HOT TUNA (INTERNATIONAL) PLC

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2009

HOT TUNA (INTERNATIONAL) PLC

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OPERATIONS AND FINANCE REVIEW

Overview

This report covers the company's trading results for the year ending 30 June 2009. These results should be read in the context in which they are set, with significant board and operational changes occurring during the year. As a Board we are delighted with the progress to date, and wish to thank all our staff for their continued efforts to deliver the right product, at the right time to the right market.

The fundamentals of this business are far stronger than they were twelve months ago, referring not only to the income statement, but also to the new and exciting designs which are being widely praised in all product sectors, across all geographies. Despite the challenges of a recession, I believe that we start 2010 much stronger as a business. We have reduced overheads, including a Board restructuring and increased gross profits. We are currently enjoying a satisfactory level of sales and are building up a very promising pipeline through both our existing and new distribution partners.

Financial

The company faced a challenging year in which access to capital to fund our production was restricted. This has impacted turnover for the year ended June 30 2009 which was £1.144m (2008: £1.126m).

Given the limited access to capital, the Group embarked on a cost cutting programme focusing on reducing cost of sales and general and administrative expenses. As a result the Group is able to report a gross profit of £248,000 (2008: loss £27,000) and a 56 per cent reduction in the Group's operating loss for the year currently at £1.337m (2008: loss of £3.072m).

The Group's loss after tax for the year was £ 2.267 million (2008: loss of 5.770 million) which is mainly attributable to the £0.889 million amortisation of intangible assets (2008: £2.588 million). We would like to welcome new institutional shareholders and thank both them, and existing shareholders, for their support.

During the year a total of 283 million shares were issued at an average weighted price of 0.3 pence per share totalling £0.86 million. The funds were utilised to develop current product offering, further penetrate our existing markets, and for general working capital purposes.

Operational

The company has undergone significant corporate restructuring in the past year in order to reduce operating costs and simplify the structure; this has resulted in a much leaner and higher margin business.

UK & EU

The UK & EU market showed a strong growth in turnover this year, up 33 per cent. This was due to the take up of several ranges by department stores in UK and Germany. The men's and women's ranges showed the greatest growth in these regions.

Australia

Australia suffered an overall dip in revenue of 3.6 per cent, as a result of withdrawing the women's swim range due to capital constraints. The children's range continued to show strong growth in national retailers and showed an increase in independent stockists.

US

The US market has showed a small increase in sales of 7.1 per cent. This was driven by the success of the women's swim range. We were able to lower the cost of local manufacturing increasing our gross profit above our targets. As in Australia capital constraints prevented us from delivering the growth in sales we envisaged.

Outlook

The business has undergone significant restructuring and this has helped the company dramatically reduce its costs and resulted in a more streamlined and efficiently run business. In the following year we aim to either maintain or further reduce this cost base.

By reducing the range to the core products of men's board shorts and t-shirts, women's swimwear, fashion tops and bottoms, and refocusing the designs back to the heritage of the brand and the iconic Piranha logo, we have produced the strongest range in years. The core ranges will be an 80/20 range, where by 80 per cent of the range will be global and 20 per cent can be 're-worked' for the local market. A new tiered pricing structure is more appealing to a broader market enabling greater market penetration than before.

The new collections have had a strong up take for the coming season, across all regions with new national retailers and e-tailers taking the product for the first time. In particular if the programme of rolling out the men's range into the brands home market of Australia is successful, we will see a significant uplift in revenues. The reintroduction of the profitable swim range, absent from the Australian market last year, will also boost revenues. The European market will see the introduction of the children's range with the additional capital to support growth in new European sectors. We have also seen interest from new regions where the company is currently not trading; these areas will be explored and could result in possible license or distributor agreements being reached.

On behalf of the Board of Directors, we would like to thank all employees for their tremendous efforts over the past year, and the work they have undertaken in our journey to restore Hot Tuna to its rightful place.

Geoff O'Connell
Chief Executive Officer
21 December 2009

DIRECTORS' REPORT

The directors submit their report and the financial statements of Hot Tuna (International) PLC ("Hot Tuna") and its subsidiary undertakings ("the Group") for the year ended 30 June 2009.

Hot Tuna (International) PLC is a public company incorporated in England and Wales, and quoted on AIM.

PRINCIPAL ACTIVITIES
The principal activity of the Group during the year was that of design, production and sale of our branded surf and youth lifestyle apparel to specified regions of the world.

PRINCIPAL RISKS AND UNCERTAINTIES
The directors consider the following to be key risks involved in running the day to day business of Hot Tuna (International) PLC and its subsidiaries:

- protection of intellectual property across the globe and new registrations in emerging markets
- loss of key executives and members of the staff would affect product offering and have an adverse impact on operations
- changes to import and export restrictions across the world
- obsolescence of inventory, could cause lower than expected margins and large expenditure write offs to the profit and loss
- general economic climate and consumer sentiment
- fluctuations in foreign currencies could harm the results of our operations
- generation of consistent and profitable financial margins
- liquidity of the market for trading our shares

The directors address these risks by:

- implementation of internal control policies and global policies and procedures
- hire of experienced counsel and advisors to provide guidance and advice
- having an active involvement in day to day operational activities
- hiring experienced personnel with industry experience
- offering competitive and rewarding remuneration packages to executives
- regular board meetings to address general and industry specific risks and concerns

BUSINESS REVIEW AND FUTURE DEVELOPMENTS
The Group trading loss for the year, after taxation and minority interests, was £2.27 million (2008: £5.77 million).

Information on future developments is included in the Operations and Finance Review.

The directors are precluded from declaring a dividend for the year (2008: nil).

KEY PERFORMANCE INDICATORS
Due to Hot Tuna's current business being in the early stages of the growth cycle, the directors do not consider it appropriate to compare against key performance indicators in the market and within the industry.

In the future it is anticipated that the following key performance indicators will be used to monitor the health and profitability of our business:

- gross profit margins
- net profit margins
- sales turnover margins
- number of sales doors (customers) in each region
- customer retention
- number of distributors globally
- brand exposure and recognition
- press releases and exposure
- industry awards or accolades

FINANCIAL INSTRUMENTS

The financial risk management objectives of the Company and its subsidiaries are disclosed in more detail in the accounting policies and note 21.

DIRECTORS

The following directors have held office during the year.

Director	Date of appointment	Date of resignation
Geoff O'Connell	27 April 2009	
Kiran Morzaria		
David Lenigas	4 March 2008	6 February 2009
Niels Juul		27 April 2009

DIRECTORS' INTERESTS IN SHARES

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

	At 30 June 2009 or on resignation		*At 30 June 2008*	
Directors	*Number of Shares*	*Percentage (%)*	*Number of Shares*	*Percentage (%)*
Geoff O'Connell			-	-
Kiran Morzaria	-	-	-	-
David Lenigas	-	-	-	-
Niels Juul	-	-	-	-

Directors' interests in options are disclosed in the Directors' on pages 9 and 10.

CREDITOR PAYMENT POLICY

The Group's policy is to agree terms of transactions, including payment terms and to ensure that, in the absence of dispute, all suppliers are dealt with in accordance with its standard payment practice whereby all outstanding trade accounts are settled within the term agreed with the supplier at the time of the supply or otherwise 30 days from receipt of the relevant invoice. The number of days outstanding between receipt of invoices and date of payment calculated by reference to the amount owed to trade creditors at the period end as a proportion of the amounts invoiced by suppliers during the period, was 69 days (2008: 60 days).

POLITICAL AND CHARITABLE CONTRIBUTIONS

No donations for political or charitable purposes have been made by the Group or the Company during the year.

EMPLOYEES

The Group continues to give full and fair consideration to applications for employment made by disabled persons, having regard to their respective aptitudes and abilities. The policy includes, where practicable, the continued employment of those who may become disabled during their employment and the provision of training and career development and promotion, where appropriate. The Group has continued its policy of employee involvement by making information available to employees on matters of concern to them.

SUBSTANTIAL SHAREHOLDINGS

As at 19th November 2009 the Company has been notified of the following interests of 3% or more in the issued ordinary share capital of the Company:

Shareholder	Number of Shares	Percentage of issued share capital (%)
HSBC Global Custody Nominee (UK) Ltd	133,333,350	20.4%
Barclayshare Nominees Ltd	51,722,751	7.9%
Pershing Nominees Ltd	48,596,867	7.4%
Nutraco Nominees Ltd	46,150,000	7.1%
HSDL Nominees Ltd	33,612,111	5.1%
Credit Suisse Client Nominees (UK) Ltd	26,310,000	4.0%
TD Waterhouse Nominees (Europe) Ltd	23,303,688	3.6%

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STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS
The directors who were in office on the date of approval of these financial statements have confirmed that, as far as they are aware, there is no relevant audit information of which the auditors are unaware. Each of the directors have confirmed that they have taken all steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

DIRECTORS' INDEMNITY INSURANCE
Directors' and Officers' liability insurance is held by the Group.

POST BALANCE SHEET EVENTS
At the date these financial statements were approved, being 21 December 2009, the Directors were not aware of any significant post balance sheet events other than those set out in the notes to the financial statements.

AUDITORS
Chapman Davis LLP has indicated its willingness to continue in office.

By order of the Board

Kiran Morzaria
Director
21 December 2009

CORPORATE GOVERNANCE STATEMENT

The policy of the Board is to manage the affairs of the Company in accordance with the principles underlying the Combined Code on Corporate Governance.

The Board of Directors is accountable to shareholders for the good corporate governance of the Group. The principles of corporate governance and a code of best practice are set out in the Combined Code. Under the rules of AIM market the Group is not required to comply in full with the Code nor to state where it derogates from it. The Board considers that the size and nature of the Group does not warrant compliance with all the Code's requirements. This statement sets out how the principles of the Code are applied to Hot Tuna (International) PLC.

BOARD STRUCTURE

The Board comprises a non executive director and one executive director, the Chief Executive Officer (CEO). Given the size of the Group, it is considered that this gives the necessary mix of industry specific and broad business experience necessary for the effective governance of the Group. A replacement Chairman is currently being actively sought.

There are no matters specifically reserved to the Board for its decision, although board meetings are held on a regular basis and effectively no decision of any consequence is made other than by the directors. During the year XX board meetings were held. All directors participate in the key areas of decision-making, including the appointment of new directors.

The Board is responsible to shareholders for the proper management of the Group. A statement of directors' responsibilities in respect of the accounts is set out on page 11. The non-executive directors have a particular responsibility to ensure that the strategies proposed by the executive director are fully considered.

To enable the Board to discharge its duties, all directors have full and timely access to all relevant information.

There is no agreed formal procedure for the directors to take independent professional advice at the Company's expense.

All directors submit themselves for re-election at the Annual General Meeting at regular intervals. There are no specific terms of appointment for the non-executive director.

The following committees, which have written terms of reference, deal with specific aspects of the Group's affairs.

AUDIT COMMITTEE

The Audit Committee comprises of Kiran Morzaria (Chairman of the committee) and Geoff O'Connell. Meetings can also be attended by the external auditors.

The remit of the Committee is to review:

- the appointment and performance of the external auditors
- the independence of the auditors
- remuneration for both audit and non-audit work and nature and scope of the audit with the external auditors
- the interim or final financial report and accounts
- the external auditors management letter and management's responses
- the systems of risk management and internal controls
- operating, financial and accounting policies and practices, and
- to make related recommendations to the Board

The Audit Committee meets once a year.

REMUNERATION COMMITTEE

The Remuneration Committee comprises Kiran Morzaria (Chairman of the committee), and Geoff O'Connell and is responsible for making recommendations to the Board on the Company's framework of Executive remuneration and its cost. The Committee determines the contract terms, remuneration and other benefits for the directors. The report on directors' remuneration is set out on pages 9 to 10.

NOMINATION COMMITTEE

There is no separate Nomination Committee at the moment due to the size of the Board. All directors are subject to re-election at regular intervals.

INTERNAL CONTROL

The Board acknowledges its responsibility for establishing and monitoring the Company's systems of internal control. Although no system of internal control can provide absolute assurance against material misstatement or loss, the Company's systems are designed to provide the directors with reasonable assurance that problems are identified on a timely basis and dealt with appropriately.

The Group maintains a comprehensive process of financial reporting. The annual budget is reviewed and approved before being formally adopted. Other key procedures that have been established and which are designed to provide effective control are as follows:

- management structure – where the Board meets regularly to discuss all issues affecting the Company; and

- investment appraisal – the Company has a clearly defined framework for investment appraisal and approval is required by the Board where appropriate.

The Board regularly reviews the effectiveness of the systems of internal control and considers the major business risks and the control environment. No significant control deficiencies have come to light during the period and no weakness in internal financial control have resulted in any material losses, contingencies or uncertainties which would require disclosure as recommended by the guidance for directors on reporting on internal financial control.

The Board considers that in light of the control environment described above, there is no current requirement for a separate internal audit function.

RELATIONS WITH SHAREHOLDERS

The CEO is the Company's principal spokesperson with investors, fund managers, the press and other interested parties. At the Annual General Meeting (AGM), private investors are given the opportunity to question the Board.

This report and its financial statements will be presented to the shareholders for their approval at the AGM. The notice of the AGM will be distributed to shareholders together with the Annual Report.

GOING CONCERN

The directors have considered whether or not it is appropriate to adopt the going concern basis in preparing the 2009 financial statements in view of the substantial operating losses in 2008 and 2009. As at the date of this report, the Company has available undrawn credit facilities totalling £2.5 million and in addition in August 2009 the Company raised £1.11 million through the placement of 370 million ordinary shares. Accordingly, the directors believe the going concern basis to be appropriate.

DIRECTORS' REMUNERATION

Remuneration Committee

The members of the committee are Kiran Morzaria and Geoff O'Connell. Details of the remuneration of each director are set out below.

Executive remuneration packages are prudently designed to attract, motivate and retain directors of high calibre, who are needed to drive and maintain the Group's position as a market leader and to reward them for enhancing value to the shareholder.

Remuneration Policy

Share options
The directors have options granted to them under the terms of the Hot Tuna (International) PLC Share Option Scheme which is open to other qualifying employees. The reason for the scheme is to incentivise the directors and management personnel and enable them to benefit from the increased market capitalisation of the Company.

Pension arrangements
There are no pension arrangements in the Group.

Directors' contracts
It is the Company's policy that executive directors should have contracts with an indefinite term providing for a maximum of six months notice. In the event of early termination, the directors' contracts provide for compensation, where appropriate, up to a maximum of basic salary for the notice period.

Non-executive directors
The fees of the non-executive directors are determined by the Board as a whole having regard to the commitment of time required and the level of fees in similar companies.

The non-executive directors are employed on a renewable fixed term contract not exceeding three years.

Directors' emoluments

		2009			*2008*	
		£,000			*£,000*	
	Salary	*Fees*	*Total*	*Salary*	*Fees*	*Total*
Geoff O'Connell	11	-	11	-	-	-
Kiran Morzaria	12	-	12	14	-	14
David Lenigas	17	-	17	8	-	8
Niels Juuls	131	-	131	141	-	141
	171	-	171	163	-	163

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DIRECTORS' INTERESTS IN OPTIONS

Aggregate emoluments disclosed above do not include any amounts for the value of options to acquire ordinary shares in the Company or granted to or held by the directors. Details of options held by directors who served during the year are as follows:

Director	*Date of grant*	*Vesting date*	*Number of options over Ordinary shares*	*Exercise Price (pence)*	*Option exercise period*
Kiran Morzaria	22/05/2008	22/05/2008	1,000,000	2	5 years from date of grant.
Geoff O'Connell	03/07/2006	03/07/2007	100,000	2	6 years from date of grant.
David Lenigas	22/05/2008	22/05/2008	5,000,000	2	5 years from date of grant.
Niels Juul	19/05/2008	19/05/2010	5,000,000	2	5 years from date of grant.
	20/05/2007	20/05/2010	400,000	2	5 years from date of grant
	20/05/2007	20/05/2012	600,000	2	6 years from date of grant
	20/05/2007	20/05/2013	1,000,000	2	7 years from date of grant

All options have been granted under the Hot Tuna (International) PLC Share Option Scheme. Options granted under this scheme are not subject to performance criteria. The market price of the ordinary shares at 30 June 2009 was 0.52 pence (2008: 1.94 pence) and the range during the year was 0.25 pence to 2.50 pence [2008: 1.0 pence to 12.5 pence (average 0.73 pence).

There was no exercise, forfeiture or waiver of any of the above options during the year.

APPROVAL

This report was approved by the Board of Directors and authorised for issue on 21 December 2009 and signed on its behalf by:

Kiran Morzaria
Director
21 December 2009

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

UK Company law requires the directors to prepare Group and Company Financial Statements for each financial year. Under that law the directors are required to prepare Group financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the EU and have elected to prepare the company financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the EU.

The Group financial statements are required by law and IFRS adopted by the EU to present fairly the financial position and performance of the group; the Companies Act 2006 provides in relation to such financial statements that references in the relevant part of that Act to financial statements giving a true and fair view are references to their achieving a fair presentation.

The Company financial statements are required by law to give a true and fair view of the state of affairs of the company.

In preparing each of the group and company financial statements, the directors are required to:

a.select suitable accounting policies and then apply them consistently;

b. make judgements and estimates that are reasonable and prudent;

c.state whether they have been prepared in accordance with IFRSs adopted by the EU;

d.prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the company will continue in business.

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

The directors are also responsible for the maintenance and integrity of the Hot Tuna (International) PLC website.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HOT TUNA (INTERNATIONAL) PLC

We have audited the financial statements of Hot Tuna International Plc for the year ended 30th June 2009 which comprise the Group Income Statement, the Group and Parent Company Balance Sheets, the Group and Parent Company Statements of Cash Flows, the Group and Parent Company Statements of Changes in Equity and the related notes 1 to 25. 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.

This report is made solely to the Company's members, as a body, in accordance with sections 495 and 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 11 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

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 group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 30 June 2009 and of the Group's and the Parent Company's loss for the year then ended;
- the financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- the financial statements have been 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 matters prescribed by the Companies Act 2006

In our opinion:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following:

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

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

Keith Fulton (Senior Statutory Auditor)
for and on behalf of Chapman Davis LLP
Chartered Accountants and Statutory Auditors
London, United Kingdom
21 December 2009

FINANCIAL STATEMENTS
CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2009

	NOTES	*Year ended 30/06/09 £000's*	*Year ended 30/06/08 £000's*
Revenue	1	1,144	1,126
Cost of sales		(896)	(1,153)
Gross profit/(loss)		248	(27)
Selling and marketing expenses		(138)	(452)
General and administrative expenses		(1,388)	(2,642)
Depreciation	12	(64)	(58)
Loss from operations before exceptional items	3	(1,342)	(3,179)
Impairment of intangible assets	10,11	(889)	(2,588)
Investment income	5	1	41
Loss on disposal of property, plant and equipment	3	(14)	(4)
Finance costs	6	(23)	(38)
Loss before tax		(2,267)	(5,770)
Tax	7	-	-
Loss after tax		(2,267)	(5,770)
Loss for the year		(2,267)	(5,770)
Attributable to:			
Equity holders		(2,267)	(5,770)
Minority interest		-	-
		(2,267)	(5,770)
Loss per share			
Basic and diluted	9	(1.18) pence	(6.47) pence

The Company's loss for the year ended 30 June 2009 was £1.34 million (2008: £9.91 million loss). The Company is exempt from publishing its own income statement under section 408 of the Companies Act 2006.

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CONSOLIDATED AND COMPANY BALANCE SHEET AS AT 30 JUNE 2009

	NOTES	*2009 Group £000's*	*2009 Company £000's*	*2008 Group £000's*	*2008 Company £000's*
ASSETS					
Non-current assets					
Goodwill	10	-	-	207	-
Other intangible assets	11	495	495	2,650	495
Property, plant and equipment	12	57	-	119	9
Investments	13	-	3	-	1,968
		552	498	2,976	2,472
Current assets					
Inventories	15	281	-	331	-
Trade and other receivables	16	380	118	426	23
Cash and cash equivalents		29	16	-	-
		690	134	757	23
TOTAL ASSETS		1,242	632	3,733	2,495
LIABILITIES					
Current liabilities					
Borrowings	14	-	-	35	90
Trade and other payables	17	1,060	429	557	215
Convertible loan note	18	169	169	184	184
		1,229	598	776	489
Non-current liabilities		-	-	-	-
		-	-	-	-
TOTAL LIABILITIES		1,229	598	776	489
NET ASSETS		13	34	2,957	2,006
EQUITY					
Share capital	20	28	28	1,533	1,533
Deferred share capital	20	1,795	1,795	-	-
Share premium reserve		10,240	10,240	9,619	9,619
Share-based payment reserve		2,308	2,308	2,308	2,308
Merger reserve		-	-	1,474	1,474
Warrant reserve		238	238	295	295
Foreign exchange reserve		6	-	63	-
Retained loss		(14,602)	(14,575)	(12,335)	(13,223)
Equity attributable to equity holders of the parent		13	34	2,957	2,006
Minority interest		-	-	-	-
TOTAL EQUITY		13	34	2,957	2,006

The financial statements were approved by the board of directors and authorised for issue on xx December 2009 and are signed on its behalf by:

Geoff O'Connell
Chief Executive Officer

Kiran Morzaria
Non Executive Director

HOT TUNA (INTERNATIONAL) PLC

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2009

CONSOLIDATED	*Share capital*	Deferred Share Capital	*Share premium account*	*Share-based payment reserve*	*Foreign Exchange Reserve*	*Merger reserves*	*Warrant reserve*	*Retained loss*	*Total*	*Minority interest*	*Total equity*
	£000's	*£000's*	*£000's*	*£000's*	*£000's*	*£000's*	*£000's*	*£000's*	*£000's*	*£000's*	*£000's*
Balance at 1 July 2008	1,533	-	9,619	2,308	63	1,474	295	(12,335)	2,957	-	2,957
Loss for the year	-	-	-	-	-	-	-	(2,267)	(2,267)	-	(2,267)
Exchange differences arising on translation of overseas operations	-	-	-	-	(57)	-	-	-	(57)	-	(57)
Total recognised income and expense for 2009	-	-	-	-	(57)	-	-	(2,267)	(2,324)	-	(2,324)
Share capital issued	290	-	573	-	-	-	-	-	863	-	863
Reorganisation of share capital	(1,795)	1,795	-	-	-	-	-	-	-	-	-
Costs of share issue and conversion	-	-	(9)	-	-	-	-	-	(9)	-	(9)
Write – off of Intangibles	-	-	-	-	-	(1,474)	-	-	(1,474)	-	(1,474)
Warrants expired	-	-	42	-	-	-	(42)	-	-	-	-
Warrants exercised	-	-	15	-	-	-	(15)	-	-	-	-
Balance at 30 June 2009	28	1,795	10,240	2,308	6	-	238	(14,602)	13	-	13

COMPANY	*Share capital*	Deferred Share Capital	*Share premium account*	*Share-based payment reserve*	*Foreign Exchange Reserve*	*Merger reserves*	*Warrant reserve*	*Retained loss*	*Total*
Balance at 1 July 2008	1,533	-	9,619	2,308	-	1,474	295	(13,223)	2,006
Loss for the year	-	-	-	-	-	-	-	(1,352)	(1,352)
Total recognised income and expense for 2009	-	-	-	-	-	-	-	(1,352)	(1,352)
Share capital issued	290	-	573	-	-	-	-	-	863
Reorganisation of share capital	(1,795)	1,795	-	-	-	-	-	-	-
Costs of share issue and conversion	-	-	(9)	-	-	-	-	-	(9)
Write-off of Investments	-	-	-	-	-	(1,474)	-	-	(1,474)
Warrants expired	-	-	42		-	-	(42)	-	-
Warrants exercised	-	-	15	-	-	-	(15)	-	-
Balance at 30 June 2009	28	1,795	10,240	2,308	-	-	238	(14,575)	34

HOT TUNA (INTERNATIONAL) PLC

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2008

CONSOLIDATED	Share capital	Deferred Share Capital	Share premium account	Share-based payment reserve	*Foreign Exchange Reserve*	*Merger reserves*	Warrant reserve	Retained loss	Total	Minority interest	Total equity
	£000's	*£000's*	*£000's*	*£000's*	*£000's*	*£000's*	*£000's*	*£000's*	*£000's*	*£000's*	*£000's*
Balance at 1 July 2007	774	-	9,611	2,267	54	1,474	800	(7,309)	7,671	-	7,671
Loss for the year	-	-	-	-	-	-	-	(5,770)	(5,770)	-	(5,770)
Exchange differences arising on translation of overseas operations	-	-	-	-	9	-	-	-	9	-	10
Total recognised income and expense for 2008	-	-	-	-	9	-	-	(5,770)	(5,761)	-	(5,760)
Loan conversion and share issue	759	-	306	-	-	-	-	-	1,065	-	1,065
Costs of share issue and conversion	-	-	(60)	-	-	-	-	-	(60)	-	(60)
Warrants subscribed	-	-	(239)	-	-	-	239	-	-	-	-
Warrants expired	-	-	-	-	-	-	(744)	744	-	-	-
Employee share option scheme	-	-	-	41	-	-	-	-	41	-	41
Balance at 30 June 2008	1,533	-	9,619	2,308	63	1,474	295	(12,335)	2,957	-	2,957

COMPANY	Share capital	Deferred Share Capital	Share premium account	Share-based payment reserve	*Foreign Exchange Reserve*	*Merger reserves*	Warrant reserve	Retained loss	Total
Balance at 1 July 2007	774	-	9,611	2,267	-	1,474	800	(4,055)	10,872
Loss for the year	-	-	-	-	-	-	-	(9,912)	(9,912)
Total recognised income and expense for 2008	-	-	-	-	-	-	-	(9,912)	(9,912)
Loan conversion and share issue	759	-	306	-	-	-	-	-	1,065
Costs of share issue and conversion	-	-	(60)	-	-	-	-	-	(60)
Warrants Subscribed	-	-	(239)	-	-	-	239	-	-
Warrants expired	-	-	-	-	-	-	(744)	744	-
Employee share option scheme	-	-	-	41	-	-	-	-	41
Balance at 30 June 2008	1,533	-	9,619	2,308	-	1,474	295	(13,223)	2,006

HOT TUNA (INTERNATIONAL) PLC

CONSOLIDATED AND COMPANY CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2009

	Group 2009 *£000's*	Company 2009 *£000's*	Group 2008 *£000's*	Company 2008 *£000's*
Operating loss	(2,267)	(1,352)	(3,181)	(7,324)
Investment income	(1)	(1)	(41)	(39)
Finance costs	23	20	39	38
Depreciation	64	2	57	5
Share based payment	-	-	41	41
Impairment	888	491	-	-
Foreign exchange loss	(73)	2	9	-
Loss on disposal	14	6	4	3
Operating cash flows before movements in working capital	(1,352)	(832)	(3,072)	(7,276)
Decrease/(increase) in inventories	50	-	68	-
Decrease/(increase) in receivables	46	(95)	98	4,387
Increase in payables	503	199	60	48
NET CASH FROM OPERATING ACTIVITIES	(753)	(728)	(2,846)	(2,841)
Investment income	1	1	41	39
Finance costs	(23)	(20)	(38)	(38)
Net cash flow from operating activities	(22)	(19)	(2,843)	(2,840)
Cash flow from investing activities				
Purchase of property, plant and development	-	-	(56)	(1)
Net cash flow from investing activities	-	-	(56)	(1)
Cash flow from financing activities				
Net proceeds from issue of share capital	853	853	1,005	1,005
Repayment of convertible loan notes	-	-	(33)	(33)
Net cash from financing activities	853	853	972	972
Net cash inflow	78	106	(1,927)	(1,869)
Foreign exchange differences on translation	(14)	-	-	-
Cash and cash equivalents at start of period	(35)	(90)	1,892	1,779
Cash and cash equivalents at the end of the period	29	16	(35)	(90)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) General information and authorisation of financial statements

Hot Tuna (International) PLC is a public limited company incorporated and domiciled in England and Wales under the Companies Act 2006. The address of its registered office is Level 5, 22 Arlington Street, London SW1A 1RD. The Company's ordinary shares are traded on the AIM Market operated by the London Stock Exchange. The Group financial statements of Hot Tuna (International) Plc for the period ended 30 June 2009 were authorised for issue by the Board on xx December 2009 and the balance sheets signed on the Board's behalf by Mr Kiran Morzaria and Mr Geoff O'Connell.

The nature of the Group's operations and its principal activities are set out in note 13 and in the Operations and Finance Review on page 2 and 3.

At the date of authorisation of these financial statements the following Standards and Interpretations which have not been applied in these financial statements were in issue but not yet effective:

(b) Statement of compliance with IFRS

The Group's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The Company's financial statements have been prepared in accordance with IFRS as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006. The principal accounting policies adopted by the Group and Company are set out below.

New standards and interpretations not applied

IASB and IFRIC have issued the following standards and interpretations with an effective date after the date of these financial statements:

International Accounting Standards (IAS / IFRSs) and (Effective date)

IFRS 1 First time Adoption of International Financial Reporting Standards and Consolidated and Separate Financial Statements (1 January 2009)
IFRS 2 Amendment to IFRS 2 – Vesting Conditions and Cancellations (1 January 2009)
IFRS 3 Business Combinations - revised January 2008 (1 July 2009)
IFRS 8 Operating Segments (1 January 2009)
IAS 1 Presentation of Financial Statements - revised September 2007 (1 January 2009)
IAS 23 Borrowing Costs - revised March 2007 (1 January 2009)
IAS 27 Consolidated and Separate Financial Statements - revised January 2008 (1 July 2009)
IAS 32 Financial Instruments: Disclosure and Presentation and IAS 1 Presentation of Financial Statements (1 January 2009)

Improvements to IFRSs - May 2008 (1 January 2009)

IAS 39 Financial Instruments: Recognition and Measurement (1 January 2009)

International Financial Reporting Interpretations Committee (IFRIC)

IFRIC 16 Hedges of a net investment in a foreign operation (1 October 2008)

The amendment to IFRS 2 restricts the definition of vesting conditions to include only service conditions (requiring a specified period of service to be completed) and performance conditions (requiring the other party to achieve a personal goal or contribute to achieving a corporate target). All other features are not vesting conditions, and whereas a failure to achieve such a condition was previously regarded as a forfeiture (giving rise to a reversal of amounts previously charged to profit) it must be reflected in the grant date fair value of the award and treated as a cancellation, which results in either an acceleration of the expected charge, or a continuation over the remaining vesting period, depending on whether the condition is under the control of the entity or counterparty. The amendment is mandatory for periods beginning on or after 1 January 2009 and the Group is currently assessing its impact on the financial statements, although it is not expected to be material.

(c) Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis, except for the measurement to fair value of assets and financial instruments as described in the accounting policies below, and on a going concern basis.

The financial report is presented in Pound Sterling (£) and all values are rounded to the nearest thousand pounds (£'000) unless otherwise stated.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Basis of consolidation
Where the Company has the power, either directly or indirectly, to govern the financial and operating policies of another entity or business so as to obtain benefits from its activities, it is classified as a subsidiary. The consolidated financial statements present the results of the Company and its subsidiaries ("the Group") as if they formed a single entity. Intercompany transactions and balances between Group companies are therefore eliminated in full.

(e) Business combinations and goodwill
On acquisition, the assets and liabilities of a subsidiary are measured at their fair values at the date of acquisition. Any excess of the cost of acquisition over the fair values of the identifiable net assets acquired is recognised as goodwill.

(f) Revenue recognition
Revenue is recognised to the extent that the right to consideration is obtained in exchange for performance. Payment received in advance of performance is deferred on the balance sheet as a liability and released as services are performed or products are exchanged as per the agreement with the customer.

Revenue derived from the license royalties are recognised on notification of payment by the licensee. Revenue derived from the sale of manufactured products and recognised when delivered to the customer in accordance with the specific supply contract terms.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

(g) Foreign currencies
Transactions in currencies other than Sterling are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated foreign currencies are retranslated at the rates prevailing on the balance sheet date. Gains and losses arising on retranslation are included in the income statement for the period.

On consolidation, the results of overseas operations are translated into sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of the overseas operations, including goodwill arising on the acquisition of those operations, are translated at the rate ruling at the balance sheet date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised directly in equity (the "foreign exchange reserve").

(h) Taxation
The tax expense represents the sum of the current tax and deferred tax.

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

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

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled. Deferred tax is charged or credited in the income statement, except when it relates to items credited or charged directly to equity, in which case the deferred tax is also dealt with in equity.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009 (CONTINUED)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Externally acquired intangible assets

Externally acquired intangible assets are initially recognised at cost and subsequently amortised on a straight-line basis over their useful economic lives. The amortisation expense is included within the administrative expenses line in the consolidated income statement.

Intangible assets are recognised on business combinations if they are separable from the acquired entity or give rise to other contractual/legal rights. The amounts ascribed to such intangibles are arrived at by using appropriate valuation techniques.

The significant intangibles recognised by the Group, their useful economic lives and the methods used to determine the cost of intangibles acquired in a business combination are as follows:

Intangible asset	Useful economic life	Valuation method
Intellectual property	Patent life (20 years)	Estimated royalty stream if the rights were to be licensed
Licenses	10 years Estimated	discounted cash flow

(k) Impairment of tangible and intangible assets excluding goodwill

At each balance sheet date the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If there is such indication then an estimate of the asset's recoverable amount is performed and compared to the carrying amount.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value. Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

If the recoverable amount of an asset is estimated to be less that its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a re-valued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009 (CONTINUED)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Property, plant and equipment

Items of property, plant and equipment are initially recognised at cost and subsequently at depreciated cost. As well as the purchase price, cost includes directly attributable costs and the estimated present value of any future costs of dismantling and removing items. The corresponding liability is recognised within provisions.

Depreciation is provided on all of property, plant and equipment to write off the carrying value of items over their expected useful economic lives. It is applied at the following rates:

Buildings and improvements	20 – 33.3% per annum straight line
Fixtures and fittings	20 – 33.3% per annum straight line
Office equipment	20 – 33.3% per annum straight line

(m) Inventories

Inventories are initially recognised at cost, and subsequently at the lower of cost and net realisable value. Cost comprises all costs of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Weighted average cost is used to determine the cost of ordinarily interchangeable items.

(n) Provisions

Provisions are recognised for liabilities of uncertain timing or amount that have arisen as a result of past transactions and are discounted at a pre-tax rate reflecting current market assessments of the time value of money and the risks specific to the liability.

(o) Financial instruments

Financial assets and financial liabilities are recognised on the balance sheet when the Group has become a party to the contractual provisions of the instrument

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, cash at bank and short term deposits with banks and similar financial institutions.

Trade and other receivables

Trade and other receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts.

Financial liability and equity

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.

Trade and other payables

Trade and other payables are non interest bearing and are stated at their nominal value.

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Share-based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to the consolidated income statement over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the consolidated income statement over the remaining vesting period.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(p) Critical accounting estimates and judgements

Share-based payments

Where equity instruments are granted to persons other than employees, the consolidated income statement is charged with the fair value of goods and services received. Equity-settled share-based payments are measured at fair value at the date of grant except if the value of the service can be reliably established. The fair value determined at the grant date of equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of shares that will eventually vest.

The Group makes estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Impairment of goodwill

The Group is required to test, on an annual basis, whether goodwill has suffered any impairment. The recoverable amount is determined based on value in use calculations. The use of this method requires the estimation of future cash flows and the choice of a discount rate in order to calculate the present value of the cash flows - actual outcomes may vary. If the carrying amount exceeds the recoverable amount then impairment is made.

Useful lives of intangible assets and property, plant and equipment

Intangible assets and property, plant and equipment are amortised or depreciated over their useful lives. Useful lives are based on the management's estimates of the period that the assets will generate revenue, which are based on judgement and experience and periodically reviewed for continued appropriateness. Changes to estimates can result in significant variations in the carrying value and amounts charged to the consolidated income statement in specific periods.

Share-based payments

The Group utilised an equity-settled share-based remuneration scheme for employees. Employee services received, and the corresponding increase in equity, are measured by reference to the fair value of the equity instruments at the date of grant, excluding the impact of any non-market vesting conditions. The fair value of share options are estimated by using Black-Scholes valuation method as at the date of grant. The assumptions used in the valuation are described in note 17 and include, among others, the expected volatility, expected life of the options and number of options expected to vest.

Warranty claims

The Group may offer warranties on its products. The Group estimates the amount and cost of future warranty claims for its sales to be 10% of the sales price. 10% accrued warranty provisions for product shipments are provided. Factors that impact the estimated claim information include the success of the Group's productivity and quality initiatives, as well as parts and labour costs.

Identifying the acquirer in business combinations

IFRS 3 defines the acquirer in a business combination as being the entity that obtains control of the other combining entities and defines control as being held by the combining entity that has the power to govern the financial and operating policies of the other entity so as to obtain benefits from its activities. The Group considers all relevant facts and circumstances to determine which of the combining entities has control, including the voting rights of shareholders, composition of combined entities board and management.

Determination of fair values of intangible assets acquired in business combinations

The fair value of patents and trademarks acquired in a business combination is based on the discounted estimated royalty payments that would have been avoided as a result of the trademark or a patent being owned. The fair value of other intangible assets is based on the discounted cash flows expected to be derived from the use and eventual sale of the asset.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009 (CONTINUED)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(p) Critical accounting estimates and judgements (continued)

Income taxes

The Group is subject to income tax in several jurisdictions and significant judgement is required in determining the provision for income taxes. During the ordinary course of business, there are transactions and calculations for which the ultimate tax determination is uncertain. As a result, the Group recognises tax liabilities based on estimates of whether additional taxes and interest will be due. The Group believes that its accruals for tax liabilities are adequate for all open audit years based on its assessment of many factors including past experience and interpretations of tax law. This assessment relies on estimates and assumptions and may involve a series of complex judgments about future events. To the extent that the final tax outcome of such matters is different than the amounts recorded, the differences will impact income tax expense in the period in which such determination is made.

Deferred taxation

Deferred tax assets are recognised when it is judged more likely than not that they will be recovered.

Going Concern

The financial report for the year ended 30 June 2009 has been prepared on a going concern basis.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009 (CONTINUED)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED

1. REVENUE

An analysis of the Group's revenue is as follows:

	2009	*2008*
	£000's	*£000's*
Continuing operations		
Sale of goods	1,138	1,103
Royalty income	6	22
	1,144	1,125

2. BUSINESS AND GEOGRAPHICAL SEGMENTS

Segment information about the business is presented below.

All locations operate the same activity – design, production and sale of branded apparel.

The Group's operations are located in the United Kingdom, United States and Australia.

Inter-segment sales are charged at prevailing market prices.

Year ended 30 June 2009

	AUSTRALIA	UNITED KINGDOM	UNITED STATES	CONSOLIDATED
	£000's	*£000's*	*£000's*	*£000's*
REVENUE				
External Sales	474	412	252	1,138
Royalties	6	-	-	6
Total Revenue	480	412	252	1,144
RESULT				
Segment Result	18	66	164	248
Depreciation	(11)	(18)	(35)	(64)
Operating Expenses	(204)	(906)	(416)	(1,526)
Operating loss	(197)	(858)	(287)	(1,342)
Investment revenues	-	1	-	1
Impairment of Intangibles	-	(889)	-	(889)
Other gains and losses	(3)	(7)	(4)	(14)
Finance Costs	-	(23)	-	(23)
Loss before tax	(200)	(1,776)	(291)	(2,267)
BALANCE SHEET				
ASSETS				
Segment Assets	291	647	304	1,242
LIABILITIES				
Segment Liabilities	(127)	(798)	(304)	(1,229)
Capital expenditure – PPE	-	-	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009 (CONTINUED)

2. BUSINESS AND GEOGRAPHICAL SEGMENTS CONTINUED
Year ended 30 June 2008

	AUSTRALIA	UNITED KINGDOM	UNITED STATES	CONSOLIDATED
	£000's	*£000's*	*£000's*	*£000's*
REVENUE				
External Sales	593	274	235	1,102
Royalties	22	1	-	23
Total Revenue	615	275	235	1,125
RESULT				
Segment Result	(264)	(3,435)	(1,485)	(5,181)
Depreciation	(11)	(22)	(24)	(57)
Impairment charge		(2,000)		(2,000)
Operating loss	(263)	(1,390)	(1,484)	(3,179)
Investment revenues	-	41	-	41
Other gains and losses	(293)	(3,829)	-	(4)
Finance Costs	(76)	(38)	(1)	(39)
Loss before tax	(264)	(3,435)	(1,485)	(5,181)
BALANCE SHEET				
ASSETS				
Segment Assets	622	3,742	1,958	6,322
LIABILITIES				
Segment Liabilities	(75)	(529)	(172)	(776)
Capital expenditure – PPE	23	8	25	56

3. LOSS FROM OPERATIONS
Loss from operations has been arrived at after charging:

	2009	*2008*
	£000's	*£000's*
Depreciation of property, plant and equipment – owned assets	64	57
Write down of inventory to net realisable value	376	233
Loss on disposal of fixed assets	14	4
Staff costs (see note 4)	272	1,312
Net foreign exchange gains/(losses)	56	12
Operating lease payments	-	2
Auditors' remuneration for audit services (see below)	25	36
Amounts payable to Company Auditors and their associates in respect of both audit and non-audit services:		
Audit services		
- statutory audit of parent and consolidated accounts	25	26
The auditing of accounts of associates of the company pursuant to legislation		
Audit of subsidiaries, where such services are provided by Company Auditors or its associates	-	10
Tax services		
- compliance services	-	10
Other services supplied pursuant to such legislation		
- interim results	-	7
	-	53
Comprising		
- audit services	25	36
- non-audit services	-	17

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009 (CONTINUED)

4. STAFF COSTS

The average monthly number of employees (including executive directors) for the year for each of the Group's principal divisions was as follows:

	2009	*2008*
	Number	*Number*
Management	4	9
Selling and Distribution	6	13
Head office and administration	4	9
	14	31

The aggregate remuneration comprised:

	2009	*2008*
	£000	*£000*
Wages and salaries	95	704
Social security and taxes	6	49
Temporary/consultant expenses	-	311
Directors emoluments	171	207
Share based payments (option scheme)	-	41
	272	1,312

The above costs are included in general and administrative expenses.

The highest paid director received £131,034 (2008: £141,222) and no directors received any pension contributions during the year (2008: nil)

5. FINANCE REVENUE

	2009	*2008*
	£000	*£000*
Interest on bank deposits	1	41

6. FINANCE COSTS

	2009	*2008*
	£000	*£000*
Interest on bank overdraft and loans	23	39

7. INCOME TAX EXPENSE

	Group	*Group*
	2009	*2008*
	£000's	*£000's*
Current tax	-	-
Deferred tax	-	-
	-	-

The charge for the year can be reconciled to the loss per the income statement as follows:

Loss before taxation	(2,267)	(5,769)
Expected tax credit on loss before tax at 28/30%	(635)	(1,731)
Current and deferred tax profit and loss charge	-	-
Difference to be explained (see below)	(635)	(1,731)
Expenses not deductible for tax purposes	(11)	(28)
Depreciation in excess of capital allowances not recognised for tax purposes	(7)	(8)
Tax losses not recognised for tax purposes	(266)	(939)
Timing difference not recognised for tax purposes	(351)	(756)
	(635)	(1,731)
Effective tax rate	0%	0%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009 (CONTINUED)

7. INCOME TAX EXPENSE *(continued)*

The group has losses of approximately £10.2 million (2008: £8.8 million) available for carry forward against future trading profits. No provision has been made for deferred tax assets as there is no certainty that future profits will be available to offset these losses.

8. DIVIDENDS

The directors are precluded from declaring a dividend for the year. (2008: nil)

9. LOSS PER SHARE

The calculation of the basic and diluted earnings per share is based on the following data:

	2009	*2008*
Earnings		
Earnings for the purposes of basic earnings per share net loss for the period attributable to equity holders of the parent (£000's)	(2,267)	(5,770)
Number of shares		
Weighted average number of ordinary shares for the purposes of basic earnings per share (millions)	192.3	89.2

The denominator for the purpose of calculating the basic earnings per share has been adjusted to reflect all capital raisings. Due to the loss incurred in the period, there is no dilutive effect resulting from the issue of share options, warrants and shares to be issued.

10. GOODWILL

GROUP	*2009*	*2008*
	£000's	*£000's*
Opening balance	207	207
Impairment	(207)	-
Closing balance	-	207

Impairment Review

At 30 June 2009, the directors have carried out an impairment review and have subsequently written down the value of goodwill by £207,000 (2008: nil). The directors are of the opinion that the carrying value is now stated at fair value.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009 (CONTINUED)

11. OTHER INTANGIBLE ASSETS

GROUP			*2009*			*2008*
	Hot Tuna Brand	*Licences*	*Total*	*Hot Tuna Brand*	*Licences*	*Total*
	£000's	*£000's*	*£000's*	*£000's*	*£000's*	*£000's*
Opening balance	495	2,155	2,650	3,083	2,155	5,238
Impairment charge	-	(2,155)	(2,155)	(2,588)	-	(2,588)
Closing balance	495	-	495	495	2,155	2,650

The "Hot Tuna" brand is considered to have an indefinite life and therefore is not amortised.

	Hot Tuna Brand	*Licences*	*Total*
	£000's	*£000's*	*£000's*
Australia	218	-	218
United Kingdom	216	-	216
United States of America	61	-	61
	495	-	495

	2009	*2009*	*2008*	*2008*
COMPANY	*Hot Tuna Brand*	*Total*	*Hot Tuna Brand*	*Total*
	£000's	*£000's*	*£000's*	*£000's*
Opening balance	495	495	495	495
Impairment charge	-	-	-	-
Closing balance	495	495	495	495

At 30 June 2009, the directors have carried out an impairment review and have subsequently written down the value of the licenses and brand by £2.15 million (2008: £2.59 million). £681,000 of this impairment charge was expensed during the year and £ 1,474,000 was charged to the merger reserve.

12. PROPERTY, PLANT AND EQUIPMENT

GROUP 2009	*Office Equipment*	*Fixtures and Fittings*	*Buildings and Improvements*	*Total*
	£000's	*£000's*	*£000's*	*£000's*
COST				
At 1 July 2008	93	64	57	214
Foreign exchange movements	18	4	2	24
Additions	-	-	-	-
Disposals	(9)	(12)	(41)	(62)
At 30 June 2009	102	56	18	176
ACCUMULATED DEPRECIATION				
At 1 July 2008	(43)	(26)	(27)	(96)
Foreign exchange movements	(3)	(2)	(2)	(7)
Disposals	6	10	32	48
Charge for the year	(27)	(17)	(20)	(64)
At 30 June 2009	(67)	(35)	(17)	(119)
NET BOOK VALUE				
At 30 June 2009	35	21	1	57
At 30 June 2008	50	39	30	119

COMPANY 2009	*Office Equipment*	*Buildings and Improvements*	*Total*
	£000's	*£000's*	*£000's*
COST			
At 1 July 2008	4	*13*	*17*
Additions	-	-	-
Disposals	(4)	(13)	(17)
At 30 June 2009	-	-	-
ACCUMULATED DEPRECIATION			
At 1 July 2008	(3)	(6)	(9)
Charge for the year	(1)	(2)	(3)
Disposals	4	8	12
At 30 June 2009	-	-	-
NET BOOK VALUE			
At 30 June 2009	-	-	-
At 30 June 2008	1	7	8

13. INVESTMENTS IN SUBSIDIARIES

	Company 2009	*Company 2008*
	£000's	*£000's*
Investments in subsidiaries		
At 1 July	1,968	1,968
Write – down of investment	(1,965)	-
At 30 june	3	1,968

13. INVESTMENTS IN SUBSIDIARIES (continued)
The following are the Company's subsidiaries:

Name of subsidiary	*Place of incorporation (or registration) and operation*	*Proportion of ownership interest%*	*Proportion of voting power held%*	*Principal activity*
Hot Tuna International Inc	USA	100%	100%	Branded apparel design, production and sale
Hot Tuna (UK) Limited	UK	100%	100%	
MAP Print Limited	UK	75%	75%	
Hot Tuna (Australia) Pty Ltd	Australia	100%	100%	
Hot Tuna Holdings Pty Ltd	Australia	100%	100%	Licence holder

14. BORROWINGS

	Group 2009 £000's	*Company 2009 £000's*	*Group 2008 £000's*	*Company 2008 £000's*
Bank overdrafts	-	-	35	90
	-	-	35	90
The borrowings are repayable as follows:				
On demand or within one year	-	-	35	90

	Group £000's	*Company £000's*	*Group £000's*	*Company £000's*
Analysis of borrowings by currency (Pounds Sterling)				
Bank overdrafts	-	-	35	90
	-	-	35	90

The weighted average interest rates paid were:

	Group 2009	*Company 2009*	*Group 2008*	*Company 2008*
Bank overdrafts	6%	6%	6%	6%

The directors estimate the fair value of the Group's borrowings as follows:	*Group 2009 £000's*	*Company 2009 £000's*	*Group 2008 £000's*	*Company 2008 £000's*
Bank overdrafts	-	-	35	90
	-	-	35	90

Bank overdrafts are not secured.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009 (CONTINUED)

15. INVENTORIES

	Group	*Company*	*Group*	*Company*
	2009	*2009*	*2008*	*2008*
	£000's	*£000's*	*£000's*	*£000's*
Raw materials	-	-	-	-
Goods in transit	-	-	-	-
Finished goods	281	-	331	-
	281	-	331	-

16. TRADE AND OTHER RECEIVABLES

	Group	*Company*	*Group*	*Company*
	2009	*2009*	*2008*	*2008*
	£000's	*£000's*	*£000's*	*£000's*
Trade receivables	256	-	333	-
Other receivables	124	118	93	23
	380	118	426	23

Trade receivables are amounts due from the sale of goods.

The average credit period taken on sale of goods is 45 days (2008: 30 days). An allowance has been made for estimated irrecoverable amounts from the sale of goods of £87,395 (2008: £53,214). This allowance has been based on the knowledge of the financial circumstances of individual debtors at the balance sheet date.

The Group holds no collateral against these receivables at the balance sheet date.

The following table provides analysis of trade and other receivables that were past due at 30 June, but not impaired. The Group believes that the balances are ultimately recoverable based on a review of past payment history and the current financial status of the customers.

	2009	2008
	£000's	£000's
Up to three months	143	336
Up to six months	113	90
	256	426

The Group only has an allowance account for trade receivables.

There are no significant credit risks arising from financial assets that are neither past due nor impaired.

At 30 June 2009, £40,929 (2008: £151,813) of receivables were denominated in Sterling, £73,930 (2008: £78,139) in dollars and £140,931 (2008: £195,593) in Australian dollars.

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

17. TRADE AND OTHER PAYABLES

	Group	*Company*	*Group*	*Company*
	2009	*2009*	*2008*	*2008*
	£000's	£000's	£000's	£000's
Trade and other payables	1,060	429	472	130
Deferred consideration	-	-	85	85
	1,060	429	557	215
Due within one year:	1,060	429	557	215

Trade creditors principally comprise amounts outstanding for trade purchases and ongoing costs.

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

18. CONVERTIBLE LOAN NOTES

The convertible loan notes issued during the prior year were issued on 2 March 2007. The loan notes were initially to be repaid in full within 540 days of closing and shall bear interest whilst outstanding at a rate of 7% per annum (payable monthly).

The Company initially agreed to repay the loan notes in cash by instalments of US$30,000 on prescribed dates at thirty-five day intervals throughout the loan term. In the event that the Company does not make any such cash repayment in accordance with the terms of the subscription letter for the loan notes then it shall be treated as having issued an "Advance Notice" under the facility and repayment of the relevant amount of the loan notes shall take place by setting off the subscription monies on the relevant Advance against the Company's obligation to repay the loan notes.

The issuer has the option at any time during the loan term of converting part or the whole of the outstanding loan notes into ordinary shares. However, the Company has the option upon the issuer exercising its conversion rights of paying cash in lieu of such ordinary shares. The conversion price is 130% of the average volume weighted price in the 20 days prior to exercise of the option.

The Company is currently re-negotiating the terms of this agreement with the provider.

The loan notes can be repaid by the Company (in full but not in part) at any time during the loan term with accrued interest but no early repayment penalty.

	Group	*Company*	*Group*	*Company*
	2009	*2009*	*2008*	*2008*
	£000's	£000's	£000's	£000's
Nominal value of convertible loan notes issued:				
Equity component at date of issue	-	-	-	-
Liability component at date of issue	184	184	277	277
Foreign exchange movements	(26)	(26)	-	-
Interest charged	11	11	15	15
Interest paid	-	-	(9)	(9)
Capital repaid	-	-	(99)	(99)
Liability component at 30 June 2008	169	169	184	184
The convertible loan note is repayable as follows:				
Due within one year	169	169	184	184
In the second year	-	-	-	-

The interest charged for the year is calculated by applying an effective interest rate of 7% to the liability component for the period since the issue of the loan note.

The Directors estimate the fair value of the liability component of the convertible loan notes at 30 June 2009 to be approximately £169,106 (2008: £184,277).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009 (CONTINUED)

19. OPERATING LEASES

	Group 2009 £000's	*Company 2009 £000's*	*Group 2008 £000's*	*Company 2008 £000's*
Less than one year	-	-	2	2

20. SHARE CAPITAL

	Number of shares	*Nominal value £000's*
a)Authorised Ordinary Share Capital:		
Ordinary shares of 0.01 pence each	1,000,000,000	100
b)Issued and Fully Paid:		
1 July 2008	153,293,419	1,533
5 September 2008 – for cash 2 pence per share	26,250,000	263
18 September 2008 – exercise of warrants 1.5 pence per share	1,400,000	14
14 October 2008 – exercise of warrants 1.5 pence per share	360,000	3
12 March 2009 – Reorganisation of share capital	-	(1,795)
25 March 2009 – for cash 0.5 pence per share	20,000	-
27 April 2009 - for cash at 0.3 pence per share	99,999,671	10
30 April 2009 –for cash 0.5 pence per share	1,980,000	-
As at 30 June 2009	283,303,090	28
c)Authorised Deferred Share Capital:		
Deferred shares of 0.99 pence each	1,000,000,000	9,900
d)Deferred shares		
1 July 2008	-	-
12 March 2009 Reorganisation of share capital	181,303,419	1,795
As at 30 June 2009	181,303,419	1,795

On 12 March 2009, a resolution was passed at the Company's annual general meeting to subdivide each existing issued and unissued ordinary shares of 1 pence into one ordinary share of 0.01 pence each and one deferred share of 0.99 pence each. The deferred shares have no voting rights, are not admitted to trading on AIM and are only entitled to negligible participation in the dividends and the return of capital in the Company

The Company has one class of ordinary shares which carry no right to fixed income.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009 (CONTINUED)

20. SHARE CAPITAL (continued)

(e) Total share options in issue

During the year, no options were granted (2008: 13,000,000).

As at 30 June 2009 the options in issue were:

Exercise price	*Expiry date*	*Options in Issue 30 June 2009*
25p	02/05/2012	500,000
50p	02/05/2013	500,000
50p	23/09/2010	1,000,000
25p	23/09/2010	200,000
2p	30/09/2011	500,000
50p	26/03/2011	300,000
50p	09/04/2011	120,000
50p	24/03/2011	120,000
2p	06/06/2012	1,000,000
25p	12/06/2011	75,000
25p	28/06/2012	100,000
50p	28/06/2013	150,000
75p	28/06/2014	200,000
2p	01/07/2012	100,000
1p	n/a	2,000,000
25p	22/12/2011	3,000,000
1p	n/a	2,300,000
2p	20/05/2013	400,000
2p	20/05/2014	600,000
2p	20/05/2015	1,000,000
2p	19/08/2013	75,000
2p	19/08/2014	100,000
2p	19/08/2015	175,000
2p	19/05/2013	13,000,000
		27,515,000

No options were cancelled during the year (2008: 5,680,000).

No options lapsed or were exercised during the year (2008: nil).

The Company has a share option scheme for all employees of the Group. Options are exercisable at a price defined by the individual option agreement. The vesting period varies according to the individual employment contract (between zero and five years). If the options remain unexercised during the specified period from the date of grant, the options expire. Options are forfeited if the employee leaves the Group before the options vest.

Details of the assumptions used in the calculation of these fair values are set out below. Expected volatility was based on the historical volatility of the Company's share price over period under review. Expected dividends were based on the Company's payments to shareholders over the two years prior to the grant or award date.

Under the schemes, the weighted average estimated fair value per option granted by the Company during 2009 was nil (2008: 0.64 pence). The fair value of the share options granted under the plans during 2009 was nil (2008: £80,000). The value of the awards is charged in the Income Statement over the vesting period

The inputs to the Black-Scholes model are as follows:

Weighted average share price (pence)	2
Expected volatility (%)	60%
Expected life (years)	Stated above
Risk free rate (%)	4.25 – 5.50%
Expected dividends	Zero

	Group 2009	*Company 2009*	*Group 2008*	*Company 2008*
The Group recognises the following expenses relating to equity settled share-based payment transactions:	£000's	£000's	£000's	£000's
Employee benefits (Note 4)	-	-	41	41
Share-based payment for professional services	-	-	36	36

-	-	77	77

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009 (CONTINUED)

20. SHARE CAPITAL (continued)

(f) Total warrants in issue

During the year, no warrants were issued (2008: 35,250,000).

As at 30 June 2009 the warrants in issue were;

Exercise Price (pence)	Expiry Date	Warrants in Issue30 June 2009
25	02/03/2012	50,000
30	02/03/2012	375,000
40	02/03/2012	200,000
50	02/03/2012	100,000
1.5	11/03/2013	29,250,000
1.5	25/03/2013	5,700,000
		35,675,000

200,500 warrants expired during the year (2008: Nil).
No warrants were cancelled during the year (2008: 16,512,497)
1,760,000 warrants were exercised during the year. (2008: Nil)

In conjunction with the capital rising in March 2008, 1.5p warrants were issued to institutional investors. Warrants represent subscription rights for ordinary shares in Hot Tuna (International) PLC. The warrant reserve represents the fair value of these warrants, determined using the Black-Scholes valuation model, using assumptions consistent with those used in calculating the fair value of share options. See note 20.

Subject to the Memorandum and Articles of Association the warrant holder shall be entitled to subscribe to ordinary shares in the Company upon exercise of the warrants at subscription price. Warrants may be exercised in whole or in part (and from time to time) prior to the final exercise date. The warrants are non-transferable.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009 (CONTINUED)

21. FINANCIAL INSTRUMENTS
The Group's principal financial instruments comprise cash, overdrafts and convertible loan notes. Please refer to note 14 and note 18.

The Group has various other financial instruments, such as trade and other receivables and trade and other payables that arise directly from its operations which have not been included in the following disclosures. The main risks arising from the Group's financial instruments are interest rate risks, foreign exchange risk, credit risk and liquidity risk. The policies for managing these risks are regularly reviewed and agreed by the Board. It is, and has been throughout the period under review, the Company's policy that no trading in financial instruments should be undertaken

Foreign exchange risk
The functional currency of the Company is Sterling. However, the Group operates in a number of markets across the world and is exposed to foreign exchange risk arising from various currency exposures in respect of trade receivables and trade payables, in particular with respect to the US dollar and the Australian dollar.

The Group has derived the following sensitivities based on variations of 20% (2008: 20%) in the US dollar and the Australian dollar.

	2009	2008
Impact on equity and profit after tax	£000's	£000's
20% increase in US dollar fx rate against pound sterling	(54)	(315)
20% decrease in US dollar fx rate against pound sterling	91	92
20% increase in Australian dollar fx rate against pound sterling	(25)	(183)
20% decrease in Australian dollar fx rate against pound sterling	62	(33)

Liquidity Risk
The Group monitors closely its access to bank and other credit facilities in comparison to its outstanding commitments on a regular basis to ensure that it has sufficient funds to meet the obligations of the group as the fall due. Details of the Group debt facilities are given in notes 18 and22 in which a maturity analysis is provided analysing the financial liabilities on a contractual gross undiscounted cash flow basis, based on period outstanding at the balance sheet date up to the maturity date.
Where the debt facilities are inadequate to meet expected funding requirements management will seek to renegotiate and extend the facilities.

In addition, further funds will be sought by raising finance through the issue of equity- see post balance see event note.

Credit Risk
Credit risk predominantly arises from trade receivables and cash and cash equivalents. Credit exposure is measured on a Group basis. Group policy is to assess the credit quality of each customer internally before accepting any terms of trade. The Groups maximum exposure to credit risk relating to its financial assets is given in note 16.

Capital Management
The Group's main objective when managing capital is to protect returns to shareholders by ensuring the Group will continue to trade in the foreseeable future.

The Group considers its capital to include share capital, share premium, other reserves, warrant reserves, share-based payment reserve and retained loss.

The Group considers it capital with regard to the risks inherent in the business and the sector within which it operates by monitoring its gearing ratio on a regular basis. The Group does not have any externally imposed capital requirements.

Overdraft facility
The Group currently holds an overdraft facility, details of which are provided in note 14.

Interest rate risk
The group's interest rate exposure arises mainly from its interest bearing borrowings and cash holdings. Contractual agreements entered into at floating rates expose the entity to cash flow risk whilst the fixed rate borrowings expose the entity to fair value risk.

The table below shows the Group's financial assets and liabilities split by those bearing fixed and floating rates and those that are non-interest bearing.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009 (CONTINUED)

21. FINANCIAL INSTRUMENTS (continued)

Financial assets	Fixed rate	Floating rate	Non-interest bearing	Total
	£ 000's	£ 000's	£ 000's	£ 000's
2009				
Cash and cash equivalents	-	29	-	29
Trade receivables	-	-	256	256
Other receivables	-	-	124	124
Total	-	29	380	409
2008				
Cash and cash equivalents	-	-	-	-
Trade receivables	-	-	329	329
Other receivables	-	-	97	97
Total	-	-	426	426
Financial Liabilities				
2009				
Bank overdraft	-	-	-	-
Trade payables	-	-	744	744
Accruals	-	-	175	175
Other payables	-	-	141	141
Loan notes	134	35	-	169
Total	134	35	1,060	1,229
2008				
Bank overdraft	-	35	-	35
Trade payables	-	-	343	343
Accruals	-	-	95	95
Other payables	-	-	119	119
Loan notes	134	50	-	184
Total	134	85	557	776

Floating rate instant access deposits in Sterling earn interest at prevailing bank rates.

Bank balances and cash comprise cash and short-term deposits held by the Group treasury function. The carrying amount of these assets approximates their fair value.

	2009	2008
	£'000	£'000
Impact on profit or loss		
1% increase in base rate of interest	1	6
1% decrease in base rate of interest	1	5

Fair Value

There is no material difference between the fair value of financial assets and liabilities and their book value at the balance sheet date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009 (CONTINUED)

22. EQUITY LINE OF CREDIT

An equity line of credit facility was secured on 2 March 2007 which enables the Company to draw down cash as it requires it by the issue of new ordinary shares.

The facility allows the issuer to subscribe for up to £2.495 million worth of the Company's ordinary shares over 5 years.

Hot Tuna (International) PLC has the option during the course of the facility term to issue notices requiring the issuer to subscribe for ordinary shares

The maximum amount of each advance is £100,000.

The subscription price for the shares is set at 97% of the lowest of the daily volume weighted average prices of the ordinary shares during the ten consecutive trading day period beginning on the first trading day after the date of the relevant notice to convert, although the Company can set a minimum price below which it will not accept subscriptions.

At 30 June 2009 the unused line of credit is valued at £2.495 million (2008: £2.495 million).

23. RELATED PARTY TRANSACTIONS
Trading transactions
During the year, Group companies entered into the following transactions with related parties who are not members of the Group:

	2009	*2008*
	Fees paid to third parties	*Fees paid to third parties*
	£000's	*£000's*
Urban Strategic Limited	-	10
	-	10

Fees to third parties comprise amounts paid to the Directors through their limited companies under an agreement to provide the Group with their services. These fees are derived from formalised contracts with each of the directors.

Inter-company Loans:	*Company Amounts owed by related parties 2009 £000's*	*Group Amounts owed by related parties 2009 £000's*	*Company Amounts owed by related parties 2008 £000's*	*Group Amounts owed to related parties 2008 £000's*
		-		
MAP Print Limited	783		765	-
Hot Tuna International Inc	3,802	-	3,682	-
Hot Tuna Australia Pty Ltd	992	-	898	-
Hot Tuna (UK) Limited	1,678	-	1,450	-
Hot Tuna (International) PLC	-	-	-	-
Provision for doubtful debts	(7,255)	-	(6,795)	-
Total	-	-	-	-

Remuneration of key management personnel
The remuneration of the Directors, who are the key management personnel of the Group, is set out below

	2009	*2008*
	£000's	*£000's*
Short term employee benefits (including social security)	171	231
Share-based payments	-	41
	171	272

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009 (CONTINUED)

24 CONTINGENT LIABILITIES

The following litigation is currently underway within the Group. The financial impact at the conclusion of each of the litigation has been estimated, where known.

Hot Tuna (International) PLC and Hot Tuna International Inc v Canada -- 1575156 Ontario, Inc.

Hot Tuna International Inc and its parent corporation Hot Tuna (International) PLC, were served in March 2007 with a complaint made by a numbered Ontario company, 1575156 Ontario, Inc. The complaint alleges breach of a trade-mark license agreement.

A Statement of Defence was filed, in which it denied all allegations and any liability on the ground that it was never a party to the License Agreement and, therefore, not a proper party to the proceeding. Hot Tuna (International) PLC has filed its

Statement of Defence and Counter Claim in which it defended against the plaintiff's claim and counterclaimed for, inter alia, damages in the amount of approximately $USD 2,500,000 for breach of the license agreement, fraudulent misrepresentation and deceit.

This was settled post year end for approximately US$ 60,000 excluding legal expenses

Hot Tuna International Inc v 17th Street Locker LLC

In July 2008, Hot Tuna International, Inc. (US subsidiary) was served with a complaint. The Plaintiff is seeking to have the mechanics lien removed from the subject property and to be made whole with alleged underpayment of rents. The matter is complicated by the sub-tenant situation.

Hot Tuna International, Inc. ("Inc.") has answered the complaint and was served discovery. In the meantime, we have received a letter with a settlement offer from counsel for 17th Street Locker. The Plaintiff is seeking $160,000 to settle the lawsuit.

This was settled post year end for approximately US$ 75,000 excluding legal expenses

25. POST BALANCE SHEET EVENTS

On the 13 August 2009, the Company placed 370 million new ordinary shares with new and existing shareholders and raised £1.11 million gross proceeds.

In addition and as mentioned in note 23 above the Group settled all the previously outstanding contingent liabilities

HOT TUNA (INTERNATIONAL) PLC

DIRECTORS, ADVISERS AND OFFICERS

Registered Number	05382036
Directors	Geoff O'Connell (Chief Executive Officer) Kiran Morzaria (Non Executive Director)
Company Secretary	Kiran Morzaria
Registered Office	Level 5, 22 Arlington Street London SW1A 1RD T: 020 7016 7862 F: 020 7016 5101 W: www.hottunaplc.com
Nominated Adviser and Broker	Seymour Pierce Limited 20 Old Bailey, London EC4M 7EN
Auditor	Chapman Davis LLP 2 Chapel Court London SE1 1HH
Share Registrar	Share Registrars Limited Suite E, First Floor 9 Lion and Lamb Yard Farnham Surrey GU9 7LL
Bankers	Lloyds TSB plc 25 Gresham Street London EC2V 7HN
Solicitors	Lawrence Graham LLP 4 More London Riverside London SE1 2AU Gallafents LLP 27 Britton Street London EC1M 5UD