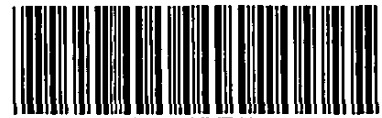


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COMPANIES HOUSE

BIDTIMES PLC
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2010

Company no 3934451

Company information

Registration number:	3934451
Registered office:	Meriden House 6 Great Cornbow Halesowen West Midlands B63 3AB
Executive Chairman:	A T Brennan
Non-executive Directors:	N B Fitzpatrick J P Moore R J Griffiths (Resigned 1 February 2010)
Secretary:	Headstream Capital Limited
Bankers:	HSBC Bank Plc 79 Piccadilly London W1V 0EU Bank of Scotland plc 55 Temple Row Birmingham B2 5LS
Solicitors:	Fladgate LLP 16 Great Queen Street London WC2B 5DG
Auditors:	Charles Lovell & Co Limited Registered Auditors Royal House Market Place Redditch B98 8AA

Bidtimes Plc
Financial statements for the year ended 31 December 2010

Registrars:	Neville Registrars Limited Neville House 18 Laurel Lane Halesowen West Midlands B63 3DA
Nominated Adviser and Broker:	Merchant Securities Limited 51-55 Gresham Street London EC2V 7HQ

Bidtimes Plc
Financial statements for the year ended 31 December 2010

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Chairman's statement

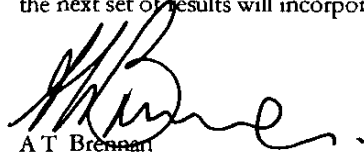
I am pleased to present the annual results of the Company for the year ended 31 December 2010 in which the Company continued to pursue its stated investment strategy, with a focus on reviewing the potential acquisition of a preferred target company

As a result, on 1 April 2011 we were delighted to announce the proposed acquisition of Powerhouse Energy Inc ("Powerhouse"), a company focusing on the commercialisation of an alternative energy business based on zero emission conversion of waste materials and coal deposits into a range of clean energy products

The proposed acquisition is classified as a reverse takeover under the AIM Rules and as such is subject to shareholder approval at a general meeting to be held on 27 June 2011

While the Company focused on the above transaction very limited exploration work was carried out on the exploration licence over the Kyber Pass project, the Company's joint venture interest in South Australia. Subject to approval by shareholders of the proposed acquisition of Powerhouse, the Company intends to terminate the joint venture interest.

During the year, the Company made a loss of £89,154 after taxation, compared with a loss of £101,358 in the ten months ended 31 December 2009. Should the proposed acquisition of Powerhouse be approved the next set of results will incorporate the full trading results of the enlarged group



A T Brennan
Executive Chairman

24 June 2011

Report of the directors

The Directors present their report together with the audited financial statements of the company for the year ended 31 December 2010

Principal activity

The principal activity of the company is that of an AIM quoted company with an investment portfolio

Business review

These financial statements for the year to 31 December 2010 represent the Company's fourth set of results reported under International Financial Reporting Standards (IFRS). In the previous financial year the Company decided to change its accounting year end from 28 February to 31 December in order to conform to a more standard reporting date. Therefore, the comparative figures are for the ten month period ending 31 December 2009.

There was a loss for the year after taxation amounting to £89,154 (Ten month period to 31 December 2009 £101,358). The Directors do not recommend the payment of a dividend.

The Chairman's statement appears on page 1 of these financial statements.

Directors

The present membership of the board is set out below. All served on the board throughout the year, unless otherwise indicated.

The interests of the Directors and their families in the shares of the company as at 31 December 2010 and 31 December 2009 (or from their date of appointment if later), were as follows:

	Ordinary shares of 0.5p each	
	31 December 2010	31 December 2009
	Number	Number
A T Brennan	6,000,000*	6,000,000*
J P Moore	-	-
N B Fitzpatrick	1,034,599	1,034,599
R J Griffiths (Resigned 1 February 2010)	5,335,698	5,335,698

*5,000,000 of these shares are held by Wall St Nominees Pty Limited as Trustee for the Brennan Superannuation Fund.

Share option incentives

The following Directors who served during the year held share options as at 31 December 2010

	At the end of year Number	Exercise price (pence)
A T Brennan	Nil	See note below *
J P Moore	1,000,000	See note below *
N B Fitzpatrick**	1,000,000	See note below *
R J Griffiths	1,000,000	See note below *

* Following the general meeting of the Company held on 30 June 2008 and the successful restoration to trading in the Company's Ordinary Shares on AIM, 2,000,000 share options were granted to A T Brennan and 4,000,000 share options were granted to each of J P Moore, N B Fitzpatrick and R J Griffiths. Following discussions with shareholders the Directors agreed to vary these options such that the number of options held is as disclosed in the table above.

The share options were exercisable at any time and expired on the third anniversary of the date of grant, 6 June 2011. One half of the options granted to each Director were exercisable at 1p per Ordinary Share and the balance at 2p per Ordinary Share.

** Mr Fitzpatrick previously held share options over 50,000 ordinary shares which were exercisable at 25 pence in whole or in part before the seventh anniversary of the date of grant. The options were granted on 30 June 2000 and thus expired on 30 June 2007.

The closing middle market price of the Company's shares on 31 December 2010 was 0.5 pence (31 December 2009 0.75 pence) and the high and low prices during the year have been 1 pence and 0.3 pence respectively.

Substantial shareholdings

Apart from the interests of the Directors, the only interests in excess of 3 per cent of the issued share capital of the Company, which the Company was aware of as at 14 June 2011 were as follows:

	Ordinary shares of 0.5p each Number	Percentage of capital %
Lynchwood Nominees Limited	22,420,279	23.0
Pershing Nominees Limited	17,000,000	17.5
Fitel Nominees Limited	7,150,000	7.3
Carl Coward Esq	5,000,000	5.1
Rexan Holdings Pty Limited	4,000,000	4.1
Paul Arundel Esq	4,000,000	4.1

Payment to suppliers

It is the Company's policy to agree appropriate terms and conditions for its transactions with suppliers by means ranging from standard terms and conditions to individually negotiated contracts and pay suppliers according to agreed terms and conditions, provided that the supplier meets those terms and conditions. The Company does not have a standard or code which deals specifically with the payment of suppliers. There were no unpaid trade creditors at the end of the period.

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 International Financial Reporting Standards as adopted by the European Union (IFRS).

Company law requires the directors to prepare financial statements for each financial period. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards as adopted for use in the European Union. The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these 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 applicable IFRS 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 company will continue in business

The Directors are responsible for keeping proper accounting records that 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.

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 financial statements may differ from legislation in other jurisdictions.

Financial risk management objectives and policies

The Company's principal financial instruments comprise cash and bank loans. The main purpose of these financial instruments is to fund the Company's operations. The Company does not enter into derivative transactions.

It is, and has been throughout the period under review, the Company's policy that no trading in financial instruments shall be undertaken. The main risks arising from the Company's financial instruments are interest rate risk, credit risk and liquidity risk. The board reviews and agrees policies for managing each of these risks and they are summarised below.

Interest rate risk

The Company does not hedge its exposure to interest rate fluctuations on bank loans.

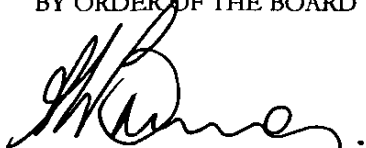
Liquidity risk

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of cash and bank loans when appropriate. There are currently no bank loans outstanding. Liquidity risk is further discussed within the Corporate Governance report on page 6.

Auditors

Charles Lovell & Co offer themselves for reappointment as auditors to the Company in accordance with Section 489 of the Companies Act 2006 and a resolution proposing their reappointment will be put to the Annual General Meeting.

BY ORDER OF THE BOARD



A T Brennan
Director

24 June 2011

Corporate governance

The Company supports the concept of an effective board leading and controlling the company. The board is responsible for approving company policy and strategy and it meets regularly during the year. The board is responsible for maintaining a strong system of internal control to safeguard shareholders' investment and the company's assets and for reviewing its effectiveness. The system of internal control is designed to provide reasonable, but not absolute, assurance against material misstatement or loss. The Executive Chairman supplies the board with appropriate and timely information, in particular with respect to investment opportunities, and the directors are free to seek any further information they consider necessary. All directors have access to independent professional advice at the Company's expense.

The board currently consists of one executive director, who holds the key operational position in the Company, and two non-executive directors, who bring a breadth of experience and knowledge. This provides a balance whereby the board's decision making cannot be dominated by an individual. Mr A T Brennan is the Executive Chairman with the other Non-executive Directors being Mr N B Fitzpatrick and Mr J P Moore. The biographies of the Directors are set out below.

Anthony Brennan (Executive Chairman) is a Chartered Accountant by profession with a career of over 30 years, he was previously a partner in an Australian national accounting firm, and has extensive experience in financial management. Since leaving the profession in 1990 Mr Brennan has played a leading role in a number of Australian resource companies over the past 18 years, including the role of Managing Director of Mount Edon Gold Mines Limited for 7 years. Mount Edon Gold Mines Limited was an ASX listed company that discovered and developed the multi million ounce Tarmoola Gold mine in Western Australia and was subject of a +A\$200 million takeover by Canadian miner Tech. In 2004 he founded Delta Capital Pty Limited to provide boutique investment banking and corporate advisory services. Delta Capital Pty Limited is the holder of a current Australian Financial Services licence (AFS licence number 277935). Delta Capital Pty Limited has provided corporate advice to, brokered transactions and raised capital for companies involved in the US oil and gas industry, the Australian gold mining industry, South African coal mining industry, minerals exploration in Australia, South America and Africa and the alternative energy sector.

Julian Moore (Non-executive Director) qualified as a chartered accountant with KPMG in Dublin. He has over twelve years experience in the finance industry in the UK, Ireland and South Africa. Julian was until recently the CFO of Bluewater Bio Limited, a company supplying technology to the global wastewater sector. Prior to that Julian ran his own consultancy business advising a diverse range of companies and was also a manager with Strand Partners Limited, a specialised corporate finance advisory and investment firm.

Brent Fitzpatrick (Non-executive Director) In the last fifteen years, Mr Fitzpatrick has been instrumental in identifying and advising a number of companies on their acquisitions and subsequent flotations. He was the Non-executive Chairman of Global Marine Energy PLC, an AIM quoted company before its takeover by TSC Offshore. He is Chairman of the investment company Aboyne-Clyde Rubber Estates of Ceylon Limited and also Chairman of RiskAlliance Group Plc. Mr Fitzpatrick is also a member of the Audit Committee Institute.

The Directors have each entered into consultancy agreements with the company, which are terminable by either party with three months written notice.

Relations with shareholders

The Company values the views of its shareholders and recognises their interests in the company's strategy and performance. The annual general meeting is used to communicate with investors and they are encouraged to participate. The directors will be available to answer questions at the annual general meeting. Separate resolutions are proposed on each issue in order that they can be given proper consideration and there is a resolution to approve the Annual Report and financial statements.

All shareholders can gain access to information about the Company through the Company's website www.bidtimes.com

Accountability and Audit

The audit committee consists of Mr Fitzpatrick and Mr Moore, both being Non-executive Directors. The terms of reference of the Committee include keeping under review the scope and results of the external audit and its cost effectiveness. This includes reviewing the nature and extent of the non-audit services supplied by the external auditors to the Company, seeking to balance objectivity with value for money. In addition the Board will receive written confirmation for the external auditors as to any relationships, which may be reasonably thought to bear on their independence. The external auditors also confirm whether they consider themselves independent within the meaning of UK Regulatory and professional requirements. The committee has concluded that an internal audit function is not required at this time, but the ongoing requirement will be kept under review.

Going concern

The Company completed a fund raising of £440,000 by way of a placing and change of board structure in the 2008 financial year, a significant portion of these funds remain on deposit within the Company to provide support for the financial operations of the Company. Therefore, after making enquiries, the board have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, the Directors believe that it is appropriate to prepare the financial statements on the going concern basis.

International financial reporting standards ("IFRS")

The Board acknowledged that the London Stock Exchange issued revised AIM rules in October 2004 which indicated that it required AIM listed companies to use IFRS for accounting periods commencing on or after 1 January 2007. Therefore the 2008 financial statements were prepared for the first time in accordance with IFRS (International Financial Reporting Standards) as adopted by the European Union, and with those parts of the Companies Act 1985 applicable to companies reporting under IFRS. The necessary disclosures required by IFRS 1 "First Time Adoption of International Reporting Standards" concerning the transition from UK GAAP to IFRS were defined in the notes to the 2008 financial statements and the Company continues to adopt IFRS for the current financial year.

Report of the independent auditors to the members of Bidtimes Plc

We have audited the financial statements of Bidtimes plc for the year ended 31 December 2010 on pages one to twenty three. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted for use in the European Union.

This report is made solely to the company's members, as a body, in accordance with Section 495 and 496 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 a Report of the Auditors 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 Director's Responsibilities set out on page five, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit 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 director, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2010 and of its loss for the year then ended,
- have been properly prepared in accordance with IFRS's as adopted for use in 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 Report of the Director for the financial year, for which the financial statements are prepared, is consistent with the financial statements

Matters on which we are required to report by exception

We have nothing to report in respect of the following 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 director's remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

R J Beresford

**R J BERESFORD (SENIOR STATUTORY AUDITOR)
FOR AND ON BEHALF OF CHARLES LOVELL & CO LIMITED
CHARTERED CERTIFIED ACCOUNTANTS
AND REGISTERED AUDITORS
ROYAL HOUSE
MARKET PLACE
REDDITCH
WORCESTERSHIRE
B98 8AA**

24 June 2011

Income Statement

	Note	Year ended 31 December 2010 £	Period ended 31 December 2009 £
Revenue	3	-	-
Administrative expenses			
Other administrative expenses		(89,216)	(101,486)
		<u>(89,216)</u>	<u>(101,486)</u>
Operating loss		(89,216)	(101,486)
Loss on ordinary activities before taxation and finance costs		<u>(89,216)</u>	<u>(101,486)</u>
Finance income		174	332
Finance costs		(112)	(204)
Net finance income		<u>62</u>	<u>128</u>
Loss on ordinary activities before taxation	3	(89,154)	(101,358)
Taxation	5	-	-
Loss on ordinary activities after taxation	13	<u>(89,154)</u>	<u>(101,358)</u>
Attributable to			
Equity shareholders of the Company		<u>(89,154)</u>	<u>(101,358)</u>
Loss transferred to reserves		<u>(89,154)</u>	<u>(101,358)</u>
Basic loss per share (pence)	6	<u>(0.09)p</u>	<u>(0.10)p</u>
All activities relate to continuing operations			

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

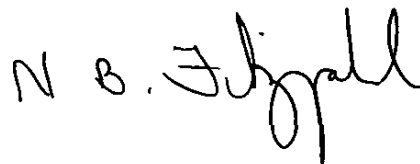
Balance sheet

	Note	31 December 2010 £	31 December 2009 £
Current assets			
Trade and other receivables	7	308,350	1,519
Cash and cash equivalents	8	<u>120,772</u>	<u>219,318</u>
		429,122	220,837
Total assets			
		429,122	220,837
Current liabilities			
Trade and other payables	9	<u>(338,134)</u>	<u>(40,695)</u>
Total liabilities		(338,134)	(40,695)
Net assets			
		<u>90,988</u>	<u>180,142</u>
Shareholders funds			
Issued capital	11	1,268,676	1,268,676
Share premium account	12	714,948	714,948
Retained earnings	12	<u>(1,892,636)</u>	<u>(1,803,482)</u>
Total equity	13	<u>90,988</u>	<u>180,142</u>

The financial statements were approved by the Board of Directors on 24 June 2011 and signed on its behalf by



A T Brennan
 Director



N B Fitzpatrick
 Director

Registration number 3934451

Cash flow statement

	Note	Year ended 31 December 2010 £	Period ended 31 December 2009 £
Cash outflow from operating activities	16	(98,608)	(100,707)
Cash inflow from investing activities			
Finance income received		174	332
Net cash inflow from investing activities		<u>174</u>	<u>332</u>
Cash (outflow)/inflow from financing activities			
Finance cost paid		(112)	(204)
Net cash (outflow)/inflow from financing activities		<u>(112)</u>	<u>(204)</u>
Net (decrease)/increase in cash and cash equivalents		<u>(98,546)</u>	<u>(100,579)</u>
Cash and cash equivalents at beginning of period		219,318	319,897
Cash and cash equivalents at end of period	17	<u>120,772</u>	<u>219,318</u>

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

Other primary statements

Statement of recognised income and expense

	Year ended 31 December 2010 £	Period ended 31 December 2009 £
Loss for the financial year	(89,154)	(101,358)
Total losses recognised since the last financial statements	<u>(89,154)</u>	<u>(101,358)</u>
Attributable to:		
Equity shareholders of the Company	<u>(89,154)</u>	<u>(101,358)</u>

Notes to the financial statements

1 General Information

Bidtimes Plc's principal activity is that of an AIM quoted company with an investment portfolio

Bidtimes Plc, a Public Limited Company, is incorporated and domiciled in the United Kingdom

The financial statements for the year ended 31 December 2010 (including the comparative for the ten month period ended 31 December 2009) were approved by the Board of directors on 16 June 2011. Amendments to the financial statements are not permitted after they have been approved.

2 Accounting policies

Basis of preparation

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

Bidtimes plc's financial statements were previously prepared in accordance with United Kingdom accounting standards (United Kingdom Generally Accepted Accounting Practice) until 28 February 2007. The date of transition to IFRS was 1 March 2007.

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts in the financial statements. The areas involving a higher degree of judgements or complexity, or areas where assumptions or estimates are significant to the financial statements are disclosed with the notes.

Going concern

The Company completed a fund raising of £440,000 by way of a placing and change of board structure in the 2008 financial year. A significant portion of these funds remain on deposit within the Company to provide support for the financial operations of the Company. Therefore, after making enquiries, the board have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, the Directors believe that it is appropriate to prepare the financial statements on the going concern basis.

Revenue

Revenue is the total amount receivable by the company for services provided, including VAT.

Investments

Investments which are traded on an open market are included in the balance sheet at their open market values, other investments are included at cost. Impairment losses on investments are recognised in the profit and loss account, unless they arise on a previously revalued fixed asset. Impairment losses on revalued fixed assets are recognised in the statement of total recognised gains and losses until the carrying value of the asset falls below historical cost. Impairments below historical cost are recognised in the income statement.

Financial instruments

In accordance with IFRS 7 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 such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the income statement. Finance costs are calculated on a straight line basis.

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 direct to equity.

Cash and cash equivalents

Cash and cash equivalent include cash at bank and in hand as well as short term highly liquid investments such as bank deposits.

Equity

Share capital is determined using the nominal value of shares that have been issued. Premiums received on the initial issuing of share capital have been credited to the share premium account and any costs incurred or associated with the issuing of shares have been deducted from share premium, net of any related income tax benefits.

Retained earnings include all current and prior period results as disclosed within the income statement.

3 Turnover and loss on ordinary activities before taxation

The turnover and loss on ordinary activities is stated after charging:

	Year ended 31 December 2010	Period ended 31 December 2009
	£	£
Auditors' remuneration		
- audit services - statutory audit	6,000	5,875
Other interest payable	112	204

4 Directors and employees

During the current year and the prior period the Company did not have any employees

Consultancy fees are paid to related parties associated with each Director. The terms of such consultancy fees have been set and agreed in advance as set out in various consultancy agreements

A summary of amounts payable under the consultancy agreements is set out below

	Year ended 31 December 2010 £	Period ended 31 December 2009 £	Payable to
A T Brennan	15,000	12,500	Mr A T Brennan
J P Moore	6,000	5,075	Mr J P Moore
N B Fitzpatrick	6,788	5,750	Low Wave Limited, a company in which Mr Fitzpatrick is a director
R J Griffiths (resigned 1 February 2010)	1,000	5,000	Mr R J Griffiths

The consultancy fees paid to the Directors in the comparative figures represents the amounts paid for a period of ten months ending 31 December 2009

Mr R J Griffiths resigned from the board on 1 February 2010. In accordance with the terms of his consultancy agreement, dated 30 June 2008, he has not received any fees after 31 January 2010 following his resignation.

The consultancy fees paid to Mr Fitzpatrick during the year are subject to VAT, which the Company is unable to recover at the present time.

5 Taxation on loss on ordinary activities

No taxation charge arises on the loss for the year (Period ended 31 December 2009 £Nil)

The tax assessed for the year is different to the standard rate of corporation tax in the UK of 28 per cent (Period ended 31 December 2009 28 per cent) The differences are explained as follows

	Year ended 31 December 2010 £	Period ended 31 December 2009 £
Loss on ordinary activities before tax	<u>(89,154)</u>	<u>(101,358)</u>
Loss on ordinary activities before tax multiplied by the standard rate of corporation tax in the UK of 28% (Period ended 31 December 2009 28%)	(24,963)	(28,380)
Effect of		
Disallowable expenses	-	-
Losses carried forward	<u>24,963</u>	<u>28,380</u>
Current tax charge for year	<u>-</u>	<u>-</u>

Unrelieved trading tax losses of £916,455 (Period ended 31 December 2009 £827,301) are available to offset against future taxable trading profits

6 Loss per share

The calculation of the basic loss per share is based on the loss on ordinary activities after tax and on the weighted average number of ordinary shares in issue during the year The impact of the share options is anti dilutive

	31 December 2010			31 December 2009		
	Loss	Weighted average number of shares	Loss per share (pence)	Loss	Weighted average number of shares	Loss per share (pence)
	£			£		
Basic loss per share	<u>(89,154)</u>	<u>97,373,523</u>	<u>(0.09)</u>	<u>(101,358)</u>	<u>97,373,523</u>	<u>(0.10)</u>

7 Trade and other receivables

	Year ended 31 December 2010 £	Period ended 31 December 2009 £
Prepayments and accrued income	3,809	1,519
Other receivables	<u>304,541</u>	<u>-</u>
	<u>308,350</u>	<u>1,519</u>

8 Cash and cash equivalents

Cash and cash equivalents comprise of the following components

	Year ended 31 December 2010 £	Period ended 31 December 2009 £
Current accounts	15,647	17,108
Deposit accounts	105,125	202,210
	<u>120,772</u>	<u>219,318</u>

9 Trade and other payables

	Year ended 31 December 2010 £	Period ended 31 December 2009 £
Accruals and deferred income	43,172	40,618
Other payables	294,962	77
	<u>338,134</u>	<u>40,695</u>

The carrying values of the trade and other payables are considered to be a reasonable approximation of their fair value. Therefore, no discounting of the carrying values of the trade and other payables has been deemed necessary.

10 Financial Instruments

The company uses financial instruments comprising bank loans and cash. It does not enter into derivative transactions such as interest rate swaps, forward rate agreements or forward currency contracts. The company seeks to manage financial risk, to ensure sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. The company does not currently require finance from a bank loan due to having sufficient cash reserves.

Short term receivables and payables

Short term receivables and payables have been excluded from all the following disclosures, other than the currency risk disclosure.

Fair value

The fair value of financial instruments is not materially different to book value.

10 Financial Instruments (continued)

Interest rate risk

The company finances its operations through a mixture of bank loans and predominantly cash following the completion of the issue of Ordinary Shares for cash in June 2008. The company principally uses variable rate finance facilities given the current low level of interest rates in the UK.)

The interest rate exposure of the financial liabilities of the company as at 31 December 2010 was

	Variable £	Fixed £
Year ended 31 December 2010	-	-
Period ended 31 December 2009	-	-

The variable rates are on average 2 per cent over bank base rate, however at the present time the company does not require finance from a bank loan

Liquidity risk

The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably

The company policy throughout the year has been to ensure continuity of funding with all cash deposits being recoverable on demand. The company has an overdraft facility of £Nil (Period ended 31 December 2009 £Nil)

Liquidity risk is also discussed in the going concern paragraph within the report on Corporate Governance and also in the going concern accounting policy on page 14

Currency risk

The company's main operation is based within the United Kingdom, but following the successful completion of the placing of Ordinary Shares in June 2008 the company has been exposed to currency risk with transactions in Euros, US Dollars and Australian Dollars. The company does not hedge any transactions

11 Share capital

	Year ended 31 December 2010 £	Period ended 31 December 2009 £
Authorised		
243,638,293 (Period ended 31 December 2009 243,638,293 at 0.5p each) ordinary shares of 0.5p each	1,218,192	1,218,192
17,373,523 (Period ended 31 December 2009 17,373,523) deferred shares of 4.5p each	<u>781,808</u>	<u>781,808</u>
	<u>2,000,000</u>	<u>2,000,000</u>
Allotted, issued and fully paid		
97,373,523 (Period ended 31 December 2009 97,373,523) ordinary shares of 0.5p each	486,868	486,868
17,373,523 (Period ended 31 December 2009 17,373,523) deferred shares of 4.5p each	<u>781,808</u>	<u>781,808</u>
	<u>1,268,676</u>	<u>1,268,676</u>

On 8 December 2006 the company undertook a reorganisation of the share capital. It was resolved that each issued Ordinary Share be subdivided and reclassified into one New Ordinary Share of 0.5p and one Deferred Share of 4.5p along with each authorised but unissued Ordinary Share being subdivided into 10 New Ordinary Shares.

The rights attaching to the New Ordinary Shares, save for the change in nominal value and the entitlement of Shareholders in respect of a return in capital or other distributions arising therefrom, are identical in all respects to those of the previous existing Ordinary Shares.

The Deferred Shares created on Share Capital Reorganisation have no voting or dividend rights and, on a return of capital, the right only to receive the amount paid thereon after the holders of New Ordinary Shares have received the aggregate amount paid up thereon plus £100 per New Ordinary Share. The Deferred Shares are in effect valueless.

12 Share premium account and reserves

	Share Premium account £	Profit and loss account £
At 1 January 2010	714,948	(1,803,482)
Retained loss for the year	-	<u>(89,154)</u>
At 31 December 2010	<u>714,948</u>	<u>(1,892,636)</u>

The balance on the share premium account may not be distributed legally under section 829 and 831 of the Companies Act 2006.

13 Reconciliation of movements in shareholders' funds

	Year ended 31 December 2010 £	Period ended 31 December 2009 £
Loss on ordinary activities after taxation	(89,154)	(101,358)
Net (decrease)/increase in shareholders' funds	<u>(89,154)</u>	<u>(101,358)</u>
Opening shareholders' funds	180,142	281,500
Closing shareholders' funds	<u>90,988</u>	<u>180,142</u>

14 Contingent liabilities

The company had no contingent liabilities at 31 December 2010 or 31 December 2009

15 Capital commitments

The company had no capital commitments at 31 December 2010 or 31 December 2009

16 Reconciliation of cash outflow from operating activities

	Year ended 31 December 2010 £	Period ended 31 December 2009 £
Operating loss	(89,216)	(101,486)
(Increase)/decrease in debtors	(306,831)	1,437
Increase/(decrease) in creditors	297,439	(658)
Net cash outflow from operating activities	<u>(98,608)</u>	<u>(100,707)</u>

17 Reconciliation of net cash flow to movement in net funds

	Year ended 31 December 2010 £	Period ended 31 December 2009 £
Decrease in cash	(98,546)	(100,579)
Net funds at the beginning of the year	<u>219,318</u>	<u>319,897</u>
Net funds at the end of the year	<u>120,772</u>	<u>219,318</u>

18 Analysis of changes in cash and cash equivalents and net funds

	At 1 January 2010 £	Cash flow £	Non cash movement £	At 31 December 2010 £
Cash at bank and in hand	219,318	(98,546)	-	120,772
Cash and cash equivalents	219,318	(98,546)	-	120,772
	219,318	(98,546)	-	120,772

19 Transactions with directors and other related parties

Services amounting to £15,186 (Period ended 31 December 2009 £12,904), relating to Mr A T Brennan's services as a Director and reimbursement of expenses, were paid directly to Mr Brennan, of which £Nil (Period ended 31 December 2009 £146) remained unpaid at the year end

Services amounting to £6,000 (Period ended 31 December 2009 £5,075), relating to Mr J P Moore's services as a Director and reimbursement of expenses, were paid directly to Mr J P Moore, of which £Nil (Period ended 31 December 2009 £Nil) remained unpaid at the year end. In addition Mr J P Moore has a Directors loan account with the Company for services paid on the Company's behalf. At the year end a balance of £77 (Period ended 31 December 2009 £77) was due to Mr Moore in respect of his Directors loan account

Services amounting to £9,642 (Period ended 31 December 2009 £5,750), relating to Mr N B Fitzpatrick's services as a Director and reimbursement of expenses, were purchased from Low Wave Limited, of which £640 (Period ended 31 December 2009 £140) remained unpaid at the year end. Mr N B Fitzpatrick is a Director and shareholder of Low Wave Limited

Services amounting to £1,000 (Period ended 31 December 2009 £5,000), relating to Mr R J Griffiths' services as a Director and reimbursement of expenses, were paid directly to Mr Griffiths, of which £Nil (Period ended 31 December 2009 £Nil) remained unpaid at the year end. Mr Griffiths resigned as a Director of the Company on the 1 February 2010, and no further amounts were paid to Mr Griffiths following his resignation

Company secretarial services amounting to £9,000 (Period ended 31 December 2009 £7,500), were purchased from Headstream Capital Limited, of which £Nil (Period ended 31 December 2009 £Nil) remained unpaid at the year end. Headstream Capital Limited is wholly owned and controlled by Mr J P Moore

On the 24 February 2010 the Company entered into heads of agreement with EnviroEnergy Resources Limited ("ERL") and the founders of PowerHouse Energy Inc ("Powerhouse"), to acquire 100% of the issued share capital of Powerhouse. At that time ERL held 51% of the issued share capital of Powerhouse with the founders holding the remaining 49%. The costs of this transaction are fully underwritten by ERL and Powerhouse until such time as the acquisition completes. The costs relating to this transaction are included within current assets and amount to £304,541 with the corresponding loan from ERL and Powerhouse of £294,885 included within current liabilities

20 Post balance sheet events

On 1 April 2011 the Company announced the proposed acquisition of PowerHouse Energy Inc (“Powerhouse”), a company focusing on the commercialisation of an alternative energy business based on zero emission conversion of waste materials and coal deposits into a range of clean energy products. The proposed acquisition is classified as a reverse takeover under the AIM Rules and as such is subject to shareholder approval at a general meeting to be held on 27 June 2011.

Since the balance sheet date additional transaction costs of £308,325 have been incurred and paid by Powerhouse in relation to the proposed acquisition. These costs are fully underwritten by EnviroEnergy Resources Limited (“ERL”) and Powerhouse until such time as the acquisition completes.