

CONCHA PLC
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

Company Number: 05382036

CONCHA PLC
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

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CONCHA PLC

OPERATIONS AND FINANCE REVIEW

FOR THE YEAR ENDED 30 JUNE 2013

("Concha" or "The Group")

Concha PLC (AIM: CHA), the AIM quoted investment company focussed on investing in media, communications and technology companies, announces its final results for the year ended 30 June 2013.

Overview

This report covers the Group's trading results for the year ending 30 June 2013.

Operational Review

As at 30 June 2013, Concha's investment portfolio consisted of a 40% equity holding in an unquoted investment, Moshen Limited ("Moshen"), a specialist developer and distributor for digital applications focusing on the sports, games and entertainment sectors, which it acquired in April 2013. On 23 August 2013, the Board of Moshen suspended its Chief Executive Officer, pending an investigation into a number of apparent financial irregularities pertaining to an undisclosed material contract which pre-dated Concha's investment. On 6 September 2013, a firm of insolvency practitioners was appointed to Moshen in order to assess the potential recovery of value for Concha, Moshen and its creditors and shareholders. Having been subsequently informed by the administrator that any security over the assets of Moshen in connection with the advance of loans to the Moshen business at the time of the original investment would be disregarded, Concha has brought an action against certain legal advisers for professional negligence and the failure to validly register a security interest associated with the loans in a timely manner. As a consequence of the above, full provision of £0.72m has been made against the cost of both the equity investment and loan amounts advanced to the Moshen business.

On 13 March 2012, Concha entered into a loan facility agreement with Churchill Media Limited ("CML") for the sum of £0.75m. On 13 March 2013, the terms of the loan were amended, such that, the loan fell due for payment on or before the 30 September 2013. The loan bears interest at the rate of 6% above LIBOR and is secured against the assets of CML, which comprise investments in a number of TMT and media businesses. At the 30 June 2013 the outstanding balance of the loan totalled £0.75m plus accrued interest of £0.06m. However, as a result of CML failing to repay the outstanding balance and accrued interest relating to this loan by 30 September 2013, a provision of £0.81m has been made in these financial statements against amounts owed by CML.

Financial Review

The Company's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.

The loss before tax of £1.85m (2012: £0.81m) includes exceptional items of £1.54m, relating to the loss on investment in Moshen and the full impairment on the loan advance to CML.

At 30 June 2013, Concha's investment portfolio was valued at £0.013m, all of which related to unquoted investments. Cash at bank amounted to £0.084m as at 30 June 2013 and the Company had no debt.

The Board is not recommending the payment of a final dividend to shareholders (2012: £Nil).

The Company's shares traded in the range 0.27p to 0.30p during the year ended 30 June 2013. The closing share price of the Company was 0.30p as at 30 June 2013.

Outlook

The failure of the Moshen business and the CML investment has had a significant impact on the Company's ability to continue with its current strategy. In the near term Concha will seek to conclude matters in relation to both the loan advanced to CML and the action against its advisers in respect of the failure to register a valid security interest in the loan advances made to Moshen.

Russell Backhouse
Director
30 December 2013

CONCHA PLC

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2013

The directors submit their report and the financial statements of Concha PLC ("Concha") and its subsidiary undertaking ("the Group") for the year ended 30 June 2013.

Concha PLC is a public company incorporated in England and Wales, and quoted on AIM.

PRINCIPAL ACTIVITIES

The principal activity of the Group is an "investment vehicle".

BUSINESS REVIEW AND FUTURE DEVELOPMENTS

The Group trading loss for the year, after taxation and minority interests, was £1.85 million (2012: £0.81 million).

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

The directors are precluded from declaring a dividend for the year (2012: £Nil).

KEY PERFORMANCE INDICATORS

In the opinion of the directors there are no key performance indicators whose disclosure is necessary for an understanding of the development, performance or position of the business.

DIRECTORS

The following directors have held office during the year.

Mark Battles	(resigned 28 December 2012)
Marcus Yeoman	(resigned 26 December 2013)
Chris Akers	(appointed 31 December 2012)
Russell Backhouse	(appointed 22 May 2013)

DIRECTORS' INTERESTS IN SHARES

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

Directors	At 30 June 2013		At 30 June 2012	
	Number of Shares	Percentage (%)	Number of Shares	Percentage (%)
Mark Battles*	-	-	83,333,333	2.68
Marcus Yeoman**	8,833,333	1.48	88,333,334	2.84

* Mark Battles (resigned 28 December 2012)

** Marcus Yeoman (Resigned 26 December 2013)

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 year end as a proportion of the amounts invoiced by suppliers during the year, was 58 days (2012: 42 days).

POLITICAL AND CHARITABLE CONTRIBUTIONS

No donations for political or charitable purposes have been made by the Group or the Company during the year (2012: £Nil).

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

CONCHA PLC

DIRECTORS' REPORT (continued)

FOR THE YEAR ENDED 30 JUNE 2013

EMPLOYEES - 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 2013, 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 (%)
Andrew Black	100,000,000	12.86%
Euroblue Investments Limited	100,000,000	12.86%
HSBC Global Custody Nominee (UK) Limited	50,571,429	6.50%
XCAP Nominees Limited	39,381,243	5.06%
TD Direct Investing Nominees (Europe) Limited	38,946,066	5.01%
Barclayshare Nominees Limited	30,589,799	3.93%
JIM Nominees Limited	28,597,210	3.68%
KAS Nominees Limited	27,113,332	3.49%
HSDL Nominees Limited	25,199,119	3.24%

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

On 7 August 2013, 182,499,999 0.1p Ordinary shares were issued for a cash consideration of £638,750. In conjunction with the placing of Ordinary shares, the Company issued 45,624,999 warrants, representing 1 warrant for every 4 shares issued, exercisable at a price of 0.35p per share and with an exercise period of 5 years from the date of issue.

On 8th August 2013, the company acquired a 30% holding in The Works, The Complete Design Facility Limited ("The Works"), a leading specialist media design agency focusing on the sports sector, dealing with branding, motion and events for a cash consideration of £400,000.

On 6 September 2013, a firm of insolvency practitioners was appointed to Moshen, a business in which the Company held a 40% equity interest.

On 27 December 2013, 50,000,000 0.1p Ordinary shares were issued for a cash consideration of £100,000. In conjunction with the placing of Ordinary shares, the Company issued 50,000,000 warrants, representing 1 warrant for every share issued, exercisable at the issue price of 0.25p per share and with an exercise period of 5 years from the date of issue. On the same day the Company issued a put and call option over a further 50,000,000 0.1p Ordinary shares exercisable on or before the 14 February 2014. In the event of exercise, the Company will issue a further 50,000,000 warrants, on the same terms as those set out above.

On 26 December 2013, Marcus Yeoman resigned as a director of the Company.

Other than the above and those set out in the notes to these financial statements, at the date these financial statements were approved, being 30 December 2013, the Directors were not aware of any other significant post balance sheet events.

By order of the Board

R Backhouse
Director



CONCHA PLC

CORPORATE GOVERNANCE STATEMENT

FOR THE YEAR ENDED 30 JUNE 2013

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

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 Concha PLC.

BOARD STRUCTURE

During the year the Board comprised two executive directors and one non-executive director.

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. 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 7.

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 were 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 Chris Akers (Chairman of the committee) and Russell Backhouse. 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 Chris Akers (Chairman of the committee), and Russell Backhouse 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.

CONCHA PLC

CORPORATE GOVERNANCE STATEMENT (continued)

FOR THE YEAR ENDED 30 JUNE 2013

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 directors have prepared cash flow projections for the 12 months to 31 December 2014. Having taken into account all known costs and the post balance sheet fund raise referred to on page 3, they are of the opinion that there is sufficient headroom, having incorporated preliminary costs in association with any acquisition, to continue as a going concern for the foreseeable future.

CONCHA PLC

DIRECTORS' REMUNERATION REPORT

FOR THE YEAR ENDED 30 JUNE 2013

Remuneration Committee

The members of the committee are Chris Akers and Russell Backhouse. 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

Details of individual remuneration of directors for the year ended 30 June 2013 are set out below.

Warrants

A summary of warrants granted to the directors is set out below and reflected in note 12 to the financial statements.

	At 1.7.2012 No	Granted during year No	Exercised during year No	At 30.6.2013 No	Exercise Price Pence
Marcus Yeoman*	8,333,333	-	-	8,333,333	0.30
Marcus Yeoman*		9,905,140	-	9,905,140	0.35
Mark Battles**	8,333,333	-	-	8,333,333	0.30
Chris Akers***	-	49,525,698	-	49,525,698	0.35
Russell Backhouse****	-	15,317,227	-	15,317,227	0.35
	<u>16,666,666</u>	<u>74,748,065</u>	<u>-</u>	<u>91,414,731</u>	

* - resigned 26 December 2013

** - resigned 28 December 2012

*** - appointed 31 December 2012

**** - appointed 22 May 2013

Pension arrangements

There are no pension arrangements in the Group.

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.

Directors' emoluments

	Salary £'000	2013 Fees £'000	Total £'000	Salary £'000	2012 Fees £'000	Total £'000
Marcus Yeoman	-	24	24	-	22	22
Mark Battles	-	-	-	-	28	28
Chris Akers	30	15	45	-	-	-
Russell Backhouse	-	4	4	-	-	-
	<u>30</u>	<u>43</u>	<u>73</u>	<u>-</u>	<u>50</u>	<u>50</u>

APPROVAL

This report was approved by the Board of Directors and authorised for issue on 30 December 2013, and signed on its behalf by:



R Backhouse
Director

STATEMENT OF DIRECTORS' RESPONSIBILITIES

FOR THE YEAR ENDED 30 JUNE 2013

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:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRSs adopted by the EU;
- 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 Concha 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 CONCHA PLC

We have audited the financial statements of Concha Plc for the year ended 30 June 2013 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Parent Company Statement of Financial Position, the Consolidated and Parent Company Statements of Cash Flows, the Consolidated and Parent Company Statements of Changes in Equity and the related notes 1 to 15. 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 7 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. In addition, we read all the financial and non-financial information in the Directors' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implication for our report.

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 2013 and of the Group'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 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.


Ian Cliffe (Senior Statutory Auditor)
for and on behalf of haysmacintyre Statutory Auditors

30 December 2013
26 Red Lion Square
London
WC1R 4AG

CONCHA PLC

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2013

	Note	2013 £000's	2012 £000's
Revenue	1	-	479
Cost of sales		-	(317)
GROSS PROFIT		-	162
Selling and marketing expenses		-	(55)
General and administrative expenses		(345)	(746)
Depreciation		-	(6)
Amortisation		-	(17)
LOSS FROM OPERATIONS BEFORE EXCEPTIONAL ITEMS	2	(345)	(662)
Exceptional costs	3	(1,536)	(142)
Investment income	5	36	11
Loss on disposal of property, plant and equipment		(5)	(16)
LOSS BEFORE TAX		(1,850)	(809)
Tax	6	-	-
RETAINED LOSS AFTER TAX FOR THE YEAR		(1,850)	(809)
RETAINED LOSS ATTRIBUTABLE TO Owners of the company		(1,850)	(809)
LOSS FOR THE YEAR		(1,850)	(809)
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO: Owners of the company		(1,850)	(809)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		(1,850)	(809)
Loss per share			
Basic and diluted	8	-	-

The Company's loss for the year ended 30 June 2013 was £1.83 million (2012: £0.81 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

AT 30 JUNE 2013

	Notes	2013		2012	
		Group £000's	Company £000's	Group £000's	Company £000's
ASSETS					
Non-current assets					
Property, plant and equipment	9	-	-	5	-
Investments	10	13	13	-	2
		<u>13</u>	<u>13</u>	<u>5</u>	<u>2</u>
CURRENT ASSETS					
Trade and other receivables	11	112	112	762	750
Cash and cash equivalents		86	84	289	268
		<u>198</u>	<u>196</u>	<u>1,051</u>	<u>1,018</u>
TOTAL ASSETS		<u>211</u>	<u>209</u>	<u>1,056</u>	<u>1,020</u>
EQUITY AND LIABILITIES					
EQUITY					
Share capital	13	595	595	311	311
Deferred share capital	13	1,795	1,795	1,795	1,795
Share premium reserve		14,413	14,413	13,706	13,706
Warrant reserve		131	131	-	-
Foreign exchange reserve		-	-	(73)	-
Retained loss		(16,792)	(16,786)	(14,942)	(14,955)
TOTAL EQUITY		<u>142</u>	<u>148</u>	<u>797</u>	<u>857</u>
CURRENT LIABILITIES					
Trade and other payables	12	69	61	259	163
TOTAL EQUITY AND LIABILITIES		<u>211</u>	<u>209</u>	<u>1,056</u>	<u>1,020</u>

The financial statements were approved and authorised for issue by the Board of Directors on 30 December 2013, and were signed below on its behalf by:

Russell Backhouse
Director

CONCHA PLC

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2013

	Share Capital £000's	Deferred Share Capital £000's	Share Premium Account £000's	Foreign Exchange Reserve £000's	Warrant Reserve £000's	Retained Loss £000's	Total £000's	Minority Interest £000's	Total Equity £000's
CONSOLIDATED									
Balance at 1 July 2012	311	1,795	13,706	(73)	-	(14,942)	797	-	797
Loss for the year	-	-	-	-	-	(1,777)	(1,777)	-	(1,777)
Exchange difference arising on Translation of overseas operations	-	-	-	73	-	(73)	-	-	-
Total comprehensive income for 2013	-	-	-	73	-	(1,850)	(1,777)	-	(1,777)
Share capital issued	284	-	707	-	-	-	991	-	991
Share based payments	-	-	-	-	131	-	131	-	131
Balance at 30 June 2013	<u>595</u>	<u>1,795</u>	<u>14,413</u>	<u>-</u>	<u>131</u>	<u>(16,792)</u>	<u>142</u>	<u>-</u>	<u>142</u>
COMPANY									
Balance at 1 July 2012	311	1,795	13,706	-	-	(14,955)	857	-	857
Loss for the year	-	-	-	-	-	(1,831)	(1,831)	-	(1,831)
Total comprehensive income for 2013	-	-	-	-	-	(1,831)	(1,831)	-	(1,831)
Share capital issued	284	-	707	-	-	-	991	-	991
Share based payments	-	-	-	-	131	-	131	-	131
Balance at 30 June 2013	<u>595</u>	<u>1,795</u>	<u>14,413</u>	<u>-</u>	<u>131</u>	<u>(16,786)</u>	<u>148</u>	<u>-</u>	<u>148</u>

CONCHA PLC

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2012

	Share Capital £000's	Deferred Share Capital £000's	Share Premium Account £000's	Share-based payment Reserve £000's	Foreign Exchange Reserve £000's	Warrant Reserve £000's	Retained Loss £000's	Total £000's	Minority Interest £000's	Total Equity £000's
CONSOLIDATED										
Balance at 1 July 2011	221	1,795	13,526	2,057	(54)	238	(16,428)	1,355	-	1,355
Loss for the year	-	-	-	-	-	-	(809)	(809)	-	(809)
Exchange difference arising on Translation of overseas operations	-	-	-	-	(19)	-	-	(19)	-	(19)
Total comprehensive income for 2012	-	-	-	-	(19)	-	(809)	(828)	-	527
Share capital issued	90	-	180	-	-	-	-	270	-	270
Reversal of lapsed options and warrants	-	-	-	(2,057)	-	(238)	2,295	-	-	-
Balance at 30 June 2012	311	1,795	13,706	-	(73)	-	(14,942)	797	-	797
COMPANY										
Balance at 1 July 2011	221	1,795	13,526	2,057	-	238	(16,644)	1,193	-	1,193
Loss for the year	-	-	-	-	-	-	(606)	(606)	-	(606)
Total comprehensive income for 2012	-	-	-	-	-	-	(606)	(606)	-	-
Share capital issued	90	-	180	-	-	-	-	270	-	270
Reversal of lapsed options and warrants	-	-	-	(2,057)	-	(238)	2,295	-	-	-
Balance at 30 June 2012	311	1,795	13,706	-	-	-	(14,955)	857	-	857

CONCHA PLC

CONSOLIDATED AND COMPANY CASH FLOW STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

	2013		2012	
	Group £000's	Company £000's	Group £000's	Company £000's
Loss for the year	(1,850)	(1,829)	(809)	(607)
Investment income	(36)	(70)	(11)	(11)
Depreciation	-	-	6	-
Amortisation	-	-	17	-
Loss/(profit) on disposal of tangible and intangible assets	5	-	(250)	(266)
Share based payment	131	131	-	-
Exceptional items	1,407	1,404	-	-
Operating cash flows before movements in working capital	(343)	(364)	(1,047)	(884)
Decrease in inventories	-	-	183	-
Decrease in receivables	14	2	188	107
(Decrease)/increase in payables	(68)	20	41	89
Net cash flow from operating activities	(54)	22	(635)	(688)
Investment income	36	-	11	11
Net cash flow from operating activities	(18)	22	(624)	(677)
Cash flow from investing activities				
Purchase of intangible assets	-	-	(14)	-
Purchase of tangible assets	-	-	(27)	-
Sale of investments	-	-	-	1
Sale of intangible assets	-	-	761	761
Purchase of investments	(299)	(299)	-	-
Net cash flow from investing activities	(299)	(299)	720	762
Cash flow from financing activities				
Net proceeds from issue of share capital	991	991	270	270
Loans advanced	(534)	(534)	(736)	(736)
Net cash outflow from financing activities	457	457	(466)	(466)
Net cash outflow for the year	(203)	(184)	(370)	(381)
Foreign exchange differences on translation	-	-	(19)	-
Cash and cash equivalents at start of period	289	268	678	649
Cash and cash equivalents at the end of the period	86	84	289	268

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General information and authorisation of financial statements

Concha 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 Durham House, 1 Durham House Street, London, WC2N 6HG. The Company's ordinary shares are traded on the AIM Market operated by the London Stock Exchange. The Group financial statements of Concha PLC for the year ended 30 June 2013 were authorised for issue by the Board on 30 December 2013 and the balance sheets signed on the Board's behalf by Mr Chris Akers and Mr Russell Backhouse.

The nature of the Group's operations and its principal activities are set out in the Operations and Finance Review on page 1.

Going Concern

The directors have prepared cash flow projections for the 12 months to 31 December 2014. Having taken into account all known costs and the post balance sheet fund raise referred to on page 3 and in note 16, they are of the opinion that there is sufficient headroom, having incorporated preliminary costs in association with any acquisition, to continue as a going concern for the foreseeable future.

The financial statements do not contain the adjustments that would be required if the company were unable to continue as a going concern.

Statement of compliance with IFRS

The Group's financial statements have been prepared in accordance with International Accounting Standards and interpretations issued by the International Accounting Standards Board as adopted by the European Union. The principal accounting policies adopted by the Group and Company are set out below.

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.

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.

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.

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.

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.

CONCHA PLC

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 JUNE 2013

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign currencies

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").

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.

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:

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

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.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 Warrants

Warrants represent subscription rights for ordinary shares in Concha 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.

When warrants lapse, any amounts credited to the warrants reserve are released to the retained earnings reserve.

Share-based payments

Where share options and warrants are awarded to employees, the fair value of the instruments 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 equity instruments that eventually vest. Market vesting conditions are factored into the fair value of the equity instruments 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 equity instruments are modified before they vest, the increase in the fair value of the equity instruments, measured immediately before and after the modification, is also charged to the consolidated income statement over the remaining vesting period.

When the equity instruments 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 equity instruments are exercised.

When equity instruments lapse, any amounts credited to the warrants reserve are released to the retained earnings reserve.

CONCHA PLC

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 JUNE 2013

1. REVENUE	2013 £000's	2012 £000's
An analysis of the Group's revenue is as follows:		
Sale of goods	-	479
	<u> </u>	<u> </u>
2. LOSS FROM OPERATIONS	2013 £000's	2012 £000's
Loss from operations has been arrived at after charging:		
Depreciation of property, plant and equipment – owned assets	-	6
Amortisation of intangible assets	-	17
Write down of inventory to net realisable value	-	138
Loss on disposal of fixed assets	5	16
Staff costs (see note 4)	73	487
Auditors' remuneration for audit services (see below)	19	16
	<u> </u>	<u> </u>
Amounts payable to Company auditors and their associates in respect of both audit and non-audit services:		
Comprising		
Audit services	15	10
Non-audit services	-	2
Fees paid to the company auditors in respect of the audit of subsidiary company audit	4	4
	<u> </u>	<u> </u>
3. EXCEPTIONAL COSTS		
Exceptional costs comprise the following:-		
Investment and amounts advanced to Moshen Limited written off	720	-
Provision against loan amounts due from Churchill Media Limited	806	-
Provision for VAT liability	-	122
Other exceptional items	10	20
	<u> </u>	<u> </u>
	<u>1,520</u>	<u>142</u>
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:		
	2013 Number	2012 Number
Management	3	3
Selling and distribution	-	2
Head office and administration	-	2
	<u> </u>	<u> </u>
	3	7
	<u> </u>	<u> </u>
The aggregate remuneration comprised:		
	£000's	£000's
Wages and salaries	-	263
Social security and taxes	-	11
Temporary/consultant expenses	-	28
Directors emoluments	73	185
	<u> </u>	<u> </u>
	73	487
	<u> </u>	<u> </u>
The above costs are included in general and administrative expenses.		

The highest paid director received £45,000 (2012: £102,865) and no directors received any pension contributions during the year (2012: £Nil).

CONCHA PLC

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 JUNE 2013

5. INVESTMENT INCOME	2013 £000's	2012 £000's
Interest receivable	36	11
	<u> </u>	<u> </u>
6. INCOME TAX EXPENSE	Group	
	2013 £000's	2012 £000's
Current tax	-	-
Deferred tax	-	-
	<u> </u>	<u> </u>
	<u> </u>	<u> </u>
The charge for the year can be reconciled to the loss per the income statement as follows:		
Loss before taxation	(1,850)	(809)
Expected tax credit on loss before tax at 24% (2012: 26%)	(444)	(210)
Current and deferred tax profit and loss charge	-	-
	<u> </u>	<u> </u>
Differences to be explained (see below)	(444)	(210)
	<u> </u>	<u> </u>
Expenses not deductible for tax purposes	-	-
Tax losses not recognised for tax purposes	(444)	(210)
Temporary differences not recognised for tax purposes	-	-
	<u> </u>	<u> </u>
	<u> </u>	<u> </u>

7. DIVIDEND

The directors are precluded from declaring a dividend for the year (2012: £Nil).

8. LOSS PER SHARE

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

	2013	2012
<i>Earnings</i>		
Earnings for the purposes of basic earnings per share net loss for the period attributable to equity holders of the parent (£000's)	(1,850)	(809)
<i>Number of shares</i>		
Weighted average number of ordinary shares in issue (millions)	2,832.4	2,583.0
Number of dilutive shares under options (millions)	154.4	90.0
Weighted average number of shares including dilutive warrants (millions)	2,986.8	2,673.0

The denominator for the purpose of calculating the basic earnings per share has been adjusted to reflect all capital raisings.

CONCHA PLC

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 JUNE 2013

9. PROPERTY, PLANT AND EQUIPMENT	Office Equipment £000's	Fixtures and Fittings £000's	Total £000's
GROUP			
Cost			
At 1 July 2012	40	27	67
Disposals	(40)	(27)	(67)
	<u> </u>	<u> </u>	<u> </u>
At 30 June 2013	-	-	-
	<u> </u>	<u> </u>	<u> </u>
Accumulated depreciation			
At 1 July 2012	(35)	(27)	(62)
Disposals	(35)	(27)	(62)
Charge for the year	-	-	-
	<u> </u>	<u> </u>	<u> </u>
At 30 June 2013	-	-	-
	<u> </u>	<u> </u>	<u> </u>
Net Book Value			
At 30 June 2013	-	-	-
	<u> </u>	<u> </u>	<u> </u>
At 30 June 2012	5	-	5
	<u> </u>	<u> </u>	<u> </u>

10. INVESTMENTS IN SUBSIDIARIES

	Company	
	2013 £'000s	2012 £'000s
Investment in subsidiaries		
At 1 July 2012	2	3
Disposal of investment	(2)	(1)
	<u> </u>	<u> </u>
At 30 June 2013	-	2
	<u> </u>	<u> </u>

Name of subsidiary	Place of incorporation (for registration) and operation	Proportion of ownership interests %	Proportion of voting power Held %	Principal activity
CC123 Limited	England and Wales	100	100	Dormant

	Group	
	2013 £'000s	2012 £'000s
Other investments		
At 1 July 2012	-	-
Additions	13	-
	<u> </u>	<u> </u>
At 30 June 2013	13	-
	<u> </u>	<u> </u>

CONCHA PLC

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 JUNE 2013

11 TRADE AND OTHER RECEIVABLES	2013		2012	
	Group £000's	Company £000's	Group £000's	Company £000's
Other receivables	112	112	762	750

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

At 30 June 2013, £112,000 (2012: £762,000) of receivables were denominated in Sterling and £Nil (2012: £Nil) in US dollars.

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

12. TRADE AND OTHER PAYABLES	2013		2012	
	Group £000's	Company £000's	Group £000's	Company £000's
Trade and other payables	33	33	103	12
Accruals	28	28	13	9
Other creditors	8	-	143	142
	<u>69</u>	<u>61</u>	<u>259</u>	<u>163</u>
Due within one year:	<u>69</u>	<u>61</u>	<u>259</u>	<u>163</u>

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.

13. SHARE CAPITAL	Number of shares No.	Nominal value £000's
Issued and fully paid:		
As at 30 June 2011	2,208,284,090	221
30 January 2012 – for cash at 0.3 pence per share	900,000,000	90
As at 30 June 2012	<u>3,108,284,090</u>	<u>311</u>
Share consolidation (1 for 10)	(2,797,455,681)	-
5 April 2013 at 0.35p per share	184,428,571	184
4 June 2013 at 0.35p per share	100,000,000	100
At 30 June 2013	<u>595,256,980</u>	<u>595</u>
Deferred shares		
As at 30 June 2012 and 30 June 2013	<u>181,303,419</u>	<u>1,795</u>

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 the capital in the Company.

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

13. SHARE CAPITAL (continued)

Total warrants in issue

During the year, 154,383,408 warrants were issued (2012: Nil)

As at 30 June 2013, the warrants in issue were:

Exercise price (pence)	Expiry date	Warrants in issue	
		2013	2012
0.35	1 March 2018	64,383,408	-
0.30	27 February 2015	90,000,000	90,000,000
		154,383,408	90,000,000

Warrants represent subscription rights for ordinary shares in Concha Plc.

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.

14. 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:

	Fees paid to third parties	
	2013 £000's	2012 £000's
Balgownie Ventures Limited*	-	28
Springtime Consultancy Limited **	24	22
Sports Resource Group Limited***	30	-
	54	44

* Balgownie Ventures Limited is a company related to Mark Battles.

** Springtime Consultancy Limited is a company related to Marcus Yeoman.

*** Sports Resource Group Limited is a company related to Chris Akers

Fees to Balgownie Ventures Limited and Springtime Consultancy Limited comprise amounts paid to the Directors through limited companies under an agreement to provide the Group with their services. These fees are derived from formalised contracts with each of those entities.

During the 12 months to 30 June 2013, the Company paid occupancy fees to Sports Resource Group Limited amounting to £30,000 (2012: £Nil) in respect of its use of offices at the Company's registered office. Chris Akers is a director of Sports Resource Group Limited, which is considered a related party. There was no amount owed by the company at the end of the year (2012: £Nil).

Related party transactions during the year were made on terms equivalent to those that prevail in arms length transactions.

14. RELATED PARTY TRANSACTIONS (continued)

	2013		2012	
	Company Amounts owed by Related parties £000's	Group Amounts owed by Related parties £000's	Company Amounts owed by Related parties £000's	Group Amounts owed to Related parties £000's
Inter-company loans:				
HTI Trading Limited Inc	-	-	250	-
Hot Tuna International Inc	-	-	3,839	-
Hot Tuna (Australia) Pty Ltd	-	-	1,073	-
CC123 Limited	2,959	-	2,938	-
Hot Tuna (International) Inc Trust	-	-	110	-
Provision for doubtful debts	(2,959)	-	(8,210)	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Remuneration of key management personnel

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

	2013 £000's	2012 £000's
Short term employee benefits (including social security)	<u>73</u>	<u>196</u>

15. CONTINGENT LIABILITIES

As at 30 June 2013, the Group did not have any contingent liabilities or litigation outstanding not provided for.

16. POST BALANCE SHEET EVENTS

On 7 August 2013, 182,499,999 Ordinary 0.1p Ordinary shares were issued for a cash consideration of £638,750. In conjunction with the placing of Ordinary shares the Company issued 45,624,999, representing 1 warrant for every 4 shares issued, exercisable at the issue price of 0.35p per share and with an exercise period of 5 years from the date of issue.

On 8th August 2013, the company acquired a 30% holding in The Works, The Complete Design Facility Limited ("The Works"), a leading specialist media design agency focusing on the sports sector, dealing with branding, motion and events for a cash consideration of £400,000.

On 6 September 2013, a firm of insolvency practitioners was appointed to Moshen Limited, a business in which the Company held a 40% equity interest.

On 27 December 2013, 50,000,000 0.1p Ordinary shares were issued for a cash consideration of £100,000. In conjunction with the placing of Ordinary shares, the Company issued 50,000,000 warrants, representing 1 warrant for every share issued, exercisable at the issue price of 0.25p per share and with an exercise period of 5 years from the date of issue. On the same day the Company issued a put and call option over a further 50,000,000 0.1p Ordinary shares exercisable on or before the 14 February 2014. In the event of exercise, the Company will issue a further 50,000,000 warrants, on the same terms as set out above.

On 26 December 2013, Marcus Yeoman resigned as a director of the Company.

The Directors were not aware of any significant post balance sheet events other than those set out above.

CONCHA PLC

DIRECTORS, ADVISERS AND OFFICERS

FOR THE YEAR ENDED 30 JUNE 2013

Registered Number	05382036
Directors	Chris Akers (Executive Chairman) Russell Backhouse Marcus Yeoman (Non Executive Director) (Resigned 26 December 2013)
Company Secretary	MSP Secretaries Limited
Registered Office	Durham House 1 Durham House Street London WC2N 6HG W: www.conchaplc.com
Nominated Adviser and Broker	Strand Hanson 26 Mount Row London W1K 3SQ
Auditor	haysmacintyre 26 Red Lion Square London WC1R 4AG
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	Bond Dickinson St Ann's Wharf 112 Quayside Newcastle Upon Tyne NE1 3DX

