the date IFRS 3 (revised) is adopted. The amendment clarifies guidance in measuring the fair value of an intangible asset acquired in a business combination and it permits the grouping of intangible assets as a single asset if each asset has similar useful economic lives. The amendment will not result in a material impact on group's financial statements.
- FRIC 17, 'Distributions of non-cash assets to owners', effective for annual periods beginning on or after 1 July 2009. This is not currently applicable to the group, as it has not made any non-cash distributions.
- IFRIC 18, 'Transfers of assets from customers', effective for transfers of assets received on or after 1 July 2009. This is not relevant to the group, as it has not received any assets from customers.

The following new standards, amendments to standards and interpretations are mandatory for the first time for the financial year beginning 1 April 2009, but are not currently relevant for the group:

- IAS 23 (amendment), 'Borrowing costs'.
- IAS 32 (amendment), 'Financial instruments: Presentation'.
- IFRIC 13, 'Customer loyalty programmes'.
- IFRIC 15, 'Agreements for the construction of real estate'.
- IFRIC 16, 'Hedges of a net investment in a foreign operation'.
- IAS 39 (amendment), 'Financial instruments: Recognition and measurement'.
- IFRS 7 (disclosure amendment); 'Financial instruments; fair value measurement and liquidity risk'

2.3 Consolidation

2.3.1 Subsidiaries

Subsidiaries are all entities over which Tricor PLC has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to Tricor Plc. They are de-consolidated from the date that control ceases.

TRICOR PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued...) FOR THE YEAR ENDED 31 MARCH 2010

2. ACCOUNTING POLICIES (continued)

2.3.1 Subsidiaries (continued...)

The purchase method of accounting is used to account for the acquisition of subsidiaries by the group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated but considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed or adjusted upon consolidation where necessary to ensure consistency with the policies adopted by the group.

2.3.2 Intangibles

(a) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary or associate at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in 'intangible assets'. Goodwill on acquisitions of associates is included in 'investments in associates' and is tested for impairment as part of the overall balance. Separately recognised goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or Groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The Group allocates goodwill to each business segment in each country in which it operates.

(b) Website

Website development costs are valued at cost less accumulated amortisation. Amortisation is calculated to write off the cost in equal annual instalments over the estimated useful economic life of 3 years.

(c) Licence

Separately acquired licences are shown at historical cost. Licences have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight line method to allocate the cost of licence over their estimated useful life of five years. The licence has not been amortised in the current year as revenue from the licence was generated after the reporting period.

TRICOR PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued...) FOR THE YEAR ENDED 31 MARCH 2010

2.4 Impairment of non-financial assets

Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

2.5 Investments

Fixed assets investment is carried at cost less provision for diminution in value. The carrying value is calculated based on the fair value and expected recoverability of the investments.

2.6 Property, plant and equipment

Tangible non-current assets are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial year in which they are incurred. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its estimated useful life, at rates between 15% and 33.3% on reducing balances.

The asset's residual values and useful economic lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable value.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within other (losses) or gains in the income statement. When revalued assets are sold, the amounts included in other reserves are transferred to retained earnings.

2.7 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of mobile phones, electrical equipment and spectacles in the ordinary course of the group's activities. Revenue is recognised upon receipt of the goods by the customers. Revenue is shown net of value-added tax, returns, rebates and discounts and after eliminating sales within the group.

TRICOR PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued...) FOR THE YEAR ENDED 31 MARCH 2010

2. ACCOUNTING POLICIES (continued)

2.8 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax. The tax currently payable is based on the taxable profit for the year. Taxable profit differed from net 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 entity's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

2.9 Deferred tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

2.10 Operating leases

Assets held under finance leases are initially recognised as assets of the group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Lease payments are treated as reduction of the lease obligation on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs (see below). Contingent rentals are recognised as expenses in the periods in which they are incurred.

Rental leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement.

2.11 Segment reporting

The Company has adopted IFRS 8 Operating Segments with effect from 1 April 2009. IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Company that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segments and to assess their performance. In contrast, the predecessor Standard (IAS 14 Segment Reporting) required an entity to identify two sets of segments (business and geographical), using a risks and returns approach, with the entity's 'system of internal financial reporting to key management personnel' serving only as the starting point for the identification of such segments. Following the adoption of IFRS 8, the identification of the Group's reportable segments has not changed (See details in Note 5).

TRICOR PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued...) FOR THE YEAR ENDED 31 MARCH 2010

2. ACCOUNTING POLICIES (continued)

2.12 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held on call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

2.13 Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment is established when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments is considered indicators that the trade receivable is impaired.

2.14 Trade receivables

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out (FIFO) method. The cost of finished goods and work in progress comprises raw materials and other direct costs. It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2.15 Trade payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.16 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the year of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

TRICOR PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued...) FOR THE PERIOD ENDED 31 MARCH 2010

2. ACCOUNTING POLICIES (continued)

2.17 Financial Instruments

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transactions costs, except as described below. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

A financial instrument is recognised when the group becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the group's contractual rights to the cash flows from the financial assets expire or if the group transfers the financial assets to another party without retaining control or substantially all risks and rewards of the asset. Regular way purchases and sales of financial assets are accounted for at trade date, i.e. the date that the group commits itself to purchase or sell the asset. Financial liabilities are derecognised if the group's obligations specified in the contract expire or are discharged or cancelled.

2.18 Fair values

The carrying amounts of the financial assets and liabilities such as cash and cash equivalents, receivables and payables of the group at the balance sheet date approximated their fair values, due to relatively short term nature of these financial instruments.

The company provides financial guarantees to licensed banks for credit facilities extended to subsidiary companies. The fair value of such financial guarantees is not expected to be significantly different as the probability of the subsidiary company defaulting on the credit lines is remote.

2.19 Share-based compensation

The fair value of the employees, directors and suppliers services received in exchange for the grant of the options and warrants are recognised as an expense. The total amount to be expensed over the vesting year is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. At each balance sheet date, the entity revises its estimates of the number of options that are expected to vest. It recognises the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to equity.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options and warrants are exercised.

2.20 Share capital

Ordinary and deferred shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

TRICOR PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued...) FOR THE PERIOD ENDED 31 MARCH 2010

2. ACCOUNTING POLICIES (continued)

2.21 Functional currency translation

i) Functional and presentation currency

The financial statements are presented in Pounds Sterling (£), which is both the Group's presentation and functional currency.

ii) Transactions and balances

Foreign currency transactions are translated into the presentational currency using exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

2.22 Critical accounting estimates and judgements

The preparation of consolidated financial statements requires the group to make estimates and assumptions that affect the application of policies and reported amounts. Estimates and judgements are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are discussed below:

(a) Impairment of intangibles (other than goodwill)

Intangible assets are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable. When a review for impairment is conducted, the recoverable amount is determined based on value in use calculations prepared on the basis of management's assumptions and estimates.

(b) Depreciation of property, plant and equipment

Depreciation is provided so as to write down the assets to their residual values over their estimated useful lives as set out above. The selection of these residual values and estimated lives requires the exercise of management judgement.

(c) Share-based compensation

The fair value of options and warrants are determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. At each balance sheet date, the entity revises its estimates of the number of options that are expected to vest. It recognises the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to equity.

TRICOR PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued...) FOR THE PERIOD ENDED 31 MARCH 2010

3. FINANCIAL RISK MANAGEMENT

General objectives, policies and processes

The Board has overall responsibility for the determination of the group and company's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the group's finance function. The Board receives regular reports from the group chief financial officer through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets.

The group is exposed through its operations to the following financial risks:

- Liquidity risk;
- Credit risk;
- Interest rate risk; and
- Market risk

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the group and company's competitiveness and flexibility. There have been no substantive changes in the group and company's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note. Further details regarding these policies are set out below:

Principal financial instruments

The principal financial instruments used by the group and company, from which financial instrument risk arises are as follows:

- Trade and other receivables
- Cash and cash equivalents
- Trade and other payables
- Short and long term loans

Liquidity risk

The group's and company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due. To achieve this aim, it seeks to maintain readily available cash balances to meet expected requirements for a period of at least 60 days. The group currently has good working capital cycle. The business is mainly funded from the long term convertible loan notes of approximately £1.6m, Most of the convertible loan notes are converted into ordinary shares in the year and after the reporting period.

Rolling cash forecasts identifying the liquidity requirements of the group and company are produced frequently. These are reviewed regularly by management and the board to ensure that sufficient financial headroom exists for at least a twelve month period.

Credit risk

The credit risk on liquid funds is limited because the counterparties are banks with credit ratings assigned by international credit rating agencies.

TRICOR PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued...) FOR THE PERIOD ENDED 31 MARCH 2010

3. FINANCIAL RISK MANAGEMENT (continued...)

Interest rate risk

The group does not have formal policies on interest rate risk. However, the group's exposure in this area (as at the balance sheet date) was minimal.

The group unsecured convertible loan note of £1.65m does not carry any interest.

Market risk

The market may not grow as rapidly as anticipated. The group may lose customers to its competitors. The group's major competitors may have significantly greater financial resources than those available to the company. There is no certainty that the group will be able to achieve its projected levels of sales or profitability.

Capital risk management

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

In order to maintain or adjust capital structure, the group may adjust the amount of issuing new shares or sell assets to reduce debt.

The group monitors capital on the basis of the gearing ratio, the ratio is calculated as net debt divided by total capital. The gearing ratio has decreased significantly to 124% from 237% in 2009; the directors are consistently striving to reduce the gearing ratio by converting the convertible loan notes into share capital in the immediate future. The gearing ratios were as follows:

| | | 2010 | 2009 |
|---------------------------------|-----------|--------------|--------------|
| | | £'000 | £'000 |
| Total borrowings | (Note 19) | 1,735 | 1,037 |
| Less: cash and cash equivalents | (Note 17) | (190) | (16) |
| Net debt | | 1,545 | 1,021 |
| Total equity | | (310) | (590) |
| Total capital | | 1,235 | 431 |
| Gearing ratio | | 125% | 237% |

4 Employees and Directors

| | 2010 | 2009 |
|---|--------------|--------------|
| | £'000 | £'000 |
| Wages, salaries and Social Security costs | 40 | 30 |

TRICOR PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued...) FOR THE PERIOD ENDED 31 MARCH 2010

4. Employees and directors(continued...)

The average monthly number of employees during the period was as follows:-

| | 2010 | 2009 |
|----------------------------------|-------------|-------------|
| | No. | No. |
| Directors | 2 | 2 |
| Administration and trading staff | 1 | 1 |
| | <hr/> | <hr/> |
| | 3 | 3 |
| | <hr/> <hr/> | <hr/> <hr/> |

Details of the directors emoluments:

| | Fees |
|---------------------|--------------|
| | 2010 |
| | £'000 |
| L.E.V. Knifton | - |
| J.W. Case | - |
| L.Van Kampen-Brooks | 40 |
| | <hr/> |
| | 40 |
| | <hr/> <hr/> |

There were no emoluments paid to the directors in 2009.

For details of share options granted to directors, please see Note 23.

5. Segmental Analysis

The Group operated in no other geographical location other than the United Kingdom. There is also no segmental area of operations.

6. Revenue

| | 2010 | 2009 |
|------------------------------|--------------|--------------|
| | £'000 | £'000 |
| Sales of electronic products | 848 | 713 |
| | <hr/> <hr/> | <hr/> <hr/> |

TRICOR PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued...) FOR THE YEAR ENDED 31 MARCH 2010

7. Net Finance Income

| | 2010 £'000 | 2009 £'000 |
|---|---------------|---------------|
| Finance income: | | |
| Bank interest income | - | 4 |
| Finance costs: | | |
| On other loan payable within five years | (165) | (150) |
| Net Finance Income | <u>(165)</u> | <u>(146)</u> |

8. Operating loss

| | 2010 £'000 | 2009 £'000 |
|--|---------------|---------------|
| Depreciation | 1 | 1 |
| Auditors remuneration – audit fees (Group) | 2 | 15 |
| - audit fees (Company) | 8 | 8 |
| - Non audit fees | 6 | 5 |
| Share based payments | 59 | - |
| | <u>59</u> | <u>-</u> |

The analysis of administrative expenses in the consolidated income statement by nature of expense:

| | 2010 £'000 | 2009 £'000 |
|-----------------------------|---------------|---------------|
| Employment costs | 40 | 46 |
| Rent and Rates | 38 | 92 |
| Travelling and entertaining | - | 5 |
| Legal and Professional Fees | 132 | 95 |
| Other expenses | 55 | 125 |
| Share based payments | 59 | - |
| | <u>324</u> | <u>363</u> |

Other operating income is a VAT repayment supplement.

The analysis of exceptional expenses (net) for the year was as follows:-

| | | |
|--|----------|------------|
| Impairment of goodwill | - | 429 |
| Subsidiary's finished goods provision for obsolescence | - | 38 |
| Provision for property lease guarantees no longer required | - | (32) |
| Impairment of Investments in S4T Plc | - | 100 |
| Impairment of tangible fixed assets in subsidiary | - | 75 |
| | <u>-</u> | <u>610</u> |

TRICOR PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued...) FOR THE YEAR ENDED 31 MARCH 2010

9. Tax

As a result of the losses incurred in the year and losses brought forward no tax charge has arisen.

| | 2010 £'000 | 2009 £'000 |
|--|---------------|---------------|
| Current tax charge | - | - |
| Factors affecting the tax charge | | |
| Loss on ordinary activities before taxation | (484) | (1,078) |
| Loss on ordinary activities before tax multiplied by | | |
| Standard rate of corporation tax at 28% (2008 - 30%) | (136) | (323) |
| Effects of | | |
| Losses carried forward | 136 | 323 |
| Current tax charge/(recovery) | - | - |
| Expenses not deductible in determining taxable loss | | |
| Depreciation | 1 | - |
| Other tax adjustments | 135 | 323 |
| Tax credit | 136 | 323 |

As at 31 March 2010, the group carried forward estimated tax losses of £1,374,000 (2009 - £948,000). The deferred tax assets on these estimated tax losses at 28% (2009- 28%) would be £412,440 (2009: £225,991) but this has not been recognised due to the uncertainty of its recovery.

10. Loss for the parent Company

As permitted by section 408 of the Companies Act 2006, the income statement of the parent company is not presented as part of these financial statements.

| | 2010 £'000 | 2009 £'000 |
|-------------------|---------------|---------------|
| Loss for the year | 484 | 1,078 |

TRICOR PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued...) FOR THE YEAR ENDED 31 MARCH 2010

11 Basic and diluted loss per share

The basic loss per share is calculated by dividing the loss of £484,000 (2009-£1,078,000 Loss) attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period, which is 1,270,864,822 (2009: 653,084,232). For the year 31 March 2010, the basic and diluted loss per share is 0.03 pence (2009 – 0.17 pence).

The diluted loss per share is calculated using the weighted average number of shares adjusted to assume the conversion of all dilutive potential ordinary shares, which is 1,361,249,437 (2009: 653,084,232). For the year 31 March 2010, the diluted loss per share is 0.03 pence (2009 -0.17 pence).

There is no effect on the basic and diluted loss per share in the year from the discontinued operation as there was no trade on the discontinued operation during the year.

12 Intangible assets

| Group and Company | Goodwill | Exclusivity Licence | Total |
|----------------------------------|-------------|------------------------|-------------|
| | £'000 | £'000 | £'000 |
| Cost | | | |
| At 1 April 2008 and 1 April 2009 | 429 | - | 429 |
| Additions in the year | - | 45 | 45 |
| Disposal in the year | (429) | - | (429) |
| | <hr/> | <hr/> | <hr/> |
| At 31 March 2010 | - | 45 | 45 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |
| Amortisation | | | |
| At 1 April 2009 | 429 | - | 429 |
| Charge in the year | - | - | - |
| Disposal in the year | (429) | - | (429) |
| | <hr/> | <hr/> | <hr/> |
| At 31 March 2010 | - | - | - |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |
| Carrying value | | | |
| At 31 March 2010 | - | 45 | 45 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |
| At 31 March 2009 | - | - | - |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |

On 1 February 2010, the Company signed a licence agreement with First Carbon Trust Limited ("FCTL") for the exclusive use of its platform for a 5 year period. Consideration for the licence was satisfied by the issue of 446,000,000 new Ordinary Shares of 0.01 pence per share ("Ordinary Shares") of the Company to First Carbon Holdings Limited ("FCHL"), the parent company of FCTL which equates to 19.4% of the enlarged issued share capital of Tricor. A further deferred payment of 200,000,000 new Ordinary Shares of the Company will be payable within 90 days subject to the satisfaction of certain conditions. The conditions were satisfied on 5 May 2010 and the 200,000,000 new Ordinary Shares were issued to FCHL as part of the license agreement. The licence has not been amortised in the year as the group has not generated revenue from the license in the year.

TRICOR PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued...) FOR THE YEAR ENDED 31 MARCH 2010

12 Intangible assets

The group assesses at each reporting date whether there is an indication that an asset may be impaired, by considering the net present value of discounted cash flows forecasts. If an indication exists an impairment review is carried out; the directors have concluded that full amortization of goodwill is necessary, because its value has declined considerably during the year. The subsidiary, Specs and Lenses Limited has closed its operations in Ipswich and Freeport and is selling their stocks through an office in Clacton to minimise costs.

13. Plant and equipment Group and company

| Cost | Website £'000 | Fixtures, Fittings and Equipment £'000 | Totals £'000 |
|-----------------------|--------------------------|---|-------------------------|
| At 1 April 2008 | 54 | 27 | 81 |
| Additions | 5 | 21 | 26 |
| | <hr/> | <hr/> | <hr/> |
| At 1 April 2009 | 59 | 48 | 107 |
| Additions | - | 1 | 1 |
| Disposal | (59) | (32) | (91) |
| | <hr/> | <hr/> | <hr/> |
| At 31 March 2010 | - | 17 | 17 |
| | <hr/> | <hr/> | <hr/> |
| Depreciation | | | |
| At 1 April 2008 | - | 7 | 7 |
| Charge for the period | 59 | 33 | 92 |
| | <hr/> | <hr/> | <hr/> |
| At 1 April 2009 | 59 | 40 | 99 |
| Charge for the period | - | 1 | 1 |
| Disposals | (59) | (32) | (91) |
| | <hr/> | <hr/> | <hr/> |
| At 31 March 2010 | - | 9 | 9 |
| | <hr/> | <hr/> | <hr/> |
| Carrying value | | | |
| At 31 March 2010 | - | 8 | 8 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |
| At 31 March 2009 | - | 8 | 8 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |

TRICOR PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued...) FOR THE YEAR ENDED 31 MARCH 2010

| | | |
|-----------------------------------|-----------------------|---|
| 13. Plant and equipment | | Fixtures, Fittings and Equipment £'000 |
| Company | | |
| Cost | | |
| At 1 April 2008 and 1 April 2009 | | 16 |
| Additions | | 1 |
| | | 17 |
| At 31 March 2010 | | 17 |
| Depreciation | | |
| At 1 April 2008 | | 7 |
| Charge for the year | | 1 |
| | | 8 |
| At 1 April 2009 | | 8 |
| Charge for the year | | 1 |
| Disposals | | - |
| | | 9 |
| At 31 March 2010 | | 9 |
| Carrying value | | |
| At 31 March 2010 | | 8 |
| | | 8 |
| At 31 March 2009 | | 9 |
| | | 9 |
| 14. Investments | Group £000 | Company £000 |
| Cost | | |
| At 1 April 2008 and 31 March 2009 | 100 | 609 |
| Disposal | - | (609) |
| | 100 | 609 |
| At 31 March 2010 | 100 | 609 |
| Impairment | | |
| At 1 April 2008 and 31 March 2009 | 100 | 609 |
| Impairment in the year | - | - |
| Disposal | - | (609) |
| | 100 | - |
| At 31 March 2010 | 100 | - |
| Carrying value | | |
| At 31 March 2010 | - | - |
| | - | - |
| At 31 March 2009 | - | - |
| | - | - |

- (a) The company owns 50 million ordinary shares in S4T Plc, a company quoted on Plus Market up to 15 June 2009, and having a cost of £100,000. A full provision has been made of the S4T Plc investment on the basis of the uncertainty of recovery.

TRICOR PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued...) FOR THE YEAR ENDED 31 MARCH 2010

14. Investments

- (b) The company acquired the entire issued share capital of Specs and Lenses Limited ("Spec") on 5 March 2008 for £508,750 by the issue of 185,000,000 shares at 0.275p per share; the company is unquoted and the shares in the company were sold at a nominal value in January 2010.

Included within these consolidated financial statements is the loss from the subsidiary to the date of disposal in January 2010:

| Subsidiary | 2010 £000 |
|--------------------------|----------------------|
| Specs and Lenses Limited | - |

Spec and Lens ceased trading on 1 April 2009 and there was no profit or loss in the year to 31 March 2010 which required to be disclosed as discontinued in the income statement.

Below are the combined revenues and profit of the enlarged Group from 1 April 2008 to 31 March 2009:

| | 2009 £000 |
|------------------------|----------------------|
| Revenue | 713 |
| Impairment in the year | (1,078) |

Below is the detail of the disposal of Spec:

| | 2010 £000 |
|---------------------------|----------------------|
| Disposal proceeds | - |
| Cost of investments | 609 |
| (Loss)/profit on disposal | (609) |

15. Inventories

| | 2010 £'000 | 2009 £'000 |
|----------------|-----------------------|-----------------------|
| Group | | |
| Finished Goods | - | 6 |
| Company | | |
| Finished Goods | - | 3 |

TRICOR PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued...) FOR THE YEAR ENDED 31 MARCH 2010

| 16. Trade and other receivables | Group | | Company | |
|---------------------------------|---------------|---------------|---------------|---------------|
| | 2010 £'000 | 2009 £'000 | 2010 £'000 | 2009 £'000 |
| Current: | | | | |
| Trade receivables | 99 | - | - | 21 |
| Other receivables | 1,276 | 1,262 | 1,276 | 1,229 |
| | <u>1,375</u> | <u>1,262</u> | <u>1,276</u> | <u>1,250</u> |

As of 31 March 2010, trade receivables of £Nil (2009 - £21,000) were past due but not impaired. The ageing analysis of these trade receivables is as follows:

| | Group | | Company | |
|----------------|---------------|---------------|---------------|---------------|
| | 2010 £'000 | 2009 £'000 | 2010 £'000 | 2009 £'000 |
| Up to 3 months | - | - | - | 21 |
| 3 to 6 months | - | - | - | - |
| Above 6 months | 99 | - | - | - |
| | <u>99</u> | <u>-</u> | <u>-</u> | <u>21</u> |

Included in other receivables, is an amount of £1.2 million which relates to VAT recoverable. HMRC are withholding payments due to the company along with other mobile phone dealers. The company has taken legal advice and are preparing a case against HMRC for both repayment and loss of income. The VAT is considered to be fully recoverable on the basis that even if there was evasion of VAT elsewhere within the chain of transactions the Directors had no knowledge nor should have had such knowledge.

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

| 17. Cash and Cash equivalents | Group | | Company | |
|-------------------------------|---------------|---------------|---------------|---------------|
| | 2010 £'000 | 2009 £'000 | 2010 £'000 | 2009 £'000 |
| Bank accounts | <u>190</u> | <u>16</u> | <u>190</u> | <u>3</u> |

TRICOR PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2010

| 18. Trade and other payables | Group | | Company | |
|------------------------------|---------------|---------------|---------------|---------------|
| | 2010 £'000 | 2009 £'000 | 2010 £'000 | 2009 £'000 |
| Current: | | | | |
| Trade payables | 97 | 32 | 97 | 5 |
| Other payables | 31 | 41 | 31 | 31 |
| Accrued expenses | 65 | 772 | 65 | 754 |
| | <u>193</u> | <u>845</u> | <u>193</u> | <u>790</u> |
| Aggregate amounts | <u>193</u> | <u>845</u> | <u>193</u> | <u>790</u> |

19. Financial Liabilities – Borrowings

| | 2010 £'000 | 2009 £'000 |
|--|---------------|---------------|
| Group and Company | | |
| Non-current | | |
| Unsecured convertible loan notes | 1,560 | 385 |
| | <u>1,560</u> | <u>385</u> |
| Current | | |
| Unsecured convertible loan notes | 1,560 | 652 |
| Unsecured loans | 175 | - |
| | <u>1,735</u> | <u>1,037</u> |
| Total borrowings | <u>1,735</u> | <u>1,037</u> |
| Loan maturity analysis | | |
| Less than one year | 175 | 652 |
| In more than one year but not more than five years | 1,560 | 385 |
| | <u>1,735</u> | <u>1,037</u> |
| Wholly repayable within five years | <u>1,735</u> | <u>1,037</u> |

The fair value of current borrowings equals to their carrying amount as the impact of discounting is not significant.

On 4th January 2010, the Company issued an unsecured convertible loan note of £1,500,000 to Germiston Investments Limited. The loan note can be converted at a subscription price 0.03p per share on the principal loan amount. The loan note is repayable on 30 June 2011. £100,000 of this loan note was converted on 1 February 2010 into 333,333,333 new ordinary shares.

On 28th January 2010, the Company entered issued an unsecured convertible loan note of £300,000 to Reedworks Limited. The loan note can be converted at a subscription price 0.07p per share on the principal loan amount. The loan note is repayable on 28 July 2011. First part of the loan note of £150,000 was issued on 28th January 2010 and the remaining £150,000 was issued on 28 April 2010.

TRICOR PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2010

20. Share capital

The details of the paid up share capital are as follows:

| | 2010 No' 000 | 2009 No' 000 | 2010 £'000 | 2009 £'000 |
|-------------------------------------|-----------------|-----------------|---------------|---------------|
| Allotted, called up and fully paid: | | | | |
| Ordinary shares of 0.01p each | 2,293,084 | 653,084 | 229 | 65 |
| Deferred share of 0.09p each | 653,084 | 653,084 | 588 | 588 |
| Deferred share of 4.9p each | 48,084 | 48,084 | 2,356 | 2,346 |
| | | | <u>3,173</u> | <u>2,999</u> |

Ordinary shares of 0.01p each

| | 2010 No' 000 | 2010 £'000 |
|----------------------------------|------------------|---------------|
| At 1 April 2008 and 1 April 2009 | 653,084 | 65 |
| New shares issued | 455,000 | 45 |
| Conversion of loan notes | 712,333 | 71 |
| Settlement of creditors fees | 26,667 | 3 |
| Acquisition of assets | 446,000 | 45 |
| | <u>1,640,000</u> | <u>164</u> |
| At 31 March 2010 | <u>2,293,084</u> | <u>229</u> |

The deferred shares do not carry any voting rights.

In October 2008, each of the issued and unissued ordinary share capital of 0.1p was subdivided into one ordinary share of 0.01p and one deferred shares of 0.09 each.

On the 26 June 2009, the company issued 255,000,000 ordinary shares to raise a total of £76,500.

On the 8 July 2009, the company issued 50,000,000 new ordinary shares in respect of the 28 April 2012 convertible loan notes.

On the same date, the company issued 10,000,000 new ordinary shares in respect of the 16 February 2012 convertible loan notes.

On the 27 July 2009, the company issued 140,000,000 new ordinary shares in respect of the 28 April 2012 convertible loan notes.

On the 17 August 2009, the company issued 40,000,000 new ordinary shares in respect of the 28 April 2012 convertible loan notes.

On the same date, the company issued 16,666,667 new ordinary shares in settlement of an outstanding invoice of £5,000.

TRICOR PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2010

20. Share capital (Continued...)

On the 28 August 2009, the company issued 100,000,000 new ordinary shares at 0.03p each to raise a total of £30,000 before expenses.

On the 13 October 2009, the company issued 100,000,000 new ordinary shares to raise £30,000.

On the same date, 10,000,000 new ordinary shares were issued in settlement of an invoice for £3,000.

On 1 February 2010, 446,000,000 new ordinary shares were issued to acquire the exclusivity licence in a Carbon Trading Platform. There are potentially a further 200,000,000 new ordinary shares to be issued on satisfaction of certain contribution under the licence agreement dated 28 January 2010.

On the same date the company issued an additional 472,333,333 new ordinary shares to various convertible loans.

21 Reserves

Group

| | Share premium | Other reserves | Share Based payment reserve | Retained losses | Total reserves |
|--|------------------|-------------------|--------------------------------------|--------------------|-------------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| As at 1 April 2009 | 48,013 | 324 | 324 | (51,926) | (3,589) |
| Issue of shares | 504 | - | - | - | 504 |
| Share based payment | - | - | 59 | - | 59 |
| Losses after tax for the year | - | - | - | (583) | (583) |
| Subsidiary's prior year losses recorded on losses | - | - | - | 27 | 27 |
| As at 31 March 2010 | <u>48,517</u> | <u>324</u> | <u>59</u> | <u>(52,482)</u> | <u>(3,582)</u> |
| | | Share premium | Other reserves | Retained losses | Total reserves |
| | | £'000 | £'000 | £'000 | £'000 |
| As at 1 April 2008 | | 48,013 | 324 | (50,848) | (2,511) |
| Losses after tax for the year | | - | - | (1,078) | (1,078) |
| As at 31 March 2009 | | <u>48,013</u> | <u>324</u> | <u>(51,926)</u> | <u>(3,589)</u> |

TRICOR PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2010

21 Reserves Company

| | Share premium | Other reserves | Share Based payment reserve | Retained losses | Total reserves |
|---------------------------------|---------------|----------------|-----------------------------|-----------------|----------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| As at 1 April 2009 | 48,013 | 324 | | (51,899) | (3,562) |
| Issue of shares | 504 | - | | - | 504 |
| Share based payment | - | - | 59 | - | 59 |
| Losses after tax for the period | - | - | | (583) | (583) |
| As at 31 March 2010 | <u>48,517</u> | <u>324</u> | <u>59</u> | <u>(52,376)</u> | <u>(3,582)</u> |

| | Share premium | Other reserves | Retained losses | Total reserves | |
|-------------------------------|---------------|----------------|-----------------|-----------------|----------------|
| | £'000 | £'000 | £'000 | £'000 | |
| As at 1 April 2008 | | 48,013 | 324 | (50,842) | (2,505) |
| Losses after tax for the year | | - | - | (1,057) | (1,057) |
| As at 31 March 2009 | | <u>48,013</u> | <u>324</u> | <u>(51,899)</u> | <u>(3,562)</u> |

22 Reconciliation of loss before tax to cash generated from operations

| | 2010 £'000 | 2009 £'000 |
|--|---------------|---------------|
| Group | | |
| (Loss) before tax | (583) | (322) |
| Depreciation charges | 1 | 17 |
| Share based payment | 59 | |
| | <u>(523)</u> | <u>(305)</u> |
| Decrease in inventories | 6 | (36) |
| Decrease in trade and other receivables | (14) | 64 |
| Increase/(decrease) in trade and other payables | 420 | 148 |
| Decrease in short term loans | - | (34) |
| Cash generated from (utilised) operations | <u>(111)</u> | <u>(163)</u> |
| Company | | |
| Loss before tax | (583) | (275) |
| Depreciation | 1 | 1 |
| Share based payment | 59 | - |
| | <u>(523)</u> | <u>(274)</u> |
| Decrease in inventories | 3 | - |
| Increase/(decrease) in trade and other receivables | (16) | 174 |
| (Decrease)/Increase in trade and other payables | 438 | 42 |
| (Decrease) in short term loans | - | (34) |
| Cash consumed in operations | <u>(98)</u> | <u>(92)</u> |

TRICOR PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2010

23. Share-based payments

Share options and warrants:

On 13 October 2009, the Company granted Darren Ridge a warrant of 50,000,000 in the Company of 0.01p each at a price of 0.03p per share, exercisable at any time to 12 October 2010.

The Board on 1 February 2010 granted the following Directors options under the EMI Scheme as set out below:-

- a) 250,000,000 options to L van Kampen-Brooks at 0.07 pence per share to be exercised at any time in the five years to 28 January 2015.
- b) 50,000,000 options to J. W Case at 0.07 pence per share to be exercised at any time in the five years to 28 January 2015.

The total charge for the share-based payments is £59,000. The total amount has been recognised in the current year financial statements as the options and warrants are vested immediately.

The details of the share options and warrants are as follows:

| | 2010 | | 2009 | |
|--|----------------------|--------------------------------------|----------------------|--------------------------------------|
| | No. of share options | Weighted average exercise price £ | No. of share options | Weighted average exercise price £ |
| Outstanding at the beginning of the year | - | - | - | - |
| Warrants granted in Oct 2009 | 50,000,000 | 0.03 | - | - |
| EMI options granted in Feb 2010 | 300,000,000 | 0.07 | - | - |
| Exercised | - | - | - | - |
| Balance carried forward | 350,000,000 | 0.06 | - | - |

The fair values of the options and warrants granted have been calculated using the Black-Scholes model assuming the inputs shown below:

| Type | Warrant | Options |
|----------------------------|---------|---------|
| Grant Date | Oct 09 | Feb 10 |
| Share price at grant date | 0.08p | 0.12p |
| Exercise price | 0.03p | 0.07p |
| Option life in years | 1 year | 5 years |
| Risk free rate | 4.75% | 2.75% |
| Expected volatility | 10% | 10% |
| Expected dividend yield | 0% | 0% |
| Fair value of option | 0.02p | 0.17p |
| Share based payment charge | £8,177 | £50,957 |

TRICOR PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2010

24. Financial Commitments

Capital commitments

There was no capital expenditure that had been contracted for at the balance sheet date but not yet incurred.

Lease commitments

On 1 April 2010, the group surrendered its rental lease for £37,127 which was paid in two instalments after the reporting period.

25. Related party transactions

During the year, the company paid rent of £nil (2009: £20,830) to Mr Joe Case, a director of the company.

At the end of the year, the company owed £4,940 (2009: £4,940) to Mr Joe Case. The highest balance in the year was £4,940. The amount is interest free and has no fixed repayment period.

£nil (2009: £23,000) of the convertible loan notes were due to Mr Joe Case.

£nil (2009: £100,000) of the convertible loan notes were due to Mr Leo Knifton, a director of the company.

26. Events after the reporting period

Further to issue of new shares under the exclusivity licence on 1 February 2010, the implementation of the platform has passed the initial testing phase and been approved for full scale implementation. Therefore, under the terms of the Exclusivity Agreement signed on 1 February 2010, the balance of 200,000,000 ordinary shares in the Company was issued in May 2010.

On 20 September 2010 a convertible unsecured loan note 2013 for £150,000 was issued to Reed Works Limited. This is to be drawn down over a 12 month period and converts at the option of the loan note holder at 0.2p per new ordinary share.

27. Ultimate controlling party

In the opinion of the directors, there is no controlling party