TERSUS ENERGY PLC

FINANCIAL STATEMENTS

30 JUNE 2010

Company no 5314207

INDEX

TERSUS ENERGY PLC

CHAIRMAN'S STATEMENT

Introduction

These financial statements relate to the year ended 30 June 2010, with comparative figures being for the 18 month period ended 30 June 2009.

The Company's principal investments are:

- Its approximately 1.3 per cent. investment in Zhong Hang (Baoding) Huiteng Wind Power Equipment Company Ltd ('HT Blade'), which is held through Tang Wind Energy LP ('TWELP'), a Texan limited partnership
- Its 100 per cent. ownership of Envinta Corporation Inc ('Envinta').

These are described in more detail after the Financial Highlights.

Financial Highlights

The consolidated accounts show:

- Revenue of continuing operations of £0.77 million (2009 £0.93 million)
- Pre tax profit on continuing operations of £0.146 million (2009 pre tax loss of £0.70 million)
- Pre tax profit on discontinued operations of £0.006 (2009 pre tax loss of £1.34 million)
- Net assets of £2.85 million (2009 £2.70 million)
- The result includes a net write-up of £0.156 million in relation to Tersus' investment in HT Blade and net write-ups in other investments of £0.004 million.

Comparative figures are for the period of 18 months to 30 June 2009.

HT Blade

In January 2006 Tersus invested US$2 million in Tang Wind Energy LP ('TWELP', a Texan limited partnership) as a convertible secured loan that was subsequently converted into a 12.1 per cent. partnership interest.

TWELP owned 100 per cent. of Tang Wind Energy LLC ('TWELLC', a Cayman company) which in turn owned 25 per cent. of Zhong Hang (Baoding) Huiteng Wind Power Equipment Company Ltd ('HT Blade'). The remaining 75 per cent. of HT Blade was owned and continues to be owned by Chinese State Owned Enterprises. HT Blade manufactures wind blades which it sells to Chinese wind turbine manufacturers.

In 2007, an international private equity firm with offices in Shanghai acquired an interest in TWELLC from TWELP in return for US$20 million. This money was used by TWELP for transaction expenses, TWELP costs and a loan to HT Blade. The balance was retained by TWELP in reserve.

In February 2008, the same private equity investor exercised an option which it was given as part of the 2007 transaction and bought a further stake in TWELLC paying a further US$20 million to TWELP. That investor then had a shareholding in TWELLC of approximately 42 per cent., with TWELP owning the remaining approximately 58 per cent. Therefore, at that date, TWELLC and the private equity investor owned (indirectly) approximately 14.5 per cent. and approximately 10.5 per cent. respectively of HT Blade, with Tersus owning (indirectly) an approximately 1.75 per cent. stake in HT Blade.

In April 2008, TWELP transferred some US$32 million of cash and receivables into a new partnership TWELP 2. This amount represented the US$40 million received from the private equity investor, less transaction costs and TWELP running costs.

CHAIRMAN'S STATEMENT

In April 2008, TWELP 2 made a distribution to its partners as a result of which Tersus received approximately US$1.45 million in cash. The amount remaining in TWELP 2 is being retained to meet its future potential funding needs.

Also in April 2008, TWELP's limited partners sold a 9 per cent. interest in TWELP to an international venture capital firm. Included in this 9 per cent. stake was a disposal by Tersus of 25 per cent. of its 12.1 per cent. interest in TWELP. Tersus received approximately US$2.19 million in cash in relation to this disposal.

As a result of this disposal Tersus now owns approximately 9 per cent. of TWELP resulting in Tersus owning (indirectly) approximately 1.3 per cent. of HT Blade.

The Board believes that the value of the indirect holding in HT Blade will be a function of TWELP's ability to create further exit opportunities, the business performance of HT Blade and the willingness of the Chinese State Owned Enterprises to proceed to an IPO. The Board also believes the value of this stake may be affected by the possible dilution caused by the creation of an incentive pool for the benefit of HT Blade management and the manner in which the cost of such incentive pool may be borne by shareholders in HT Blade.

As far as the Board knows, HT Blade has not traded well in the first half of 2010. The managing partner of TWELP has told the Board that there has been a significant shortfall against budgeted sales and margin as a result of which the plans for an IPO have been delayed. However, the managing partner has expressed confidence that this under-performance and consequent delay in the IPO is temporary. The Board does not have direct access to HT Blade and is dependent on TWELP's managing partner for information on these important issues.

At the beginning of the year, the Group's investment in TWELP and TWELP2 was carried at its estimated fair value of £2,026,985 (US$3.349 million). The fair value of this investment in TWELP and TWELP2 at 30 June 2010 has again been assessed at US$3.349 million or £2,221,869 at the exchange rate at 30 June 2010, resulting in a revaluation uplift of £194,884 being recognised in the income statement.

Envinta

- Envinta has the North American and European rights to energy and environmental information software. It licenses this software, together with selling training and marketing advisory services, to utilities and to major multi-location businesses. Revenue in 2010 was US$1.19 million (2009 US$1.50 million for 18 month period). Earnings before interest, tax and depreciation (EBITDA) were US$0.31 million (2009 US$0.24 million for 18 month period). Envinta's products and services are well received by its customers and Envinta continues to explore ways of expanding the customer base.

- Since the year-end, the CEO of Envinta, who was based in Massachusetts USA, has been released and the resultant cost savings will be reinvested, in part, in additional sales activity. A new agreement has also been signed with the company that granted Envinta the rights to its existing software. This new agreement provides two years' rights in North America and Europe to a new suite of software products in the energy and environmental management market and allows Envinta the opportunity to expand and update its product offering.

Navitas

- Navitas Technologies Limited ('Navitas') was a 100 per cent. owned developer and manufacturer of electronic control equipment.

- As explained in last year's Chairman's Statement, Tersus' directors decided that, whilst they still had confidence in the new products then being developed by Navitas and in the market's eventual acceptance of these products, it was not appropriate for Tersus to continue funding Navitas' cash flow shortfall pending the achievement of new sales. Consequently, the business was sold on 31 August

2009. The sale proceeds of C$0.50 million included C$0.33 million cash on completion, which was sufficient to deal with outstanding issues and leave Tersus with a modest cash surplus, plus a further C$0.17 million to be paid in 4 annual instalments, the first of which was received in August 2010. The sale of the business has also, of course, avoided further funding of operating cash shortfalls.

- Tersus entered into an agreement with the purchaser of the assets and undertaking of Navitas through which it will receive over a 5 year period from August 2009 a further amount linked to the level of sales. An estimate of this further amount has been included in calculating the gain on disposal. C$0.04 million arising from the agreement has been received in relation to the period ending June 2010.

Other business activities

- Tersus continues to provide advisory services in relation to the Bens Run salt cavern gas storage project but will only receive an income if these advisory services lead to a disposal of that asset by the current owner.
- Little progress has been made with our interest in Enviro-Control Limited ('ECL') which is focused on anaerobic digestion opportunities (producing bio-gas and renewable power) using the proprietary thermophilic technology developed by ECL. The Group provided in full against the carrying value of its investment in 2007.
- The joint venture to develop wind farms in the Philippines has made no progress.

Conclusion

- The Board continues to focus on achieving value for shareholders through the investments in HT Blade and Envinta, and by keeping running costs to a minimum. In the context of running costs, the executive directors and the Chairman decided not to take any further remuneration after 31 May 2009 and this continues to be the case. The Board believes that future cash receipts arising from the disposal of Navitas' business and the fees from the new owners of that business, together with remittances from Envinta in so far as funds generated are not invested in business or new product development, will be sufficient to cover future operating costs.
- The Board considers that there is value in the investments in HT Blade and Envinta, but is not able to say when such value can be realised.

John Devaney
Chairman
23 November 2010

TERSUS ENERGY PLC

REPORT OF THE DIRECTORS

The directors present their annual report on the affairs of the Group, together with the audited financial statements of the Company and the Group for the year ended 30 June 2010.

PRINCIPAL ACTIVITIES

The principal activities of the Group continue to be to invest in, operate and advise businesses in the renewable energy sector with particular emphasis on Asian renewables, biofuels and energy consumption controls.

BUSINESS REVIEW

A review of the Group's performance and activities is contained in the Chairman's statement.

The principal objective of the business is to realise the value of its investments in order to maximise the return to share holders.

The principal risks associated with this objective are normal business risks applicable to the underlying businesses, political risk associated with our investment in HT Blade, together with the need to maintain sufficient funds to provide enough time for the investments to be optimally realised. The Board continues to believe there is value in the Group's investments and will work to realise that value.

RESULTS AND DIVIDENDS

The results for the year ended 30 June 2010 are shown in the Consolidated Income Statement on page 23. The Group profit for the year after tax amounted to £164,204 (2009 – loss of £2,040,280 for 18 month period). The directors are not proposing the payment of a dividend for the year (2009 – nil).

DIRECTORS

*J F Devaney (Non-executive chairman)
*N N Trulsvik (Non-executive director)
S P Levine (Chief Executive Officer)
D T Wilson (Chief Operating Officer and Finance Director)
S K West (Investment Director) – appointed 16 June 2010

John Devaney (64) (Non-executive Chairman)

John Devaney is chairman of Cobham plc, National Express Group PLC and NATS. John was chairman of ERGO Services (Beaufort) LLP. He has been chairman of EXEL plc and executive chairman of Eastern Electricity plc and has served as a non-executive director on the boards of HSBC Bank Plc and British Steel Plc.

Steven Levine (59) (Chief Executive Officer)

Steve Levine is an energy services professional and attorney with extensive experience developing and financing domestic and international energy projects. He was previously VP of New Energy, Inc. (now Constellation New Energy), one of the largest US deregulated electricity power retailers. He is a former president of Metro Energy, L.L.C., a private New York City based utility.

David Wilson (62) (Chief Operating Officer and Finance Director)

David Wilson was a partner in ERGO Services (Beaufort) LLP and has been previously a director of Hilton International Plc with responsibilities for finance and for identifying and negotiating new business opportunities, and a partner in Ernst &Young with responsibility for services to small and medium-sized enterprises.

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* Members of the Audit Committee. The chairman of the Audit Committee is N N Trulsvik.

Stephen West (47) (Investment Director)

Stephen West has extensive investment experience in emerging markets, principal investing and the energy sector. He has worked for CDC Group plc, which at the time was the UK Government's development finance institution for investing in emerging markets, and was a Founding Partner of Actis Capital, a management led spin-out from CDC. Subsequently he has developed a business advising other private equity fund managers, principal investors and fund boards operating in emerging markets or in the energy sector.

Nils Trulsvik (62) (Non-executive Director)

Nils Trulsvik has worked in the oil and gas sector since 1974. In 1981, he, together with a group of geologists and geophysicists, formed Nopec. He worked as a petroleum exploration consultant for Nopec on assignments in Northwest Europe, Africa and the Far East, started Nopec (UK) Ltd in 1984 and from 1987 to 1993 was managing director of Nopec. In 1994, he led an investment group that took an equity position in Fountain Oil Incorporated and served as managing director of Fountain until 1998, when he left to form The Bridge Group. He is currently on secondment from The Bridge Group to Force Petroleum Ltd where he is chief executive officer.

Directors and their shareholdings

The directors who served during the year and their interests in the shares and warrants of the Company as recorded in the register of directors' interests were as follows:

	As at 30 June 2010		*As at 30 June 2009*[(a)]	
	Number of ordinary shares	*Percentage of issued share capital*	*Number of ordinary shares*	*Percentage of issued share capital*
J F Devaney[(b)]	7,690,363	20.21	4,024,855	10.58
N N Trulsvik	–	–	–	–
S P Levine	1,793,102	4.71	1,793,102	4.71
D T Wilson[(b)]	10,398,033	27.33	8,449,786	22.21
S K West	2,285,549	6.01	2,285,549	6.01

(a) For S K West, information given as at 16 June 2010, the date of his appointment.

(b) At 30 June 2010, J F Devaney held 4 million and D T Wilson 2 million warrants, which are exercisable over 6 million ordinary shares at £0.01p each at any time before 31 December 2010. No warrants were held by J F Devaney or D T Wilson at 30 June 2009. The warrants were issued on 17 December 2007 (see note 23 to the accounts).

Details of directors' interests in options to acquire shares of the Company are set out in note 4 to the accounts.

No changes in the directors' share interests have taken place between 30 June 2010 and 23 November 2010.

Under the provisions of the Company's Memorandum and Articles of Association S K West, S P Levine, D T Wilson and N N Trulsvik shall retire from office at the annual general meeting of the Company and, being eligible, S K West offers himself for election and S P Levine, D T Wilson and N N Trulsvik offer themselves for re-election.

OTHER MATTERS

All directors have service agreements or letters of appointment. The Company has the power to determine the service agreements on six or twelve months' notice and the letters of appointment on three months' notice without payment of compensation (other than statutory compensation).

The non-executive directors retire by rotation in the same manner as the executive directors, in accordance with the Company's Articles of Association.

Communication with shareholders on remuneration matters is largely undertaken by way of this report and the detailed disclosure of remuneration provided by note 4 to the accounts.

DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

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

The Companies Act 2006 requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently
- make judgements and estimates that are reasonable and prudent
- for the Group and Company financial statements, state whether applicable accounting standards have been followed, 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 Group and the Company will continue in business

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

In so far as the directors are aware:

- there is no relevant audit information of which the Company's auditors are unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

EMPLOYEES

During the year, the Group has provided employees with relevant information and sought their views on matters of common concern. Priority has been given to ensuring that employees are aware of all significant matters affecting the Group's trading position and of any significant organisational changes.

VALUATION POLICY

Investment strategy

The Group has a documented investments strategy and as a result the financial investments are fair valued through the income statement.

Investments have been valued by the directors in compliance with the principals of IAS 39 "Financial Instruments: Recognition and Measurement" and the International Private Equity and Venture Capital Guidelines as recommended by the British Venture Capital Association.

Principles of valuation of unlisted investments

Investments are stated at amounts considered by the directors to be a reasonable assessment of their fair value, subject to the requirement to apply a degree of caution in making the necessary estimates. Fair value is the amount at which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction. In estimating fair value, the directors use a methodology which is appropriate in light of the nature, facts and circumstances of the investment and its materiality in the context of the total investment portfolio. All investments are valued on one of the following bases:

- Price of Recent Investment
- Earnings multiple
- Discounted cash flows from the investment.

The Price of Recent Investment method has been used to value the investment in HT Blade which the Group holds through its investment in the TWELP partnership. The valuation is based on the price at which a third party acquired an interest in the partnership in 2008, discounted to reflect the inherent uncertainties in realising future value. It has given rise to a further uplift in the carrying value which has been recognised through the income statement.

The remaining investments, all of which are unlisted, have been fair valued, largely on the basis of the estimated discounted cash flows from the investments.

Principles of valuation for impairment review undertaken in respect of the subsidiary company

The Earnings multiple methodology was used to review the investment in the Company's wholly-owned subsidiary, Envinta Corporation Inc, for the purpose of assessing if there had been any impairment in goodwill and other assets. The fair value was assessed having regard to the profits before interest and tax achieved in 2010 and forecast for 2011. The valuation was determined after applying an appropriate and reasonable price/earnings ratio and, following completion of the review, it was decided there had been no change in the level of impairment assessed in 2009, when an impairment of £500,000 in the goodwill was recognised.

Valuation review procedures

Valuations are prepared by the directors.

GOING CONCERN

The directors confirm they are satisfied that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. There are some uncertainties that are outlined further in the Principal Accounting Policies.

POST BALANCE SHEET EVENTS

Post balance sheet events are disclosed in note 24 to the accounts.

PAYMENT OF CREDITORS

The Group does not follow any published code or standard on payment practice in respect of any of its suppliers. The Group's policy in respect of the majority of its trade creditors is to negotiate terms and conditions with the suppliers and, provided the suppliers comply with these, payments are made in accordance with the agreed terms and conditions. Where payment terms are not specifically agreed, suppliers are paid in accordance with local commercial practice.

AUDITORS

Grant Thornton UK LLP offer themselves for reappointment as auditors in accordance with section 489(4) of the Companies Act 2006.

BY ORDER OF THE BOARD

D T Wilson
Director and Company Secretary
23 November 2010

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF TERSUS ENERGY PLC

We have audited the Group financial statements of Tersus Energy Plc for the year ended 30 June 2010 which comprise the principal accounting policies, the consolidated balance sheet, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated cash flow statement and 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 9, the directors are responsible for the preparation of the Group financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the Group company 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 (APB's) Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/UKNP.

OPINION ON FINANCIAL STATEMENTS

In our opinion the Group financial statements:

- give a true and fair view of the state of the Group's affairs as at 30 June 2010 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRS as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

EMPHASIS OF MATTER – GOING CONCERN

In forming our opinion, which is not qualified, we have considered the adequacy of the disclosure made in the Principal Accounting Policies – Going Concern concerning the Group's ability to continue as a going concern. This disclosure indicates the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Group was unable to continue as a going concern.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Directors' Report for the financial year for which the Group financial statements are prepared is consistent with the Group financial statements.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF TERSUS ENERGY PLC

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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

OTHER MATTER

We have reported separately on the parent company financial statements of Tersus Energy Plc for the year ended 30 June 2010.

MARK CARDIFF
SENIOR STATUTORY AUDITOR
FOR AND ON BEHALF OF GRANT THORNTON UK LLP
STATUTORY AUDITOR, CHARTERED ACCOUNTANTS

London
23 November 2010

TERSUS ENERGY PLC

PRINCIPAL ACCOUNTING POLICIES

For the year ended 30 June 2010

BASIS OF PREPARATION

The financial statements relate to the year ended 30 June 2010, with comparative figures, where appropriate, being shown for the 18 months ended 30 June 2009 and the year ended 31 December 2007.

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been applied consistently to all the years presented, unless otherwise stated.

The financial statements have been prepared in accordance with applicable International Financial Reporting Standards (IFRS) as adopted by the EU and the Companies Act 2006, applicable to companies reporting under IFRS. The Group has adopted all of the standards and interpretations issued by the International Accounting Standards Board and the International Financial Reporting Interpretations Committee that are relevant to its operations and effective for the Group's financial period end on 30 June 2010.

As at the date of approval of these consolidated financial statements, the following interpretations were in issue but not yet effective:

- IFRS 9 Financial Instruments (effective 1 January 2013)
- IAS 24 (Revised 2009) Related Party Disclosures (effective 1 January 2011)
- Group Cash-settled Share-based Payment Transactions – Amendment to IFRS 2 (effective 1 January 2010)
- Improvements to IFRSs 2009 (effective at various dates, mostly during 2010)
- Amendment to IFRS 1 Additional Exemptions for First-time Adopters (effective 1 January 2010)
- Amendment to IAS 32 Classification of Rights Issues (effective 1 February 2010)
- IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments (effective 1 July 2010)
- Prepayments of a Minimum Funding Requirement – Amendments to IFRIC 14 (effective 1 January 2011)
- Improvements to IFRS issued May 2010 (some effective 1 July 2010, others 1 January 2011)
- Disclosures – Transfers of Financial Assets – Amendments to IFRS 7 (effective 1 July 2011)

The directors anticipate that the adoption of these Standards and Interpretations in future periods will have no material impact on the financial statements of the Group. The Group does not intend to apply any of these pronouncements early.

Following the cancellation of the Company's admission to AIM, the requirements of IFRS 8 Operating Segments, which became effective on 1 January 2009, are not applicable to the Group and hence the directors have decided not to adopt this standard.

GOING CONCERN

The Group meets its working capital and operating costs requirements from its cash balances. The nature of the Company's business is such that there is considerable uncertainty in the amounts and timing of cash flows. For example, remittances of surplus funds from Envinta, further receipts from the new owners of the Navitas business, any further distributions from TWELP and proceeds of sales of investments are all uncertain as to amount and timing.

Bearing this in mind, the directors have prepared cash flow forecasts for the period to 31 December 2011. The forecasts show that the Group will have adequate resources for this period. In the past 18 months, where the timing of cash receipts has resulted in temporarily inadequate cash balances, directors have provided loans to enable payments to third parties to be made on a timely basis. Certain directors have indicated their willingness to make further advances if necessary.

The financial statements do not include any adjustments or disclosures that would be required if the Company was not a going concern.

BASIS OF CONSOLIDATION

The consolidated financial statements incorporate the financial statements of the Company and all subsidiary undertakings made up to 30 June and are for a 12 month period (2009 – made up to 30 June for an 18 month period and 2007 – made up to 31 December for a 12 month period). Subsidiaries are entities over which the Group has the power to control the financial and operating policies so as to obtain benefits from their activities.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Acquisitions of subsidiaries are dealt with by the purchase method. The purchase method involves the recognition at fair value of all identifiable assets and liabilities, including contingent liabilities of the subsidiary, at the acquisition date, regardless of whether or not they were recorded in the financial statements of the subsidiary prior to acquisition. On initial recognition, the assets and liabilities of the subsidiary are included in the consolidated balance sheet at their fair values, which are also used as the bases for subsequent measurement in accordance with the Group's accounting policies. Goodwill is stated after separating out identifiable intangible assets. Goodwill represents the excess of acquisition cost over the fair value of the Group's share of the identifiable net assets of the acquired subsidiary at the date of acquisition.

CHANGE IN ACCOUNTING POLICIES

Adoption of IAS 1 Presentation of Financial Statements (Revised 2007)

The Group has adopted IAS 1 "Presentation of Financial Statements (Revised 2007) in its consolidated financial statements. This standard has been applied retrospectively. The adoption of the standard does not affect the financial position or results of the Group, but gives rise to additional disclosures.

The measurement and recognition of the Group's assets, liabilities, income and expenses in unchanged, however some items that were recognised directly in equity are now recognised in other comprehensive income.

IAS 1 (Revised 2007) affects the presentation of owner changes in equity and introduced a "Consolidated statement of comprehensive income". The "Consolidated statement of recognised income and expenses", as was presented in the 2009 consolidated financial statements is no longer required. Further a "Consolidated statement of changes in equity" is presented.

BUSINESS COMBINATIONS COMPLETED PRIOR TO THE DATE OF TRANSITION TO IFRS

The Group elected not to apply IFRS 3 "Business Combinations" retrospectively to business combinations prior to the date of transition.

Accordingly the classification of a combination (acquisition or merger) remains unchanged from that used under UK GAAP. Assets and liabilities are recognised at the date of transition as they would be recognised under IFRS, and are measured using their UK GAAP carrying amount immediately post-acquisition as deemed cost under IFRS, unless IFRS requires fair value measurement. Deferred tax is adjusted for the impact of any consequential adjustments after taking advantage of the transitional provisions.

MERGER ACCOUNTING

The transfer to the Group of the ownership of Tersus Energy Services Inc. and its subsidiary companies on 21 January 2005 was accounted for in accordance with the principles of merger accounting. Under merger accounting, the results are reported for the Group as if the Group had been in existence in its current form throughout the current and previous financial periods. No purchased goodwill was created in the transaction and the assets and liabilities of Tersus Energy Services Inc. were not adjusted to reflect their fair value.

REVENUE

Revenue is measured at the fair value of the consideration received or receivable from third parties for goods and services provided in the normal course of business, net of value added tax and other sales taxes. Intra-group sales are excluded.

Group businesses are remunerated for integrated strategic and financial advisory services provided to third parties by a combination of cash retainers and success fees, with the former generally being earned on a time basis and the latter when predetermined milestones are achieved. Revenue is recognised on the basis of the arrangements made with third parties.

GOODWILL

Goodwill representing the excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is capitalised and reviewed annually for impairment. Goodwill is carried at cost less accumulated impairment losses. A discount on acquisition is recognised immediately after acquisition in the income statement.

In accordance with the exemption in paragraph B1A of IFRS 1, no fair value adjustments as at the date of acquisition have been made for business combinations that took place prior to the date of transition to IFRS. Accordingly, the carrying amounts of goodwill as at the date of transition were unchanged. Goodwill written off to reserves prior to that date remains in reserves. Goodwill previously written off to reserves is not written back to profit or loss on subsequent disposal.

INTANGIBLE ASSETS

Assets acquired as part of a business combination

In accordance with IFRS 3 "Business Combinations", an intangible asset acquired in a business combination (eg software licence) is deemed to have a cost to the group of its fair value at the acquisition date. The fair value of an intangible asset reflects market expectations about the future economic benefits embodied in the asset that will flow to the Group. Where an intangible asset might be separable, but only together with a related tangible or intangible asset, the group of assets is recognised as a single asset separately from goodwill where individual fair values of the assets in that group are not reliably measurable. Where individual fair values of complementary assets are reliably measurable, the group recognises them as a single asset provided the individual assets have similar useful lives.

Research and development

Expenditure on research (or the research phase of an internal project) is recognised as an expense in the period in which it is incurred.

Development costs, comprising labour and materials, that are incurred on specific projects are capitalised when all the following conditions are satisfied:

- completion of the intangible asset is technically feasible so that it will be available for use or sale
- the group intends to complete the intangible asset and use or sell it
- the group has the ability to use or sell the intangible asset
- the intangible asset will generate probable future economic benefits. Among other things, this requires that there is a market for the output from the intangible asset or for the intangible asset itself, or, if it is to be used internally, the asset will be used in generating such benefits
- there are adequate technical, financial and other resources to complete the development and to use or sell the intangible asset, and
- the expenditure attributable to the intangible asset during its development can be measured reliably

Development costs not meeting the criteria for capitalisation are expensed as incurred.

The directors apply careful judgement when deciding whether the recognition requirements for development costs have been met. This is necessary as the economic success of any product development is uncertain and may be subject to future technical problems at the time of recognition. Judgements are based on the information available at each balance sheet date and, as with other assets, the carrying amount is subject to review as part of impairment testing.

Following the sale of the business of Navitas in August 2009, the Group no longer has any Development costs.

PROPERTY PLANT & EQUIPMENT

Property, plant and equipment are stated at cost, net of depreciation and any provision for impairment.

DEPRECIATION AND AMORTISATION

Depreciation and amortisation is calculated to write down the cost less estimated residual value of non current assets other than Goodwill, over their estimated useful economic lives. The residual values and useful lives are reviewed annually. The rates generally applicable are:

Software licences	10%, by equal annual instalments
Tools and equipment	25% – 45%, by equal annual instalments
Furniture and fittings	20%, by equal annual instalments

Development costs are amortised against unit sales achieved, with the amount charged on each sale determined on the basis that total costs will be fully amortised over the product life cycle, which for this purpose is generally taken to be 3 years. The carrying amount is subject to review as part of impairment testing and, where appropriate, impairment losses are recognised in the income statement.

Depreciation and amortisation is included in Administrative expenses in the income statement.

IMPAIRMENT TESTING OF GOODWILL, OTHER INTANGIBLE ASSETS AND PROPERTY PLANT AND EQUIPMENT

Assets are grouped at the lowest level for which there are separately identifiable cash flows (cash-generating units) for the purposes of assessing impairment. As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Goodwill is allocated to those cash-generating units that are expected to benefit from synergies of the related business combination: these represent the lowest level within the Group at which management monitors the related cash flows.

Goodwill, other individual assets or cash-generating units that include goodwill and those intangible assets not yet available for use are tested for impairment at least annually. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

The extent of an impairment loss is the amount by which the estimated recoverable amount is less than the asset's or cash-generating unit's carrying amount. The recoverable amount is the higher of fair value less costs to sell (reflecting market conditions) and the value in use based on an internal discounted cash flow evaluation. Impairment losses recognised for cash-generating units to which goodwill has been allocated are credited initially to the carrying amount of goodwill with any remaining impairment loss being charged first against other intangible assets and then *pro rata* to the other assets in the cash generating unit.

When an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset or cash-generating unit in prior periods. A reversal of an impairment loss is recognised in the income statement immediately.

DISPOSAL OF ASSETS

The gain or loss arising on the disposal of an asset is determined as the difference between the disposal proceeds and the carrying amount of the asset and is recognised in the income statement.

FINANCIAL ASSETS

Financial assets are recognised when the Group has become a party to the contracts that give rise to them.

Financial Investments

Investments are classified by the directors at each reporting date.

All financial investments are classified as fair value through profit or loss as the performance of the Group depends on the gains or losses arising from the investment activity of the Group. They are valued in compliance with IAS 39 "Financial Instruments: Recognition and Measurement" and the International Private Equity and Venture Capital Guidelines as recommended by the British Venture Capital Association.

The principles used to value unlisted investments and the bases used for their valuation are set out in the Report of the directors.

Gains and losses on the realisation of financial investments are dealt with through the income statement. Financial investments are not held for immediate realisation.

An assessment for impairment is undertaken at each balance sheet date.

Trade receivables and other debtors

Trade receivables and other debtors are accounted for at fair value when the asset arises. Provision against trade receivables is made when there is objective evidence that the Group will not be able to collect all amounts due to it in accordance with the original terms of those receivables. All receivables are considered for impairment.

FINANCIAL LIABILITIES

Financial liabilities comprise interest bearing loans and borrowings. On initial recognition, financial liabilities are measured at fair value.

Trade payables

Trade payables are not interest bearing and are stated at their fair value.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash at bank and in hand.

INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Costs of ordinarily interchangeable items are assigned using the first in, first out cost basis. Cost includes materials, direct labour and an attributable proportion of manufacturing overheads based on normal levels of activity. Inventories were held only by Navitas and hence, following the disposal of the Navitas business in August 2009, none are now held.

TAXATION

Current tax is the tax currently payable based on taxable profits for the period.

Deferred income taxes are calculated using the liability method on temporary differences. Deferred tax is generally provided on the difference between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of goodwill, nor on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Deferred tax on temporary differences associated with shares in subsidiaries is not provided if reversal of these temporary differences can be controlled by the Group and it is probable that reversal will not occur in the foreseeable future. In addition, tax losses available to be carried forward as well as other income tax credits to the Group are assessed for recognition as deferred tax assets.

Deferred tax liabilities are provided in full, with no discounting. Deferred tax assets are recognised to the extent that it is probable that the underlying deductible temporary differences will be able to be offset against future taxable income. Current and deferred tax assets and liabilities are calculated at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted at the balance sheet date.

Changes in deferred tax assets or liabilities are recognised as a component of tax expense in the income statement, except where they relate to items that are charged or credited directly to other comprehensive income or equity, in which case the related deferred tax is also charged or credited directly to other comprehensive income or equity.

FOREIGN CURRENCIES

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. Non-monetary items that are measured at historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Any exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were initially recorded are recognised in the profit or loss in the period in which they arise. Exchange differences arising on the re-translation of non-monetary items are included in the statement of recognised income and expense where a gain or loss relating to that non-monetary item would also be recognised directly in equity: otherwise such gains and losses are recognised in the income statement.

The assets and liabilities in the financial statements of foreign subsidiaries and related goodwill are translated at the rate of exchange ruling at the balance sheet date. Income and expenses are translated at the average rates of exchange. The exchange differences arising from the re-translation of the opening net investment in subsidiaries are taken directly to the “Foreign currency translation reserve” as part of Other comprehensive income.

The Group took advantage of the exemption in IFRS 1 and deemed cumulative translation differences for all foreign operations to be nil at the date of transition to IFRS. The gain or loss on disposal of these operations excludes translation differences that arose before the date of transition to IFRS and includes later translation differences.

SHARE BASED PAYMENTS

All share-based payment arrangements granted after 7 November 2002 that had not vested prior to 1 January 2006 are recognised in the financial statements.

The Group issues equity-settled share-based payments to certain directors and employees. These payments are measured at fair value at the date of the grant and this fair value is recognised as an expense in the income statement with a corresponding entry to the Share option reserve on a straight line basis over the vesting period, based on the Group’s estimate of the number of shares or share options that will eventually vest.

Fair value is measured by use of the Black Scholes Pricing Model. See note 22 for a further description of the share-based payment plans.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reported period. Although these estimates are based on management’s best knowledge of the amount, event or action, actual results may differ materially from those estimates.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities relate to:

- the valuation of the Group’s unlisted investments held at fair value through profit and loss, which are valued on the bases set out in the Report of the directors

- the determination of the initial fair value of the assets and liabilities acquired in a business combination
- the assessment of whether there has been any impairment of goodwill and other assets in respect of subsidiaries
- the timing and amount of cash flows.

TERSUS ENERGY PLC

CONSOLIDATED BALANCE SHEET

As at 30 June 2010

	Note	*30 June 2010* £	*30 June 2009* £	*31 December 2007* £
ASSETS				
Non-current assets				
Goodwill	8	251,723	251,723	1,053,779
Other intangible assets	8	444,230	467,615	783,180
Property, plant and equipment	9	1,309	26,287	37,174
Financial assets	10	2,370,268	2,171,160	3,610,033
		3,067,530	2,916,785	5,484,166
Current assets				
Inventories	11	–	260,478	307,996
Trade and other receivables	12	423,642	289,653	439,482
Cash and cash equivalents		135,599	155,749	483,151
		559,241	705,880	1,230,629
Total assets		3,626,771	3,622,665	6,714,795
LIABILITIES				
Current liabilities				
Trade and other payables	13	631,764	691,029	1,329,356
Short-term borrowings	14	30,000	114,702	677,393
		661,764	805,731	2,006,749
Non-current liabilities				
Deferred tax	15	112,308	118,220	117,338
		112,308	118,220	117,338
Total liabilities		774,072	923,951	2,124,087
Net assets		2,852,699	2,698,714	4,590,708
EQUITY				
Equity attributable to equity holders of the parent				
Share capital	16	190,231	190,231	190,231
Share premium account		6,417,112	6,417,112	6,417,112
Merger reserve		1,499,766	1,499,766	1,499,766
Share option reserve		297,692	297,692	280,755
Foreign currency translation reserve		32,817	43,036	(88,313)
Profit and loss account		(5,584,919)	(5,749,123)	(3,708,843)
Total equity		2,852,699	2,698,714	4,590,708

The financial statements were approved by the Board of directors on 23 November 2010.

S P Levine
Director

D T Wilson
Director

Company no 5314207

The accompanying accounting policies and notes form an integral part of these statements.

TERSUS ENERGY PLC

CONSOLIDATED INCOME STATEMENT

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2010

	Note	*2010 12 months £*	*2009 18 months £*
Revenue	1	769,750	928,998
Cost of sales		(105,344)	(258,620)
Gross profit		664,406	670,378
Administrative expenses		(675,927)	(1,149,232)
Finance income	3	–	30,291
Finance cost	3	(2,796)	(15,587)
Gains and losses on financial investments at fair value through profit and loss:			
Gains		168,692	279,908
Losses		(8,566)	(16,715)
Impairment losses on intangible assets recognised in period		–	(500,000)
Profit/(loss) before tax	2	145,809	(700,957)
Taxation credit	5	12,309	3,352
Profit/(loss) for the period from continuing operations		158,118	(697,605)
Profit/(loss) for the period from discontinued operations	7	6,086	(1,342,675)
Profit/(loss) for the period attributable to equity shareholders of the parent		164,204	(2,040,280)
Earnings per share			
Basic earnings per share			
Profit/(loss) from continuing operations		0.4p	(1.9)p
Loss from discontinued operations		–	(3.5)p
Total	6	0.4p	(5.4)p
Diluted earnings per share			
Profit/ (loss) from continuing operations		0.4p	(1.9)p
Loss from discontinued operations		–	(3.5)p
Total	6	0.4p	(5.4)p

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	2010 12 months £	*2009 18 months £*
Profit/(loss) for the period	164,204	(2,040,280)
Other comprehensive income:		
Exchange differences on translation of foreign operations	(10,219)	131,349
Income tax relating to components of other comprehensive income	–	–
Other comprehensive income for the period, net of tax	(10,219)	131,349
Total comprehensive income for the period attributable to the equity shareholders of Tersus Energy Plc	153,985	(1,908,931)

The accompanying accounting policies and notes form an integral part of these statements.

TERSUS ENERGY PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2010

	Share capital £	*Share premium account* £	*Merger reserve* £	*Share option reserve* £	*Foreign currency translation reserve* £	*Profit and loss account* £	*Total equity attributable to owners of parent* £
At 31 December 2007	190,231	6,417,112	1,499,766	280,755	(88,313)	(3,708,843)	4,590,708
Share option expense	–	–	–	16,937	–	–	16,937
Transactions with owners	–	–	–	16,937	–	–	16,937
Loss for the period	–	–	–	–	–	(2,040,280)	(2,040,280)
Other comprehensive income							
Exchange movements	–	–	–	–	131,349	–	131,349
Total comprehensive income for the period	–	–	–	–	131,349	(2,040,280)	(1,908,931)
At 30 June 2009	190,231	6,417,112	1,499,766	297,692	43,036	(5,749,123)	2,698,714
Profit for the year	–	–	–	–	–	164,204	164,204
Other comprehensive income							
Exchange movements	–	–	–	–	(10,219)	–	(10,219)
Total comprehensive income for the year	–	–	–	–	(10,219)	164,204	153,985
At 30 June 2010	190,231	6,417,112	1,499,766	297,692	32,817	(5,584,919)	2,852,699

There were no transactions with owners during the year to 30 June 2010.

The Merger reserve arose on the group reconstruction on 21 January 2005 when Tersus Energy Services Inc. was acquired by the Company. This has been accounted for using merger accounting rules as explained in the section on the Basis of Consolidation on page 15 and the consolidated accounts have been prepared as if the Company had always been in existence.

The Foreign currency translation reserve comprises the cumulative exchange differences arising after 1 January 2006 on the translation of foreign operations.

The accompanying accounting policies and notes form an integral part of these statements.

TERSUS ENERGY PLC

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 30 June 2010

	2010	*2009*
	12 months	*18 months*
	£	*£*
Cash flow from operating activities		
Profit/(loss) before taxation	145,809	(700,957)
Adjustments for:		
Depreciation and amortisation	65,285	90,238
Gains on financial investments	(168,692)	(279,908)
Losses on financial investments	8,566	16,715
Impairment losses on intangible assets	–	500,000
Foreign exchange	47,560	(62,198)
Share option expense	–	16,937
Finance cost/(income)	2,796	(14,704)
Change in trade and other receivables	(56,564)	29,221
Change in trade and other payables	1,338	(682,492)
Cash outflow from operations	46,098	(1,087,148)
Taxation paid	(3,960)	(19,402)
Net cash flow from operating activities	42,138	(1,106,550)
Cash flows from investing activities		
Proceeds from the sale of investment	–	1,112,529
Distribution received from investment	–	735,414
Interest received	–	14,492
Net cash from investing activities	–	1,862,435
Cash flows from financing activities		
Repayment of short-term loan from director/loan from shareholder	(10,000)	(500,000)
Proceeds of short-term loan from director	30,000	10,000
Interest paid	(33)	(17,067)
Net cash generated from/absorbed in financing activities	19,967	(507,067)
Net change in cash and cash equivalents from continuing operations	62,105	248,818
Net change in cash and cash equivalents from discontinued operations	(88,988)	(606,937)
Net change in cash and cash equivalents	(26,883)	(358,119)
Cash and cash equivalents at beginning of period	155,749	483,151
Exchange differences on cash and cash equivalents	6,733	30,717
Cash and cash equivalents at end of period	135,599	155,749
Cash and cash equivalents comprise:		
Cash at bank and in hand	135,599	155,749

The accompanying accounting policies and notes form an integral part of these statements.

1. REVENUE

Revenue, which excludes value added tax and other sales taxes, represents the invoiced value of goods and services supplied and excludes intra-group sales.

2. PROFIT/(LOSS) BEFORE TAX

The profit/(loss) before taxation is stated after charging/(crediting):

	2010 *12 months* *£*	*2009* *18 months* *£*
Auditors' remuneration – fees payable to the Company's auditors:		
for the audit of the Group accounts	14,500	12,000
for the audit of the Company's accounts	3,000	3,000
under accrued in prior year	4,500	30,035
other services	13,750	10,000
Depreciation and amortisation:		
Continuing operations		
Intangible assets	65,095	90,004
Property, plant and equipment	190	234
Discontinued operations		
Intangible assets	–	11,166
Property, plant and equipment	1,781	15,566
Operating leases		
Continuing operations	17,026	24,780
Discontinued operations	28,899	145,182
Net exchange gains and losses		
Continuing operations	(4,496)	(169,308)
Discontinued operations	(78,533)	82,955

3. FINANCE INCOME/COST

Finance income/cost for continuing operations:

	2010 *12 months* *£*	*2009* *18 months* *£*
Interest receivable		
Bank deposits	–	14,492
Other balances	–	15,799
Finance income	–	30,291
Interest payable and similar charges		
On bank overdrafts and other short term loans	(34)	(587)
Short term loan from shareholder	(2,762)	(15,000)
Finance cost	(2,796)	(15,587)
Net finance (cost)/income	(2,796)	14,704

4. DIRECTORS AND EMPLOYEES

The average number of employees:

	2010	*2009*
Sales	4	7
Production	2	9
Others	5	7
	11	23

Staff costs during the period were as follows:

	2010	*2009*
	12 months	*18 months*
	£	*£*
Wages and salaries	436,070	1,179,080
Social security costs	29,784	103,919
	465,854	1,282,999

The remuneration of the directors, who are the key management personnel of the Group, is set out below using the categories specified in IAS 24 "Related Party Disclosures":

	2010	*2009*
	12 months	*18 months*
	£	*£*
Short-term employee benefits	18,000	379,398
	18,000	379,398

Directors' emoluments

For the year ended 30 June 2010

	Salary	*Fees*	*Benefits in kind*	*Total*
	£	*£*	*£*	*£*
Executive Directors				
S P Levine	–	–	–	–
D T Wilson	–	–	–	–
S K West	–	–	–	–
Non-Executive Directors				
J F Devaney	–	–	–	–
N N Trulsvik	–	18,000	–	18,000
	–	18,000	–	18,000

No payments were made to directors under participation arrangements during the year. In 2009 S P Levine received £14,011 and D T Wilson £48,979 in relation to the sale of the shares in Dynamotive Energy Systems Corporation in 2006 and income generated from the investment in TWELP in 2008.

Directors' share options

A summary of the share option schemes is given in note 21.

At 30 June 2010, the following options to subscribe for ordinary shares were held by directors:

	Type of option scheme	*Date of Grant*	*Ordinary shares under option*	*Exercise price £*	*Exercise dates From*	*To*
S P Levine	Rollover	1/05/2002	1,114,813	0.134	Vested	30/04/2012
			1,114,813			

5. TAXATION CREDIT

The tax credit is based on the profit/(loss) for the period and represents:

	2010 12 months £	*2009 18 months £*
Overseas taxation refund – prior periods	(6,400)	–
Total tax receivable	(6,400)	–
Overseas taxation paid – prior periods	792	12,106
Overseas taxation	9,756	7,296
Deferred taxation	(16,457)	(22,754)
Total tax credit	(5,909)	(3,352)
Total tax credit	(12,309)	(3,352)

The tax assessed for the period can be reconciled to the accounting loss as follows:

	2010 12 months £	*2009 18 months £*
Profit/(loss) on ordinary activities before tax	145,809	(700,957)
Profit/(loss) on ordinary activities at the standard rate of corporation tax in the UK of 28 per cent. (2009 – 28 per cent.)	40,827	(196,268)
Effects of:		
Higher effective tax rates on overseas losses	17,426	13,648
Items not deductible for tax purposes/subject to tax	(40,037)	(30,928)
Net prior-year gains now realised for tax purposes	–	203,392
Impairment losses on intangible assets that are not deductible	–	139,994
Tax losses utilised	(24,917)	(145,296)
	(6,701)	(15,458)
Taxation – prior periods	(5,608)	12,106
Total tax credit for the period	(12,309)	(3,352)

The Group has tax losses of approximately £4,350,000 at 30 June 2010 (2009 – £4,019,000), of which £2,174,000 (2009 – £3,935,000) arise overseas. These tax losses will be available to reduce the tax due on future profits. The tax losses at both 30 June 2010 and 30 June 2009 exclude the tax losses of Navitas as these will not be utilised following the disposal of the Navitas business (see note 7).

The credit of £16,457 (2009 – £22,754) for deferred taxation comprises the release of part of the balance arising on recognition of the fair value of intangible assets on acquisition of Envinta.

No deferred tax asset has been recognised due to the uncertainty of the timing of recoverability of the asset. The asset will be recovered in line with future profits. The unrecognised deferred tax asset of £1,343,000 (2009 – £1,419,900) relates to tax losses carried forward.

6. EARNINGS PER ORDINARY SHARE

The calculation of the basic earnings per share is based on a profit of £164,204 (2009 – loss of £2,040,280) and the weighted average number of shares in issue used for the basic earnings per share was 38,046,376 (2009 – 38,046,376).

At the year end, there were 3,556,480 share options (2009 – 4,137,934) and 6,000,000 warrants (2009 – 6,000,000) outstanding which, if exercised, could potentially dilute basic earnings per share in the future. These were not included in the calculation of diluted earnings per share in 2009 as in that period the loss per share would be reduced. The weighted average number of shares used for the calculation of the diluted earnings per share in 2010 was 42,824,616 and the adjusted profit was £172,414.

7. DISCONTINUED OPERATIONS

During 2009, the Board decided that, whilst it continued to have confidence in the new products being developed by Navitas Technologies Limited ("Navitas"), its Canadian subsidiary that produced battery control products for battery powered vehicles, and in the market's eventual acceptance of these products, it was not appropriate for the Company to continue funding the cash flow shortfall pending achievement of these new sales.

Consequently, the business and undertaking of Navitas, together with its fixed assets, inventory and intellectual property, were sold to a Canadian company on 31 August 2009. Subsequent to that date, the activities of Navitas were restricted to winding up the affairs of the company, which will itself be dissolved in due course.

The expenses, gains and losses relating to the discontinuation of Navitas' activities following the sale of the business have been eliminated from the Group's continuing operations and are shown as a single line item on the face of the income statement (see "Profit/(loss) for the period from discontinued operations").

The profit or loss from re-measurement and disposal of the assets and liabilities relating to Navitas can be summarised as follows:

	2010 *12 months* £	*2009* *18 months* £
Revenue	34,590	1,084,605
Cost of sales	(45,593)	(714,754)
Gross (loss)/profit	(11,003)	369,851
Administrative expenses	(3,722)	(1,033,562)
Finance income	286	608
Finance cost	(1,009)	(13,422)
Loss from discontinued operations before tax	(15,448)	(676,525)
Taxation	–	–
Loss for the period	(15,448)	(676,525)
Gain/(loss) on re-measurement and disposal		
Impairment losses on intangible assets recognised	–	(666,150)
Net gain on disposal of business	21,534	–
Taxation	–	–
Total gain/(loss)	21,534	(666,150)
Profit/(loss) for period from discontinued operations	6,086	(1,342,675)

The amount realised on the sale of the business and undertaking of Navitas was C$0.50 million (£316,436) which comprised C$0.33 million (£208,848) on completion plus a further C$0.17 million (£107,588) to be paid in four annual instalments. A net profit of £21,534 resulted after taking account of net costs incurred in winding up the affairs of the business.

The carrying amounts of assets and liabilities relating to the discontinued operations of Navitas, excluding liabilities at 30 June 2010, may be summarised as follows:

	2010 £	*2009* £	*2007* £
Non-current assets			
Goodwill	–	–	302,056
Other intangible assets	–	–	319,054
Property, plant and equipment	–	24,911	35,689
Current assets			
Inventories	–	260,478	307,996
Trade and other receivables	–	137,115	233,855
Cash and cash equivalents	–	10,606	47,272
	–	433,110	1,245,922
Current liabilities			
Trade and other payables	–	170,203	149,478
Short-term borrowings	–	104,702	177,393
	–	274,905	326,871

The carrying amounts of trade and other payables are considered to be a reasonable approximation of fair value as all amounts are short-term.

Cash flows generated by Navitas for the reporting periods under review can be summarised as follows:

	2010 12 months £	*2009 18 months £*
Cash flows from operating activities	(185,483)	(465,868)
Cash flows from investing activities	223,760	(50,154)
Cash flows from financing activities	(127,265)	(90,915)
	(88,988)	(606,937)

Cash flows from investing activities in 2010 relate solely to the amount received during the year in relation to the sale of the business and undertaking. Cash flow shortfalls in both 2010 and 2009 were funded by the Company.

In addition, the Company entered into an agreement with the purchaser of the Navitas business through which it will receive over a 5 year period from August 2009 a further amount linked to the level of sales. An estimate of this further amount has been included in calculating the gain on disposal.

8. INTANGIBLE ASSETS

	Goodwill £	*Development £*	*Software licences £*	*Total £*
Cost	1,060,338	364,389	649,778	2,074,505
Amortisation	(808,615)	(364,389)	(182,163)	(1,355,167)
Carrying amount at 30 June 2009	251,723	–	467,615	719,338
Cost	751,723	–	683,431	1,435,154
Amortisation	(500,000)	–	(239,201)	(739,201)
Carrying amount at 30 June 2010	251,723	–	444,230	695,953
Cost				
At 31 December 2007	1,053,779	324,040	541,988	1,919,807
Additions	–	47,156	–	47,156
Disposals	–	(16,444)	–	(16,444)
Exchange movements	6,559	9,637	107,790	123,986
At 30 June 2009	1,060,338	364,389	649,778	2,074,505
Disposals/write-off	(343,685)	(415,745)	(26,292)	(785,722)
Exchange movements	35,070	51,356	59,945	146,371
At 30 June 2010	751,723	–	683,431	1,435,154

	Goodwill	*Development*	*Software licences*	*Total*
	£	£	£	£
Amortisation				
At 31 December 2007	–	4,987	77,861	82,848
Additions		11,166	90,004	101,170
Impairment losses recognised in period	808,615	357,535	–	1,166,150
Disposals	–	(9,175)	–	(9,175)
Exchange movements	–	(124)	14,298	14,174
At 30 June 2009	808,615	364,389	182,163	1,355,167
Additions	–	–	65,095	65,095
Disposals	(343,685)	(415,745)	(26,292)	(785,722)
Exchange movements	35,070	51,356	18,235	104,661
At 30 June 2010	500,000	–	239,201	739,201

As explained in note 7 the business and undertaking of Navitas, together with its intellectual property, was sold during the year. The disposals of intangible assets during the year largely relate to Navitas: the fair value of these was established to be nil as at 30 June 2009.

The goodwill at 30 June 2010 relates to the acquisition by the Group of Envinta Corporation Inc (Envinta) in 2006. The carrying amount attributable to Envinta is £251,723 (2009 – £251,723).

The cash-generating unit (CGU) used for the purpose of testing for impairment at 30 June 2010 is the business of Envinta. The recoverable amount of the CGU was determined at its fair value less costs to sell, using the earnings multiple methodology based on the profits before interest and tax achieved in 2010 and forecast for 2011, and applying an appropriate and reasonable price/earnings multiple. The impairment review concluded that the level of impairment was unchanged over the year and, accordingly, no adjustment to the impairment loss in the goodwill was required (2009 – impairment loss of £500,000).

9. PROPERTY PLANT AND EQUIPMENT

	Furniture & fixtures	*Tools & equipment*	*Leasehold*	*Total*
	£	£	£	£
Cost	6,636	64,800	11,865	83,301
Depreciation	(2,963)	(46,141)	(7,910)	(57,014)
Carrying amount at 30 June 2009	3,673	18,659	3,955	26,287
Cost	1,991	–	–	1,991
Depreciation	(682)	–	–	(682)
Carrying amount at 30 June 2010	1,309	–	–	1,309

	Furniture & fixtures £	*Tools & equipment* £	*Leasehold* £	*Total* £
Cost				
At 31 December 2007	6,195	59,471	11,552	77,218
Additions	–	3,606	–	3,606
Exchange movements	441	1,723	313	2,477
At 30 June 2009	6,636	64,800	11,865	83,301
Disposals	(5,499)	(73,933)	(13,537)	(92,969)
Exchange movements	854	9,133	1,672	11,659
At 30 June 2010	1,991	–	–	1,991
Depreciation				
At 31 December 2007	1,737	34,071	4,236	40,044
Additions	1,141	11,090	3,569	15,800
Exchange movements	85	980	105	1,170
At 30 June 2009	2,963	46,141	7,910	57,014
Additions	287	1,233	451	1,971
Disposals	(2,976)	(53,876)	(9,477)	(66,329)
Exchange movements	408	6,502	1,116	8,026
At 30 June 2010	682	–	–	682

As explained in note 7 the business and undertaking of Navitas, together with its intellectual property, was sold during the year. The disposals of tangible assets during the year largely relate to Navitas.

10. FINANCIAL ASSETS

	Investments £
Carrying amount	
At 31 December 2007	3,610,033
Additions at cost	27,858
Revaluation uplift recognised in profit and loss	350,432
Impairment losses recognised in profit and loss	(16,715)
Disposals at carrying amount	(1,823,447)
Exchange movement	22,999
At 30 June 2009	2,171,160
Revaluation uplift recognised in profit and loss	207,674
Impairment losses recognised in profit and loss	(8,566)
Disposals at carrying amount	–
At 30 June 2010	2,370,268

Investments are categorised as at fair value through profit or loss. Where the fair value can be reliably measured the fair value of the asset is reflected in the balance sheet and any changes are reported in profit or loss. Investments whose fair value cannot be reliably measured are held at cost less any impairment.

The investments comprise strategic investments which have been made in line with the Group's business strategy of focusing on the energy efficiency and alternative fuels/renewable energy sectors, with some being obtained in return for providing advisory services.

The investments include both investments in shares and convertible loans. The terms on which some investments are made include the right for the Group to participate in future projects. All investments are unlisted.

All the investments are stated at amounts which the directors consider to be a reasonable assessment of their fair value, having regard to the requirement to apply a degree of caution in making the necessary estimates. The assessments have been made using one of the following bases:

- Price of Recent Investment
- Discounted cash flows from the investment

The basis considered most appropriate in light of the nature, facts and circumstances of each investment has been used.

The fair value of the Group's investment in HT Blade, held through its investment in the TWELP partnership, and the related investment in the TWELP 2 partnership have been assessed at £2,221,869 at 30 June 2010. This value gives rise to a revaluation uplift of £194,884 in the income statement: the value in both 2010 and 2009 is based on an assessed value of US$3,348,000. As with the valuation of the investment in 2009 (£2,026,985), the fair value has been based on the price at which a third party acquired an interest in the partnership in 2008, discounted to reflect the inherent uncertainties in realising future value. A provision of £444,434 (2009 – £405,452) is carried in the accounts for the amount that would be payable under incentive arrangements if the investment were realised at this value, so that the total net unrealised gain recognised through profit and loss for this investment is £891,772 (2009 – £735,870).

The remaining investments have been fair valued, largely on the basis of the estimated discounted cash flows from the investments. The impairment loss recognised through profit and loss of £8,566 relates wholly to an investment in shares (2009 – £16,715 to investment in shares).

11. INVENTORIES

No inventories were held at the year-end. The inventories held in 2009 and 2007, which principally comprised raw materials and bought-in parts, related to Navitas. During the year, a total of £38,617 of inventories was included in profit and loss as an expense (2009 – £626,889) in addition to the inventory sold on the disposal of the business (see note 7).

12. TRADE AND OTHER RECEIVABLES

	2010	*2009*	*2007*
	£	*£*	*£*
Trade receivables	208,910	260,294	365,124
Accrued income	–	–	30,741
Prepayments and other debtors[(a)]	214,732	29,359	43,617
	423,642	289,653	439,482

(a) Includes future receipts arising from the disposal of the Navitas business in August 2009 at their estimated fair value of £191,078.

The carrying value of trade receivables is considered a reasonable approximation of fair value.

All of the receivables have been reviewed for indicators of impairment. No provision has been made (2009 – £7,009 and 2007 – £95,912).

The age of the trade receivables past due but not impaired is as follows:

	2010	*2009*	*2007*
	£	*£*	*£*
Not more than 3 months	–	62,939	46,103
More than 3 months but not more than 6 months	1,161	36,117	33,139
More than 6 months but not more than 1 year	9,450	23,569	1,736
More than 1 year	–	–	120,620
	10,611	122,625	201,598

13. TRADE AND OTHER PAYABLES

	2010	*2009*	*2007*
	£	*£*	*£*
Trade payables	39,174	147,606	367,327
Other payables	–	–	29,318
Other taxation and social security	7,690	752	11,407
Accruals and deferred income	584,900	542,671	921,304
	631,764	691,029	1,329,356

All amounts are short-term. The carrying values are considered to be a reasonable approximation of fair value.

14. SHORT TERM BORROWINGS

	2010	*2009*	*2007*
	£	*£*	*£*
Bank loans and overdrafts	–	104,702	177,393
Short term loan from director[a]	30,000	10,000	–
Short term loan from shareholder[b]	–	–	500,000
	30,000	114,702	677,393

(a) The loan of £30,000 was repaid in full on 19 November 2010 and the loan of £10,000 was repaid in full on 10 November 2009.

(b) This loan, details of which are given in note 23, was repaid in full on 2 May 2008.

The short-term borrowings are considered to be carried at fair value.

15. DEFERRED TAX

The movement in the period in the net deferred tax position for the Group was as follows:

	2010 *12 months* *£*	*2009* *18 months* *£*
At 30 June 2009/31 December 2007	118,220	117,338
Released to income in the period	(16,457)	(22,754)
Exchange movements	10,545	23,636
At 30 June 2010/30 June 2009	112,308	118,220

The major deferred tax liabilities recognised by the Group and the movements thereon during the period are:

	Intangible assets recognised at acquisition *£*	*Net unrealised gains on financial investments* *£*	*Effects of tax losses* *£*	*Total* *£*
At 31 December 2007	117,338	211,500	(211,500)	117,338
Charge in period	(22,754)	(211,500)	211,500	(22,754)
Exchange movements	23,636	–	–	23,636
At 30 June 2009	118,220	–	–	118,220
Charge in period	(16,457)	119,400	(119,400)	(16,457)
Exchange movements	10,545	–	–	10,545
At 30 June 2010	112,308	119,400	(119,400)	112,308

See note 5 for information on the Group's tax expense.

16. SHARE CAPITAL

	2010 *£*	*2009* *£*	*2007* *£*
Authorised			
200,000,000 ordinary shares of 0.5p each	1,000,000	1,000,000	1,000,000
Issued and fully paid			
At 30 June 2010 and 1 July 2009	190,231	190,231	190,231

	Ordinary shares	*Ordinary shares*	*Ordinary shares*
At 30 June 2010 and 1 July 2009	38,046,376	38,046,376	38,046,376

No shares have been issued since 1 January 2008.

In connection with a short-term loan of £500,000 made to the Company on 17 December 2007, the Company issued 6 million warrants that are exercisable over 6 million ordinary shares at £0.01 each at any time before 31 December 2010. The fair value of the warrants at their date of issue on 17 December 2007 was assessed to be not material.

The various share option plans are described in note 21. The total number of share options outstanding at 30 June 2010, the periods in which they were granted and the periods in which they may be exercised are given below:

Date of grant	*Type of scheme*	*Note*	*Ordinary shares under option*	*Exercise price (£)*	*From*	*To*
1/05/2002	Rollover	(i)	1,114,813	0.134	Vested	30/04/2012
15/10/2005	New Plan		250,000	0.500	Vested	14/10/2015
31/05/2006	New Plan		791,667	0.500	Vested	28/05/2016
23/03/2007	New Plan		400,000	0.150	Vested	23/03/2012
26/02/2008	New Plan	(ii)	1,000,000	0.0275	Vested	26/02/2013
			3,556,480			

(i) The final exercise date has been extended to 30 April 2012.

(ii) The share options were issued at an exercise price of £0.025, which increases by 10 per cent. on each anniversary of the date of grant if the options have not been exercised by that date. The current exercise price is £0.03025.

Movements in the number of share options outstanding and the weighted average exercise price are as follows:

	2010		*2009*	
	Number	*Weighted average exercise price (£)*	*Number*	*Weighted average exercise price (£)*
Outstanding at 1 July 2009/ 1 January 2008	4,137,934	0.220	10,172,973	0.286
Granted	–	–	1,000,000	0.025
Expired	(581,454)	0.260	(2,035,039)	0.147
Lapsed	–	–	(400,000)	0.150
Surrendered and cancelled	–	–	(4,600,000)	0.363
Outstanding at 30 June 2010/ 30 June 2009	3,556,480	0.214	4,137,934	0.220
Thereof exercisable	3,556,480	0.214	4,137,934	0.220

17. CAPITAL COMMITMENTS

There were no capital commitments at 30 June 2010, 30 June 2009 or 31 December 2007.

18. CONTINGENT LIABILITIES

There were no contingent liabilities at 30 June 2010, 30 June 2009 or 31 December 2007.

19. OPERATING LEASE COMMITMENTS

At 30 June 2010, the Group had commitments to make future minimum payments under non-cancellable operating leases as follows:

	2010	*2009*	*2007*
	£	*£*	*£*
Within 1 year	8,341	101,028	92,585
Within 1 – 5 years	–	63,608	204,649
	8,341	164,636	297,234

No operating lease commitments existed in respect of discontinued operations at 30 June 2010 (2009 – £164,637).

20. FINANCIAL INSTRUMENTS

The disclosures below are as required by IFRS 7 "Financial Instruments: Disclosures".

The Group manages its treasury function in accordance with policies that are reviewed and agreed by the Board. The objective is to reduce financial risk by ensuring that sufficient liquidity is available to meet the Group's foreseeable needs.

The Group's financial instruments comprise cash and short-term deposits, and short-term borrowings as well as trade receivables, trade payables and accruals that arise directly from its operations.

The major financial risks for the Group are liquidity and foreign currency risks. The policies for managing each of the risks are summarised below.

Liquidity and funding risk

The Group seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs.

Credit risk

The Group's principal financial assets are bank balances and cash, trade and other receivables and investments.

The credit risk from bank balances and cash is negligible because the counter-parties are banks with high credit ratings.

The Group has no significant concentration of credit risk, as exposure is spread over a number of counter-parties and customers. The directors monitor the Group's credit risk by actively reviewing and approving the terms of, and parties to, significant commercial contracts where payment is not anticipated in advance.

Foreign currency risks

The Group carries out operations through a foreign subsidiary. The day to day transactions of the overseas subsidiary is carried out in local currencies. The Group's exposure to currency risk at a transactional level is monitored and reviewed regularly. The Group does not have a hedging programme in place at this time.

The Group will use forward currency contracts where appropriate to mitigate its exposure to exchange risk fluctuations. No forward currency contracts existed at any of 30 June 2010, 30 June 2009 or 31 December 2007.

Information on the various financial risks identified above is given below.

Liquidity and funding risk analysis

At 30 June 2010, the Group had short term borrowings totalling £30,000 (2009 – £114,702 and 2007 – £677,393). The borrowings at 30 June 2010 comprised a loan from a director, which was repaid in full on 19 November 2010.

Credit risk analysis

The Group's exposure to credit risk is limited to the carrying amount of financial assets recognised at the balance sheet date, as summarised below:

	2010	*2009*	*2007*
	£	*£*	*£*
Classes of financial assets – carrying amounts			
Trade and other receivables	208,910	260,294	365,124
Cash and cash equivalents	135,599	155,749	483,151
	344,509	416,043	848,275

Foreign currency risk analysis

The table below shows the Group's exposure to foreign currency denominated financial assets and liabilities at the year end, translated at the closing rate:

	2010	*2009*	*2007*
	£	*£*	*£*
Foreign currency – US Dollars			
Financial assets	313,095	180,811	188,277
Financial liabilities	(35,139)	(37,621)	(116,304)
Short-term exposure	277,956	143,190	71,973
Foreign currency – Canadian Dollars			
Financial assets	216,656	135,419	234,030
Financial liabilities	–	(197,801)	(307,190)
Short-term exposure	216,656	(62,382)	(73,160)

The following table illustrates the sensitivity of the net result for the period and equity in regards to the Group's financial assets and financial liabilities and the US Dollar-Sterling and the Canadian Dollar – Sterling.

It assumes a +/-10 per cent. change of the US Dollar-Sterling and Canadian Dollar – Sterling exchange rate for the year ended 30 June 2010 (2009 – 10 per cent. and 2007 – 10 per cent.). These percentages have been determined based on the approximate average market volatility in exchange rates in the period. The sensitivity analysis is based on the Group's foreign currency financial instruments held at each balance sheet date.

If sterling had weakened against the US Dollar and Canadian Dollar by 10 per cent., this would have had the following impact:

	2010	*2009*	*2007*
	£	*£*	*£*
Foreign currency – US Dollars			
Net result for the period	12,174	13,113	(21,179)
Equity	23,363	12,523	(21,227)
Foreign currency – Canadian Dollars			
Net result for the period	676	(121,538)	(33,969)
Equity	312	(121,534)	(37,204)

If sterling had strengthened against the US Dollar and Canadian Dollar by 10 per cent., this would have had the following impact:

	2010	*2009*	*2007*
	£	*£*	*£*
Foreign currency – US Dollars			
Net result for the period	(9,961)	(10,729)	17,329
Equity	(10,514)	(10,246)	17,368
Foreign currency – Canadian Dollars			
Net result for the period	(553)	99,440	27,793
Equity	(256)	99,437	30,440

Exposures to foreign exchange rates vary during the period depending on the volume of overseas transactions. The analysis is considered to be broadly representative of the Group's exposure to currency risk.

21. LONG TERM INCENTIVES

A number of arrangements are in place to provide long term incentives. The arrangements under which long term incentives have already been granted or under which the Group intends to grant such incentives in the foreseeable future are summarised below.

Share options

New Share Option Plan

The Company has established a New Share Option Plan to facilitate the provision of equity incentives to employees and directors.

The New Share Option Plan is divided into two parts, one which is approved by the Inland Revenue (the "Approved Part") and one which offers awards in excess of the Inland Revenue limits (the "Non-approved Part"). The Company may also grant "Incentive Stock Options" in the USA on terms no more favourable than under the Non-approved Part. It is intended that options will only be granted under this plan in future.

Under this scheme, the total acquisition price of the ordinary shares under option to an individual will ordinarily be no more than twice their remuneration with a provision to grant options worth up to four times their remuneration in certain circumstances. The basis on which the options can be exercised will be set at the time they are granted, including both the price and a vesting schedule. The exercise price for options may be lower than the market price of an ordinary share at the date the option is granted, but no less than the nominal value. The Company's current policy is that one third of options granted will vest and become exercisable immediately with the remainder vesting in equal tranches on the anniversary of the date of the grant in each of the following two years. No option can be exercised more than ten years after its date of grant.

When an option holder ceases to work for the Group, unvested options lapse but, under certain circumstances, vested options may be exercised for a period after cessation of employment.

In the year ended 30 June 2010, no options were granted under the Share Option Plan (2009 – 1,000,000 vesting on issue were granted at a price which was set at £0.025 on the issue date and increases by 10 per cent. on each anniversary of the date of grant).

Rollover Options

The Company has Rollover Options in place as a result of arrangements whereby options granted prior to the group reorganisation to the then employees and management of MCC Energy Group, Inc. were rolled over under the terms of the existing MCC Energy Group, Inc. share option scheme into options over ordinary shares of the Company, exercisable at £0.134 per ordinary share. At 30 June 2010, there were 1,114,813 options exercisable in the period up to 30 April 2012.

Advisory Income Participation Arrangement

The Company has established an Advisory Income Participation Arrangement whose objective is to reward and incentivise those employees and contract personnel who assist the Group in consummating cash-generative transactions with advisory clients. Under this arrangement, an amount of up to 30 per cent. of the net cash received by the Group on a transaction (after taking account of the payment of various related expenses to third parties and basic remuneration) may be paid in compensation to employees who had an active role in the transaction, provided that those employees have met certain minimum criteria. In relation to one assignment, the maximum participation has been increased to 50 per cent., of which 45 per cent. is to a director.

No payments were made in the year to 30 June 2010 under this arrangement. In 2009 one payment of £11,416 was made in relation to the disposal in previous periods of shares in Dynamotive Energy Systems Corporation that had been received as consideration for advisory work.

Investment Gain Participation Arrangement

The Company has established an Investment Gain Participation Arrangement whose objective is to reward and incentivise those employees and contract personnel who assist the Group in acquiring, managing or realising an investment. Under this arrangement, an amount of up to 20 per cent. of the net realised gain made by the Group on an investment may be made available and allocated amongst the members of the investment management team from time to time. The net gain is calculated after a first return to the Group the amount of which will reflect the amount and type of capital invested and the expected return at the time of investment. Non-refundable advances may be paid where an investment is judged to have secured an increase in value giving rise to an unrealised gain and/or is operating profitably. No such advances have been made to date. Participations granted under this arrangement will normally vest over a period of up to 3 years.

No payments were made in the year to 30 June 2010 under this arrangement. In 2009 payments of £33,860 were made in relation to the disposal of shares in Dynamotive Energy Systems Corporation in prior periods and £53,491 was paid in relation to income generated from the Company's investment in TWELP.

22. EQUITY SETTLED SHARE OPTION PLAN

The Group provides for a grant price equal to the average quoted market price of the Group shares on the date of grant.

Details of the share options in issue are provided in note 16. The fair values of share options were calculated using the Black-Scholes Pricing Model. The inputs into the model are outlined below.

	New share option plan	*Rollover options*
Fair value	£0.00 – £0.06	£0.02 – £0.26[(1)]
Share price	£0.02 – £0.41	£0.134 – £0.50
Exercise price	£0.025 – £0.50	£0.134 – £0.50
Expected volatility	30.0% – 27.0%	27.0%
Expected life	5	3
Risk free rate	4.4%	4.4%
Expected dividends yield	Nil	nil

(1) 426,349 options were issued when mid market price was £0.50.

The Group did not recognise any expense relating to equity settled share option scheme transactions in the year ended 30 June 2010 (2009 – £16,937).

Expected volatility was determined by calculating the historical volatility of the Group's share price over the period from flotation on the Alternative Investment Market in February 2005 through to February 2008. The expected useful life used in the model equals the life of the options.

23. RELATED PARTY TRANSACTIONS

There were no related party transactions during the period.

On 2 May 2008, a short-term loan of £500,000 from a shareholder was repaid in full. The shareholder, who was then a related party, made the loan, secured by a floating charge over the assets of the Company, on 17 December 2007 at an annual interest rate of 9 per cent. Attached to the loan were 6.0 million warrants exercisable over 6.0 million ordinary shares at £0.01 each at any time before 31 December 2010. These warrants were acquired by J F Devaney (4.0 million warrants) and D T Wilson (2.0 million warrants) during the year ended 30 June 2010.

24. POST BALANCE SHEET EVENTS

On 19 November 2010, the short-term loan of £30,000 from a director, on which interest was payable at a commercial rate, was repaid in full.

TERSUS ENERGY PLC

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF TERSUS ENERGY PLC

We have audited the parent company financial statements of Tersus Energy Plc for the year ended 30 June 2010 which comprise the company balance sheet, the significant accounting policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 9, the directors are responsible for the preparation of the parent company financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the parent company 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 (APB's) Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/UKNP.

OPINION ON FINANCIAL STATEMENTS

In our opinion the parent company financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2010;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

EMPHASIS OF MATTER – GOING CONCERN

In forming our opinion, which is not qualified, we have considered the adequacy of the disclosure made in the Principal Accounting Policies – Going Concern concerning the Company's ability to continue as a going concern. This disclosure indicates the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Company was unable to continue as a going concern.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the parent company financial statements.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF TERSUS ENERGY PLC

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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

OTHER MATTER

We have reported separately on the group financial statements of Tersus Energy Plc for the year ended 30 June 2010.

MARK CARDIFF
SENIOR STATUTORY AUDITOR
FOR AND ON BEHALF OF GRANT THORNTON UK LLP
STATUTORY AUDITOR, CHARTERED ACCOUNTANTS

London
23 November 2010

TERSUS ENERGY PLC

COMPANY BALANCE SHEET

As at 30 June 2010

	Note	*2010* £	*2009* £
FIXED ASSETS			
Intangible assets	3	–	–
Investments	4	1,824,425	1,862,511
		1,824,425	1,862,511
Current assets			
Debtors – amounts due within one year	5	92,904	88,984
Debtors – amounts due after more than one year	5	139,575	6,567
Cash at bank and in hand		30,034	98,119
		262,513	193,670
Creditors: amounts falling due within one year	6	(130,946)	(115,208)
Net current assets		131,567	78,462
Total assets less current liabilities		1,955,992	1,940,973
Capital and reserves			
Called up share capital	7	190,231	190,231
Share premium account	8	6,417,112	6,417,112
Share option reserve	8	297,692	297,692
Profit and loss account	8	(4,949,043)	(4,964,062)
Shareholders' funds		1,955,992	1,940,973

The financial statements were approved by the Board of directors on 23 November 2010**.**

S P Levine
Director

D T Wilson
Director

Company no 5314207

The accompanying accounting policies and notes form an integral part of these statements.

1. SIGNIFICANT ACCOUNTING POLICIES

The separate financial statements of the Company are presented as required by the Companies Act 2006. As permitted by that Act, the separate financial statements have been prepared in accordance with all applicable UK accounting standards. The principal accounting policies which differ from those set out in the Principal Accounting Policies for the consolidated financial statements on pages 14 to 21 are noted below.

The financial statements have been prepared on the historical cost basis.

Fixed Asset Investments

Fixed asset investments, including subsidiaries, are shown at cost, less provision for any permanent impairment of value. Cost includes the associated costs of acquisition. Where equity or rights to equity are obtained in consideration of providing advisory services, no value is attributed to such equity or rights until this is independently verifiable.

Deferred Taxation

Deferred tax is recognised on all timing differences where the transactions or events that give the Group an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance sheet date.

Share Based Payments

The requirements of FRS 20 Share based payments are the same as those set out in the Principal Accounting Policies for the consolidated financial statements.

Going Concern

The Company meets its working capital and operating costs requirements from its cash balances. The nature of the Company's business is such that there is considerable uncertainty in the amounts and timing of cash flows. For example, remittances of surplus funds from Envinta, further receipts from the new owners of the Navitas business, any further distributions from TWELP and proceeds of sales of investments are all uncertain as to amount and timing.

Bearing this in mind, the directors have prepared cash flow forecasts for the period to 31 December 2011. The forecasts show that the Company will have adequate resources for this period. In the past 18 months, where the timing of cash receipts has resulted in temporarily inadequate cash balances, directors have provided loans to enable payments to third parties to be made on a timely basis. Certain directors have indicated their willingness to make further advances if necessary.

The financial statements do not include any adjustments or disclosures that would be required if the Company was not a going concern.

2. PROFIT FOR THE FINANCIAL YEAR

The Company has taken advantage of section 408 of The Companies Act 2006 and has not included its own profit and loss account in these financial statements. The profit of the Company for the year ended 30 June 2010 was £15,019 (2009 – loss of £1,467,223).

The average monthly number of employees of the Company (including Directors) during the period was 5 (2009 – 5) and their aggregate remuneration comprised:

	2010	*2009*
	12 months	*18 months*
	£	*£*
Wages and salaries	38,267	335,354
Social security costs	1,863	18,167
	40,130	353,521

The executive directors and the Chairman have not received any remuneration since 31 May 2009.

The auditors' remuneration for audit services to the Company was £3,000 (2009 – £3,000).

3. INTANGIBLE ASSETS

No intangible assets were held at 30 June 2010. At 30 June 2009, the Company held a Software licence with a net book amount of nil, full provision against the cost of £26,292 having been made during 2007.

4. INVESTMENTS

	Shares in group companies (a)	*Loans to group companies*	*Investments (b)*	*Total*
	£	*£*	*£*	*£*
Cost				
At 30 June 2009	1,180,824	736,116	2,221,885	4,138,825
Loan repayment	–	(12,805)	–	(12,805)
Disposals	–	–	(278,034)	(278,034)
At 30 June 2010	1,180,824	723,311	1,943,851	3,847,986
Provision for impairment in value				
At 30 June 2009	(625,981)	(475,000)	(1,175,333)	(2,276,314)
Additions in year	–	–	(25,281)	(25,281)
Disposals	–	–	278,034	278,034
At 30 June 2010	(625,981)	(475,000)	(922,580)	(2,023,561)
Net book amount				
At 30 June 2010	554,843	248,311	1,021,271	1,824,425
At 30 June 2009	554,843	261,116	1,046,552	1,862,511

(a) The provisions for impairment have been made on the basis of the assessed long-term value of the subsidiaries.

(b) The fixed asset investments comprise strategic investments which have been made in line with the Company's business strategy of focusing on the energy efficiency and alternative fuels/renewable energy sectors, with some being obtained in return for providing advisory services.

(c) The business of Navitas Technologies Limited ("Navitas") was sold to a Canadian company on 31 August 2009 for a total consideration of C$500,000, of which C$330,000 was paid in cash on completion, with the balance payable in 4 annual instalments. The Company entered into an agreement with the purchaser through which it will receive over a 5 year period from August 2009 a further amount linked to the level of sales. The affairs of Navitas have been wound up and the company will be dissolved in due course. The provision for impairment includes an amount of £500,981 (2009 – £500,981) in respect of the investment in and loans made to the company. Further provisions were made in respect of loans for working capital included in Current assets in both 2010 and 2009.

(d) Provisions for impairment in value amounting to £600,000 were made in respect of the investments in Envinta Corporation Inc and Tersus Energy Services Inc. in 2009. No change in the provisions for impairment has been made during the year.

The fixed asset investments include investments in both shares and convertible loans. The terms on which some investments are made include the right for the Company to participate in future projects. All investments are unlisted.

The subsidiary companies affecting the results of the Group and their activities during the year were:

Subsidiary	*Country of registration and operation*	*Class of share*	*Percentage held*	*Activities*
Tersus Energy Services Inc.	Delaware, USA	Ordinary	100%	Strategic advisor in energy sector
Envinta Corporation Inc	Delaware, USA	Ordinary	100%	Developer of energy and environmental information software
Navitas Technologies Limited	Ontario, Canada	Ordinary	100%	No longer trading. Was previously a supplier of battery control products to battery powered vehicles

All the above subsidiaries are held directly by Tersus Energy Plc.

5. DEBTORS

	2010	*2009*
	£	*£*
Amounts falling due within one year		
Trade debtors	1,731	1,695
Amounts owed by subsidiary companies	–	73,440
Prepayments	10,777	13,849
Other debtors[(a)]	80,396	–
	92,904	88,984
Amounts falling due after more than one year		
Amounts owed by subsidiary companies	6,672	6,567
Other debtors[(a)]	132,903	–
	139,575	6,567
	232,479	95,551

(a) Future receipts arising from the disposal of the Navitas business in August 2009.

6. CREDITORS

	2010	*2009*
	£	*£*
Short term loan from director[a]	30,000	10,000
Trade creditors	4,035	16,886
Other taxation and social security	518	518
Accruals and deferred income	96,393	87,804
	130,946	115,208

(a) The loan of £30,000 was repaid in full on 19 November 2010 and the loan of £10,000 was repaid in full on 10 November 2009.

7. CALLED UP SHARE CAPITAL

	2010	*2009*
	£	*£*
Authorised		
200,000,000 ordinary shares of 0.5p each	1,000,000	1,000,000
Issued and fully paid		
At 30 June 2010 and 30 June 2009	190,231	190,231

At 30 June 2010 and 30 June 2009 38,046,376 ordinary shares of 0.5p each were issued and fully paid.

In connection with a short-term loan of £500,000 made to the Company on 17 December 2007, the Company issued 6 million warrants that are exercisable over 6 million ordinary shares at £0.01 each at any time before 31 December 2010. The fair value of the warrants at their date of issue on 17 December 2007 was assessed to be not material.

At 30 June 2010 there were share options outstanding over 3,556,480 ordinary shares. Details of the share options, including the periods in which they were granted and the periods in which they may be exercised, are given in note 16 of the consolidated financial statements. The various share option plans are described in note 21 of the consolidated financial statements.

No share options were issued during the year ended 30 June 2010. Of the share options outstanding at 30 June 2009, 581,454 expired during the year.

8. SHARE PREMIUM ACCOUNT AND RESERVES

	Share premium account	*Share option reserve*	*Profit and loss account*
	£	*£*	*£*
At 30 June 2009	6,417,112	297,692	(4,964,062)
Profit for the year	–	–	15,019
At 30 June 2010	6,417,112	297,692	(4,949,043)

9. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	Company	
	2010	*2009*
	12 months	*18 months*
	£	*£*
Profit/(loss) for the period	15,019	(1,467,223)
Share option expense	–	16,937
Net movement in shareholders' funds	15,019	(1,450,286)
Opening equity shareholders' funds	1,940,973	3,391,259
Closing equity shareholders' funds	1,955,992	1,940,973

10. CAPITAL COMMITMENTS

There were no capital commitments at 30 June 2010 or 30 June 2009.

11. CONTINGENT LIABILITIES

There were no contingent liabilities at 30 June 2010 or 30 June 2009.

12. RELATED PARTY TRANSACTIONS

There were no related party transactions during the period.

On 2 May 2008, a short-term loan of £500,000 from a shareholder was repaid in full. The shareholder, who was then a related party, made the loan, secured by a floating charge over the assets of the Company, on 17 December 2007 at an annual interest rate of 9 per cent. Attached to the loan were 6.0 million warrants exercisable over 6.0 million ordinary shares at £0.01 each at any time before 31 December 2010. These warrants were acquired by J F Devaney (4.0 million warrants) and D T Wilson (2.0 million warrants) during the year ended 30 June 2010.

13. POST BALANCE SHEET EVENTS

On 19 November 2010, the short-term loan of £30,000 from a director, on which interest was payable at a commercial rate, was repaid in full.

TERSUS ENERGY PLC

NOTICE OF ANNUAL GENERAL MEETING 2010 OF TERSUS ENERGY PLC

NOTICE IS HEREBY GIVEN that the 2010 Annual General Meeting (the "**Meeting**") of Tersus Energy Plc (the "**Company**") (incorporated in England and Wales with registered number 5314207) will be held at the offices of Rosenblatt Solicitors, 9-13 St. Andrew Street, London EC4A 3AF on Friday 17 December 2010 at 4:00 pm to consider, and if thought fit, pass the following resolutions which, in the case of resolutions 1, 2, 3, 4, 5, 6, 7 and 8 will be proposed as ordinary resolutions and, in the case of resolution 9, will be proposed as a special resolution:

ORDINARY RESOLUTIONS

1. **TO** receive and adopt the audited accounts of the Company for the year ended 30 June 2010 and the reports of the Directors and Auditors thereon.

2. **TO** receive and adopt the Directors' remuneration report for the period ended 30 June 2010.

3. **TO** re-appoint Grant Thornton UK LLP as auditors of the Company until the conclusion of the next Annual General Meeting at which accounts are laid before the Company and to authorise the Directors to fix their remuneration.

4. **TO** elect Stephen Keith West who was appointed as a Director on 16 June 2010 and retires in accordance with Article 87 of the Company's articles of association and who, being eligible, offers himself for election, as a Director.

5. **TO** re-elect Steven Pakin Levine who retires in accordance with Article 92.1 of the Company's articles of association and who, being eligible, offers himself for re-election, as a Director.

6. **TO** re-elect David Thomas Wilson who retires in accordance with Article 92.2 of the Company's articles of association and who, being eligible, offers himself for re-election, as a Director.

7. **TO** re-elect Nils Nilsen Trulsvik who retires in accordance with Article 92.2 of the Company's articles of association and who, being eligible, offers himself for re-election, as a Director

8. **THAT**, in substitution for any existing authorities, the Directors be and are hereby generally and unconditionally authorised in accordance with section 551 of the Companies Act 2006, to allot shares in the Company and grant rights to subscribe for or to convert any security into shares in the Company ("**Rights**") up to an aggregate nominal amount of £63,410 provided that this authority shall, unless renewed, varied or revoked by the Company, expire 15 months after the date of passing this resolution or at the conclusion of the next Annual General Meeting of the Company whichever first occurs save that the Company may, before such expiry, make an offer or agreement which would or might require shares to be allotted or Rights to be granted and the Directors may allot shares or grant Rights in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired.

SPECIAL RESOLUTION

9. **THAT**, conditional on the passing of resolution 8, in substitution for any existing authorities, the Directors be and are generally empowered pursuant to section 570 of the Companies Act 2006 (the "**Act**") to allot equity securities (as defined in section 560 of the Act) pursuant to the authority conferred by resolution 8, as if section 561(1) of the Act did not apply to any such allotment, provided that this power shall be limited to:

    (a) the grant of options to subscribe for shares in the Company, and the allotment of such shares pursuant to the exercise of options granted, under the terms of any share option scheme adopted or granted by the Company;

    (b) the allotment of equity securities in connection with or pursuant to an offer to the holders of shares in the Company and other persons entitled to participate therein, in the proportion (as nearly as may be) to such holder's holding of such shares (or, as appropriate, to the number of shares which such other persons are for these purposes deemed to hold) subject only to such exclusions or other arrangements as the Directors may feel necessary or expedient to deal with fractional entitlements or any legal or practical problems under the laws of any territory or the regulations or requirements of any regulatory body or stock exchange in any territory; and

(c) the allotment otherwise than pursuant to sub-paragraphs (a) and (b) above of equity securities up to an aggregate nominal value of £9,511 (representing approximately 5 per cent. of the Company's issued share capital),

and shall (unless previously renewed, varied or revoked by the Company) expire 15 months after the date of passing of this resolution or at the conclusion of the next Annual General Meeting of the Company whichever first occurs, save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such offer or agreement as if the power conferred hereby had not expired.

By order of the Board

David T Wilson
Company Secretary

Registered office
344 Linen Hall,
162-168 Regent Street,
London W1B 5DT

23 November 2010

Notes

1. Members entitled to attend and vote at the Meeting are entitled to appoint one or more proxies to exercise all or any of their rights, to attend speak and vote at the Meeting (provided each proxy is appointed to exercise rights attached to different shares). A proxy need not be a member of the Company but must attend the meeting to represent you.
2. A form of proxy is provided with this notice. The notes to the proxy form explain how to appoint your proxy and direct your proxy to vote.
3. To be effective, the form of proxy must be:
   - completed and signed; and
   - delivered or deposited at the office of the Company's registrars, Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6ZL so as to be received by no later than 4:00 pm on Wednesday 15 December 2010 or forty-eight hours before the time fixed for any adjournment of the meeting.
4. Any power of attorney or other authority under which the form of proxy is signed (or a notarially certified copy of such authority) must be included with the proxy form.
5. In the case of a poll taken more than 48 hours after it is demanded the form of proxy must be signed and delivered or deposited at the Company's registrar's address as set out in Note 3 above not less than 24 hours before the time appointed for the taking of the poll or, where the poll is not taken forthwith, but is taken not more than 48 hours after it was demanded, the form of proxy must be signed and delivered at the meeting at which the poll was demanded to the Chairman of the meeting or to any Director.
6. To appoint more than one proxy, you may photocopy the form of proxy. All forms must be signed and should be returned together in the same envelope.

7. If you do not give your proxy an indication of how to vote on any resolution, your proxy will vote or abstain from voting at his or her discretion.

8. Appointment of a proxy will not preclude a member from attending and voting in person at the meeting or at any adjournment thereof. Where a member appoints a proxy and attends the meeting in person, the proxy will be automatically terminated.

9. In the case of a proxy appointment by joint holders, the signature on the form of proxy of any one joint holder will be sufficient, but the names of all the joint holders should be stated. Where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).

10. Where you have appointed a proxy using the proxy form and would like to change the instructions using another proxy form, please contact Equiniti Limited between 8:30 a.m. and 5:30 p.m. (BST) Monday to Friday (except UK public holidays) on telephone number 0871 384 2735 or, if telephoning from outside the UK, on 0044 121 415 7047. Calls to Equiniti Limited's 0871 384 2735 number cost 8p per minute from a BT landline; other providers' costs may vary. Calls to the helpline from outside the UK will be charged at applicable international rates.

11. Note that the cut-off time for receipt of proxy appointments (see above) also applies in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded.

12. If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

13. In order to revoke a proxy instruction you will need to inform the Company by sending a signed hard copy notice clearly stating your intentions to revoke your proxy appointment to the Company's registrar's address set out at Note 3 above. Any power of attorney or any other authority under which the revocation notice is signed (or a notarially certified copy of such authority) must be included with the revocation notice. The revocation notice must be received by the Company's registrar at its address set out at Note 3 above no later than 4:00 p.m. on 15 December 2010.

14. In the case of a corporation, the form of proxy (and any change or revocation thereto) must be executed under its common seal or under the hand of some officer or attorney duly authorised in writing.

15. Except as provided above, members who have general queries about the Meeting should contact Equiniti Limited on the telephone numbers set out in Note 10 above.

16. There will be available for inspection at the registered office of the Company during normal business hours on any weekday (Saturdays, Sundays and public holidays excluded) from the date of this notice to the date of the annual general meeting and at the place of the meeting for 15 minutes prior to and during the meeting the Register of Directors' Interests and copies of the Directors' service contracts and letters of appointment.

17. Pursuant to regulation 41 of the Uncertificated Securities Regulations 2001, the Company has specified that only those members registered in the register of members of the Company at 6:00 p.m. on 15 December 2010 or, in the event that the Meeting is adjourned, on the register of members 6:00 p.m. on the day two days before the time fixed for the adjourned meeting, shall be entitled to attend and vote at the Meeting in respect of the number of ordinary shares registered in their name at that time. Changes to entries on the register of members after 6:00 p.m. on 15 December 2010 (the "specified time") or, in the event that the Meeting is adjourned, 6:00 p.m. on the day two days before the time fixed for the adjourned meeting, shall be disregarded in determining the rights of any person to attend and vote at the meeting. If the Meeting is adjourned to a time not more than 48 hours after the specified time applicable to the original Meeting, that time will also apply for the purpose of determining the entitlement of members to attend and vote (and for the purpose of determining the number of votes they may cast) at the adjourned meeting.

SHAREHOLDER INFORMATION

Company registration number	5314207
Registered office	344 Linen Hall 162 – 168 Regent Street London W1B 5TD
Directors	J F Devaney *(Non-executive Chairman)* N N Trulsvik *(Non-executive Director)* S P Levine *(Chief Executive Officer)* D T Wilson *(Chief Operating Officer and Finance Director)* S K West *(Investment Director)*
Secretary	D T Wilson
Bankers	Lloyds TSB City Office London
Registrars	Equiniti Aspect House Spencer Road Lancing West Sussex BN99 6DA
Solicitors	Rosenblatt Solicitors 9 – 13 St. Andrew Street London EC4A 3AF
Auditors	Grant Thornton UK LLP Melton Street Euston Square London NW1 2EP

United Kingdom office	344 Linen Hall 162 – 168 Regent Street London W1B 5TD	 Enquiries: slevine@tersusenergy.com dwilson@tersusenergy.com