

CONCHA PLC
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

Company Number: 05382036

CONCHA PLC

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

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Introduction

As many of you are aware, whilst the Board is disappointed that it has not added to its investment portfolio during the year, it has been able to further strengthen its balance sheet via the issue of 100 million new shares for a cash consideration of £4 million. The Board has also concluded a settlement in connection with Concha's former legal advisors in respect of the losses suffered as a result of their failure to register a valid security interest in the assets of one of the Company's former investee companies. The consequence of these events is that the Company is well placed to make new investments in line with its investment strategy.

Terminated investment talks

As announced on 17 December 2015, the Board had taken the decision to terminate lengthy negotiations with a specific global opportunity within its investment scope. Whilst the Board appreciates the significant time that has elapsed since it first announced that it had engaged in discussions with the identified target, your directors were keen to monitor its development before formalising any commitment. Having given much consideration to the complexity of the proposed transaction and to the current status of its offering, the Board felt it in the best interests of shareholders to withdraw from such discussions. Whilst the time and effort spent on this identified opportunity has been considerable the Company has not expended significant cash resources during the process and as such its cash resources have been preserved.

The Works

The Company's 30% stake in The Works, The Complete Design Facility Limited ("Works") continues to represent the Company's only investee company. During the course of the last twelve months that business has sought to extend its reach via the formation of a number of strategic partnerships with established media agencies most notably in the US, Brazil and the Middle East. By leveraging Works' offerings via an already established digital agency network, Works will be able to quickly establish a presence in these new and exciting markets. Whilst the business has invested in its strategy of developing a more extensive geographic reach, it has once again delivered strong double-digit percentage EBITDA growth in the year to 30 September 2015.

Equity Fund Raising

In order to further strengthen its balance sheet, the Company raised £4 million in October 2014 by way of a subscription for 100 million new shares at 4.0p per share and also a further £0.5 million via the exercise of warrants during the course of the year. These subscriptions contributed to the Company's net cash position at financial year end of £5.5 million.

Board Changes

In March 2014, the board identified a strategic opportunity to expand its portfolio of investments within the mobile, internet, sports, social media, digital and technology space. During this period it has sought to strengthen its board via the appointment of new directors who bring the appropriate commercial and corporate experience required to support its strategic development. In September 2014, Peter Read was appointed to the Board, an individual who over the course of the last twelve months has made a significant contribution to the leadership and direction of negotiations with potential investee companies. In June of this year, Gordon Watson, Concha's Asian based non-executive director stepped down from Concha's Board to join a target investee company. We believe that these changes, coupled with the recent employment of a senior corporate finance executive provide Concha with appropriate skills for its future growth.

Future

With an experienced and capable team now in place and greater financial resources at its disposal, your Board is committed to ensuring the enhancement of long-term shareholder value via a robust investment process and the progression of opportunities identified over the course of recent months.

I would again like to close by thanking our shareholders and advisers who have supported the Company during the past financial year.



Chris Akers, Chairman
21 December 2015

CONCHA PLC

STRATEGIC REPORT

FOR THE YEAR ENDED 30 JUNE 2015

PRINCIPAL ACTIVITIES

The Company is an investment company whose principal activity is to identify and acquire interests in technology, media and communication companies.

FUTURE DEVELOPMENTS

An indication of likely future developments is found in the Chairman's Statement on page 1.

RISKS AND UNCERTAINTIES

The Company was subjected to a variety of risks and uncertainties during the year. The Board is responsible for the Company's system of internal control and risk management and for reviewing its effectiveness. The principal risks during the year and the actions to mitigate them are summarised below:

- The Company's operations can be affected by general economic downturns. Forward looking indicators were regularly reviewed to identify deteriorating market conditions. The cost base is reviewed regularly and there is a management structure in place to enable a rapid response to changing circumstances.

The Company is considered an investing company. In order to enable the Company to continue to implement its investment policy, the Directors continue to ensure that there is sufficient funding to support and expand its investment portfolio.

KEY PERFORMANCE INDICATORS

Measuring performance is integral to the next phase of our strategic growth. The Board has selected KPI's to benchmark the Company's progress and considers that in the future investment growth and investment income will be the measures used in assessing the Company's performance.

BUSINESS REVIEW

The loss for the financial year after taxation amounted to £0.63 million (2014: Loss £(1.18) million). In view of these losses and the absence of distributable reserves, the Directors are precluded from declaring a dividend for the year (2014: £Nil).

APPROVAL

This report was approved by the Board of Directors and authorised for issue on 21 December 2015, and signed on its behalf by:



C Akers
Director

CONCHA PLC

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2015

Concha

The directors submit their report and the financial statements of Concha PLC ("Concha") for the year ended 30 June 2015. Concha PLC is a public company incorporated in England and Wales, and quoted on AIM.

OVERVIEW

This report covers the Company's trading results for the year ended 30 June 2015.

DIRECTORS

The following directors have held office during the year.

Chris Akers
Russell Backhouse
Mark Horrocks
Gordon Watson (Resigned 8 June 2015)
Peter Read (Appointed 22 September 2014)

DIRECTORS' INTERESTS IN SHARES

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

Directors	At 30 June 2015		At 30 June 2014	
	Number of Shares	Percentage (%)	Number of Shares	Percentage (%)
Chris Akers	-	-	-	-
Russell Backhouse	-	-	-	-
Mark Horrocks	14,285,714	0.97	14,285,714	1.08
Gordon Watson*	100,000,000	6.77	100,000,000	7.55
Peter Read**	-	-	-	-

* Gordon Watson (resigned 8 June 2015)

** Peter Read (appointed 22 September 2014)

CREDITOR PAYMENT POLICY

The Company'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 27 days (2014: 31 days).

DIRECTORS' INDEMNITY INSURANCE

Directors' and Officers' liability insurance is held by the Company.

CONCHA PLC

DIRECTORS' REPORT (continued)

FOR THE YEAR ENDED 30 JUNE 2015

EMPLOYEES

The Company 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 Company has continued its policy of employee involvement by making information available to employees on matters of concern to them.

SUBSTANTIAL SHAREHOLDINGS

As at 18 December 2015, the Group 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 (%)
UBS Private Banking Nominees Limited	199,838,000	12.87%
TD Direct Investing Nominees (Europe) Limited	120,308,152	7.75%
Hargreaves Lansdown (Nominees) Limited	97,452,097	6.28%
HALB Nominees Limited	75,134,450	4.84%
Pershing Nominees Limited	74,439,914	4.79%
Vidacos Nominees Limited	68,935,000	4.44%
Vidacos Nominees Limited	48,095,733	3.10%
TD Direct Investing Nominees (Europe) Limited	47,005,803	3.03%

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.

POST BALANCE SHEET EVENTS

On 2 July 2015, warrants were exercised for a total of 5,000,000 Ordinary 0.1p shares for a cash consideration of £400,000.

On 14 July 2015, warrants were exercised for a total of 70,000,000 Ordinary 0.1p shares for a cash consideration of £165,000.

Other than the above, at the date these financial statements were approved, being 21 December 2015, the Directors were not aware of any other significant post balance sheet events.

By order of the Board



C. Akers,
Director

CONCHA PLC

CORPORATE GOVERNANCE STATEMENT

FOR THE YEAR ENDED 30 JUNE 2015

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 Company. The principles of corporate governance and a code of best practice are set out in the Combined Code. Under the rules of the AIM market the Company 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 Company 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 three non-executive directors.

There are no matters specifically reserved to the Board for its decision, although board meetings are held on a monthly 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 Company. A statement of directors' responsibilities in respect of the accounts is set out on page 8.

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 with non-executive directors appointed on specific terms approved by the Board.

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

AUDIT COMMITTEE

The Audit Committee comprises of Peter Read (Chairman of the committee) and Chris Akers. 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 Mark Horrocks 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.

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 Company 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 2016. Having taken into account all known costs, they are of the opinion that there is sufficient headroom, to continue as a going concern for the foreseeable future.

CONCHA PLC

DIRECTORS' REMUNERATION REPORT

FOR THE YEAR ENDED 30 JUNE 2015

REMUNERATION COMMITTEE

The Remuneration Committee comprises Chris Akers (Chairman of the committee), and Mark Horrocks 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.

Remuneration Policy

Details of individual remuneration of directors for the year ended 30 June 2015 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 1.7.2014 No	Granted during year No	Exercised during year No	At 30.6.2015 No	Exercise Price Pence	Expiry date
Chris Akers	49,525,698	-	-	49,525,698	0.35p	1 March 2018
Russell Backhouse	15,317,227	-	-	15,317,227	0.35p	7 June 2016
Mark Horrocks	-	-	-	-	-	
Gordon Watson*	25,000,000	-	-	25,000,000	1.20p	30 April 2016
Peter Read	-	-	-	-		
	<u>89,842,925</u>	<u>-</u>	<u>-</u>	<u>89,842,925</u>		

* - Gordon Watson resigned on 8 June 2015.

Pension arrangements

There are no pension arrangements in the Company.

Directors' contracts

It is the Company's policy that the executive directors 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	2015 Fees £'000	Total £'000	Salary £'000	2014 Fees £'000	Total £'000
Chris Akers	50	-	50	50	-	50
Russell Backhouse	-	50	50	-	25	25
Mark Horrocks	-	25	25	-	6	6
Gordon Watson	-	23	23	-	3	3
Peter Read	19	-	19	-	-	-
	<u>69</u>	<u>98</u>	<u>167</u>	<u>50</u>	<u>46</u>	<u>96</u>

APPROVAL

This report was approved by the Board of Directors and authorised for issue on 21 December 2015, and signed on its behalf by:



C Akers, Director

STATEMENT OF DIRECTORS' RESPONSIBILITIES

FOR THE YEAR ENDED 30 JUNE 2015

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 financial statements for each financial year. Under that law the directors are required to prepare financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the EU and the rules of the London Stock Exchange for companies trading securities on the Alternative Investment Market. The Directors have chosen to prepare the financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the EU.

The Company's financial statements are required by law and IFRS adopted by the EU to present fairly the financial position, financial performance and cash flows of the Company for that period.

In preparing the 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 that the group had complied with IFRS, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company 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 and Article 4 of the IAS Regulation. They are also responsible for safeguarding the assets of the Company 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 2015 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the Company's members, as a body, in accordance with 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 8 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Company's affairs as at 30 June 2015 and of the 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 Article 4 of the IAS Regulation.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and 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:

- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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
26 Red Lion Square
London
WC1R 4AG

21 December 2015

CONCHA PLC

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015 £000's	2014 £000's
Revenue	1	15	14
GROSS PROFIT		<u>15</u>	<u>14</u>
General and administrative expenses		(755)	(947)
LOSS FROM OPERATIONS BEFORE EXCEPTIONAL ITEMS	2	<u>(740)</u>	<u>(933)</u>
Exceptional items	3	108	(255)
LOSS FROM OPERATIONS		<u>(632)</u>	<u>(1,188)</u>
Investment income	5	4	-
LOSS BEFORE TAX		<u>(628)</u>	<u>(1,188)</u>
Tax	6	-	-
RETAINED LOSS AFTER TAX FOR THE YEAR		<u>(628)</u>	<u>(1,188)</u>
RETAINED LOSS ATTRIBUTABLE TO Owners of the company		<u>(628)</u>	<u>(1,188)</u>
LOSS FOR THE YEAR		<u>(628)</u>	<u>(1,188)</u>
TOTAL COMPREHENSIVE LOSS ATTRIBUTABLE TO: Owners of the company		<u>(628)</u>	<u>(1,188)</u>
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		<u>(628)</u>	<u>(1,188)</u>
Loss per share Basic and diluted	8	-	-

CONCHA PLC**STATEMENT OF FINANCIAL POSITION****AT 30 JUNE 2015**

	Notes	2015 £000's	2014 £000's
ASSETS			
Non-current assets			
Investments	9	500	500
		<u>500</u>	<u>500</u>
CURRENT ASSETS			
Trade and other receivables	10	254	159
Cash and cash equivalents		5,547	1,804
		<u>5,801</u>	<u>1,963</u>
TOTAL ASSETS		<u>6,301</u>	<u>2,463</u>
EQUITY AND LIABILITIES			
EQUITY			
Share capital	12	1,478	1,323
Deferred share capital	12	1,795	1,795
Share premium reserve		21,043	16,831
Warrant reserve		314	232
Retained loss		(18,383)	(17,755)
TOTAL EQUITY		<u>6,247</u>	<u>2,426</u>
CURRENT LIABILITIES			
Trade and other payables	11	54	37
TOTAL EQUITY AND LIABILITIES		<u>6,301</u>	<u>2,463</u>

The financial statements were approved and authorised for issue by the Board of Directors on 21 December 2015, and were signed below on its behalf by:



C Akers
Director

CONCHA PLC

STATEMENT OF CHANGES IN EQUITY

FOR THE YEARS ENDED 30 JUNE 2014 AND 2015

	Share Capital £000's	Deferred Share Capital £000's	Share Premium Account £000's	Warrant Reserve £000's	Retained Loss £000's	Total £000's
Balance at 1 July 2013	595	1,795	14,413	131	(16,786)	148
Loss for the year	-	-	-	-	(1,188)	(1,188)
Total comprehensive loss for 2014	-	-	-	-	(1,188)	(1,188)
Share capital issued	728	-	2,418	-	-	3,146
Warrants—charge for year	-	-	-	320	-	320
- exercised	-	-	-	(219)	219	-
Balance at 30 June 2014	<u>1,323</u>	<u>1,795</u>	<u>16,831</u>	<u>232</u>	<u>(17,755)</u>	<u>2,426</u>

	Share Capital £000's	Deferred Share Capital £000's	Share Premium Account £000's	Warrant Reserve £000's	Retained Loss £000's	Total £000's
Balance at 1 July 2014	1,323	1,795	16,831	232	(17,755)	2,426
Loss for the year	-	-	-	-	(628)	(628)
Total comprehensive loss for 2015	-	-	-	-	(628)	(628)
Share capital issued	155	-	4,212	-	-	4,367
Warrants - charge for year	-	-	-	82	-	82
Balance at 30 June 2015	<u>1,478</u>	<u>1,795</u>	<u>21,043</u>	<u>314</u>	<u>(18,383)</u>	<u>6,247</u>

CONCHA PLC

CASH FLOW STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

	2015 £000's	2014 £000's
Loss for the year	(628)	(1,188)
Loss on disposal of investments	-	(6)
Share based payments	82	320
Exceptional items	-	236
	<hr/>	<hr/>
Operating cash flows before movements in working capital	(546)	(632)
Increase in receivables	(95)	(41)
Increase/(decrease) in payables	17	(24)
	<hr/>	<hr/>
	(78)	(65)
Investment income	4	-
	<hr/>	<hr/>
Net cash flow from operating activities	(620)	(697)
	<hr/>	<hr/>
Cash flow from investing activities		
Purchase of investments	-	(487)
	<hr/>	<hr/>
Net cash flow from investing activities	-	(487)
	<hr/>	<hr/>
Cash flow from financing activities		
Net proceeds from issue of share capital	4,363	3,146
Loans advanced	-	(242)
	<hr/>	<hr/>
Net cash inflow from financing activities	4,363	2,904
	<hr/>	<hr/>
Net cash inflow for the year	3,743	1,720
	<hr/>	<hr/>
Cash and cash equivalents at start of year	1,804	84
	<hr/>	<hr/>
Cash and cash equivalents at the end of the year	5,547	1,804
	<hr/> <hr/>	<hr/> <hr/>

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 18 Buckingham Gate, London SW1E 6LB. The Company's ordinary shares are traded on the AIM Market operated by the London Stock Exchange. The financial statements of Concha PLC for the year ended 30 June 2015 were authorised for issue by the Board on 21 December 2015 and the balance sheets signed on the Board's behalf by Mr Chris Akers.

The nature of the Company's operations and its principal activities are set out in the Chairman's Statement on page 1.

Going Concern

The directors have prepared cash flow projections for the 12 months to 31 December 2016. Having taken into account all known costs, they are of the opinion that there is sufficient headroom, 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 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 Company are set out below.

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.

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.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments

Financial assets and financial liabilities are recognised on the balance sheet when the Company 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.

Investments

Investments in unlisted companies are recorded at cost less provision for impairment.

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 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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 JUNE 2015

1. REVENUE	2015	2014
	£000's	£000's
An analysis of the revenue is as follows:		
Management fees	15	14
	<u>15</u>	<u>14</u>
 2. LOSS FROM OPERATIONS	 2015	 2014
	£000's	£000's
Loss from operations has been arrived at after charging:		
Operating lease rentals	25	1
Directors emoluments (see note 4)	167	96
Auditors' remuneration for audit services (see below)	36	23
	<u>228</u>	<u>120</u>
Amounts payable to Company auditors and their associates in respect of both audit and non-audit services:		
Comprising		
Audit services	11	11
Non-audit services	25	12
	<u>36</u>	<u>23</u>
 3. EXCEPTIONAL ITEMS	 2015	 2014
	£000's	£000's
Exceptional items comprise the following:		
Net amounts (received) / written off in respect of Moshen Limited	(108)	136
Provisions and impairments	-	119
	<u>(108)</u>	<u>255</u>
 4. STAFF COSTS		
The average monthly number of employees (including executive directors) for the year was as follows:		
	2015	2014
	Number	Number
Management	4	3
	<u>4</u>	<u>3</u>
	2015	2014
	£000's	£000's
The aggregate remuneration comprised:		
Directors emoluments	167	96
Social security and taxes	25	14
Staff and Consultant expenses	5	13
	<u>197</u>	<u>123</u>

The above costs are included in general and administrative expenses

The highest paid director received £50,000 (2014: £50,000) and no directors received any pension contributions during the year (2014: £Nil).

CONCHA PLC**NOTES TO THE FINANCIAL STATEMENTS (continued)****FOR THE YEAR ENDED 30 JUNE 2015**

5. INVESTMENT INCOME	2015 £000's	2014 £000's
Interest receivable	4	-

6. INCOME TAX EXPENSE	2015 £000's	2014 £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	(628)	(1,182)
Expected tax credit on loss before tax at 21% (2014: 23%)	(132)	(272)
Current and deferred tax profit and loss charge	-	-
	<u>(132)</u>	<u>(272)</u>
Differences to be explained (see below)	(132)	(272)
	<u>132</u>	<u>272</u>
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

7. DIVIDENDS

The directors are precluded from declaring a dividend for the year (2014: £Nil).

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 JUNE 2015

8. LOSS PER SHARE

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

	2015	2014
<i>Earnings</i>		
Earnings for the purposes of basic earnings per share net loss for the year attributable to equity holders of the Company (£000's)	(628)	(1,182)
<i>Number of shares</i>		
Weighted average number of ordinary shares in issue (millions)	1,441.7	887.1
Number of dilutive shares under options (millions)	331.9	225.9
Weighted average number of shares including dilutive warrants (millions)	1,773.6	1,113.0

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

9. INVESTMENTS

	2015 £'000s	2014 £'000s
Other investments		
At 1 July 2014 and 30 June 2015	500	13

Other investments consist of a 30% stake in The Works, The Complete Design Facility Limited.

10. TRADE AND OTHER RECEIVABLES

	2015 £000's	2014 £000's
Other receivables	254	159

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

All receivables as at 30 June 2015 and 30 June 2014 were denominated in Sterling.

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

11. TRADE AND OTHER PAYABLES

	2015 £000's	2014 £000's
Trade and other payables	4	6
Accruals	50	31
	<u>54</u>	<u>37</u>
Due within one year:	<u>54</u>	<u>37</u>

Trade creditors principally comprise amounts outstanding for trade purchases and on-going costs.

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 JUNE 2015

12. SHARE CAPITAL	Number of shares No.	Nominal Value £000's
Issued and fully paid:		
Ordinary shares of 0.1p each		
As at 30 June 2014	1,322,890,688	1,323
21 July 2014 at 0.35p per share	5,629,356	6
21 July 2014 at 1.20p per share	30,500,000	31
11 August 2014 at 0.30p per share	14,999,999	15
26 September 2014 at 0.35p per share	282,142	-
22 October 2014 at 4.00p per share	100,000,000	100
6 November 2014 at 0.35p per share	1,437,500	1
25 November 2014 at 4.00p per share	2,000,000	2
At 30 June 2015	<u>1,477,739,685</u>	<u>1,478</u>
	Number of shares No.	Nominal Value £000's
Deferred shares		
As at 30 June 2014 and 30 June 2015	<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.

Total warrants in issue

During the year, 102,000,000 warrants were issued (2014: 183,333,333), 2,000,000 were cancelled (2014: Nil) and 54,848,997 were exercised (2014: 111,800,376).

The charge for the year in the income statement under the Black-Scholes valuation model for the warrants was £82,000 (2014: £320,000) and the transfer from the Warrant Reserve to the Retained Loss Reserve was £Nil (2014: £291,000) due to the exercise of the warrants.

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 JUNE 2015

12. SHARE CAPITAL (continued)

As at 30 June 2015, the warrants in issue were:

Exercise price (pence)	Expiry date	Warrants in issue	
		2015	2014
0.35	1 March 2018	49,525,702	54,478,268
0.35	7 June 2016	65,317,227	67,713,655
0.30	27 February 2015	-	17,000,003
0.25	31 December 2016	50,000,000	50,000,000
0.20	14 February 2016	50,000,000	50,000,000
1.20	30 April 2016	42,166,666	72,666,666
8.00	4 November 2016	100,000,000	-
		<u>357,009,595</u>	<u>311,858,592</u>

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.

13. RELATED PARTY TRANSACTIONS**Trading transactions**

During the year, the Company entered into the following transactions with related parties:

	Fees paid to third parties	
	2015 £000's	2014 £000's
Intrinsic Capital Services Limited*	25	6
	<u>25</u>	<u>6</u>

* Intrinsic Capital Services Limited is a company related to Mark Horrocks.

Fees to Intrinsic Capital Services Limited comprise amounts paid to the Director through a limited company under an agreement to provide the Company with their services. These fees are derived from formalised contracts with each of those entities.

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

Remuneration of key management personnel

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

	2015 £000's	2014 £000's
Short term employee benefits (including social security)	<u>193</u>	<u>96</u>

14. CONTINGENT LIABILITIES

As at 30 June 2015, the Company did not have any contingent liabilities or litigation outstanding not provided for.

15. POST BALANCE SHEET EVENTS

On 2 July 2015, warrants were exercised for a total of 5,000,000 Ordinary 0.1p shares for a cash consideration of £400,000.

On 14 July 2015, warrants were exercised for a total of 70,000,000 Ordinary 0.1p shares for a cash consideration of £165,000.

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 2015

Registered Number	05382036
Directors	Chris Akers (Executive Chairman) Russell Backhouse (Executive Director) Mark Horrocks (Non Executive Director) (Appointed 10 March 2014) Gordon Watson (Non Executive Director) (Resigned 8 June 2015) Peter Read (Non Executive Director) (Appointed 22 September 2014)
Company Secretary	Sean Nicolson
Registered Office	18 Buckingham Gate London SW1E 6LB W: www.concha-plc.com
Nominated Adviser	Spark Advisory Partners Limited 5 St John's Lane London EC1M 4BH
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

