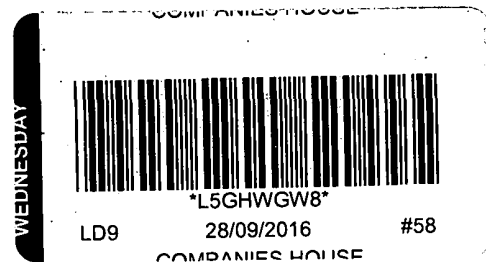


Company Registration No. 4006413 (England and Wales)

PATH INVESTMENTS PLC
(Formerly The Niche Group Plc)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015



Company information

Directors	Donal Boylan (Non - Executive Chairman) Christopher Theis (Chief Executive Officer) Rakesh Patel (Chief Financial Officer) Nigel Fitzpatrick (appointed 17 December 2015) Andrew Yeo (appointed 17 December 2015)
Secretary	Rakesh Patel (appointed 9 June 2015)
Company Number	4006413
Registered office	Aston House Cornwall Avenue London N3 1LF
Statutory Auditor	H W Fisher & Company Acre House 11-15 William Road London NW1 3ER
Bankers	Royal Bank of Scotland Plc 28 Cavendish Square London W1M 0DB
Registrar	Capita Registrars The Registry 34 Beckenham Road Beckenham Kent BR3 4TU

CONTENTS

	Page
CHAIRMAN'S STATEMENT	3
STRATEGIC REPORT	4
DIRECTORS' REPORT	6
STATEMENT OF DIRECTORS' RESPONSIBILITIES	9
INDEPENDENT AUDITORS' REPORT	10
STATEMENT OF COMPREHENSIVE INCOME	12
STATEMENT OF CHANGES IN EQUITY	13
STATEMENT OF FINANCIAL POSITION	14
STATEMENT OF CASH FLOWS	15
NOTES TO THE FINANCIAL STATEMENTS	16

PATH INVESTMENTS PLC

CHAIRMAN'S STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2015

Highlights

- Roll out of corporate strategy met with an encouraging response from an embattled Energy sector
- 2 New members of Executive team and Board
- 7 potential investments in various stages of development
- 24 corporate projects have so far been considered
- Decision taken to exit existing Turkey investments
- Company name change and consolidation of shares.
- IPO preparations underway.

Review

2015 opened with the company pursuing the roll out of its new corporate strategy. Against a backdrop of continued price decline, project cancellation and increasing corporate insolvency, the Board has seen an acceleration of investment opportunities, (both in number and size,) within an increasingly embattled exploration and production energy sector. At the time of writing, a total of 24 projects have been entertained, with seven progressing for further consideration. We have noticed that not only are we engaging with companies themselves, but increasingly with finance providers and banks who have found themselves the unwilling owners of collateral assets. Each transaction is assessed adhering to a strict investment internal rate of return and time return of capital criteria, amongst other requirements.

Our General Meeting held during the latter part of 2015 addressed certain remaining actions towards the reconstitution of the business. Shareholders voted to change the name of the company to one more fitting with its new focus, Path Investments plc.

We were delighted to welcome both Andy Yeo and Brent Fitzpatrick to the Board during the year, both of whom bring a wealth of direct and relevant experience to the business. Andy has joined as an Executive Director, attracting and assessing potential investments for the Company, and Brent as a Non-Executive Director utilising his considerable corporate governance skills.

The Board has taken the decision to seek to exit its current investments in Turkey, and shall not be committing further funds to either of its two legacy corporate holdings. The share holdings are outside of the Company's new investment policy of seeking involvement at the licence level and not at the corporate shareholding level. Our Turkish partner has signified its interest in acquiring our respective share holdings. As a prudent measure, and in the absence of any other offer, we have provided against the carrying value of these investments in the accounts to the likely realisable value based upon the offer.

We have commenced preparations for a quotation to the AIM market of the London Stock Exchange. We have engaged FinnCap Limited, to be our Nominated Adviser, and Shard Capital as our broker, in conjunction with our legal, accounting and public relations advisers, to raise finance for a number of investments that we have identified. These offer immediate revenue generation for the Company. There cannot be any guarantee of a successful IPO in these troubled times for the oil and gas sector. Nevertheless, the Board is of the belief, shared by our advisers and Institutional shareholders, that the time is right for the acquisition of distressed energy assets, which forms the backbone of our corporate strategy.

N. B. Fitzpatrick

Nigel Fitzpatrick
Non-Executive Chairman

PATH INVESTMENTS PLC

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2015

The directors present their strategic report on the company for the year ended 31 December 2015.

Business Review

The requirements of the enhanced business review are contained in the Chairman's Statement on pages 3.

Key performance indicators

The Company is an investment company holding two minority stakes and as such has no key performance indicators.

Principal risks and uncertainties

The Company is subject to a variety of risks including those which derive from the nature of the oil and gas development and production business and relate to the country in which it conducts its activities. Outlined below is a description of the principal risk factors that may affect performance. Such risk factors are not intended to be presented in any order of priority. Any of the risks, as well as the other risks and uncertainties referred to in this report, could have a material adverse effect on business performance. In addition, the risks set out below may not be exhaustive and additional risks and uncertainties, not presently known to the Company, or which the Company currently deems immaterial, may arise or become material in the future. It is the Board's objective to be aware of the risks and evaluate and mitigate them where possible.

The Board believes that the principal risks for the Company are currently in respect of its investments in Alpay Enerji and ARAR, and:-

- that Alpay Enerji and ARAR are unsuccessful in developing and producing oil and gas reserves;
- the Company will be unable to realise the carrying value of its investments in Alpay Enerji and ARAR
- the majority shareholder in Alpay Enerji and ARAR is unable to meet the ongoing financial obligations of the licences or the costs of drilling to exploit the full potential of the licences.

Diversification of investments

Currently, the Company's material assets are in (i) Alpay Enerji which holds 100% participating interest in gas exploration licences, Blocks AR/ALP/4077; AR/ALP/K/N36-c1,c2,c4; AR/ALP/K/N36-d; AR/ALP/K/O36-a1,a2,a3 and (ii) ARAR which, at 31 December 2015, had a 100% participating interest in AR/AARR/4226; AR/ARR/K/G17-b3; AR/ARR/K/G18-a4 oil & gas exploration licences in Turkey and whose other principal business is providing oil & gas services to develop these related licences and to third party licence owners in Turkey and Kurdistan.

In order to further diversify its investments and mitigate the risk of non-diversification, the Company has been considering other investments, such investments being subject to due diligence and the Company's ability to raise the necessary funds.

The Company's lack of funds prevents further mitigation of this risk, which can only be achieved by raising additional funds to develop a diversified portfolio of investments in the Oil and Gas industry.

Investment in Alpay Enerji and ARAR

Through its investment in Alpay Enerji, the Company has an indirect interest in Blocks AR/ALP/4077; AR/ALP/K/N36-c1, c2, c4; AR/ALP/K/N36-d; AR/ALP/K/O36-a1, a2,a3. In addition, through its investment in ARAR, the Company has an indirect interest in AR/ARR/4226; AR/ARR/K/G17-b3; AR/ARR/K/G18-a4 oil and gas licenses. A CPR issued by Senergy in June 2012 covering a number, but not all of these licences, provides a potential net present value of \$US1,031.8M net to Alpay Enerji, which consists of \$141.4M net attributable reserves (proved and probable), \$264.3M net un-risked contingent resources and \$626.1M un-risked prospective resources. This net present value assumes significant capital expenditure and is based on a number of other assumptions. Certain licences not covered by the June 2012

PATH INVESTMENTS PLC

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2015**

CPR have been or are producing. The value of these licences have not yet been determined and could be expected to improve further the value of the Company's overall interest. In addition to the licences, ARAR has an oil and gas service business, including personnel and equipment, and generates revenue from third party contracts. The risks and uncertainties associated with this investment are as described above in Principal risks and uncertainties.

Cash flow and funding

The Company currently uses equity financing to fund its investments and fund administrative expenses. Historically, the Company has funded the initial phase of exploration and development of the Blocks in Turkey and expects that investment to contribute cash to the Company only once commercial production of gas commences following a successful discovery, and once sufficient funds have been raised in order to continue development. However, the Board has taken the decision to exit these Turkey investments and no further funding will be therefore be required for these assets.

Oil and gas prices

The Company's asset value and the economic viability of its investments in Alpay Enerji and ARAR depend on the price of oil and gas.

Environmental risks

Path Investments's investments are subject to the environmental risks inherent in the oil and gas industry.

Country risk

The Company's investments in Alpay Enerji and ARAR are exposed to political, economic, legal, regulatory and social risks of the countries in which they operate or in which they have interests.

Financial risk

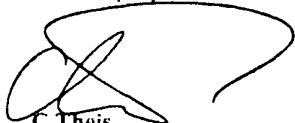
The Company is exposed to financial risk through its financial assets and liabilities. The key financial risk is that the proceeds from financial assets may not be sufficient to fund the obligations arising from liabilities as they fall due. The most important component of financial risk is liquidity risk. The Company is currently unable to mitigate this risk.

Credit risk

In the normal course of its business, the Company enters into contractual arrangements with third parties that subject the Company to the risk that such parties may default on their obligations. Hence, the Company may be exposed to third party credit risk through its contractual arrangements with its current or future joint venture partners, suppliers and other parties. In the event such entities fail to meet their contractual obligations to the Company, such failures could have a material adverse effect on the Company and its future cash flow from operations. The Company's cash balances are deposited with banks with high credit ratings.

Market risk

The Company's revenues, profitability and future growth are substantially dependent on prevailing prices of oil and natural gas and its ability to either realise or seek a return from its investments. Prices for oil and natural gas are subject to large fluctuations in response to relatively minor changes in the supply of and demand for oil and natural gas, market uncertainty and a variety of additional factors beyond the control of the Company.



C Theis
Chief Executive Officer

PATH INVESTMENTS PLC

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2015

The Directors present their report and financial statements for the year ended 31 December 2015.

Principal Activities

Path Investments Plc is a public company incorporated under the Companies Act 1985 and domiciled in the United Kingdom. The principal activity of the Company is the investment in oil and gas development and production companies, initially in Turkey.

Results

The loss for the year to 31 December 2015 amounted to £7,817,587 (2014: £674,726)., which is post a £6,970,829 write down of its investments available for sale.

Taxation Status

The Company was not a close company within the provisions of the Corporation Tax Act 2010 and this position has not changed since the end of the financial period.

Future developments

Information about the future plans of the Company are covered in the Strategic Report.

Dividends

The Directors do not recommend the payment of a dividend.

Post balance sheet events

Post balance sheet events are discussed in the Chairman's Statement.

Managing business risk

The Board constantly monitors the operational and financial aspects of the Company's activities and is responsible for the implementation and ongoing review of business risks that could affect the Company. Duties in relation to risk management that are conducted by the Directors include but are not limited to:

- Initiate action to prevent or reduce the adverse effects of risk
- Control further treatment of risks until the level of risk becomes acceptable
- Identify and record any problems relating to the management of risk
- Initiate, recommend or provide solutions through designated channels
- Verify the implementation of solutions
- Communicate and consult internally and externally as appropriate

Directors and Directors' interests

The Directors at the date of these financial statements who served during the period and their interest in the ordinary shares of the Company are as follows:

	31 December 2015 Number of Ordinary Shares	31 December 2014 Number of Ordinary Shares
D. Boylan	206,250	143,750
C Theis	370,500	235,500
R. Patel	62,500	62,500
R. Nolan (resigned 31 January 2016)	-	-
N. Fitzpatrick (appointed 17 December 2015)	12,500	-
A. Yeo (appointed 17 December 2015)	218,750	-

PATH INVESTMENTS PLC

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2015**

In April 2016, C Theis subscribed for a further 25,000 ordinary shares. A Yeo subscribed for 31,875 ordinary shares and N Fitzpatrick exercised warrants giving him a further 12,500 ordinary shares. In May 2016 D Boylan subscribed for a further 125,000 ordinary shares and R Patel for a further 12,500 ordinary shares.

Details of remuneration and interests in share options and warrants of the Directors of the Company who served in the year ended 31 December 2015 are as follows:

Share Options					
	Number of Options	Exercise price	Date of grant	First date of exercise	Final date of exercise
Donal Boylan	150,000	£2.80	03.05.2011	15.02.2012	02.05.2021
Donal Boylan	250,000	40p	23.05.2013	24.05.2013	23.05.2020
Christopher Theis	875,000	40p	23.05.2013	24.05.2013	23.05.2020
Rakesh Patel	150,000	£2.80	03.05.2011	15.02.2012	02.05.2021
Rakesh Patel	250,000	40p	23.05.2013	24.05.2013	23.05.2020

Warrants					
	Number of Warrants	Exercise price	Date of grant	First date of exercise	Final date of exercise
Nigel Fitzpatrick	12,500	40p	21.11.13	21.11.16	20.11.16

Remuneration						
	Fees & other remuneration £	Loss of office £	Taxable benefits £	Pension contribution £	2015 Total £	2014 Total £
Donal Boylan	48,000	--	-	-	48,000	48,000
Richard Nolan	36,000	--	-	-	36,000	25,938
Christopher Theis	172,352	--	7,583	36,000	215,935	208,218
Rakesh Patel	111,000	--	-	-	111,000	120,000
Nigel Fitzpatrick*	3,000	--	-	-	3,000	-
Andrew Yeo	18,750	--	-	-	18,750	-
	389,102	--	7,583	36,000		402,156

Included in the remuneration above are accrued salaries of £578,269 (2014: £450,512), being unpaid salaries from July 2012 to December 2015, comprising £120,000 to D Boylan, £30,969 to R Nolan, £177,300 to R Patel, £236,000 to Christopher Theis, £12,500 to A Yeo and £1,500 to N Fitzpatrick.

Directors' remuneration in respect of Rakesh Patel for the current and prior year were paid to Adler Shine LLP, a firm in which Rakesh Patel is a partner.

*Nigel Fitzpatrick's fees are paid to Ocean Park Developments Limited.

PATH INVESTMENTS PLC

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2015**

Major interests in ordinary shares

The following shareholders had an interest of more than 3% in the Company as at 29 March 2016:

Shareholder	Number of Shares	% of issued share capital
JIM Nominees Limited	1,900,715	8.84
Platform Securities Nominees Limited	1,304,305	6.06
Dartington Portfolio Nominees Limited	1,148,241	5.34
Lynchwood Nominees Limited	1,099,875	5.11
HSBC Global Custody Nominee (UK) Limited	864,285	4.02
Vidacos Nominees Limited	1,714,285	7.97
WB Nominees Limited	834,781	3.88
Ferlim Nominees Limited	680,387	3.16

Share capital

Details of Ordinary Share capital during the period are set out in note 14.

Financial Instruments

Details of the use of financial instruments by the Company are contained in note 17.

Donations

There were no charitable or political donations during the current period or prior year.

Disclosure of information to auditors

Each of the Directors has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditors are unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditors are aware of such information.

Auditors

A resolution proposing the reappointment of H W Fisher & Company as auditors will be put to the members.

✓
On behalf of the board



C Theis
Chief Executive Officer

20/07/2016

PATH INVESTMENTS PLC

**STATEMENT OF DIRECTORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 DECEMBER 2015**

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

Company law requires the directors to prepare financial statements for each financial year. Under the law the directors have prepared financial statements in accordance with International Financial Reporting Standards ('IFRS') as adopted by the European Union. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the income statement of the company for that year.

In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRSs as adopted by the European Union, subject to any material departures disclosed and explained in the financial statements and;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company transactions and disclose with reasonable accuracy at any time the financial position of the 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 Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**PATH INVESTMENTS PLC
INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF PATH INVESTMENTS PLC
FOR THE YEAR ENDED 31 DECEMBER 2015**

We have been engaged to audit the financial statements of Path Investments Plc for the year ended 31 December 2015 which comprise the Statement of Financial Position, Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows and related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRS) 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 Auditors' 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 Statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implication for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2015 and of its loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

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

**PATH INVESTMENTS PLC
INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF PATH INVESTMENTS PLC
FOR THE YEAR ENDED 31 DECEMBER 2015**

Emphasis of matter

Going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1.2 'Going concern' to the financial statements concerning the ability of the Company to continue as a going concern. Based on current forecasts, the Company requires additional funds within twelve months of the date of approval of this Annual Report in order to be able to pay existing obligations and maintain its proposed levels of expenditure. The ability of the Company to raise additional funds is dependent upon investor appetite and the ability to dispose of the unlisted investments. These conditions, along with the other matters explained in note 1.2 'Going concern' to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt over 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.

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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 required for our audit.

Gary Miller (Senior Statutory Auditor)

For and on behalf of
H W Fisher & Company
Chartered Accountants
Statutory Auditor

Acre House
11-15 William Road
London
NW1 3ER
United Kingdom

23/9/2016.

PATH INVESTMENTS PLC

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	Year ended 31 December 2015	Year ended 31 December 2014
		£	£
Share based payment		(32,138)	-
Administrative expenses		(814,728)	(676,417)
Total administrative expenses		(846,866)	(676,417)
Operating loss	4	(846,866)	(676,417)
Finance income	6	108	1,691
Amounts written off investments	11	(6,970,829)	
Loss on ordinary activities before taxation		(7,817,587)	(674,726)
Tax on loss on ordinary activities	8	-	-
Loss for the year and total comprehensive loss for year		(7,817,587)	(674,726)
Loss per share (pence)			
- Basic & diluted	9	(37.4)	(3.28)

All operating income and operating gains and losses relate to continuing activities.

The notes on pages 16 to 31 form an integral part of the financial statements.

PATH INVESTMENTS PLC

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2015

	Share Capital	Share Premium	Share based payments reserve	Retained earnings	Total
	£	£	£	£	£
As at 1 January 2014	8,228,505	24,129,333	756,274	(24,575,271)	8,538,841
Comprehensive income					
Loss for the period	-	-	-	(674,726)	(674,726)
Issue of share capital	12,750	3,750	-	-	16,500
As at 31 December 2014	8,241,255	24,133,083	756,274	(25,249,997)	7,880,615
Comprehensive income					
Loss for the period	-	-	-	(7,817,587)	(7,817,587)
Issue of share capital	336,833	1,667	-	-	338,500
Lapsed share options	-	-	(40,522)	40,522	-
Issue of warrants	-	-	32,138	-	32,138
Exercise of warrants	-	-	(32,138)	32,138	-
As at 31 December 2015	8,578,088	24,134,750	715,752	(32,994,924)	433,666

The Share Capital represents the nominal value of the equity shares.

The Share Premium represents the amount subscribed for share capital, in excess of the nominal amount, less costs directly relating to the issue of shares.

The Share Based Payments reserve represents the fair value of the equity settled share option scheme.

The Retained Earnings reserve represents the cumulative net gains and losses less distributions made.

The notes on pages 16 to 31 form an integral part of the financial statements.

PATH INVESTMENTS PLC

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2015

		As at 31 December 2015	As at 31 December 2014
		£	£
	Note		
ASSETS			
Non-current assets			
Property, plant and equipment	10	1,411	2,822
Investments – available for sale	11	1,050,000	8,019,529
		<u>1,051,411</u>	<u>8,022,351</u>
Current assets			
Trade and other receivables	12	6,970	10,560
Cash and cash equivalents	16	103,290	407,774
		<u>110,260</u>	<u>418,334</u>
LIABILITIES			
Current liabilities			
Trade and other payables	13	(728,005)	(560,070)
Net Current Liabilities		<u>(617,745)</u>	<u>(141,736)</u>
NET ASSETS		<u>433,666</u>	<u>7,880,615</u>
SHAREHOLDERS' EQUITY			
Called up share capital	14	8,578,088	8,241,255
Share premium account		24,134,750	24,133,083
Share based payments reserve		715,752	756,274
Retained earnings		(32,994,924)	(25,249,997)
TOTAL EQUITY		<u>433,666</u>	<u>7,880,615</u>

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

20 September 2015


Chief Executive Officer,
Director C Theis

The notes on pages 16 to 31 form an integral part of the financial statements.

PATH INVESTMENTS PLC

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	Year ended 31 December 2015	Year ended 31 December 2014
		£	£
Cash flows from operating activities			
Cash expended from operations	15	(641,792)	(520,266)
Net cash outflow from operating activities		<u>(641,792)</u>	<u>(520,266)</u>
Cash flows from investing activities			
Available for sale financial assets acquired		(1,300)	-
Purchase of property, plant and equipment		-	(4,233)
Interest received		108	1,691
Net cash used in investing activities		<u>(1,192)</u>	<u>(2,542)</u>
Cash flows from financing activities			
Net Proceeds from the issue of ordinary shares		338,500	16,500
Net cash inflow from financing activities		<u>338,500</u>	<u>16,500</u>
Net decrease in cash and cash equivalents		(304,484)	(506,308)
Cash and cash equivalents at beginning of year		407,774	914,082
Cash and cash equivalents at end of year	16	<u><u>103,290</u></u>	<u><u>407,774</u></u>

The notes on pages 16 to 31 form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

1. ACCOUNTING POLICIES

1.1 Basis of preparation

Path Investments Plc is a public limited company incorporated in the United Kingdom. The address of the registered office is Aston House, Cornwall Avenue, London, N3 1LF. The principal activity of the Company is the investment in oil and gas development and production companies, initially in Turkey.

The financial statements have been prepared and approved by the Directors in accordance with International Financial Reporting Standards as adopted by the European Union ('IFRS') and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

The financial statements have been prepared under the historical cost convention or fair value where appropriate. The significant accounting policies adopted are described below.

The financial statements disclose information about the company only and not its group on the basis that its subsidiaries are dormant and have not traded (see note 20).

1.2 Going concern

The Directors have prepared the financial statements on a going concern basis. The Directors consider the use of the going concern assumption to be appropriate. At the latest reported date of 31 December 2015, the Company had cash and cash equivalents totalling £103,290. Since that time the Company has raised additional funds of £227,750 through the issue of new ordinary shares. The Company is also seeking to raise further funds by both a placing of ordinary shares at the time of its admission to AIM and is also looking to sell its investments. Should the placing and the admission to AIM not take place for whatever reason and the sale of the investments not happen in a timely manner, the Directors will need to immediately raise additional funds in order to be able to continue as a going concern. The ability of the Company to raise additional funds is dependent upon investor appetite and if necessary the Directors' ability to obtain alternative sources of funding.

The Directors have a reasonable expectation that the Company will be able to raise sufficient funding to allow it to cover its working capital for a period of twelve months from the date of approval of the financial statements. It is for this reason they continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Financial instruments

The Company classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial instruments are recognised on the balance sheet at fair value when the Company becomes a party to the contractual provisions of the instrument.

1.4 Financial assets

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. Loans receivable are carried at amortised cost. The Directors assess at the end of each reporting period whether there is objective evidence that a financial asset is impaired. Any impairment shall be recognised in the Statement of Comprehensive Income.

PATH INVESTMENTS PLC

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

Investments – available for sale

Investments are recognised and derecognised on a trade date where a purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned and are initially measured at cost, including transaction costs.

Unlisted investments are recorded at cost less impairment. Unlisted investments are instruments that do not have a quoted market price in an active market and their fair value cannot be measured reliably. The range of reasonable fair value estimates is significantly wide and the probabilities of the various estimates cannot be reasonably assessed as they relate to the underlying gas reserves in blocks which are currently being explored by a third party company.

Impairment

The Company assesses at each reporting date whether there is objective evidence that assets, financial assets or a group of financial assets are impaired. Assets are considered impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and that the loss event has an impact on the estimated future cash flows of the asset that can be reliably measured.

1.5 Financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as interest bearing loans and borrowings in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the Income Statement. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited directly to equity.

1.6 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and at bank and other short-term deposits. They are stated at carrying value which is deemed to be fair value.

1.7 Property, plant and equipment

Property, plant and equipment are stated at cost on acquisition less accumulated depreciation and accumulated impairment losses.

Depreciation is provided on all property, plant and equipment categories at rates calculated to write off the cost, less estimated residual value on a straight line basis over their expected useful economic life. The depreciation rates are as follows:

	Basis of depreciation
Office equipment	3 years straight line

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**1.8 New Standards and Interpretations**

The IASB and IFRIC have issued the following standards and interpretations which are in issue but not in force at 31 December 2015:

		Effective date (periods beginning on or after)
IFRS 5	Non-current assets held for sale and discontinued operations - Amendments resulting from September 2014 annual improvements to IFRSs	1 January 2016
IFRS 7	Financial instruments disclosure - Amendments resulting from September 2014 annual improvements to IFRSs	1 January 2016
IFRS 9	Financial instruments - incorporating requirements for classification and measurement, impairment, general hedge accounting and de-recognition.	1 January 2018
IFRS 10	Consolidated financial statements - Amendments regarding the application of consolidation exception.	1 January 2016
IFRS 11	Joint Arrangements - Amendments regarding the accounting for acquisitions of an interest in a joint operation.	1 January 2016
IFRS 12	Disclosure of interests in other entities - Amendments regarding the application of consolidation exception	1 January 2016
IFRS 15	Revenue from contracts with customers - Amendments to defer to the effective date to 1 January 2018, clarifications to IFRS15.	1 January 2018
IAS 1	Presentation of financial Statements - Amendments resulting from the disclosure initiative	1 January 2016
IAS 7	Statement of cash flows - Amendments resulting from the disclosure initiative	1 January 2017
IAS 12	Income taxes - Amendments regarding recognition of deferred tax assets for unrealised losses	1 January 2017
IAS 16	Property, plant and equipment - clarification of acceptable methods of depreciation and amortisation and amendments bringing bearer plants into the scope of IAS 16	1 January 2016
IAS 19	Employee benefits - Amendment resulting from September 2014 Annual Improvements to IFRSs	1 January 2016
IAS 27	Separate financial statements - Amendments reinstating the equity method as an accounting option for investments in subsidiaries, joint ventures and associates in an entity's separate financial statements	1 January 2016
IAS 28	Investments in associates and joint ventures - Amendments regarding the application of the consolidation exception	1 January 2016
IAS 34	Interim Financial Reporting - Amendments resulting from September 2014 Annual Improvements to IFRSs.	1 January 2016
IAS 38	Intangible assets - Amendments regarding the clarification of acceptable methods of depreciation and amortisation	1 January 2016

The Directors anticipate that the adoption of these Standards and Interpretations in future periods will have no material impact on the financial statements other than in terms of presentation.

1.9 Share-based payments

The Company operates a number of equity-settled, share-based compensation plans, under which the entity receives services from employees or suppliers as consideration for equity instruments (options) of

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

the Company. The fair value of the employee or supplier services received in exchange for the grant of options is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions;
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period); and
- excluding the impact of any non-vesting conditions (for example, the requirement of employees to save).

Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each reporting period, the entity revises its estimates of the number of options that are expected to vest based on the non-marketing vesting conditions. It recognises the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to equity.

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

1.10 Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Deferred tax is recognised, using the liability method, in respect of temporary differences between the carrying amount of the Company's assets and liabilities and their tax base.

Deferred tax liabilities are offset against deferred tax assets. Any remaining deferred tax asset is recognised only when, on the basis of all available evidence, it can be regarded as probable that there will be suitable taxable profits, within the same jurisdiction, in the foreseeable future against which the deductible temporary difference can be utilised.

Deferred tax is determined using tax rates that are expected to apply in the periods in which the asset is realised or liability settled, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Current and deferred tax are recognised in the income statement, except when the tax relates to items charged or credited directly in equity, in which case the tax is also recognised in equity.

1.11 Sources of estimation uncertainty

The preparation of financial statements requires the use of estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statements and the reporting amount of income and expenses during the period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates.

Financial assets

The main area of estimation uncertainty is in respect of the "Investments – available for sale" which relates to the Company's investment in Alpay Enerji and ARAR and its ability to either realise or seek a return from these investments. These investments are valued with reference to the cost and supported by a CPR on the underlying assets.

PATH INVESTMENTS PLC

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

Share based payments

The share-based payment charge is calculated using the Black-Scholes model which requires the estimation of share price volatility, expected life and the bid price discount.

2. SEGMENTAL REPORTING

a. Primary segment – business

The Company has only one business segment, which is investing in companies, either by way of equity or convertible loans primarily in the natural resources sector.

b. Secondary segment – geographical

The Company's loss for the period was derived wholly from activities undertaken in the United Kingdom

The Company's assets are allocated based on where the assets are located, as follows:

	2015 £	2014 £
United Kingdom	111,671	421,156
Turkey	1,050,000	8,019,529
Gross assets	<u>1,161,671</u>	<u>8,440,685</u>
United Kingdom	(728,005)	(560,070)
Turkey	-	-
Gross liabilities	<u>(728,005)</u>	<u>(560,070)</u>
United Kingdom	(616,334)	(138,914)
Turkey	1,050,000	8,019,529
Net assets	<u>433,666</u>	<u>7,880,615</u>

3. EXPENSES BY NATURE

	2015 £	2014 £
Staff costs	481,009	419,834
Other expenses	333,719	256,583
	<u>814,728</u>	<u>676,417</u>

PATH INVESTMENTS PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

4. OPERATING LOSS

The operating loss is stated after charging:

	2015 £	2014 £
Auditors remuneration – audit services	24,000	12,000
	<u>24,000</u>	<u>12,000</u>

5. EMPLOYEES

Number of employees

The average monthly number of employees (including Directors) during the period was:

	2015 Number	2014 Number
Administration	4	4
	<u>4</u>	<u>4</u>

	2015 £	2014 £
Employment costs		
Wages and salaries (including benefits in kind)	396,685	402,156
Social security costs	48,324	22,972
Pension costs	36,000	-
	<u>481,009</u>	<u>425,128</u>

Included in Wages and Salaries above is an increase in accrued salaries of £155,457 (2014: £113,178).

6. FINANCE INCOME

	2015 £	2014 £
Bank interest	108	1,691
	<u>108</u>	<u>1,691</u>

PATH INVESTMENTS PLC

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

7. DIRECTORS' REMUNERATION

	2015 £	2014 £
Aggregate emoluments	396,685	402,156
Pension costs	36,000	-
	<u>432,685</u>	<u>402,156</u>

The highest paid Director received remuneration of £216,935 (2014: £208,218). During the period retirement benefits accrued to one Director (2014: nil).

8. TAXATION

No corporation tax charge arises in respect of the period due to the trading losses incurred. The Company has corporation tax losses available to carry forward and use against trading profits arising in future periods of £4,017,987 (2014: £3,478,965).

	2015 £	2014 £
Current tax charge	-	-
Loss on ordinary activities before taxation	(7,817,587)	(674,726)
Loss on ordinary activities before taxation multiplied by average effective rate of corporation tax of 20.25% (2014: 21.5%)	(1,583,061)	(145,066)
Effects of:		
Non-deductible expenses	1,441,043	17,391
Capital allowances in excess of depreciation	286	(607)
Short term timing differences	21,668	50,925
Other adjustments	-	-
Movement in tax losses	120,064	77,357
Current tax charge	<u>-</u>	<u>-</u>

A deferred tax asset of £4,117,827 (2014: £4,456,216) in respect of losses has not been recognised due to the uncertainty regarding the availability of future profits against which the losses of the Company could be offset.

PATH INVESTMENTS PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

9. LOSS PER SHARE

The calculation of the basic and diluted loss per share is based on the loss on ordinary activities after taxation of £7,817,587 (2014: £674,726) and on the weighted average number of ordinary shares of 20,884,862 (2014: 20,583,530) in issue after the Company consolidated its shares on 18 December 2015. The basic and diluted loss per share is 37.4p (2014: 3.28p). As the Company is loss making, there was no dilutive effect from the share options outstanding during the year.

In order to calculate the diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares according to IAS33. Dilutive potential ordinary shares include share options granted to Directors and consultants where the exercise price (adjusted according to IAS 33) is less than the average market price of the Company's ordinary shares during the period.

The number of shares included in the comparative figures for 2014 has been updated to give effect to the restructuring of share capital which took place during the year (see note 14).

10. PROPERTY, PLANT AND EQUIPMENT

	Office equipment £
Cost	
At 1 January 2015	4,233
At 31 December 2015	<u>4,233</u>
Accumulated depreciation	
At 1 January 2015	1,411
Charge for the year	1,411
At 31 December 2015	<u>2,822</u>
Net book value at 31 December 2015	<u>1,411</u>
Net book value at 31 December 2014	<u>2,822</u>

11. INVESTMENTS – AVAILABLE FOR SALE

	Unlisted Investments £	Total £
At 1 January 2014	8,019,529	8,019,529
Additions	-	-
At 31 December 2014	<u>8,019,529</u>	<u>8,019,529</u>
Additions	1,300	1,300
Impairment	(6,970,829)	(6,970,829)
At 31 December 2015	<u>1,050,000</u>	<u>1,050,000</u>

PATH INVESTMENTS PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

11. INVESTMENTS – AVAILABLE FOR SALE (continued)

Unlisted investments are recorded at cost less impairment. Unlisted investments are instruments that do not have a quoted market price in an active market and their fair value cannot be measured reliably. The range of reasonable fair value estimates is significantly wide and the probabilities of the various estimates cannot be reasonably assessed as they relate to the underlying gas reserves in blocks which are currently being explored by a third party company.

The unlisted investments as at 31 December 2015, comprise of a 5% interest each in ARAR and Alpay Enerji at an aggregate cost of £8 million.

In 2012, the Company obtained a Senergy CPR which supported a valuation of the Hatay and Konya licences of c \$1.031bn (proven and probable \$141m, contingent \$264m and prospective \$626m). In the opinion of the Directors the Senergy CPR is still valid. Based upon proven and probable the Company's 5% interest would be valued at \$20.25m which equates to £14.46m at an exchange rate of \$1.4 to the £.

Through its investment in Alpay Enerji, the Company has an indirect interest in Blocks AR/ALP/4077; AR/ALP/K/N36-c1, c2, c4; AR/ALP/K/N36-d; AR/ALP/K/O36-a1, a2,a3. In addition, through its investment in ARAR, the Company has an indirect interest in AR/AARR/4226; AR/ARR/K/G17-b3; AR/ARR/K/G18-a4 oil and gas licences. A CPR issued by Senergy in June 2012 provides a potential net present value of \$US1,031.8M net to Alpay Enerji, which consists of \$141.4M net attributable reserves (proved and probable), \$264.3M net un-risked contingent resources and \$626.1M un-risked prospective resources. This net present value assumes significant capital expenditure and is based on a number of other assumptions.

In addition, ARAR has a number of other licences which are less developed but do have a minority in commercial production with CPR valuations. The value of these additional licences have not yet been determined and could be expected to improve further the value of the Company's interest in ARAR. In addition to the licences, ARAR has an oil and gas service business, including personnel and equipment, and generates revenue from third party contracts.

The Company's partner in Turkey, Mr. Alpay, has produced, in conjunction with a leading Turkish investment advisory firm Ishtar Advisory Limited, a December 2014 valuation for 100% of the licence portfolio, which reflects a gross risked reserves valuation in Alpay Enerji A.S. and ARAR of \$386.4 million and \$1,158.7 million respectively.

The principal risks and uncertainties associated with the above assets are as follows:

- that Alpay Enerji AS and ARAR are unsuccessful in developing and producing oil and gas reserves;
- that the Company will be unable to realise the carrying value of its investments in Alpay Enerji AS and ARAR;
- that the majority shareholder in Alpay Enerji AS and ARAR is unable to meet the ongoing financial obligations of the licences or the costs of drilling to exploit the full potential of the licences.

The Company has started negotiations for the sale of its unlisted investments, the outcome of which is uncertain.

In light of the principal risks and uncertainties detailed above, the Directors have taken the decision to write down the unlisted investments to an amount which they consider to be appropriate.

PATH INVESTMENTS PLC

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

12. TRADE AND OTHER RECEIVABLES

	2015 £	2014 £
Prepayments	6,970	10,560
	<u>6,970</u>	<u>10,560</u>

13. TRADE AND OTHER PAYABLES

	2015 £	2014 £
Trade payables	48,134	45,300
Taxation and social security	6,440	8,425
Accruals and deferred income	673,431	506,345
	<u>728,005</u>	<u>560,070</u>

14. SHARE CAPITAL

	2015 no	2015 £
Allotted, called up and fully paid		
<i>Ordinary Shares of 1p each</i>		
At 1 January 2015	824,125,530	8,241,255
<i>Share issues</i>		
On 6 January 2015 the company issued ordinary shares of 1p each at par	300,000	3,000
On 3 June 2015 the company issued ordinary shares of 1p each at par.	300,000	3,000
On 1 September 2015 the company issued ordinary shares of 1p each at par.	2,500,000	25,000
On 2 September the company issued ordinary shares of 1p each at par.	30,250,000	302,500
On 2 December 2015 the company issued ordinary shares of 1p each at 1.5p per share	333,333	3,333
	<u>857,808,863</u>	<u>8,578,088</u>
<i>Consolidation of shares</i>		
On 18 December 2015 the company consolidated its 857,808,863 shares of £0.01 each into 21,445,221 shares of £0.40 each. All voting, dividend and capital distribution rights remained unchanged.	(836,363,642)	-
At 31 December 2015	<u>21,445,221</u>	<u>8,578,088</u>

PATH INVESTMENTS PLC

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

	2014 no	2014 £
Allotted, called up and fully paid		
<i>Ordinary Shares of 1p each</i>		
At 1 January 2014	822,850,530	8,228,505
<i>Share issues</i>		
On 23 April 2014 the company issued 300,000 ordinary shares of 1p each at par	300,000	3,000
On 12 September 2014 the company issued 600,000 ordinary shares of 1p each at par	600,000	6,000
On 22 September 2014 the company issued 375,000 ordinary shares of 1p each at par	375,000	3,750
	<u>824,125,530</u>	<u>8,241,255</u>

15. RECONCILIATION OF OPERATING LOSS TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	2015 £	2014 £
Operating loss	(846,866)	(676,417)
Decrease/(increase) in debtors	3,590	(881)
Increase in creditors within one year	167,935	155,621
Depreciation	1,411	1,411
Share based payment	32,138	-
Net cash outflow from operating activities	<u>(641,792)</u>	<u>(520,266)</u>

16. CASH & CASH EQUIVALENTS

	2015 £	2014 £
Cash at bank and in hand	<u>103,290</u>	<u>407,744</u>

The fair value of cash and cash equivalents at 31 December 2015 was £103,290 (2014: £407,774).

PATH INVESTMENTS PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

17. FINANCIAL INSTRUMENTS

The Company's financial instruments comprise cash and cash equivalents and various other items, such as available for sale investments and trade receivables and payables, which arise directly from its operations. It is, and has been throughout the period under review, the Company's policy to ensure that there is no trading in financial instruments. The main purpose of these financial instruments is to finance the Company's operations.

Categories of Financial Instruments

	2015	2014
	£	£
Financial Assets		
Investments available for sale	1,050,000	8,019,529
Cash and cash equivalents	103,290	407,774
Trade and other receivables	6,970	10,560
	<u>1,160,260</u>	<u>8,437,863</u>
Financial Liabilities		
Trade and other payables	728,005	560,070
	<u>432,255</u>	<u>7,877,793</u>

Financial Assets and Liabilities

Financial assets and financial liabilities are recognised on the Company's balance sheet when the Company becomes party to the contractual provisions of the instrument.

Financial Risk Factors

The Company's activities expose it to liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to sell or earn dividend from its financial assets, in particular the shareholdings in Alpay Enerji and ARAR. The Company monitors the activities of both companies and reviews key management information when it is provided.

The Company has to date financed its operations from cash reserves funded from share issues. Management's objectives are now to manage liquid assets in the short term through closely monitoring costs and raising funds through the issue of shares and in the long term by disposing of the Company's interest in Alpay Enerji and ARAR.

The Company has no borrowing facilities that require repayment and therefore has no interest rate risk exposure.

Fair Values of Financial Assets and Liabilities

The Directors consider that the fair value of the Company's financial assets and liabilities are not considered to be materially different from their book values.

PATH INVESTMENTS PLC

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

18. SHARE OPTIONS

The following share options have been granted by the Company:

Date grant	Number of ordinary shares under option at 1 January 2015	Granted during year	Exercised during year	Lapsed during year	Number of ordinary shares under option at 31 December 2015	Exercise price	Exercise period
18/06/2010	50,000	-	-	(50,000)	-	£2.00	18/06/2010 - 04/05/2015
18/06/2010	72,099	-	-	(72,099)	-	£2.00	18/06/2010 - 17/06/2015
03/05/2011	750,000	-	-	-	750,000	£2.80	15/02/2012 - 02/05/2021
03/05/2011	150,000	-	-	-	150,000	£2.80	04/05/2011 - 02/05/2021
23/05/2013	1,375,000	-	-	-	1,375,000	40p	24/05/2013 - 23/05/2020
Total	2,397,099	-	-	(122,099)	2,275,000		

The following warrants have been granted by the Company:

Date grant	Number of ordinary shares under option	Granted during year	Exercised during year	Lapsed during year	Number of ordinary shares under option at 31 December 2015	Exercise price	Exercise period
21/11/2013	2,725,000	-	(537,500)	-	2,187,500	40p	21/11/2013-20/11/2016
24/06/2015	-	218,750	(218,750)	-	-	40p	21/11/2013-20/11/2016
Total	2,725,000	218,750	(756,250)	-	2,187,500		

In April 2016, 12,500 warrants were exercised.

The number of shares and warrants included in the above tables have been updated to give effect to the restructuring of share capital which took place during the year (see note 14).

The fair value of equity settled share options and warrants granted is estimated at the date of grant using a Black-Scholes option pricing model, taking into account the terms and conditions upon which the options were granted. The following table lists the inputs to the model:

	Options	Options	Options	Warrants
Date of grant	18 June 2010	03 May 2011	23 May 2013	24 June 2015
Expected volatility	42%	54%	54%	94.9%
Expected life	3.5 years	3.5 years	3.5 years	1 year
Risk-free interest rate	4.15%	1.72%	0.55%	0.82%
Expected dividend yield	-	-	-	-
Possibility of ceasing employment before vesting	-	-	-	-
Fair value per option	0.0083p	0.014p	0.004p	14.7p

PATH INVESTMENTS PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

The following share options were held by the directors during the year:

Director	Date of grant	Held at 1 January 2015	Lapsed during the year	Held at 31 December 2015	Exercise price
D Boylan	23/05/2013	250,000	-	250,000	£0.40
D Boylan	03/05/2011	150,000	-	150,000	£2.80
C Theis	23/05/2013	875,000	-	875,000	£0.40
R Patel	23/05/2013	250,000	-	250,000	£0.40
R Patel	03/05/2011	150,000	-	150,000	£2.80
R Patel	05/05/2010	25,000	(25,000)	-	£2.00

The following warrants were held by the directors during the year:

Director	Date of grant	Held at 1 January 2015 (or date of appointment if later)	Exercised during the year	Held at 31 December 2015	Exercise price
D Boylan	21/11/2013	62,500	(62,500)	-	£0.40
C Theis	21/11/2013	135,000	(135,000)	-	£0.40
N Fitzpatrick	21/11/2013	12,500	-	12,500	£0.40

The number of shares included in the above tables for both the current and previous year have been updated to give effect to the restructuring of share capital which took place during the year (see note 14).

20. ULTIMATE CONTROLLING PARTY

The Company considers that there is no ultimate controlling party.

21. INVESTMENT IN SUBSIDIARIES

The company holds more than 20% of the share capital in the following companies:

Subsidiary Undertaking	Country of Incorporation	Class	Shares held	Principal Activity
Path Newco Limited	UK	Ordinary	100%	Dormant

The company has applied for the above company to be removed from the register at Companies House.

22. EVENTS AFTER THE REPORTING DATE

At a meeting of shareholders held on 2 February 2016 a resolution was passed to:

- (1) Change the name of the company from The Niche Group Plc to Path Investments Plc
- (2) Reducing the share premium account by setting it off against the losses brought forward, subject to court approval, application of which is being made by the company.

The following shares have been issued after the reporting date:

Date	Shares issued	Issue price
23 March 2016	62,500	40p
4 April 2016	56,875	40p
4 April 2016	12,500 (on exercise of warrants)	40p (warrant exercise price)
10 May 2016	400,000	40p

PATH INVESTMENTS PLC

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

18. SHARE OPTIONS (continued)

The expense recognised by the Company for share based payments during the year ended 31 December 2015 was £32,138 (2014: £nil).

The average volatility is used in determining the share based payment expense to be recognised in the period. This was calculated by reference to the standard deviation of the share price over the preceding 12-month period.

Movement in the number of options and warrants outstanding and their related weighted average exercise price are as follows:

	<u>At 31 December 2015</u>		<u>At 31 December 2014</u>	
	Number of Options & Warrants	Weighted average exercise price per share (pence)	Number of Options & Warrants	Weighted average exercise price per share (pence)
At 1 January	5,122,099	86p	5,122,099	86p
Granted	218,750	40p	—	—
Exercised	(756,250)	40p	—	—
Expired	(122,099)	200p	—	—
At 31 December	4,462,500	88p	5,122,099	86p

The weighted average remaining contractual life of options as at 31 December 2015 was 2.9 years (2014: 3.6 years).

The number of shares included in the above table for both the current and previous year have been updated to give effect to the restructuring of share capital which took place during the year (see note 14).

19. RELATED PARTY TRANSACTIONS

During the year Adler Shine LLP, a firm in which R Patel is a partner, invoiced the Company £nil (2014: £4,200) for the provision of bookkeeping and accountancy services, £720 (2014: £nil) for the provision of company secretarial services, £420 (2014: £420) for the provision of payroll services and £257 for the provision of telephone services. At the period end an amount of £3,600 (2014: £3,600) was included in accruals in respect of bookkeeping and accountancy fees. The above transactions were on a commercial arm's length basis.

During the year, the director C Theis charged the Company £19,490 (2014: £nil) and £28,157 (2014: £2,500) for commissions and consultancy services, respectively.

During the year the following shares were issued at par to directors:

<u>Director</u>	<u>Shares issued</u>
D Boylan	62,500
C Theis	135,000
A Yeo	218,750
N Fitzpatrick	12,500

PATH INVESTMENTS PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

20 May 2016	37,500	40p
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The following shares have been issued to Directors after the reporting date:

Director	Date	Shares issued	Issue price
C Theis	4 April 2016	25,000	40p
A Yeo	4 April 2016	31,875	40p
D Boylan	10 May 2016	125,000	40p
R Patel	20 May 2016	12,500	40p
N Fitzpatrick (on exercise of warrants)	4 April 2016	12,500	40p

The following warrants have been issued after the reporting date:

Date	Warrants issued	Exercise price	Exercise period
10 May 2016	125,000	40p	10/05/2016 – 20/11/2016