HOT TUNA (INTERNATIONAL) PLC

ANNUAL REPORT AND ACCOUNTS 2011

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HOT TUNA (INTERNATIONAL) PLC

21 December 2011

Hot Tuna (International) PLC
("Hot Tuna" or "The Group")

Final Results for the year ended 30 June 2011

Hot Tuna (International) PLC (AIM: HTT), a leading surf wear and fashion brand, announces its final results for the year ended 30 June 2011.

OPERATIONS AND FINANCE REVIEW

Overview
This report covers the Company's trading results for the year ending 30 June 2011. Overall it has been a disappointing year with decreasing sales over the year across all our geographic regions, resulting in an operational loss prior to exceptional items of £0.86 million.

Operational Review
Operational costs remain controlled at the lower level carried forward from 2010 and have little scope for further reduction. In the event of the business continuing, it is the company's intention to realise further cost savings by entering distributorships and targeting online sales going forward.

Design & Product
The company retains Hot Tuna's core brand values of edgy surf/streetwear while seeking to utilise the brand's classic heritage. New suppliers have been sort to provide the highest possible quality within target cost brackets.

The coming Autumn/Winter range focuses on clean, classic, quirky and humourous designs on high quality natural products.

Europe
The summer 2010 trading period showed signs of mild recovery with product being delivered to new accounts in Italy generated by the Italian/Austrian distributor. The product was delivered on budget and within customer delivery windows. The UK e-commerce customers reflected slight increases in their modest sized orders as retailers and e-tailers reduced stock holdings and became cautious in product being stocked. Further sales where generated by old seasonal stock being discounted and channelled through markets where full price merchandise was not sold.

At the end of the summer 2010 season Italian retailers had reported good to very good sell through on product and the outlook for 2012 season looked promising. UK e-tailers reported fair sell through in line with UK retail market conditions. UK was signalling a general slowdown pushed in part by UK summer conditions and the start of softening retail numbers. UK accounts purchased product very late after production had been confirmed and in some cases individual styles were not able to be produced due to late purchasing, although online retailers both suffered and prospered from the harsh weather conditions over the start of 2011.

During the financial year the European market showed a decrease in turnover from £0.12 million in 2010 to £0.06 million in 2011. As such, the Company is focusing on rolling out its e-commerce strategy and repairing relations with our prior customer base.

While sales for the 2012 period to-date are up on the same period last year the difference is not significant and we expect European sales for 2012 to be in-line with 2011.

Australia
The Australian market reaction to the new season adult range was positive at tradeshows and a modest increase in the number of accounts buying reflected this. Discounting of old children's range product continued and previous seasons recalled product was returned in to the discount market as 'seconds' product. The children's range was not put back into the market, instead a concerted effort was made to establish back into the market the adults range.

While struggling to recover from the issues of product recall and losing two major retailers in 2010, Australian turnover disappointed expectations and decreased from £0.29 million in 2010 to £0.06 million in 2011.

In 2012 the Company is focusing on the potential for its recently signed Australian distribution agreement. This agreement is expected to significantly improve revenue from January 2012 with emphasis on the post June 2012 period and the board has begun scaling down operations in Australia in light of this.

US

The US retail sector has suffered the most of all markets, and sales continued to be dominated by the swim range. A successful Miami Swim Show at Salon Allure in July 2010 boosted confidence with good orders placed by traditional customers Victoria Secrets and Delias for deliveries from November 2010 through to March 2011. The company had expected these to result in solid repeat orders from January to March, however as the US retail market retreated and the economy softened, accounts pulled back and only minimal orders were received.

The USA market remains potentially the largest market but will require a distribution partner to capitalise on this, as has been successfully achieved in the Australian market.

Similarly to 2010, the modest sales achieved in the US market were driven by our women's swim collection. Total turnover for the US was £0.09 million in 2011 compared to £0.06 million in 2010 which failed to reach our expectations from the prior year.

In light of the US performance, the board has started winding down US operations and expect all trading and overhead expenditure to have ceased by February 2012.

Financial Review

The operational review has highlighted the disappointing sales performance achieved this year, reducing turnover to £0.21 million (2010: £0.46 million). Due to reduced stock ordering, stock write-down was minimised in 2011 and Company posted a gross profit of £0.05 million (2010: loss £0.03 million).

Total other operational expenses were reduced to £0.91 million (2010: £1.37 million), which is attributable to a reduction in both general and administrative expenses and depreciation and amortisation. In 2011, losses from operations decreased to £0.86 million (2010: £1.40 million).

Due to tighter cost control, operational cash outflows decreased to £0.76 million in the 2011 financial year (2010: £1.37 million).

Net cash outflow after changes in working capital and finance costs from operating activities was £0.94 million (2010: £1.68 million), this improvement in 2011 operating cashflows is largely due to a normalisation from the large decrease in payables in the the prior year. Total cash inflow over the period was £0.07 million (2010: £0.62 million) which included the offset by the net proceeds from the placing of £1.01 million resulting in a cash balance at the end of the year of £0.68 million (2010: £0.59 million).

Outlook

While improvement has been made in avenues to market post financial year end with the launch of the ecommerce site www.hot-tuna.com and signing of an Australian distribution agreement, revenue has not met forecasts and cashflows are not expected to support the business through 2012. As such the board took the decision to sell the Company's key asset of the brand and business of Hot Tuna in November 2011. Currently the board is working with interested parties and is expecting to present a firm purchase offer to shareholders in January 2012. Although strong interest has been shown in the purchase of the brand to date, in the event of a sale not being achieved the board will investigate funding solutions and aggressive overhead cutting while working constructively with the Australian distributor.

In the event of a sale of the brand and business being successfully achieved, the board has indicated the Company will remain as a listed 'shell', with the incumbent directors excluding Marcus Yeoman expected to step down.

Francis Ball
Executive Chairman
21 December 2011

HOT TUNA (INTERNATIONAL) PLC

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 2011.

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 £0.77 million (2010: £1.31 million).

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

The directors are precluded from declaring a dividend for the year (2010: 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

DIRECTORS' REPORT (continued)

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		
Kiran Morzaria		29 April 2011
Francis Ball	21 February 2011	
Oscar Verden	7 September 2011	
Marcus Yeoman	7 September 2011	

DIRECTORS' INTERESTS IN SHARES

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

	At 30 June 2011		*At 30 June 2010*	
Directors	*Number of Shares*	*Percentage (%)*	*Number of Shares*	*Percentage (%)*
Geoff O'Connell	16,669,339	0.75	16,669,339	1.45
Kiran Morzaria	-	-	12,333,333	1.07
Francis Ball	-	-	-	-

Directors' interests in options are disclosed in the Directors' Remuneration Report.

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 262 days (2010: 177 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 December 2011 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 (%)*
TD DIRECT INVESTING NOMINEES (EUROPE) LIMITED	309,757,292	14.03%
CHASE NOMINEES LIMITED	275,000,017	12.45%
BARCLAYSHARE NOMINEES LIMITED	239,083,621	10.83%
HSDL NOMINEES LIMITED	148,856,076	6.74%
L R NOMINEES LIMITED	105,389,413	4.77%
JAMES CAPEL (NOMINEES) LIMITED	98,140,028	4.44%
HSBC GLOBAL CUSTODY NOMINEE (UK) LIMITED	82,733,333	3.75%

DIRECTORS' REPORT (continued)

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 2011, 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 on 21 December 2011

HOT TUNA (INTERNATIONAL) PLC

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 three executive directors. 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.

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 6 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 director has a particular responsibility to ensure that the strategies proposed by the executive directors 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 Marcus Yeoman (Chairman of the committee) and Francis Ball. 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 Marcus Yeoman (Chairman of the committee), and Francis Ball, with Mark Percy (Seymour Pierce) advising, 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 chairman 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 financial report for the year ended 30 June 2011 has been prepared on a going concern basis. As at the date of this report, the Company has no available credit facilities. In the event the Company required further funds to continue, a fund raising exercise would be proposed with existing and/or potential new investors, and additionally the Company is in the process of selling the Group's IP and assets which the Directors believe will be successful, and raise sufficient cash resources to enable the "new" Group structure to continue for the next 12 months. Accordingly, the directors believe the going concern basis to be appropriate.

HOT TUNA (INTERNATIONAL) PLC

DIRECTORS' REMUNERATION REPORT

Remuneration Committee

The members of the committee are Marcus Yeoman and Francis Ball with Mark Percy (Seymour Pierce) advising. 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. Two alternative schemes are under review.

Directors' contracts
It is the Company's policy that the executive director should have a contract 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 director is 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 director is employed on a renewable fixed term contract not exceeding three years.

Directors' emoluments

	2011			*2010*		
	£000's			*£000's*		
	Salary	*Fees*	*Total*	*Salary*	*Fees*	*Total*
Geoff O'Connell	83	-	83	81	50	131
Kiran Morzaria (*)	-	-	-	12	12	24
Francis Ball (**)	-	12	12	-	-	-
	83	12	95	93	62	155

* Kiran Morzaria resigned on 29 April 2011.
** Francis Ball was appointed on 21 February 2011

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.
Francis Ball	-	-	-	-	-

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 2011 was 0.09 pence (2010: 0.18 pence) and the range during the year was 0.08 pence to 0.28 pence (2010: 0.18 pence to 0.55 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 2011.

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 2011 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 22. 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 Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and 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 2011 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.

Emphasis of matter – Going concern

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosure made in note 1 to the financial statements concerning the company's ability to continue as a going concern. The group incurred a net loss of £0.77 million during the year ended 30 June 2011 and, at that date, the group's cash assets were £0.68 million, and net cash outflow from operating activities for the year ended 30 June 2011 were £0.94 million. These conditions, along with the other matters explained in note 1 to the financial statements, including the sale of the Group's IP and assets, indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion:

- the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006; and
- 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 2011

HOT TUNA (INTERNATIONAL) PLC

FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2011

	NOTES	*Year ended 30/06/11 £000's*	*Year ended 30/06/10 £000's*
Revenue	1	207	464
Cost of sales		(157)	(497)
Gross profit/(loss)		**50**	**(33)**
Selling and marketing expenses		(86)	(74)
General and administrative expenses		(826)	(1,262)
Depreciation		-	(35)
Loss from operations before exceptional items	3	**(862)**	**(1,404)**
Exceptional write back of liabilities	21	93	150
Investment income	5	1	-
Loss on disposal of property, plant and equipment		-	(27)
Finance costs	6	-	(28)
Loss before tax		(768)	(1,309)
Tax	7	-	-
Retained loss after tax for the year		**(768)**	**(1,309)**
Other comprehensive income			
Exchange differences on translation of foreign operations		27	(87)
Total comprehensive income for the year net of taxation		**(741)**	**(1,396)**
Retained loss attributable to:			
Owners of the company		(768)	(1,309)
Non-controlling interest		-	-
Loss for the year		**(768)**	**(1,309)**
Total comprehensive income attributable to:			
Owners of the company		(741)	(1,396)
Non-controlling interest		-	-
Total comprehensive income for the year		**(741)**	**(1,396)**
Loss per share			
Basic and diluted	9	(0.05) pence	(0.18) pence

The Company's loss for the year ended 30 June 2011 was £0.74 million (2010: £1.58 million loss). The Company is exempt from publishing its own income statement under section 408 of the Companies Act 2006.

CONSOLIDATED AND COMPANY STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2011

	NOTES	*2011 Group £000's*	*2011 Company £000's*	*2010 Group £000's*	*2010 Company £000's*
ASSETS					
Non-current assets					
Other intangible assets	10	498	495	495	495
Property, plant and equipment	11	-	-	-	-
Investments	12	-	3	-	3
		498	498	495	498
Current assets					
Inventories	13	183	-	136	-
Trade and other receivables	14	214	121	165	36
Cash and cash equivalents		678	649	588	455
		1,075	770	889	491
TOTAL ASSETS		1,573	1,268	1,384	989
LIABILITIES					
Current liabilities					
Trade and other payables	15	218	75	297	63
Convertible loan note	16	-	-	-	-
		218	75	297	63
TOTAL LIABILITIES		218	75	297	63
NET ASSETS		1,355	1,193	1,087	926
EQUITY					
Share capital	17	221	221	115	115
Deferred share capital	17	1,795	1,795	1,795	1,795
Share premium reserve		13,526	13,526	12,623	12,623
Share-based payment reserve		2,057	2,057	2,308	2,308
Warrant reserve		238	238	238	238
Foreign exchange reserve		(54)	-	(81)	-
Retained loss		(16,428)	(16,644)	(15,911)	(16,153)
		1,355	1,193	1,087	926
Equity attributable to equity holders of the parent					
Minority interest		-	-	-	-
TOTAL EQUITY		1,355	1,193	1,087	926

The financial statements were approved by the board of directors and authorised for issue on 21 December.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2011

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 2010	115	1,795	12,623	2,308	(81)	-	238	(15,911)	1,087	-	1,087
Loss for the year	-	-	-	-	-	-	-	(768)	(768)	-	(768)
Exchange differences arising on translation of overseas operations	-	-	-	-	27	-	-	-	27	-	27
Total comprehensive income for 2011	-	-	-	-	27	-	-	(768)	(741)	-	(741)
Share capital issued	106	-	949	-	-	-	-	-	1,055	-	1,055
Costs of share issue	-	-	(46)	-	-	-	-	-	(46)	-	(46)
Reversal of expired options	-	-	-	(251)	-	-	-	251	-	-	-
Balance at 30 June 2011	221	1,795	13,526	2,057	(54)	-	238	(16,428)	1,355	-	1,355

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 2010	115	1,795	12,623	2,308	-	-	238	(16,153)	926
Loss for the year	-	-	-	-	-	-	-	(742)	(742)
Total comprehensive income for 2011	-	-	-	-	-	-	-	(742)	(742)
Share capital issued	106	-	949	-	-	-	-	-	1,055
Costs of share issue	-	-	(46)	-	-	-	-	-	(46)
Reversal of expired options	-	-	-	(251)				251	-
Balance at 30 June 2011	221	1,795	13,526	2,057	-	-	238	(16,644)	1,193

HOT TUNA (INTERNATIONAL) PLC

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2010

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 2009	28	1,795	10,240	2,308	6	-	238	(14,602)	13	-	13
Loss for the year	-	-	-	-	-	-	-	(1,309)	(1,309)	-	(1,309)
Exchange differences arising on translation of overseas operations	-	-	-	-	(87)	-	-	-	(87)	-	(87)
Total comprehensive income for 2010	-	-	-	-	(87)	-	-	(1,309)	(1,396)	-	(1,396)
Share capital issued	87	-	2,523	-	-	-	-	-	2,610	-	2,610
Costs of share issue	-	-	(140)	-	-	-	-	-	(140)	-	(140)
Balance at 30 June 2010	115	1,795	12,623	2,308	(81)	-	238	(15,911)	1,087	-	1,087

COMPANY									
Balance at 1 July 2009	28	1,795	10,240	2,308	-	-	238	(14,575)	34
Loss for the year	-	-	--	-	-	-	-	(1,578)	(1,578)
Total comprehensive income for 2010	**-**	**-**	**-**	**-**	**-**	**-**	**-**	(1,578)	(1,578)
Share capital issued	87	-	2,523	-	-	-	-	-	2,610
Costs of share issue	-	-	(140)	-	-	-	-	-	(140)
Balance at 30 June 2010	115	1,795	12,623	2,308	-	-	238	(16,153)	926

CONSOLIDATED AND COMPANY STATEMENT OF CASH FLOWS FOR THE YEAR ENDED FOR THE YEAR ENDED 30 JUNE 2011

	Group 2011 *£000's*	Company 2011 *£000's*	Group 2010 *£000's*	Company 2010 *£000's*
Operating loss	(768)	(742)	(1,309)	(1,578)
Investment income	(1)	-	-	-
Finance costs	-	-	28	22
Depreciation	-	-	35	-
Exceptional write off of liabilities	-	-	(150)	-
Foreign exchange (gains)/losses	4	-	-	-
Loss on disposal	-	-	27	-
Operating cash flows before movements in working capital	(765)	(742)	(1,369)	(1,556)
(Increase)/decrease in inventories	(47)	-	145	-
(Increase)/decrease in receivables	(49)	(85)	215	82
(Decrease)/Increase in payables	(79)	12	(643)	(366)
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	(940)	(815)	(1,652)	(1,840)
Investment income	1	-	-	-
Finance costs	-	-	(28)	(22)
Net cash flow from operating activities	(939)	(815)	(1,680)	(1,862)
Cash flow from investing activities				
Purchase of intangible assets	(3)	-	-	-
Net cash flow from investing activities	(3)	-	-	-
Cash flow from financing activities				
Net proceeds from issue of share capital	1,009	1,009	2,470	2,470
Repayment of convertible loan notes	-	-	(169)	(169)
Net cash from financing activities	1,009	1,009	2,301	2,301
Net cash inflow for the year	67	194	621	439
Foreign exchange differences on translation	23	-	(62)	-
Cash and cash equivalents at start of period	588	455	29	16
Cash and cash equivalents at the end of the period	678	649	588	455

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

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 27-28 EastCastle Street, London, W1W 8DH. 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 2011 were authorised for issue by the Board on 21 December 2011 and the balance sheets signed on the Board's behalf by Mr Francis Ball and Mr Oscar Verden.

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

(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.

Future changes in accounting policies

IASB (International Accounting Standards Board) and IFRIC (International Financial Reporting Interpretations Committee) have issued the following standards and interpretations with an effective date after the date of these financial statements:

New/Revised International Financial Reporting Standards (IAS/IFRS)	**Effective date** (accounting periods commencing on or after)
IAS 1 Presentation of Financial Statements*	1 January 2011
IAS 12 Income Taxes – Limited scope amendment (recovery of underlying assets) (December 2010)	1 January 2012
IAS 24 Related Party Disclosures - Revised definition of related parties	1 January 2011
IAS 27 Consolidated and Separate Financial Statements – Reissued as IAS 27 *Separate Financial Statements* (as amended in May 2011)	1 January 2013
IAS 28 Investments in Associates – Reissued as IAS 28 *Investments in Associates and Joint Ventures* (as amended in May 2011)	1 January 2013
IAS 34 Interim Financial Reporting*	1 January 2011
IFRS 7 Financial Instruments: Disclosures*	1 January 2011
IFRS 7 Financial Instruments: Disclosures – Amendments enhancing disclosures about transfers of financial assets (October 2010)	1 July 2011
IFRS 9 Financial Instruments - Classification and Measurement	1 January 2013
IFRS 10 Consolidated Financial Statements**	1 January 2013
IFRS 11 Joint Arrangements**	1 January 2013
IFRS 12 Disclosure of Interests in Other Entities**	1 January 2013
IFRS 13 Fair Value Measurement**	1 January 2013
IFRIC Interpretation	
IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments	1 July 2010

*Amendments resulting from May 2010 Annual Improvements to IFRSs
** Original issue May 2011

(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's) 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 2011 (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
Website costs	10 years estimated	

(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.

Acquired brand is deemed to have an indefinite useful economic life and is therefore not subject to amortisation but is reviewed for impairment at least annually. The acquired brand is assessed on the basis of the acquired business being a group of cash generating units.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011 (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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011 (CONTINUED)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Convertible Loan Note
Compound financial instruments issued by the group comprise convertible notes that can be converted to share capital at the option of the holder, and the number of shares to be issued does not vary with changes in their fair value.

The liability component of a compound financial instrument is recognised initially at the fair value of a similar liability that does not have an equity conversion option. The equity component is recognised initially at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not re-measured subsequent to initial recognition except on conversion or expiry.

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 end of the reporting period.

Share Warrants
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.

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.

When the warrants are exercised, the company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the warrants are exercised.

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.

When the options are exercised, the company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

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.

Valuations of other intangible assets (brands)

Externally acquired brands are recognised when they are controlled through contractual or other legal rights and fair value can be reliably measured. Their fair value is estimated using risk-adjusted future cash flows discounted using appropriate interest rates. These future cash flows are based on business forecasts and are therefore inherently judgemental. Future events could cause the value of these assets to be impaired. These could include a material deterioration in future trading or a material change in estimated future costs.

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.

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 2011 (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 2011 has been prepared on a going concern basis. As at the date of this report, the Company has no available credit facilities. In the event the Company required further funds to continue, a fund raising exercise would be proposed with existing and/or potential new investors, and additionally the Company is in the process of selling the Group's IP and assets which the Directors believe will be successful, and raise sufficient cash resources to enable the "new" Group structure to continue for the next 12 months. Accordingly, the directors believe the going concern basis to be appropriate.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011 (CONTINUED)

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

	2011	*2010*
	£000's	*£000's*
Continuing operations		
Sale of goods	207	460
Royalty income	-	4
	207	464

2. BUSINESS AND GEOGRAPHICAL SEGMENTS

Segment information is presented in respect of the Group's management and internal reporting structure.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Operating and Geographical segments
All locations operate the same activity – design, production and sale of branded apparel.
The Group's operations are located in Europe, including the United Kingdom, United States and Australia.

Inter-segment sales are charged at prevailing market prices.

Year ended 30 June 2011

	AUSTRALIA	EUROPE	UNITED STATES	CONSOLIDATED
	£000's	*£000's*	*£000's*	*£000's*
REVENUE				
External Sales	58	63	86	207
Royalties	-	-	-	-
Total Revenue	58	63	86	207
RESULT				
Segment Result	19	(12)	43	50
Depreciation	-	-	-	-
Operating Expenses	(138)	(605)	(169)	(912)
Operating loss	(119)	(617)	(126)	(862)
Investment revenues	1	-	-	1
Exceptional write-off liabilities	-	-	93	93
Finance Costs	-	-	-	-
Loss before tax	(118)	(617)	(33)	(768)
BALANCE SHEET				
ASSETS				
Segment Assets	60	1,411	102	1,573
LIABILITIES				
Segment Liabilities	(17)	(110)	(91)	(218)
Capital expenditure – Website	-	3	-	3

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011 (CONTINUED)

2. BUSINESS AND GEOGRAPHICAL SEGMENTS CONTINUED
Year ended 30 June 2010

	AUSTRALIA	EUROPE	UNITED STATES	CONSOLIDATED
	£000's	*£000's*	*£000's*	*£000's*
REVENUE				
External Sales	284	120	56	460
Royalties	4	-	-	4
Total Revenue	288	120	56	464
RESULT				
Segment Result	93	(105)	(21)	(33)
Depreciation	(11)	(3)	(21)	(35)
Operating Expenses	(138)	(940)	(258)	(1,336)
Operating loss	(56)	(1,048)	(300)	(1,404)
Investment revenues	-	-	-	-
Impairment of Intangibles	-	-	-	-
Other gains and losses	-	-	123	123
Finance Costs	-	(28)	-	(28)
Loss before tax	(56)	(1,076)	(177)	(1,309)
BALANCE SHEET				
ASSETS				
Segment Assets	166	1,114	104	1,384
LIABILITIES				
Segment Liabilities	(27)	(89)	(181)	(297)
Capital expenditure – PPE	-	-	-	-

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

	2011	*2010*
	£000's	*£000's*
Depreciation of property, plant and equipment – owned assets	-	35
Write down of inventory to net realisable value	30	24
Loss on disposal of fixed assets	-	27
Staff costs (see note 4)	439	497
Net foreign exchange (gains)/losses	4	69
Auditors' remuneration for audit services (see below)	23	25
Amounts payable to Company Auditors and their associates in respect of both audit and non-audit services:		
Comprising		
- audit services	23	25
- non-audit services	-	-

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:

	2011	*2010*
	Number	*Number*
Management	3	3
Selling and Distribution	6	6
Head office and administration	4	4
	13	13

The aggregate remuneration comprised:

	2011	*2010*
	£000's	*£000's*
Wages and salaries	274	308
Social security and taxes	40	34
Temporary/consultant expenses	30	-
Directors emoluments	95	155
Share based payments (option scheme)	-	-
	439	497

The above costs are included in general and administrative expenses.

The highest paid director received £82,500 (2010: £131,042) and no directors received any pension contributions during the year (2010: nil).

5. FINANCE REVENUE

	2011	*2010*
	£000's	*£000's*
Interest on bank deposits	1	-

6. FINANCE COSTS

	2011	*2010*
	£000's	*£000's*
Interest on bank overdraft and convertible loan	-	*18*
Other finance charges	-	*10*
	-	28

7. INCOME TAX EXPENSE

	Group	*Group*
	2011	*2010*
	£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	(768)	(1,309)
Expected tax credit on loss before tax at 26/28% (2010: 28%)	(211)	(367)
Current and deferred tax profit and loss charge	-	-
Difference to be explained (see below)	(211)	(367)
Expenses not deductible for tax purposes	(108)	(17)
Depreciation in excess of capital allowances not recognised for tax purposes	-	-
Tax losses not recognised for tax purposes	-	-
Temporary differences not recognised for tax purposes	(103)	(350)
	(211)	(367)
Effective tax rate	0%	0%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011 (CONTINUED)

7. INCOME TAX EXPENSE *(continued)*
The group has losses of approximately £12.7 million (2010: £11.5 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, (2010: nil).

9. LOSS PER SHARE
The calculation of the basic and diluted earnings per share is based on the following data:

	2011	*2010*
Earnings		
Earnings for the purposes of basic earnings per share net loss for the period attributable to equity holders of the parent (£000's)	(768)	(1,309)
Number of shares		
Weighted average number of ordinary shares for the purposes of basic earnings per share (millions)	1,422.1	737.1

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. INTANGIBLE ASSETS

GROUP			*2011*			*2010*
	Hot Tuna Brand	*Ecommerce Website*	*Total*	*Hot Tuna Brand*	*Licences*	*Total*
	£000's	*£000's*	*£000's*	*£000's*	*£000's*	*£000's*
Opening balance	495	-	495	495	-	495
Impairment charge	-	3	3	-	-	-
Closing balance	495	3	498	495	-	495

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

COMPANY	*2011 Hot Tuna Brand*	*2011 Total*	*2010 Hot Tuna Brand*	*2010 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 2011, the directors have carried out an impairment review and have considered no further write down in the value of the licenses and brand is required (2010: £nil).

IMPAIRMENT REVIEW

This year the directors carried out an impairment review of the Brand. In prior years. the brands carrying value has been compared to its recoverable amount based on a net present value calculation. The key assumptions therein were those regarding discount rates, growth rates and expected changes to selling prices and direct costs during the period. Management estimated discount rates using post-tax rates that reflect current market assessments of the time value of money and the risks specific to the Hot Tuna brand and the rate used was 9.9%. The forecast cash flows are based on approved annual budgets for the next financial year and management projections for the following nine years with a terminal value from the tenth year onwards. This additional forecast period has a compound growth rate of 21%. The directors have reviewed the 10 year forecast as updated to reflect current trading and risks applicable to the Group, and in addition also considered the net realisable value for the Brand, as indicated by the Group's intention to sell the Hot Tuna Brand. All of these factors have not indicated that there is any need for an impairment charge in the current period, and the Directors believe the Brand value is stated currently below its realisable value.

Based on the above the directors believe that no impairment of the Brand is required for the period ending June 2011.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011 (CONTINUED)

11. PROPERTY, PLANT AND EQUIPMENT

GROUP	*Office Equipment*	*Fixtures and Fittings*	*Total*
	£000's	*£000's*	*£000's*
COST			
At 1 July 2010	30	23	53
Foreign exchange movements	3	4	7
Disposals	-	-	-
At 30 June 2011	33	27	60
ACCUMULATED DEPRECIATION			
At 1 July 2010	(30)	(23)	(53)
Foreign exchange movements	(3)	(4)	-
Disposals	-	-	-
Charge for the year	-	-	-
At 30 June 2011	(33)	(27)	(53)
NET BOOK VALUE			
At 30 June 2011	-	-	-
At 30 June 2010	-	-	-

12. INVESTMENTS IN SUBSIDIARIES

	Company 2011 £000's	*Company 2010 £000's*
Investments in subsidiaries		
At 1 July	3	3
Write – down of investment	-	-
At 30 June	3	3

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*
HTI Trading Limited Inc	USA	100%	100%	
Hot Tuna International Inc	USA	100%	100%	Branded apparel
Hot Tuna (UK) Limited	UK	100%	100%	design, production
MAP Print Limited	UK	75%	75%	and sale
Hot Tuna (Australia) Pty Ltd	Australia	100%	100%	
Hot Tuna Holdings Pty Ltd	Australia	100%	100%	Licence holder

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011 (CONTINUED)

13. INVENTORIES

	Group 2011 £000's	*Company 2011 £000's*	*Group 2010 £000's*	*Company 2010 £000's*
Raw materials	-	-	-	-
Goods in transit	-	-	-	-
Finished goods	183	-	136	-
	183	-	136	-

14. TRADE AND OTHER RECEIVABLES

	Group 2011 £000's	*Company 2011 £000's*	*Group 2010 £000's*	*Company 2010 £000's*
Trade receivables	81	-	117	-
Other receivables	132	121	48	36
	214	121	165	36

Trade receivables are amounts due from the sale of goods.

The average credit period taken on sale of goods is 68 days (2010: 92 days). An allowance has been made for estimated irrecoverable amounts from the sale of goods of £nil (2010: £nil). 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 an aged analysis of trade receivables as 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.

	2010 £000's	2010 £000's
Up to three months	80	61
Up to six months	1	42
Over 6 months	1	14
	81	117

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

At 30 June 2011, £35,474 (2010: £75,103) of receivables were denominated in Sterling, £45,961 (2010: £nil) in US dollars and £nil (2010: £41,826) in Australian dollars.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011 (CONTINUED)

15. TRADE AND OTHER PAYABLES

	Group 2011 £000's	*Company 2011* £000's	*Group 2010* £000's	*Company 2010* £000's
Trade and other payables	186	43	297	63
Accruals	32	32	-	-
	218	75	297	63
Due within one year:	218	75	297	63

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.

16. CONVERTIBLE LOAN NOTES

The convertible loan notes in issue at 1 July 2009 were issued on 2 March 2007. The loan notes were issued for US$450,000 which was to be paid over 540 days by 15 instalments of US$30,000 on prescribed dates at thirty-five day intervals throughout the loan term ("Repayment Amounts"). Whilst outstanding the convertible loan note bore an interest rate of 7% per annum (payable monthly).

On the 20th January 2010 The Company agreed with the lender to vary the loan notes. This accelerated the repayments to occur over 7 instalments between 28 January 2010 and 28 July 2010, the interest rate was also increased to 15% per annum. Under the terms of the variation the Company was permitted to settle all outstanding principle amounts together with all outstanding interest accrued on the loan notes in one payment. On the 30 April 2010 this was done by the payment of £169,000. This payment terminates the loan note facilities and all terms there associated with.

The terms of the loan notes which were in place prior to settlement were as follows;

> 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 the Company 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 Repayment Amounts against the issue of Ordinary shares in the Company at a price determined 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 scheduled repayment date of the Repayment Amounts.
>
> The issuer had 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 had the option upon the issuer exercising its conversion rights of paying cash in lieu of such ordinary shares. The conversion price was 130% of the average volume weighted price in the 20 days prior to exercise of the option.

	Group 2011 £000's	*Company 2011* £000's	*Group 2010* £000's	*Company 2010* £000's
Nominal value of convertible loan notes issued:				
Equity component at date of issue	-	-	-	-
Liability component at date of issue	-	-	169	169
Foreign exchange movements	-	-	-	-
Interest charged	-	-	12	12
Interest paid	-	-	(12)	(12)
Capital repaid	-	-	169	169
Liability component at 30 June 2010	-	-	-	-

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011 (CONTINUED)

17. OPERATING LEASES

	Group 2011 £000's	*Company 2011 £000's*	*Group 2010 £000's*	*Company 2010 £000's*
Less than one year	-	-	-	-

18 SHARE CAPITAL

	Number of shares	*Nominal value £000's*
a)Issued and Fully Paid:		
As at 1 July 2009	283,303,090	28
13 August 2009 – for cash at 0.3pence per share	370,000,000	37
30 March 2010 –for cash at 0.3 pence per share	500,000,000	50
As at 30 June 2010	1,153,303,090	115
29 March 2011 – for cash at 0.1pence per share	1,054,981,000	106
As at 30 June 2011	2,208,284,090	221
b)Deferred shares		
As at 1 July 2010, and	181,303,419	1,795
As at 30 June 2011	181,303,419	1,795

The Directors of the Company continue to be limited as to the number of shares they can allot at any time and remain subject to the allotment authority granted by the shareholders pursuant to section 551 of the Companies Act 2006

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.

(e) Total share options in issue

During the year, no options were granted (2010: nil).

As at 30 June 2011 the options in issue were:

Exercise price	*Expiry date*	*Options in Issue 30 June 2011*
25p	02/05/2012	500,000
50p	02/05/2013	500,000
2p	30/09/2011	500,000
2p	06/06/2012	1,000,000
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
		25,700,000

No options were cancelled during the year (2010: nil).

1,815,000 options lapsed and no options were exercised during the year (2010: nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011 (CONTINUED)

18 SHARE CAPITAL (continued)

(e) Total share options in issue (continued)

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 2011 was nil (2010: nil). The fair value of the share options granted under the plans during 2011 was nil (2010: nil). The value of the awards is charged in the Income Statement over the vesting period.

	Group 2011	*Company 2011*	*Group 2010*	*Company 2010*
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)	-	-	-	-
Share-based payment for professional services	-	-	-	-
	-	-	-	-

(f) Total warrants in issue

During the year, no warrants were issued (2010: nil).

As at 30 June 2011 the warrants in issue were;

Exercise Price (pence)	**Expiry Date**	**Warrants in Issue 30 June 2011**
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

No warrants expired during the year (2010: nil).
No warrants were cancelled during the year (2010: nil)
No warrants were exercised during the year. (2010: nil)

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.

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 2011 (CONTINUED)

19 FINANCIAL INSTRUMENTS

The Group's principal financial instruments comprise cash, overdrafts and convertible loan notes. Please refer to note 15.

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% (2010: 20%) in the US dollar and the Australian dollar.

	2011	2010
Impact on equity and profit after tax	£000's	£000's
20% increase in US dollar fx rate against pound sterling	(25)	(12)
20% decrease in US dollar fx rate against pound sterling	21	12
20% increase in Australian dollar fx rate against pound sterling	(23)	(29)
20% decrease in Australian dollar fx rate against pound sterling	20	27

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. The Group has currently, no debt facilities available.

If further funds are required, they will be sought by raising finance through the issue of equity.

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 14.

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 no overdraft facilities, the Group would be charged an interest rate of 24% on any unauthorised bank borrowings.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011 (CONTINUED)

19 FINANCIAL INSTRUMENTS (continued)

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.

Financial assets	Fixed rate	Floating rate	Non-interest bearing	Total
	£ 000's	£ 000's	£ 000's	£ 000's
2011				
Cash and cash equivalents	-	-	678	678
Trade receivables	-	-	81	81
Other receivables	-	-	132	132
Total	-	-	891	891
2010				
Cash and cash equivalents	-	588	-	588
Trade receivables	-	-	117	117
Other receivables	-	-	48	48
Total	-	588	165	753
Financial Liabilities				
2011				
Trade payables	-	-	154	154
Accruals	-	-	32	32
Other payables	-	-	32	32
Total	-	-	218	218
2010				
Trade payables	-	-	242	242
Accruals	-	-	25	25
Other payables	-	-	30	30
Total	-	-	297	297

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.

	2011	2010
	£000's	£000's
Impact on profit or loss		
1% increase in base rate of interest	5	4
1% decrease in base rate of interest	(1)	(6)

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 2011 (CONTINUED)

20. 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:

	2011	*2010*
	Fees paid to third parties	*Fees paid to third parties*
	£000's	*£000's*
Kirst Services Limited*	-	12
Meddip Limited**	-	50
Monitor Marketing Limited ***	5	-
	5	62

*Kirst Services Limited is a company related to Kiran Morzaria
**Meddip Limited is a company related to Geoff O'Connell
*** Monitor Marketing Limited is a company related to Francis Ball.

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 2011 £000's*	*Group Amounts owed by related parties 2011 £000's*	*Company Amounts owed by related parties 2010 £000's*	*Group Amounts owed to related parties 2010 £000's*
MAP Print Limited	783	-	783	-
HTI Trading Limited Inc	238	-	101	-
Hot Tuna International Inc	3,966	-	3,966	-
Hot Tuna Australia Pty Ltd	1,019	-	1,019	-
Hot Tuna (UK) Limited	2,572	-	2,316	-
Hot Tuna (International) PLC	-	-	-	-
Provision for doubtful debts	(8,578)	-	(8,185)	-
Total	-	-	-	-

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

	2011	*2010*
	£000's	*£000's*
Short term employee benefits (including social security)	174	164
Share-based payments	-	-
	174	164

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011 (CONTINUED)

21 CONTINGENT LIABILITIES

Trading in the United States subsidiary Hot Tuna International Inc ceased in the year ending 30 June 2010 with trade payables of $295,080USD. These amounts have been partially settled but retain a balance of $193,405. All settlements were made on an informal basis and as such may still be legally payable by the entity. As no payments have been requested by creditors for over 12 months, management believes that including the full amount of the payables outstanding would not reasonably reflect the companies operating position. A provision of 50% of the outstanding payables has been removed from the statement of financial position with a subsequent entry to comprehensive income of £93,000.

The 50% accounts payable reduction has had the following impact on the consolidated financial statements:

	£000's
Impact on comprehensive income	93
Impact on net assets and equity of the company	93

As at 30 June 2011, the Group did not have any contingent liabilities or litigation outstanding.

22. POST BALANCE SHEET EVENTS

On 7 September 2011, Oscar Verden and Marcus Yeoman were appointed as Directors of the Company.

On 9 September 2011 Geoff O'Connell stepped down from Group CEO to CEO International, Francis Ball stepped up from non-executive Director to Executive Chairman

On 11 November 2011 the board agreed that the Hot Tuna business would require additional funding in order to continue operations. Due to market conditions the board also agreed that successful raising capital for the business would be unrealistic. As such, the board agreed that the sale of the Hot Tuna brand leaving the Hot Tuna Company as a listed shell. The directors Geoffrey O'Connell, Francis Ball and Oscar Verden agreed to step down from the board upon the successful sale of the Hot Tuna brand.

DIRECTORS, ADVISERS AND OFFICERS

Registered Number	05382036
Directors	Francis Ball (Executive Chairman) Geoff O'Connell (Executive Director) Oscar Verden (Executive Director) Marcus Yeoman (Non Executive Director)
Company Secretary	Cargil Management Services Limited
Registered Office	27-28 Eastcastle Street London W1W 8DH 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