Eurovestech Plc

Annual report and accounts
for the year ended 30 June 2013

Board of Directors and Advisers

Richard Grogan
Non-Executive Chairman
Richard has more than 20 years of venturing experience both in Europe and the US. Having graduated from Harvard College and Harvard Business School, he became director of the US Senate Judiciary Committee. He joined Bain and Company in 1991 and served as a senior partner in the London office. He was a founder of Talisman Management, an investment and management company, and of Talisman Advisors.
Richard is Chairman of the Remuneration Committee and also a member of the Nomination and Audit Committees.

Richard Bernstein
Chief Executive
Richard is a founder shareholder of the Company and has served as Chief Executive since its incorporation. Richard qualified as a chartered accountant in 1989 and, between 1994 and 1996, he ran his own specialist research house, Amber Analysis, which provided a risk management service for UK institutions managing over £100 billion. From 1996 until 1999 he was an equity analyst at Schroders Securities Limited.
Richard is a non-executive director of ITWP Acquisitions Limited, the parent company of ToLuna Group Limited, an investee company of Eurovestech.

David Ristow
Director of Investments
David brings over fifteen years of financial management experience in early and growth stage technology companies including KSS Retail, a former Eurovestech investee subsidiary, Nexiant and TCI Solutions (now Retalix, Ltd.). He is experienced in strategic business plan formulation as well as orchestrating both corporate financings and liquidity events. David is adept at creating a strong financial infrastructure yielding timely and accurate reporting as well as sound financial counsel to business stakeholders.
David is a licensed certified public accountant who began his career with Deloitte and earned a BS in accounting from the University of Southern California. David is proud to have served in the United States Marine Corps.

Quentin Solt
Non-Executive Director
Quentin is a founder shareholder of Eurovestech. He is a corporate finance solicitor who trained with Pinsent & Co. in Birmingham before joining City law firm Berwin Leighton Paisner, where he became a partner and head of the technology corporate finance team until he left in 2002 to establish his own boutique corporate finance law firm. In 2002 he sold his firm to Burlingtons Legal LLP and continues as a consultant to Burlingtons and to a number of technology and growth businesses, including companies which have obtained stock exchange listings in the UK and the US.
Quentin is Chairman of the Nomination and Audit Committees and also a member of the Remuneration Committee.

Company registration number
3913197 (England and Wales)

Registered office
29 Curzon Street
London W1J 7TL

Executive Directors
Richard Philip Bernstein
Chief Executive

David Gallagher Ristow
Director of Investments

Chairman
Richard Henry Grogan

Non-Executive Director
Quentin-Colin Maxwell Solt

Secretary
Bradley Ormsby (resigned 29 November 2013)
EPS Secretaries Limited (appointed 29 November 2013)

Bankers
HSBC plc
69 Pall Mall
London SW1Y 5EY

Independent auditors
PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
1 Embankment Place
London WC2N 6RH

Registrars
Capita Registrars
Northern House
Woodsome Park
Fenay Bridge
Huddersfield
West Yorkshire HD8 0GA

Chairman's statement

We continued to work toward the delivery of value for our shareholders. A key focus of our efforts this year was KSS Fuels, which changed its name to Kalibrate Technologies in October 2013. Having delivered record sales and profits for the year, Kalibrate floated on the Alternative Investment Market (AIM) on 29 November 2013 at a valuation of £26.2million raising £6 million in the float to enable it to accelerate its growth.

Kalibrate's flotation resulted in sales proceeds for Eurovestech of £6.6 million through the sale of a portion of our Kalibrate holding and we retain a 20 per cent stake in Kalibrate's business. Further, Eurovestech's portfolio of companies collectively achieved improvements in revenue while at the same time reducing operating expenses and improved profit before tax by 21% in aggregate for the period from January to June 2013 compared to the same period in 2012. This progress is despite a difficult business environment.

The global economic environment remained uncertain and challenging for most of the year. The Eurozone crisis eased and there are welcome signs of economic recovery in some of the main economies of the world. Recovery remains modest and fragile, and the dangers have receded rather than disappeared.

Against this background, our companies delivered advances in shareholder value. These achievements were due more to the strength of the companies' technology and management and the backing of Eurovestech's strong balance sheet, than to any help from the external environment.

Eurovestech's progress has continued following the delisting of our shares from AIM which delivered our shareholders a cash return of £4.4 million (1.32 pence per share) in September 2012. One of the reasons for delisting was to reduce our operating costs. I can report that substantial savings have been delivered, in line with our expectations.

We are exceptionally pleased by this year's progress of Kalibrate Technologies which we have supported since 2003, helping it to establish a track record of growth and profitability. Its software is now used at more than 44,000 sites around the world and operates in 68 countries. Its clients include major multinational companies as well as national and local fuel retailers. Its management believes that new and deregulated markets are opening up and they are setting new strategies to target these markets. As the only global provider of both fuels pricing and network planning solutions, Kalibrate believes it is well placed to exploit future opportunities for growth.

Kalibrate expects to increase both the size and quality of revenues further as it makes the transition to a Software as a Service (SaaS) recurring revenue model. We believe the flotation will help Kalibrate by highlighting the strength of its product offering and the potential benefits that can be achieved by its clients.

You may recall that we originally acquired the operations of both KSS Fuels and KSS Retail in June 2003 for a total consideration of £1 million. We sold KSS Retail to dunnhumby, a subsidiary of Tesco, in December 2009 at an excellent price, realising £11 million net for Eurovestech. In August 2012 we sold 40 per cent of KSS Fuels for £7.2 million cash. The sale of Kalibrate shares in the float (£6.6 million) brings Eurovestech's realised returns from the KSS companies to £24.8 million. Adding the shares still retained (£5.2 million) brings the total to £30 million, compared to our original investment of £1 million.

Turning to the rest of the portfolio, we are encouraged by the revenue growth of Maxifier, whose proprietary technology has attracted significant customers, partners and investors. Its customers include many leading media groups. Maxifier has demonstrated rapidly growing revenues and an impressive pipeline of new business opportunities. We support its strategy of converting these into further revenue growth.

ToLuna is continuing to develop and refine its panel offering and is investing in the automation of its core business. It has launched promising new products to market researchers such as SampleXpress, a "self-serve" sampling engine and ToLunaMobile, an innovative mobile diary tool for panellists.

The progress of the portfolio companies is described in more detail below.

PORTFOLIO COMPANIES

TOLUNA

ToLuna is one of the world's leading online panel and survey technology companies. ToLuna has been a private company since it was acquired by ITWP Acquisitions in February 2011. Since its acquisition, ToLuna has continued to develop and refine its technology and its relationships with its clients, which include leading blue chip global companies and many of the world's largest market research organisations.

The automation of its core market research business is expected to be an important part of ToLuna's product portfolio over the next two to three years. As a result, ToLuna continues to develop new products and improve its technology offering for its broad market research customer base. Consistent with being a leading technology provider in the market research space, ToLuna has enhanced its offering with several new product introductions:

During the year, Toluna continued to invest heavily in new products and improvements to quality and service. This is now resulting in improvements in customer satisfaction. Inevitably, recent investment has a lagged effect on financial performance and we are confident of an improved outcome for 2014. Nevertheless, the board has reviewed the carrying value of the holding in ITWP including taking into account the lack of liquidity in the shareholding following the company being taken private in 2011.

As a result, the carrying value of Eurovestech's 16.5 per cent share of the issued share capital of ITWP, which owns the entire share capital of ToLuna has been reduced to £20.2 million from £23.8 million.

KALIBRATE TECHNOLOGIES
Kalibrate, formerly KSS Fuels, continued to make excellent progress. Having delivered record sales and profits for its financial year ended 30 June 2013, it announced on 28 October 2013 its plans to float on the Alternative Investment Market. The shares began trading on AIM on 29 November 2013.

The name change to Kalibrate, announced on 24 October 2013, reflects the integration of Market Planning Solutions Inc. (MPSI) and the launch of a new suite of petroleum retail decision support solutions.

At the flotation price of 79p, Kalibrate was valued at £26.2 million. It raised £6 million from the float to help drive its future growth.

In the year to 30 June, revenues grew 17 per cent to £15.5 million. This growth was driven by expansion in core business segments retail fuel pricing and retail network planning solutions, as well as the integration of MPSI. In Europe, important new pricing deals were signed and two significant new pricing clients were added. Continued growth in the planning business, particularly in Japan and South Africa, contributed to the increase in revenue in the rest of the world. North American markets were more challenging but the year ended with a strong sales pipeline.

Underlying profit before interest, tax, depreciation and amortisation grew to £1.9 million. Underlying profit rose to £1.7 million, and profit after taxation, including tax credits, was £2.1 million.

Among the deals concluded during the year, in June 2013 Kalibrate, then KSS Fuels, announced a strategic partnership with Petrolview BV of the Netherlands to combine service station and fuel price data from Petrolview with KSS Fuels Location Intelligence analysis and performance forecasting. Petrolview regularly surveys nine major European countries.

Kalibrate also announced two new US clients for its PriceNet Cloud solutions in June 2013 - Miller Oil, based in Virginia, and Schmuckal Oil, based in Michigan. In January 2013 Mark Oil of North Carolina selected PriceNet Cloud to support fuel pricing at its network of 17 retail locations. In the UK, the company announced in August 2012 that MRH Retail had implemented its fuel pricing application across more than 300 retail locations. Following the June 2013 year end, Kalibrate made further progress. In October 2013 Empire Petroleum Partners, a leading US motor fuels distributor, announced plans to implement PriceNet across its retail outlets in 13 states and announced a new SaaS contract with a further Australasian client, adding to the company's growth in the southern hemisphere. The management of Kalibrate is forecasting further top line growth in the current year.

At 30 June 2013 Eurovestech owned 60 per cent of KSS Fuels at a valuation of £11.9 million. Following the flotation and renaming of the company, on 28 November 2013, Eurovestech realised £6.6 million cash and retains 20 per cent of Kalibrate.

MAXIFIER
Maxifier continues to win new customers and develop an exciting pipeline of new business. Key customer wins included Conde Nast, Globo, and Auto Trader. The customer list already includes many other leading groups such as Forbes, The Guardian and Orange. Maxifier also has reseller partnerships with Dentsu (CCI), WPP and MediaMath.

Expansion of the product suite has continued with the release of ADMAX for AppNexus and an updated version of the web-based user interface resulting in increased adoption and use by clients.

Maxifier has strengthened its management team with new appointments, including new chief executive and chief financial officers.

Year on year revenue growth in calendar year 2012 was 68 per cent and the end-year run rate improved by 180 per cent. Maxifier is also targeting new markets, particularly Latin America and Asia Pacific. The current year is delivering further strong top line growth.

The strength of its technology and the rapidity of its growth have attracted attention from leading media groups. Maxifier has a pipeline of potential business with multiple large and high-profile publishers. Maxifier estimates its target market in global digital advertising is worth $30 billion in 2013 and is growing rapidly as a result of the shift in advertising spend from traditional to digital channels. This shift, combined with greater dependence of the target market on technology, offers substantial opportunities for Maxifier.

Maxifier's success, growth and recognition within the adtech industry are very exciting and investment from both Enterprise Investment Scheme and existing investors continues to fuel the company's growth.

At 30 June 2013 Eurovestech owned 43.4 per cent of Maxifier at a valuation of £8.6 million.

LOGNET
LogNet has a mature product suite with a strong customer base primarily in the telecom, utility, and travel industries. The company's strategy for further growth includes becoming a leading vendor of billing and smart grid technologies for utilities, and expansion into Asia and other new geographies to develop new markets for its product suite. While traditionally its market has typically been tier two and tier three telecoms and utilities companies, more recently LogNet has been able to submit major bids at the tier one level, and expects to be able to close such contracts in the future.

The telecom market is still growing, with the number of mobile connected devices projected to double by 2020 to 12 billion. LogNet expects its own telecom activity to continue growing based on increased numbers of wireless subscribers and greater use of data and content.

In utilities, greater competition and the use of smart meters is significantly changing how companies interact with their customers and generate revenue. This is causing utilities to replace their existing billing systems.

LogNet has also expanded into the travel sector by developing eTravel, an easy to use website product that connects to Sabre's global distribution system, the largest travel marketplace in the world. LogNet's eTravel solutions empower industry professionals with a complete travel content management system (CMS) offering substantial benefits over conventional online booking engines. LogNet Sabre enables the creation of compelling travel websites for Sabre partners such as online travel agents looking to grow their business or conventional travel agents who want to easily create a fully branded online presence.

Excellent references from customers have helped LogNet to expand revenues from existing customers and win new referral based business. In the Benelux region, for example, LogNet gained five new customers in the last four years. For example, in June 2013 LogNet announced that it had begun to deploy its MaxBill solution for Infopact, a specialist in IP communication in the Netherlands. This followed contract wins earlier in the period from RoutIt, an independent IP and connectivity and cloud services provider and distributor in the Netherlands; from Simfonics, a leading provider of high added value mobile services based in Germany; and from Infostan, a leading provider of payment and collection services in Serbia.

In Asia, where LogNet has been targeting growth, the first major contract was secured in partnership with FPT Information Systems, a Vietnamese system integrator, to service Laos Telecom. More recently LogNet announced a global partnership with FPT IS, a system integrator with a strong presence in Southeast Asia, the Middle East and the Americas, to integrate MaxBill into the FPT IS portfolio. LogNet and FPT IS are also co-operating on billing solutions.

Following revenue growth of 74 per cent between calendar years 2010 and 2012, LogNet's management is projecting further growth in 2013. Revenue growth has been particularly strong in Europe and Asia, and in all industry sectors including telecom, utilities and travel. To maintain sales and marketing momentum in Asia and strengthen the sales team in Europe, LogNet is currently completing a modest fundraising to enhance working capital.

LogNet's market is expected to see consolidation as traditional telecom vendors consider acquisitions. LogNet's "multi-play" platform enables customers to add new business units and is helpful to companies which grow through acquisition.

At 30 June 2013 Eurovestech owned 24.5 per cent of LogNet at a valuation of £1.4 million.

MAGENTA

Magenta continues to develop software products for the transportation industry with focus on planning, scheduling and routing solutions. Building on its bespoke development capabilities, the company is further developing its SaaS based transportation solutions with focus on penetrating Europe further and plans to enter the US market. Magenta's aim is to enhance its presence in the transportation industry and to grow its recurring revenue base.

During the first quarter of 2013, Magenta signed its first Software as a Service (SaaS) contract for its Maxoptra dynamic real time scheduling product, which compares planning schedules with actual vehicle movements. In May 2013, Maxoptra became a "promoted solution" in TomTom's recently launched Application Centre. TomTom is a Maxoptra reseller and leader in fleet management and telematics services, serving more than 300,000 vehicles worldwide. In June 2013, Magenta launched the latest release of Maxoptra with additional functions, in which the real time "track and trace" dashboard is supplemented by a new suite of management reports enabling users to analyse driver performance and adherence to customer service levels.

Magenta continues to develop Echo, its planning, scheduling and routing platform for taxis, limousines and couriers. Widely acknowledged as being a market leader in its field, Echo seeks to improve resource utilisation and efficiency by at least 20 per cent for users. During the past year the product has matured with considerably enhanced functionality. The platform has recently become operational in a significant global taxi operation which is using Echo to support its rapid growth.

Magenta has pursued and identified several new resellers within the past 12 months to expand their presence in a number of markets. Magenta has also broadened relationships with resellers in France, Spain, Portugal and Italy. Relationships have also been set up with sales agents in South Africa, Hungary and the Czech Republic. Magenta's solutions are seen by these resellers as being well positioned to meet local requirements and the company anticipates the first contracts from this reseller initiative in the near future. Magenta has also recently won significant additional work from existing clients Gist and Avis.

Since the end of the period under review, Magenta has released its second collection of scientific papers, describing high tech solutions for medical transport and surgery simulations. This follows the announcement in November 2012 of significant cost savings in patient transport following the use of Magenta patient-centred scheduling at five National Health Service hospitals.

Eurovestech supports Magenta's development plans to enhance and broaden its Software as a Service technology offering and revenue model.

At 30 June 2013 Eurovestech owned 49.6 per cent of Magenta at a valuation of £1.2 million.

AUDIONAMIX

Audionamix continues to be a leading technology and services company pioneering advancements in audio source separation. The company has historically focused on selling services to assist well-known studios to unlock catalogue titles to improve revenues, and on aiding artists with creative solutions to enhance appeal within their community.

The studio and music industries continue to experience far-reaching changes from the impact of digital downloads and the rapid growth of internet-based content at the expense of traditional formats such as Blu-ray and the compact disc, which have negatively impacted Audionamix services revenues and led the company to focus on making its solutions available for a broader audience.

Audionamix is currently in the process of commercialising its technology and strategically releasing it to the mass market. The company's first software product planned for release is ADX TRAX, a time-saving vocal separation solution for audio professionals.

By leveraging the computer processing power of the cloud, ADX TRAX automates the process of isolating and separating the lead vocals from a mixed music track, significantly diminishing tedious manual work. The software is capable of separating vocals from mono, stereo and multi-channel recordings.

Intuitive navigation and editing tools make it easy for professionals and advanced enthusiasts to realise their vision. ADX TRAX's non-destructive technology retains the original source elements, enabling repeated refinements to achieve the ideal results. ADX TRAX also provides a vocal volume control feature, an extremely valuable option when lead vocals of a mixed track need to be adjusted for various commercial applications.

Audionamix made significant strides during the first half of 2013 to enact its strategic shift from a service based solution provider to a technology licensing company. The management team completed a significant development and rebranding effort to support the launch of ADX TRAX at an Audio Engineering Society (AES) event in October 2013. A "White Label" partner licensing strategy integrated with ADX TRAX is also under way, partnering with leading technology and audio companies. Success with the ADX TRAX product launch in the first quarter of 2014, along with development of the partner licensing strategy, will be important in achieving a breakthrough in revenues, where service based sales have disappointed.

At 30 June 2013 Eurovestech owned 45.5 per cent of Audionamix at a valuation of £0.9 million.

ARKeX Limited

During the period under review, Eurovestech disposed of its 2.5% shareholding in ARKeX Limited, which specialises in airborne gravity gradiometry technology. The shareholding was non-core and the disposal realised £0.5 million and a loss of £0.7 million.

CASH RETURN

A return of £4.4 million to shareholders was completed in September 2012. The return represented 1.32 pence per share and brought the total returns of capital to shareholders to 7.5 pence per share.

The sale proceeds from the recent sale of some of our shareholding in Kalibrate Technologies has replenished our cash balances. Eurovestech has a healthy track record of returning realised gains to our shareholders and that policy is unchanged. We are currently evaluating the optimal growth path for Maxifier and anticipate making a decision regarding future cash returns once that assessment has been completed.

MATCHED BARGAIN FACILITY

To allow trading of shares in Eurovestech Plc, the Company appointed LMMX to provide a matched bargain facility. LMMX is a subsidiary of Peterhouse Corporate Finance, which is authorised and regulated by the Financial Conduct Authority and a Member of the London Stock Exchange and Plus Markets.

The indicative price and a history of transactions is available from the LMMX website at www.lmmx.co.uk. Between 1 March 2013 and 31 October 2013 in excess of 680,000 shares were traded at prices ranging from 6.75p to 8p.

OUTLOOK

Though there are welcome signs of recovery in several of the markets in which we operate, the recovery still appears modest and fragile. There is much uncertainty over how quickly central banks will unwind the accommodating monetary policies adopted since the 2008 crisis, and how markets will react. As always, our companies will seek to prosper through their own actions and the strength of their technology, backed by our own strong balance sheet.

Our strategy is as before - to drive growth and release value from the portfolio, and to return surplus cash from realisations to our shareholders, while retaining sufficient funds to cover costs and support expected funding rounds and, where appropriate, new investment opportunities. We continue to work hard on further realisations.

Richard Grogan
Chairman
30 January 2013

Directors' report

The Directors present their report and the audited consolidated financial statements for the year ended 30 June 2013. Comparative information is provided for the year ended 30 June 2012.

Principal activities
The principal activity of Eurovestech Plc (the "Company"), as the parent company of the Group, is investment in technology businesses.

The principal activity of its trading subsidiary Knowledge Support Systems Limited ("KSS Fuels") is the provision of price management and optimisation solutions to the fuel retail and oil and gas wholesale industries, together with retail network planning services to the petroleum industry.

Business review
The Group recorded a loss for the year after taxation amounting to £3,180,000 (30 June 2012: loss of £4,525,000). Further details of the Group's performance are given in the Chairman's Statement on pages 2 to 5 of these accounts.

Following the sale of a 40 per cent minority stake in KSS Fuels on 17 August 2012, the Company returned 1.32 pence per share to shareholders under a further Return of Cash scheme. No dividend was paid in the prior year.

The Company also cancelled the admission of its ordinary shares to trading on AIM on 24 September 2012.

Post Balance Sheet Events
On 29 November 2013, as part of an Initial Public Offering, the Company sold 56 per cent of its shareholding in Kalibrate Technologies plc (the new company name of Knowledge Support Systems Limited, previously known as KSS Fuels) for a cash consideration of £6.6million before expenses. Post-fundraising, the Company retains a shareholding of 20% in Kalibrate Technologies plc. As a consequence, Eurovestech plc no longer exerts control over the Kalibrate group and hence has no subsidiaries to consolidate. Therefore consolidated financial statements will no longer be presented.

Key performance indicators
The Group considers its key performance indicators to include:

- growth in the value of its investment portfolio; and

- total funds returned to shareholders.

Our aim is to create value and creating value often requires investment. Our management teams will actively find ways to invest in the technology, facilities and people in their companies to make the businesses profitable and sustainable.

The performance of the portfolio of investments is reflected in the performance of the Company's investment portfolio which shows a carrying value of £44.2 million at 30 June 2013 compared to £52.9 million for 30 June 2012. After reflecting the 40 per cent disposal of KSS Fuels in August 2012 for £7.2m and £1.9 million of investment in its existing portfolio companies during the year, the 9 per cent decrease in investment portfolio valuation is attributable to reduction in the carrying value of the Company's investment in ITWP Acquisitions Limited, the parent company of ToLuna, which has not performed as expected.

The Company also measure itself on funds realised to its shareholders. The Company has continued to return surplus funds to its shareholders and following the Company's Return of Cash of £4.4 million in September 2012, equivalent to 1.32 pence per share, it has now returned 7.5 pence per share to shareholders (2012: 6.18 pence per share).

Principal risks and uncertainties
The principal risk regarding the future financial performance of Eurovestech is the future performance of its portfolio. The portfolio includes the KSS Fuels group, which is treated for accounting purposes as a subsidiary and consolidated in the Group accounts.

A key risk for Eurovestech is the identification and evaluation of investments. Executive management seeks to moderate this risk by undertaking comprehensive studies in co-operation with outside resources provided by appropriate industry and professional specialists of potential investments, and hence having greater assurance over the future success of investments it enters into. A further key risk is the successful performance of the existing investment portfolio. This is mitigated through monitoring of regular reporting by investee companies and working closely with their management, often through holding board positions at each investee company.

For KSS Fuels, the key risks and uncertainties are economic, including fluctuating oil prices, political and market conditions such as wars and natural disasters. In particular natural disasters affecting the oil markets can adversely affect revenue growth and profitability.

KSS Fuels provides solutions in competitive software markets which are subject to rapid technological changes. The development of the market could result in significant new competition emerging which could have an adverse effect on the business. During the current uncertain economic climate the sales pipeline is difficult to predict and control, in particular in respect of new licence sales, and significant delays can occur in sales cycles. As a result of these external factors there is an increased risk KSS Fuels may not be able to secure sales in accordance with forecasts and that could result in it failing to achieve its financial forecasts.

Details of financial risks and their management are given in note 28.

Financial instruments
The details of the financial instruments held by the Group are disclosed in note 21.

Research and development
The Company does not perform any research and development activities. KSS Fuels, the main trading subsidiary, continues to invest in the development of its pricing and network planning software product portfolio and the combined group's proprietary software will continue to be enhanced in the future.

Corporate governance
The Company is committed to a high standard of corporate governance and supports the principles laid down in the Combined Code 2010 (the "Code").

The board
The board of Directors (the "board") currently has four members, comprising the Non-Executive Chairman, Chief Executive, Director of Investments and one further independent Non-Executive Director. All of the Directors bring strong judgement to the board's deliberations. The board is of sufficient size and diversity that the balance of skills and experience is considered to be appropriate for the requirements of the business. For the Non-Executive Directors who have served a term greater than nine years, a thorough review of their continued independence and suitability to continue as Directors is performed each year. The Non-Executive Directors may continue to serve more than nine years, subject to a thorough review of their continued independence and suitability.

The Chairman and Chief Executive
The Directors confirm that the Company has complied with the requirement to be headed by an effective board and to lead and control the Company. The division of responsibilities between the Chairman of the board and the Chief Executive is clearly defined. The Chairman leads the board in the determination of its strategy and in the achievement of its objectives. The Chairman is responsible for organising the business of the board but has no involvement in the day-to-day business of the Company. The Chief Executive has direct charge of the Company on a day-to-day basis and is accountable to the board for the financial and operational performance of the Company.

The Directors
The biographical details of the board members are set out on page 1. The Directors have all occupied, or occupy, senior positions in UK and/or non-UK listed companies and have substantial experience in business. All of the Directors will submit themselves for re-election at the forthcoming Annual General Meeting in accordance with the Code.

Role of the board
The board is collectively responsible for the proper management of the Company. The board has a formal schedule of matters reserved to it for decision making, including responsibility for the overall management, performance and strategy of the Group, approval of annual and interim results, material acquisitions and disposals, material agreements and assessment of its going concern position.

Board members are given appropriate documentation in advance of each board or committee meeting. This normally includes information on current trading of its investee companies and additional information on other matters where the board is required to reach a decision.

Board committees
There are a number of committees of the board to which various matters are delegated. Details are set out below:

Remuneration Committee
The Remuneration Committee consists of the two Non-Executive Directors of the Company. Richard Grogan acts as the Chairman. The committee is responsible for: (i) making recommendations to the board on the Group's policy on the remuneration of the Executive Directors; (ii) the determination of the remuneration packages for each of the Executive Directors including any compensation payments and benefits; and (iii) the determination of awards under the Company's employee share plans to the Executive Directors and other employees of the Company. The Chairman of the committee reports the outcome of its meetings to the board.

Nomination Committee

The Nomination Committee comprises Richard Grogan and Quentin Solt, who acts as its Chairman. The committee meets as necessary and is responsible for considering and recommending to the board persons who are appropriate for appointment as Executive and Non-Executive Directors. There is a formal, rigorous and transparent procedure for the appointment of new Directors to the board under which the Nomination Committee considers suitable candidates who are proposed either by existing board members or by an external search firm. Careful consideration is given to ensure proposed appointees have enough time available to devote to the role and that the balance of skills, knowledge and experience on the board is maintained. When the committee has found a suitable candidate, the Chairman of the committee will make a proposal to the whole board, which has retained responsibility for all such appointments. The Chairman of the committee reports the outcome of its meetings to the board.

Audit Committee

The Audit Committee comprises Quentin Solt as Chairman and Richard Grogan. No Non-Executive Director currently has recent and relevant financial experience as required by the Code and this matter is under consideration by the Nomination Committee as part of their review of the existing board composition. Senior financial employees of the Company are also invited to attend by the committee as appropriate.

The role of the Audit Committee is to monitor the financial reporting process, the integrity of the Group's annual financial statements and the statutory audit of the consolidated accounts. It is also responsible for reviewing the Group's internal financial control and risk management systems and the Company's relationship with the external auditors.

Shareholder relations

The Company is committed to maintaining good communications with shareholders. The Chairman, Chief Executive and Director of Investments have dialogue with individual institutional shareholders in order to develop an understanding of their views which are fed back to the board. Presentations are made to analysts, investors and prospective investors covering the annual and interim results. The Company Secretary generally deals with questions from individual shareholders. All shareholders have the opportunity to ask questions to any of the Directors at the Company's Annual General Meeting each year. The Chairman will advise shareholders on proxy voting details.

Directors and Directors' interests

The present membership of the board is set out below. All Directors served during the year and up to the date of signing the accounts, except as noted below.

Directors' emoluments

	Salary and fees £000	Benefits in kind £000	Bonus £000	2013 Total £000	2012 Total £000
Executive Directors					
Richard Philip Bernstein	**225**	**3**	**475**	**703**	203
David Ristow (appointed 13 March 2012)	**144**	**16**	**47**	**207**	88
Jean-Michel Petit (resigned 31 March 2012)	**—**	**—**	**—**	**—**	193
Non-Executive Directors					
Richard Henry Grogan	**28**	**—**	**—**	**28**	36
Quentin-Colin Maxwell Solt	**40**	**—**	**—**	**40**	31
	437	**19**	**522**	**978**	551

Following his resignation from the board of Directors, Jean-Michel Petit received £63,000 until 30 June 2012 in accordance with the contractual terms of his notice period.

Save for the employee incentive arrangements noted above, no Director had either during or at the end of the year a material interest in any contract which was significant in relation to the Company's business.

Directors' interests in shares

The interests of the Directors and their families in the shares of the Company at 1 July 2012 and 30 June 2013 were as follows:

	30 June 2013 Number of shares	1 July 2012 Number of shares	30 June 2013 Number of options	1 July 2012 Number of options
Richard Henry Grogan	**535,019**	535,019	**—**	—
Richard Philip Bernstein	**9,900,000**	31,500,000	**1,500,000**	1,500,000
Quentin-Colin Maxwell Solt	**3,275,019**	3,275,019	**—**	—
David Gallagher Ristow	**—**	—	**—**	—

On 7 January 2014, Richard Bernstein exercised his remaining 1,500,000 share options prior to their expiry. His current shareholding is 4,400,000 shares. No other share options were exercised during the year or in the prior year by members of the current Board. Details of the Company's share option scheme are set out in note 27.

Directors' indemnities

The Company has entered into indemnities with each of the Directors. The indemnities are in the form of Qualifying Third Party Indemnity Provisions consistent with Section 234 of the UK Companies Act 2006 and have been in force throughout the year to the date of signing the financial statements. These are available for inspection at the Company's registered office.

Internal control

The board is responsible for the Company's system of internal controls and reviewing its effectiveness. Internal control systems are designed to meet the particular needs of the company concerned and the risks to which it is exposed and, by their nature, can provide reasonable but not absolute assurance against material misstatement or loss.

The Executive Directors monitor the Group's investments regularly, through receipt of financial reporting and frequent communication with investee management, including attendance at board meetings. Where possible, and prior to investing, the Company will seek to ensure that portfolio company Shareholder Agreements provide the Company with the right to receive timely monthly financial information.

The Executive Directors also monitor the system of internal controls at subsidiary companies and review their effectiveness. Whenever the Company deals in quoted investments, controls are placed on the execution of trades and all transactions are confirmed in writing on the same day as the trade is executed. The Chief Executive monitors all current asset investments on a daily basis.

The Company remains mindful to the requirements of the Bribery Act and no changes were deemed necessary to its existing policy during the year.

The Directors have considered whether it is appropriate to have an internal audit function. Given the scale of the Company, it is not considered appropriate at this time.

Charitable donations

During the year to 30 June 2013 no charitable donations were made (2012: £143,000). There were no political donations.

Payment policy and practice

It is the Group's policy to settle the terms of payment with suppliers when agreeing the terms of the transaction and to abide by them. Company trade creditors represented 20 days (30 June 2012: 9 days) of related expenditure in the year. All investment transactions are settled as they become due.

Directors' responsibilities statement

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the Group financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and the parent company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 Group and the Company and of the profit or loss of the Group for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether IFRS as adopted by the European Union and applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the Group and parent company financial statements respectively; 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 are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and enable them to ensure that the financial statements and the Directors' Remuneration Report comply with the Companies Act 2006 and, as regards the Group financial statements, Article 4 of the IAS Regulation. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Each of the Directors, whose names and functions are listed in the Board of Directors section, confirm that, to the best of their knowledge:

- the Group financial statements, which have been prepared in accordance with IFRS as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit of the Group; and

- the Directors' Report and the Chairman's Statement include a fair review of the development and performance of the business and the position of the Group, together with a description of the principal risks and uncertainties that it faces.

Provision of information to auditors
Insofar 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 Company's auditors are aware of that information.

Independent auditors
The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office, and a resolution that they be re-appointed will be proposed at the Annual General Meeting.

ON BEHALF OF THE BOARD

Richard Bernstein
Chief Executive
30 January 2014

Company registration number: 3913197 (England and Wales)

Report of the Independent Auditors
to the members of Eurovestech Plc

We have audited the Group financial statements of Eurovestech Plc for the year ended 30 June 2013 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Consolidated Statement of Cashflows, the Consolidated Statement of Changes in Equity and the Notes to the Financial Statements. 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.

Respective responsibilities of Directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on pages 9 and 10, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and 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.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 Group'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. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the Group financial statements:

- give a true and fair view of the state of the Group's affairs as at 30 June 2013 and of its loss and cashflows for the year then ended;
- have been properly prepared in accordance with IFRS as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

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:

- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Other matter

We have reported separately on the parent company financial statements of Eurovestech Plc for the year ended 30 June 2013.

Simon O'Brien

Simon O'Brien (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
31 January 2014

Consolidated Statement of Comprehensive Income
for the year ended 30 June 2013

Continuing operations	Note	Year ended 30 June 2013 £000	Year ended 30 June 2012 £000
Revenue	3	**15,567**	13,273
Investment income	4	**84**	57
Net (losses)/gains on financial assets at fair value	5	**(3,632)**	2,068
Operating expenses		**(14,850)**	(18,365)
Underlying operating loss		**(2,831)**	(2,967)
Exceptional items and business combination amortisation	9	**(655)**	(1,643)
Operating loss	6	**(3,486)**	(4,610)
Finance income	10	**5**	18
Finance costs	11	**(150)**	(261)
Loss before tax		**(3,631)**	(4,853)
Income tax credit	12	**451**	328
Loss for the year		**(3,180)**	(4,525)
Foreign exchange movements		**(161)**	40
Total comprehensive income and expense recognised in the year		**(3,341)**	(4,485)
Attributable to:			
Equity holders of the Company		**(4,164)**	(4,485)
Non-controlling interests*		**823**	—
		(3,341)	(4,485)

*The non-controlling interests arose upon part disposal of the group's shareholding in Knowledge Support Systems Limited in August 2012.

The notes on pages 16 to 35 form an integral part of the consolidated financial statements.

Consolidated Statement of Financial Position
at 30 June 2013

	Note	30 June 2013 £000	30 June 2012 £000
Assets			
Non-current assets			
Property, plant and equipment	13	**354**	255
Goodwill	14	**1,764**	1,724
Other intangible assets	15	**1,149**	1,091
Financial assets at fair value through profit or loss	16	**32,300**	34,919
Deferred tax asset	17	**2,024**	1,511
Trade and other receivables	18	**56**	60
		37,647	39,560
Current assets			
Trade and other receivables	19	**5,553**	3,798
Financial assets at fair value through profit or loss	18	**1,913**	6,299
Cash and cash equivalents	22	**2,032**	1,880
		9,498	11,977
Liabilities			
Current liabilities			
Trade and other payables	23	**(5,713)**	(7,474)
Borrowings	24	**(34)**	—
		(5,747)	(7,474)
Net current assets		**3,751**	4,503
Non-current liabilities			
Deferred tax liability	17	**(182)**	(164)
Borrowings	24	**(63)**	—
Provisions for liabilities and charges	25	**(2,716)**	(5,164)
		(2,961)	(5,328)
Net assets		**38,437**	38,735
Equity			
Capital and reserves attributable to the equity holders of the Company			
Share capital	26	**3,389**	3,325
Share premium		**423**	261
Capital redemption reserve		**4,438**	4,438
Other reserves		**(153)**	(56)
Retained earnings		**28754**	30,767
Shareholders' funds		**36,851**	38,735
Non-controlling interests		**1,586**	—
Total equity		**38,437**	38,735

The notes on pages 16 to 35 form an integral part of the consolidated financial statements.

The financial statements on pages 12 to 35 were authorised for issue by the board of Directors on 30 January 2014 and were signed on its behalf:

Richard Bernstein
Chief Executive

Registered number: 3913197

Consolidated Statement of Cashflows
for the year ended 30 June 2013

	Note	Year ended 30 June 2013 £000	Year ended 30 June 2012 £000
Cashflows from operating activities			
Loss for the year before taxation		**(3,631)**	(4,853)
Adjustments for:			
Net finance cost		**145**	243
Depreciation of property, plant and equipment		**135**	112
Amortisation of intangible assets		**393**	664
(Losses)/gains on financial assets		**3,632**	(2,068)
Movement on provision		**(2,448)**	1,382
Investment income		**(84)**	(57)
Share-based payments		**40**	28
(Increase)/decrease in trade and other receivables		**(1,755)**	423
Decrease in trade and other payables		**(1,890)**	(1,329)
Net cash used in operations		**(5,463)**	(5,455)
Finance costs		**(150)**	(261)
Income tax received/(paid)		**12**	(29)
Net cash used in operating activities		**(5,601)**	(5,745)
Cashflows from investing activities			
Finance income		**5**	18
Purchase of property, plant and equipment		**(236)**	(178)
Purchase of intangible assets		**(480)**	(54)
Dividends received		**84**	57
Disposal of financial assets		**26,515**	47,548
Purchase of financial assets		**(15,933)**	(49,857)
Net cash generated from/(used in)investing activities		**9,955**	(2,466)
Cashflows from financing activities			
Finance lease capital repayments		**(14)**	(17)
D share dividend paid		**—**	(13,262)
E share dividend paid		**(4,383)**	—
Purchase of own shares		**—**	(55)
Proceeds from exercise of share options		**226**	—
Proceeds from issue of equity shares		**—**	14
Net cash used in financing activities		**(4,171)**	(13,320)
Net increase/(decrease) in cash and cash equivalents		**183**	(21,531)
Exchange movements		**(31)**	150
Cash and cash equivalents at the start of the year		**1,880**	23,261
Cash and cash equivalents at the end of the year	[24]	**2,032**	1,880

The notes on pages 16 to 35 form an integral part of the consolidated financial statements.

Consolidated Statement of Changes in Equity
for the year ended 30 June 2013

	Share capital £000	Share premium £000	Capital redemption reserve £000	Other reserve £000	Foreign exchange reserve £000	Retained earnings £000	Non-controlling interests* £000	Total equity £000
At 1 July 2011	3,314	135	4,432	188	(285)	48,609	—	56,393
Charitable donation of shares	14	129	—	—	—	—	—	143
Issue of D shares	3	(3)	—	—	—	—	—	–
D share dividend	—	—	—	—	—	(13,262)	—	(13,262)
Purchase of own shares	(6)	—	6	—	—	(55)	—	(55)
Share-based payment charge	—	—	—	1	—	—	—	1
Transactions with owners	11	126	6	1	—	(13,317)	—	(13,173)
Profit for the year	—	—	—	—	—	(4,525)	—	(4,525)
Foreign exchange movements	—	—	—	—	40	—	—	40
Total comprehensive income	—	—	—	—	40	(4,525)	—	(4,485)
At 30 June 2012	3,325	261	4,438	189	(245)	30,767	—	38,735
Partial disposal of subsidiary	—	—	—	—	—	6,437	763	7,200
Issue of E shares	4	(4)	—	—	—	—	—	—
E share dividend	—	—	—	—	—	(4,383)	—	(4,383)
Exercise of share options	60	166	—	—	—	—	—	226
Transactions with owners	64	162	—	—	—	2,054	763	3,043
Loss for the year	—	—	—	—	—	(4,067)	887	(3,180)
Foreign exchange movements	—	—	—	—	(97)	—	(64)	(161)
Total comprehensive income	—	—	—	—	(97)	(4,067)	823	(3,341)
At 30 June 2013	**3,389**	**423**	**4,438**	**189**	**(342)**	**28,754**	**1,586**	**38,437**

*The non-controlling interests arose upon part disposal of the group's shareholding in Knowledge Support Systems Limited in August 2012.

The notes on pages 16 to 35 form an integral part of the consolidated financial statements.

Notes to the Financial Statements
for the year ended 30 June 2013

1 General information
Eurovestech Plc (the "Company") and its subsidiaries (together the "Group") make investments in technology businesses.

The principal trading subsidiary is Knowledge Support Systems Limited ("KSS Fuels"). KSS Fuels is the leading global provider of price management and optimisation solutions and network planning solutions to the fuel retail and oil and gas wholesale industries.

The Company is a public limited company and was quoted on the Alternative Investment Market of the London Stock Exchange until its shares were delisted on 24 September 2013. The Company is incorporated and domiciled in the UK. The address of the registered office is 29 Curzon Street, London W1J 7TL.

The registered number of the Company is 3913197.

2 Summary of significant accounting policies
Basis of preparation
The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS as adopted by the EU), IFRIC Interpretations and the Companies Act 2006 applicable to companies reporting under IFRS. The consolidated financial statements have been prepared under the historical cost convention as modified by the revaluation of certain financial instruments. The Group has also elected to designate all associate sized investments as at fair value through profit or loss, thereby adopting the exemption in IAS 28 "Investments in Associates" for venture capital organisations. Consistent accounting policies have been adopted throughout the Group.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed under "Use of key accounting estimates and judgements".

New and amended standards that have been adopted by the Group in the 30 June 2013 financial statements
At the date of authorisation of these financial statements, certain new standards, amendments and interpretations to existing standards have been published but are not yet effective. The Group has not early adopted any of these pronouncements. The new standards, amendments and interpretations that are expected to be relevant to the Group's financial statements are as follows:

Amendment to IAS 12, 'Income taxes', on deferred tax
Currently IAS 12, 'Income taxes', requires an entity to measure the deferred tax relating to an asset depending on whether the entity expects to recover the carrying amount of the asset through use or sale. It can be difficult and subjective to assess whether recovery will be through use or through sale when the asset is measured using the fair value model in IAS 40 Investment Property. Hence this amendment introduces an exception to the existing principle for the measurement of deferred tax assets or liabilities arising on investment property measured at fair value. As a result of the amendments, SIC 21, 'Income taxes- recovery of revalued non-depreciable assets', would no longer apply to investment properties carried at fair value. The amendments also incorporate into IAS 12 the remaining guidance previously contained in SIC 21, which is accordingly withdrawn. It is not expected to have a material impact on the Group's financial statements.

Amendment to IAS 1, 'Financial statement presentation', regarding other comprehensive income
The main change resulting from these amendments is a requirement for entities to group items presented in 'other comprehensive income' (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). The amendments do not address which items are presented in OCI. It is not expected to have a material impact on the Group's financial statements.

Amendment to IFRS 7, 'Financial instruments: Disclosures', on asset and liability offsetting
This amendment includes new disclosures to facilitate comparison between those entities that prepare IFRS financial statements to those that prepare financial statements in accordance with US GAAP. It is not expected to have a material impact on the Group's financial statements.

IFRS 10, 'Consolidated financial statements'
The objective of IFRS 10 is to establish principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entity (an entity that controls one or more other entities) to present consolidated financial statements. It defines the principle of control, and establishes controls as the basis for consolidation. It sets out how to apply the principle of control to identify whether an investor controls an investee and therefore must consolidate the investee. It also sets out the accounting requirements for the preparation of consolidated financial statements. It is not expected to have a material impact on the Group's financial statements.

2 Summary of significant accounting policies (continued)

Annual improvements 2011

These annual improvements, address six issues in the 2009- 2011 reporting cycle. It includes changes to:

- IFRS 1, 'First time adoption'
- IAS 1, 'Financial statement presentation'
- IAS 16, 'Property plant and equipment'
- IAS 32, 'Financial instruments; Presentation'
- IAS 34, 'Interim financial reporting'

The improvements are not expected to have a material impact on the Group's financial statements.

IFRS 13, 'Fair value measurement'

IFRS 13 aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements, which are largely aligned between IFRS and US GAAP, do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs or US GAAP. It is not expected to have a material impact on the Group's financial statements.

Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group in the 30 June 2013 financial statements

IFRS 12, 'Disclosures of interests in other entities'

IFRS 12 includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles. It is not expected to have a material impact on the Group's financial statements.

IAS 27 (revised 2011), 'Separate financial statements'

IAS 27 (revised 2011) includes the provisions on separate financial statements that are left after the control provisions of IAS 27 have been included in the new IFRS 10. It is not expected to have a material impact on the Group's financial statements.

Amendment to IAS 32, 'Financial instruments: Presentation', on asset and liability offsetting

These amendments are to the application guidance in IAS 32, 'Financial instruments: Presentation', and clarify some of the requirements for offsetting financial assets and financial liabilities on the balance sheet. It is not expected to have a material impact on the Group's financial statements.

Amendments to IFRS 10, 12 and IAS 27 on consolidation for investment entities

These amendments mean that many funds and similar entities will be exempt from consolidating most of their subsidiaries. Instead, they will measure them at fair value through profit or loss. The amendments give an exception to entities that meet an 'investment entity' definition and which display particular characteristics. Changes have also been made IFRS 12 to introduce disclosures that an investment entity needs to make. It is not expected to have a material impact on the Group's financial statements.

Amendment to IAS 36, 'Impairment of assets' on recoverable amount disclosures

This amendment addresses the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal. It is not expected to have a material impact on the Group's financial statements.

IFRS 9, 'Financial instruments'

IFRS 9 is the first standard issued as part of a wider project to replace IAS 39. IFRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortised cost and fair value. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. The guidance in IAS 39 on impairment of financial assets and hedge accounting continues to apply. It is not expected to have a material impact on the Group's financial statements.

Other Standards, amendments and interpretations effective in 2013 that are not relevant to the Group for the 30 June 2013 financial statements:

- *Amendment to IFRS 1, 'First time adoption', on hyperinflation and fixed dates*
- *Amendment to IAS 19,'Employee benefits'*
- *Amendment to IFRS 1, 'First time adoption', on government loans*
- *Amendment to IFRSs 10, 11 and 12 on transition guidance*
- *IFRS 11, 'Joint arrangements'*
- *IAS 28 (revised 2011), 'Associates and joint ventures'*
- *IFRIC 20, 'Stripping costs in the production phase of a surface mine'*

2 Summary of significant accounting policies (continued)

Other standards, amendments and interpretations not yet effective in 2013 that are not relevant to the Group for the 30 June 2013 financial statements:

- *Financial Instruments: Recognition and Measurement Amendment to IAS 39 'Novation of derivatives'*
- *IFRIC 21, 'Levies'*

Consolidation

These financial statements consolidate the accounts of Eurovestech Plc and its subsidiaries. Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of over one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated on the date control ceases.

The Group uses the purchase method of accounting for the acquisition of a subsidiary. Acquisition consideration is measured at the fair value of the consideration given, equity instruments issued and liabilities incurred or assumed at the date of exchange.

Following adoption of IFRS 3 (revised), costs directly attributable to the acquisition are written off through the income statement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date irrespective of the extent of any non-controlling interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of the acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement.

Inter-company transactions, balances and unrealised gains and losses on transactions between Group companies are eliminated.

The Group's, and the Company's, functional and presentational currency is Sterling.

Revenue recognition

Eurovestech

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

KSS Fuels group

Revenues from perpetual software licence agreements, which are not part of a long-term contract, are recognised as revenues upon receipt of an executed licence agreement or an unconditional order under an existing licence agreement and delivery of the software, if there are no significant remaining vendor obligations and collection is probable. Revenue under fixed-term subscription licence agreements is recognised on a straight line basis over the life of the contract.

Professional services include implementation fees, consultancy and training. Revenues and costs derived from fixed-fee contracts are recognised on the percentage of completion method for individual contracts. Provisions for any estimated losses on incomplete contracts are made in the year in which the loss is anticipated. Professional service revenues, which are provided on a time and expense basis, are recognised as the service is performed.

Revenues from maintenance and support services are recognised over the period that the services are provided on a straight line basis. Payments received in advance of services performed are recorded as deferred income.

Revenues from network planning contracts are recognised via the percentage of completion method.

Segmental analysis

Operating segments are reported in a manner consistent with internal reporting provided to the board of Directors, which is responsible for allocating and assessing performance of operating segments.

An operating segment is a group of assets and operations engaged in production that is subject to risks and returns that are different from those of other operating segments. A geographical segment is engaged in production within a particular economic environment that is different from that in segments operating in other economic environments.

The Directors consider the Group's business segments to be:

- Venture capital – investment in equity instruments of both listed and unlisted companies.

- Software development – supply of price optimisation technology and network planning services to the oil and gas sectors.

The Group has also chosen to present business segment analysis with reference to geographical location of customers.

2 Summary of significant accounting policies (continued)

Financial assets

Financial assets consist of loans and receivables and investments at fair value through profit or loss.

Investments – non-current

As the Company's business is investing in financial assets with a view to profiting from their total return in the form of increases in fair value, non-current investments are designated at fair value through profit or loss on initial recognition in accordance with IAS 39. The Company manages and evaluates the performance of these investments on a fair value basis in accordance with its investment strategy and investment information provided to the board of Directors.

Derecognition of investments occurs when the rights to receive cashflows from the investments expire or are transferred and substantially all of the risks and rewards of ownership have been transferred.

Fair value represents the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction. In estimating fair value, the Directors use a methodology which is appropriate in light of the nature, facts and circumstances of the investment and its materiality in the context of the total investment portfolio.

Methodologies are applied consistently from one year to another except where a change results in a better estimate of fair value. Only where fair value cannot be reliably measured is cost used as the basis of valuation.

The principal methodologies applied in valuing unlisted investments include the following:

- earnings multiple;
- price of recent investment; and
- net assets.

In applying the earnings multiple methodology, the Directors apply a market-based multiple that is appropriate and reasonable to the sustainable earnings of the Company. In the majority of cases the enterprise value of the underlying business is derived by the use of a multiple of earnings before interest and tax applied to current year's earnings where these can be forecast with a reasonable degree of certainty and are deemed to represent the best estimate of maintainable earnings. Where this is not the case, historic earnings will generally be used in their place. For companies which are early stage or not profitable, a multiple of revenue is used as the key measurement.

Listed investments held for long-term gain are valued on the basis of the bid price at the year-end date.

Investments – current

Current asset investments are classified as held for trading and are measured at fair value with gains and losses arising on their fair value recorded in the Statement of Comprehensive Income. Listed current investments are stated at bid price at the year-end date. Convertible loan notes are classified as loans and receivables and recorded at fair value.

Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand and short-term deposits with maturities of less than three months.

Trade receivables

Trade receivables are recognised and carried at the original invoice amount less an allowance for uncollectable amounts. An estimate of uncollectable amounts is made when collection of the full amount is no longer probable. Uncollectable amounts are written off to the income statement when identified.

Fair value estimation

The Group classifies financial assets using a fair value hierarchy that reflects the significance of the inputs used in making the related fair value measurements. The level in the fair value hierarchy within which a financial asset is classified is determined on the basis of the lowest level input that is significant to that asset's fair value measurement. The fair value hierarchy has the following levels:

- Level 1 – Quoted prices in active markets;
- Level 2 – Inputs other than quoted prices that are observable, such as prices from market transactions; and
- Level 3 – One or more inputs that are not based on observable market data.

2 Summary of significant accounting policies (continued)

Foreign currency translation

Foreign currency transactions are translated at the exchange rate prevailing at the dates of the transaction. Foreign currency monetary assets and liabilities are translated at year-end exchange rates and any exchange gains and losses are recorded in the income statement.

On consolidation, income and cashflow statements of foreign subsidiaries are translated into Sterling at the average exchange rate for the accounting period. Balance sheets of foreign subsidiaries are translated into Sterling at the exchange rate prevailing at the year-end date. Differences arising from translation of opening and closing net assets are recognised in the Consolidated Statement of Changes in Equity.

Borrowing costs

All borrowing costs are expensed to the Statement of Comprehensive Income as incurred.

Exceptional items

Exceptional items are those that the Directors consider are of unusual size or nature that they are required to be separately disclosed to allow the user of the financial statements to understand the underlying performance of the Group.

Other intangible assets

Internally generated software

Expenditure on software development activities is capitalised if the product or process is technically and commercially feasible, the costs are separately identifiable and reliably measurable and the Group intends to, and has sufficient resources to, complete development.

The amount initially recognised for internally generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria above. Where no internally generated intangible asset can be recognised, development expenditure is charged to the income statement in the year in which it is incurred.

Subsequent to initial recognition, internally generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recorded on a straight line basis over the life of the asset which is assessed individually as between three and five years.

Computer software

Software is recorded at historical cost less accumulated amortisation. Amortisation is recorded on a straight line basis over the asset's expected useful life of three to five years.

Customer relationships

Customer relationships reflect the fair value of the assets acquired in acquisitions. Fair value is estimated using discounted cashflow forecasts on an estimated contribution of the customers acquired over their future life of four years.

Other intangibles

Acquired trade names and committed order backlogs are recorded at their fair value. Trade names are amortised over three years and the committed order backlog is amortised over one year.

Research

Research expenditure is recognised as an expense in the year in which it is incurred.

Goodwill

Goodwill is the difference between the fair value of the consideration paid and the fair value of the net identifiable assets and liabilities acquired. Following recognition, it is subject to impairment testing on an annual basis or more frequently if circumstances indicate that the asset may have become impaired and carried at cost less accumulated impairment losses. Goodwill is allocated to cash-generating units for the purpose of impairment testing.

Impairment of non-financial assets

At each reporting date, the Group assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Group makes an estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is written down to its recoverable amount. Recoverable amount is the higher of fair value less costs to sell and value in use and is determined for an individual asset. If the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, the recoverable amount of the cash-generating unit to which the asset belongs is determined. Discount rates reflecting the asset specific risks and the time value of money are used for the value in use calculation.

2 Summary of significant accounting policies (continued)

Property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance is charged to the Statement of Comprehensive Income during the financial period in which the cost is incurred.

Depreciation is provided at rates calculated to write off the cost of property, plant and equipment on a straight line basis over their estimated useful lives, having regard to residual value. The estimated useful lives are as follows:

Leasehold property improvements	over the term of the lease
Computer equipment	three years
Plant, machinery and office equipment	three to four years

The residual values and useful lives of the assets are reviewed and adjusted, if appropriate, at each reporting date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposal are determined by comparing the proceeds with the carrying amount and are recognised within operating expenses in the Statement of Comprehensive Income.

Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events and it is likely that an outflow of resources embodying economic benefits will be required to settle the obligation and that amount can be reasonably estimated. Where the Group expects all or some of the obligation to be reimbursed, the reimbursement is recognised as a separate asset to the extent that it is virtually certain to be reimbursed. The expense relating to any provision is presented in the Statement of Comprehensive Income net of any reimbursement.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the year-end date. If material, provisions are determined by discounting the expected future cashflows using rates that reflect current market assessments of the time value of money.

Leases

For finance leases, where the Group bears substantially all the risks and rewards related to ownership of the leased asset, the related asset is capitalised at the inception of the lease at the fair value of the leased asset or, if lower, the present value of the minimum lease payments. Finance costs are charged to the Statement of Comprehensive Income over the period of the lease in accordance with the capital balance outstanding. Obligations under finance leases are included in financial liabilities net of finance costs.

Operating leases, where the lessor retains substantially all the risks and rewards of ownership, are charged to the Statement of Comprehensive Income on a straight line basis over the lease term. Lease incentives are spread over the term of the lease.

Long term incentive employee compensation

The Group operates a profit sharing scheme for the remuneration of its Directors and employees. Due to the long-term nature of this incentive scheme, the Group's future liability is measured using the projected unit method in accordance with IAS 19 "Employee Benefits" and held in provisions. The Statement of Comprehensive Income charge is split as required between operating expenses and finance costs.

Financial liabilities

The Group's financial liabilities consist of trade and other payables and finance leases.

Financial liabilities are recognised when the Group becomes a party to the contractual arrangements of the instrument.
Trade and other payables are recognised initially at their fair value, net of transaction costs, and subsequently measured at amortised cost less settlement payments, using the effective interest method.

Financial liabilities are classified according to the substance of the contractual arrangements entered into. Where the contractual obligations of financial instruments, including share capital, are equivalent to a similar debt instrument, those instruments are classed as financial liabilities. Financial liabilities are classified as such in the Statement of Financial Position.

Where the contractual terms of issued shares do not have any terms meeting the definition of a financial liability then this is classified as an equity instrument.

2 Summary of significant accounting policies (continued)

Equity

Issued share capital

Ordinary shares are classified as equity.

Share premium

The share premium account represents the excess over nominal value of the fair value of consideration received for equity shares, net of the expenses of the share issue.

Capital redemption reserve

The capital redemption reserve represents share premium that has been redeemed by the Company.

Other reserve

The other reserve represents equity-settled share-based employee expense until such share options are exercised.

Foreign exchange reserve

The foreign exchange reserve represents foreign exchange gains and losses arising on translation of investments in overseas subsidiaries.

Retained earnings

Retained earnings include all current and prior period results for the Company and the post-acquisition results of the Group's subsidiaries.

Income taxes

Current income tax assets and liabilities comprise those obligations to fiscal authorities in the countries in which the Group carries out its operations. They are calculated according to the tax rates and tax laws enacted or substantively enacted in the fiscal period and the country to which they relate. All changes to current tax liabilities are recognised as a component of tax expense in the Statement of Comprehensive Income.

Deferred income taxes are calculated using the liability method on temporary differences. This involves the comparison of the carrying amount of assets and liabilities in the consolidated financial statements with their respective tax bases. IAS 12 "Income Taxes" does not require deferred tax to be recognised on temporary differences relating to the initial recognition of goodwill or the initial recognition of an asset or liability in a transaction that is not a business combination and that affected neither the accounting nor taxable profit.

Deferred tax liabilities are provided for in full. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets and liabilities are calculated at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted at the year-end date.

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

Share-based employee compensation

The Group operates equity-settled share-based compensation plans for remuneration of its Directors and employees.

All employee services received in exchange for the grant of any share-based compensation are measured at their fair values. The fair value is appraised at the grant date and excludes the impact of any non-market vesting conditions (e.g. profitability or sales growth targets).

Share-based compensation is recognised as an expense in the Statement of Comprehensive Income with a corresponding credit to other reserves. If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates. IFRS 2 "Share-based Payment" has been applied to equity-settled share options granted after 7 November 2002.

The proceeds received net of any directly attributable transaction costs are credited to share capital and share premium when the options are exercised.

2 Summary of significant accounting policies (continued)

Dividends

Final equity dividends to the shareholders of Eurovestech Plc are recognised in the year that they are approved by shareholders. Interim equity dividends are recognised in the period that they are paid.

Dividends receivable are recognised when the Company's right to receive payment is established.

Use of key accounting estimates and judgements

Many of the amounts included in the financial statements involve the use of judgement and/or estimation. These judgements and estimates are based on management's best knowledge of the relevant facts and circumstances, having regard to prior experience, but actual results may differ from the amounts included in the financial statements. Information about such judgements and estimation is contained in the accounting policies and/or the notes to the financial statements and the key areas are summarised below:

Critical accounting assumptions and estimates

(a) The valuation of non-current investments. Valuation of non-current investments requires a number of judgements including assessing the appropriate valuation multiples based on the stage of development of the portfolio companies and relevant industry comparators. Should the valuation show a diminution of value, a decision as to whether an impairment occurred is carried out in the light of guidance offered by IAS 39. A number of factors are involved and include the likelihood of prolonged reduction in value, the overall economic outlook and industry or sector specific factors. The existing portfolio of non-current investments is valued at £32,300,000 (note 16).

(b) Accounting for the value of the Executive Directors' long-term incentive in accordance with IAS 19 requires judgement over the period of ownership of the related investments, expected overall profit on disposal and the effective rate of interest.

(c) Fair value assessment of the business combination. Following the acquisition of Market Planning Solutions Inc. (MPSI) by KSS Fuels, an assessment of all assets and liabilities took place, inclusive of identification of intangible assets acquired and related goodwill. The valuation process for the intangible assets required a number of judgements to be made regarding future performance of the MPSI group, together with other asset specific factors, to result in the recognition of certain previously unrecorded intangible assets.

(d) Judgement is required in determining the provision for income taxes. There are many transactions and calculations whose ultimate tax treatment is uncertain. The Group recognises liabilities for anticipated tax issues based on estimates of whether additional taxes are likely to be due. The Group recognises deferred tax assets and liabilities based on estimates of future taxable income and recoverability. Where a change in circumstance occurs, or the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax balances in the year in which that change or outcome is known.

Sources of estimation uncertainty

(a) Depreciation and amortisation rates are based on estimates of the useful lives and residual values of the assets involved. The carrying value of property, plant and equipment is £354,000 (note 13) and intangible assets are £1,149,000 (note 15).

3 Segmental analysis

The chief operating decision maker has been identified as the board of Directors. The board reviews the Group's internal reporting in order to make strategic decisions. The board considers the business from both an operational and geographic perspective.

The segment results for the year ended 30 June 2013 are as follows:

	Venture capital £000	Software development £000	Total £000
Revenue	**102**	**15,465**	**15,567**
Investment income	84	—	84
Net gains on financial assets at fair value	(3,632)	—	(3,632)
Other operating expenses	(1,064)	(13,782)	(14,870)
Underlying operating (loss)/profit	(4,514)	1,683	(2,831)
Exceptional items and business combination amortisation	—	(655)	(655)
Operating (loss)/profit	(4,514)	1,028	(3,486)
Net finance cost			(145)
Loss before tax			(3,631)
Income tax credit			451
Loss for the year			(3,180)

3 Segmental analysis (continued)

The segment results for the year ended 30 June 2012 are as follows:

	Venture capital £000	Software development £000	Total £000
Revenue	34	13,239	13,273
Investment income	57	—	57
Net gains on financial assets at fair value	2,068	—	2,068
Other operating expenses	(5,732)	(12,633)	(18,365)
Underlying operating (loss)/profit	(3,573)	606	(2,967)
Exceptional items and business combination amortisation	—	(1,643)	(1,643)
Operating loss	(3,573)	(1,037)	(4,610)
Net finance cost			(243)
Loss before tax			(4,853)
Income tax credit			328
Loss for the year			(4,525)

The segment assets and liabilities at 30 June 2013 are as follows:

	Venture capital £000	**Software development £000**	**Unallocated items £000**	**Total £000**
Assets	**35,117**	**11,403**	**625**	**47,145**
Liabilities	**(2,912)**	**(5,796)**	**—**	**(8,708)**
Net assets	**32,205**	**5,607**	**625**	**38,437**
Capital expenditure	**—**	**716**	**—**	**716**
Depreciation and amortisation	**4**	**393**	**—**	**397**

Unallocated assets and liabilities comprise certain deferred taxation assets.

The segment assets and liabilities at 30 June 2012 are as follows:

	Venture capital £000	Software development £000	Unallocated items £000	Total £000
Assets	41,554	8,744	1,239	51,537
Liabilities	(8,061)	(4,741)	—	(12,802)
Net assets	33,493	4,003	1,239	38,735
Capital expenditure	—	232	—	232
Depreciation and amortisation	7	122	—	129

The parent company is domiciled in the UK. The Group's main business segments are based in the following locations:

- Venture capital – UK
- Software development – UK, Rest of Europe, North America, Rest of the World

The geographical segments are based on an analysis of revenue by the location of the Group's customers as follows:

	Year ended 30 June 2013 £000	Year ended 30 June 2012 £000
UK	**499**	373
Rest of Europe	**3,879**	1,977
North America	**7,351**	7,663
Rest of the World	**3,838**	3,260
Revenue	**15,567**	13,273

One customer, based in North America, contributed 14 per cent of the Group's revenue (2012: 12 per cent); no other customer contributed greater than 7 per cent of the Group's revenue (2012: 8 per cent).

4 Investment income

	Year ended 30 June 2013 £000	Year ended 30 June 2012 £000
Investment income from financial assets	**84**	57

5 Net (losses)/gains on financial assets

	Year ended 30 June 2013 £000	Year ended 30 June 2012 £000
Financial assets at fair value through profit and loss:		
– designated on initial recognition	**(4,158)**	(343)
– held for trading	**526**	2,411
	(3,632)	2,068

6 Operating loss

Operating loss has been arrived at after charging/(crediting):

	Year ended 30 June 2013 £000	Year ended 30 June 2012 £000
Foreign exchange loss	**103**	69
Depreciation of property, plant and equipment	**135**	112
Amortisation of intangible assets	**113**	32
Exceptional items and business combination amortisation (note 9)	**655**	1,643
Research and development costs	**1,904**	1,521
Employee costs (note 7)	**9,485**	7,729
Land and buildings held under operating leases	**470**	410
Audit and non-audit services:		
Fees payable to the Company's auditors, PricewaterhouseCoopers LLP for:		
– the audit of the parent company financial statements and the consolidation	**62**	62
– tax services	**4**	4
Other auditors' remuneration:		
– for the audit of the Company's subsidiaries pursuant to legislation	**46**	37

7 Employees

Employee costs (including Directors):

	Year ended 30 June 2013 £000	Year ended 30 June 2012 £000
Wages and salaries	**8,567**	6,955
Social security costs	**665**	618
Pension costs	**213**	128
Share-based payments	**40**	28
	9,485	7,729

The average number of employees during the year was as follows:

	Number	Number
Research and development	**45**	34
Professional services	**44**	52
Sales and marketing	**23**	20
Administration	**17**	10
Management	**10**	11
	139	127

8 Remuneration of key senior management

Key senior managers comprise Directors and those senior managers whose role is viewed as strategically important to the Group.

	Year ended 30 June 2013 £000	Year ended 30 June 2012 £000
Short-term employee benefits	**1,827**	2,838
Share-based payments	**30**	21
Other long-term benefits	**34**	41
	1,891	2,900

The number of Directors and senior managers making up key senior management was ten (2012: ten).

9 Exceptional items and business combination amortisation

	Year ended 30 June 2013 £000	Year ended 30 June 2012 £000
Exceptional items	**375**	1,011
Business combination amortisation	**280**	632
	655	1,643

2013 exceptional items consist of the final steps taken in the integration of MPSI, including the cost of modernising the professional services delivery function and subsequent final staff restructuring. The £1.0 million of exceptional costs incurred in 2012 included post-acquisition integration related costs inclusive of staff restructuring expenses, integration consultant fees, re-branding costs and one-off integration incentives.

Business combination amortisation arises from the intangible assets recognised (other than goodwill) from the acquisition of MPSI.

10 Finance income

	Year ended 30 June 2013 £000	Year ended 30 June 2012 £000
Interest on short-term bank deposits	**5**	18

11 Finance costs

	Year ended 30 June 2013 £000	Year ended 30 June 2012 £000
Interest expense on overdrafts and loans	**9**	14
Finance cost on long-term incentive obligation	**134**	245
Finance charges on finance leases	**7**	2
	150	261

12 Income tax credit

	Year ended 30 June 2013 £000	Year ended 30 June 2012 £000
Current tax		
UK corporation tax credit	**—**	(148)
Overseas tax	**44**	14
	44	(134)
Deferred tax	**(495)**	(194)
Taxation credit	**(451)**	(328)

The tax assessed for the year is different from the standard rate of corporation tax as applied in the respective trading domains where the Group operates. The differences are explained below:

Loss before tax	**(3,631)**	(4,853)
Loss before tax multiplied by the respective standard rate of corporation tax applicable in the UK of 23.75 per cent (2012: 25.5 per cent)	**(862)**	(1,238)
Effects of:		
– non-deductible expenses	**(92)**	142
– other temporary differences	**1,784**	716
– recognition of previously unrecognised tax losses	**(840)**	—
– differences in overseas tax rates	**(328)**	—
– impact of changes in tax rates	**10**	—
– research and development tax credits	**—**	(52)
– use of losses	**(123)**	104
Tax credit for the year	**(451)**	(328)

Changes to the UK Corporation tax rate were announced in the March 2012 and March 2013 Budget Statements. Legislation to reduce the main rate of corporation tax from 24% to 23% from 1 April 2013 was included in the Finance Act 2012 and therefore has been included in these financial statements. Further reductions to the main rate are proposed to reduce the rate by 2% to 21% from 1 April 2014 and a further 1% to 20% from 1 April 2015. The changes have not been substantively enacted at the balance sheet date and, therefore are not included in these financial statements.

13 Property, plant and equipment

	Leasehold property improvements £000	Computer equipment £000	Plant, machinery and office equipment £000	Total £000
Cost				
At 1 July 2011	145	1,574	386	2,105
Additions	64	110	4	178
Disposals	(6)	(10)	(23)	(39)
Foreign exchange	—	8	—	8
At 30 June 2012	203	1,682	367	2,252
Additions	37	178	21	236
Disposals	—	(425)	(49)	(474)
Foreign exchange	—	(6)	(1)	(7)
At 30 June 2013	**240**	**1,429**	**338**	**2,007**
Depreciation				
At 1 July 2011	133	1,445	325	1,903
Charge for the year	12	82	18	112
Disposals	(6)	(10)	(2)	(18)
At 30 June 2012	139	1,517	341	1,997
Charge for the year	23	94	18	135
Disposals	—	(425)	(47)	(472)
Foreign exchange	—	(6)	(1)	(7)
At 30 June 2013	**162**	**1,180**	**311**	**1,653**
Net book value				
At 30 June 2013	**78**	**249**	**27**	**354**
At 30 June 2012	64	165	26	255
At 30 June 2011	12	129	61	202

The cost of property, plant and equipment held under finance leases is £82,000 (2012: £nil); accumulated depreciation is £7,000 (2012: £nil), giving a net book value of £75,000 (2012: £nil).

14 Goodwill

	£000
At 1 July 2011 and 30 June 2012	1,724
Foreign exchange	40
At 30 June 2013	**1,764**

Goodwill recognised on acquisition relates to the acquisition of MPSI on 31 May 2011. As a result only one cash-generating unit is recognised.

The Group tests goodwill annually for impairment. The recoverable amount of the goodwill is determined from value in use calculations for the cash generating unit ("CGU"). The calculation uses pre-tax cash flow projections based on current performance, financial budgets and forecasts approved by management covering a five year period giving rise to 10% annual growth during the period. No cash flows beyond the five year period are included.

Management has used a pre-tax discount rate of 10% that reflects current market assessments for the time value of money and the risks associated with the CGU. Management has performed sensitivity analyses on all the impairment calculations by reducing the growth rate to 0% and by increasing the pre-tax discount rate by 5% to 15%. No impairment would arise in this scenario.

15 Other intangible assets

	Computer software £000	Internally generated software £000	Customer relationships £000	Other intangibles £000	Total £000
Cost or valuation					
At 1 July 2011	597	701	649	357	2,304
Foreign exchange	3	18	26	14	61
Additions	43	11	—	—	54
Disposals	—	(39)	—	—	(39)
At 30 June 2012	643	691	675	371	2,380
Foreign exchange	—	(7)	(6)	—	(13)
Additions	125	355	—	—	480
Disposals	(314)	—	—	—	(314)
At 30 June 2013	**454**	**1,039**	**669**	**371**	**2,533**
Amortisation					
At 1 July 2011	541	12	6	55	614
Charge for the year	32	206	166	260	664
Foreign exchange	—	—	—	—	—
At 30 June 2012	584	218	172	315	1,289
Charge for the year	29	163	171	30	393
Disposals	(314)	—	—	—	(314)
Foreign exchange	—	11	5	—	16
At 30 June 2013	**299**	**392**	**348**	**345**	**1,384**
Net book value					
At 30 June 2013	**155**	**647**	**321**	**26**	**1,149**
At 30 June 2012	59	473	503	56	1,091
At 30 June 2011	56	689	643	302	1,690

Other intangibles consist of the committed order backlog and trade names acquired as part of the acquisition of MPSI. The acquired intangible assets are amortised over the following periods:

Customer relationships	four years
Internally generated software	four years
Committed order backlog	one year
Trade names	three years

16 Financial assets at fair value through profit and loss: non-current

Subsidiary companies consolidated in these accounts	Country of incorporation	% interest in ordinary shares at 30 June 2013	Principal activity
Knowledge Support Systems Limited	UK	60	Pricing and planning solutions
Knowledge Support Systems Inc.	US	60	Pricing and planning solutions
Market Planning Solutions Inc.	US	60	Pricing and planning solutions
MPSI K.K.	Japan	60	Pricing and planning solutions
MPSI Systems Limited	UK	60	Pricing and planning solutions

Non-current	Equity investments £000
At 1 July 2011	21,775
Additions	13,487
Net loss on investments at fair value	(343)
Disposals	—
At 30 June 2012	34,919
Additions	1,989
Net loss on investments at fair value	(4,158)
Disposals	(450)
At 30 June 2013	**32,300**

The additions relate to investment in Maxifier Limited. The loss on revaluation primarily arises from the reduction in carrying value of ITWP Acquisitions Limited and the disposal of ARKeX Limited.

Included within non-current financial assets are the following companies for the year ended 30 June 2013:

Portfolio company name	Country of incorporation	**% interest in ordinary shares at 30 June 2013**	**Fair value at 30 June 2013 £000**
ITWP Acquisitions Limited (previously ToLuna plc)	UK	**16.5**	**20,200**
Magenta Corporation Limited	UK	**49.6**	**1,209**
Maxifier Limited	UK	**43.4**	**8,600**
Audionamix SA	France	**45.5**	**875**
LogNet Information Systems plc	UK	**24.5**	**1,366**
Ecodata Limited	UK	**0.2**	**50**
Group investments carrying value			**32,300**

Included within non-current financial assets are the following companies for the year ended 30 June 2012:

Portfolio company name	Country of incorporation	% interest in ordinary shares at 30 June 2012	Fair value at 30 June 2012 £000
ITWP Acquisitions Limited (previously ToLuna plc)	UK	16.5	23,782
Magenta Corporation Limited	UK	49.6	1,209
Maxifier Limited	UK	46.3	6,482
Audionamix SA	France	45.5	875
LogNet Information Systems plc	UK	26.5	1,325
ARKeX Limited	UK	2.5	1,196
Ecodata Limited	UK	0.2	50
Group investments carrying value			34,919

17 Deferred income tax

Deferred taxation assets

	£000
At 1 July 2012	1,511
Credit to the income statement	513
At 30 June 2013	**2,024**

The deferred tax asset includes brought forward trading losses of £4.6 million (2012: trading losses of £0.9 million) which are expected to be utilised in the foreseeable future. Additionally, other brought forward losses of £24.1 million (2012: £22.8 million) have not been recognised as the Directors consider these will not be utilised in the foreseeable future given the nature of the trading activities to which these relate.

Deferred taxation liability

	£000
At 1 July 2012	164
Charge to the income statement	18
At 30 June 2013	182

18 Financial assets at fair value through profit and loss: current

	30 June 2013 £000	30 June 2012 £000
Financial assets held for trading	**1,913**	6,299
Historical cost	**1,726**	5,990

Financial assets held for trading primarily consist of UK listed Sterling investments and marketable securities.

19 Trade and other receivables

Current	30 June 2013 £000	30 June 2012 £000
Trade receivables	**3,119**	2,310
Other receivables	**502**	471
Prepayments and accrued income	**1,932**	1,017
	5,553	3,798

The fair value of trade and other receivables approximates their carrying value.

20 Credit quality of financial assets

As of 30 June 2013, trade receivables of £923,000 (2012: £925,000) were past due but not impaired. These relate to a number of independent and blue-chip customers for whom there is no recent history of default. The ageing analysis of these overdue trade receivables is as follows:

	30 June 2013 £000	30 June 2012 £000
Trade receivables		
Not more than three months	**671**	317
More than three months but not more than six months	**42**	298
More than six months but not more than twelve months	**210**	310
	923	925

A provision for impairment of £21,000 was recorded in the current year (2012: £37,000). The movement in the current year related to utilisation of the provision.

The carrying amount of the Group's trade and other receivables is denominated in the following currencies:

	30 June 2013 £000	30 June 2012 £000
Sterling	**2,010**	855
Euro	**173**	98
US dollar	**3,370**	2,845
	5,553	3,798

21 Financial instruments

Categories of financial instrument

	30 June 2013 £000	30 June 2012 £000
Financial assets		
Cash and cash equivalents	**2,032**	1,880
Loans and receivables	**3,621**	2,781
Financial assets at fair value through profit or loss – non-current	**35,882**	34,919
Financial assets at fair value through profit or loss – current	**1,913**	6,299
Financial liabilities		
Borrowings	**97**	—
Amortised cost	**642**	3,040

Fair value of financial instruments

The table below sets out the valuation basis of financial instruments held at fair value by the Group at 30 June 2013:

	Level 1 £000	Level 2 £000	Level 3 £000	Total £000
Financial assets				
Financial investments at fair value through profit or loss:				
– listed equity securities – current	1,913	—	—	1,913
– unlisted equity securities	—	35,882	—	35,882
	1,913	**35,882**	—	**37,795**

The table below sets out the valuation basis of financial instruments held at fair value by the Group at 30 June 2012:

	Level 1 £000	Level 2 £000	Level 3 £000	Total £000
Financial assets				
Financial investments at fair value through profit or loss:				
– listed equity securities – non-current	—	—	—	—
– listed equity securities – current	6,299	—	—	6,299
– unlisted equity securities	—	34,919	—	34,919
– convertible loan notes	—	—	—	—
	6,299	34,919	—	41,218

Details of listed and unlisted equity securities are included in notes [18] and [20].

The following table presents the changes to the fair value of Level 3 instruments:

	2013 £000	2012 £000
At 1 July	—	11,286
Additions at fair value	—	—
Gains and losses recognised through profit or loss	—	915
Conversion of loan notes into equity	—	(12,201)
At 30 June	—	—

22 Cash and cash equivalents

	30 June 2013 £000	30 June 2012 £000
Cash at bank and in hand	**2,032**	1,880
Cash and cash equivalents	**2,032**	1,880

23 Trade and other payables

	30 June 2013 £000	30 June 2012 £000
Trade payables	**382**	467
Social security and other taxes	**192**	130
Other payables	**68**	2,443
Accrued expenses and deferred income	**5,069**	4,434
	5,713	7,474

24 Borrowings

	30 June 2013 £000	30 June 2012 £000
Current		
Finance lease liability	**34**	—
Non-current		
Finance lease liability	**63**	—
	97	—

Finance lease liabilities mature as follows:

	30 June 2013 £000	30 June 2012 £000
Finance lease minimum payments		
Less than one year	**45**	—
Between two and five years	**70**	—
Total minimum lease payments	**115**	—
Future finance charges	**(18)**	—
Present value of finance leases	**97**	—

25 Provisions

	30 June 2013 £000	30 June 2012 £000
At 1 July	**5,164**	3,782
Created during the year	—	1,382
Utilised during the year	**(2,448)**	—
At 30 June	**2,716**	5,164

The Company entered into shareholder approved employee incentive arrangements with the Company's Executive Directors. These incentive arrangements provide for each of the Executive Directors to receive 7.5 per cent of the net profits (after disposal costs) made by the Company in relation to its investments above a 5 per cent internal rate of return. The provision has been calculated, in accordance with IAS 19, based upon the Directors' best estimate of the amount of the long-term incentive payable to the Executive Directors and is expected to be payable over the next two to three years.

26 Share capital

	Shares	£000
Authorised share capital		
At 1 July 2012 and 30 June 2013		
Ordinary shares of £0.01 each	570,000,000	5,700
B shares of £0.00001 each	383,722,801	4
C shares of £0.0218 each	383,722,801	8,365
D shares of £0.00001 each	340,950,000	3
E shares of £0.00001 each	339,950,000	4
Issued, called up and fully paid		
Ordinary shares of £0.01 each		
At 1 July 2012	332,050,000	3,320
Exercise of share options	6,000,000	60
At 30 June 2013	**338,050,000**	**3,380**
B shares		
At 1 July 2012 and 30 June 2013	152,518,623	2
D shares		
At 1 July 2012 and 30 June 2013	331,550,000	3
E shares		
Issue of E shares	332,050,000	4
At 30 June 2013	332,050,000	4
At 30 June 2013	**1,154,168,623**	**3,389**

Shares donated to charity are subscribed for in cash to the extent of the nominal value and the difference between the nominal and market value at the time of the donation is charged to the income statement and forms an addition to share premium.

A summary of the changes in the issued share capital of the Company during the year is as follows:

(i) On 6 September 2012, the authorised share capital of the Company was increased by 339,950,000 E shares.

(ii) On 6 September 2012, following receipt of elections from shareholders through the Return of Cash scheme, 332,050,000 E shares of £0.00001 each were issued to existing shareholders. The E shares were issued out of existing share premium.

(iii) On 21 September 2012, a dividend of 1.32 pence per share was paid on the E shares.

(iv) On 12 December 2012, the Company issued 6,000,000 new ordinary shares of one penny each at par in respect of exercisable share options.

The £0.00001 B Shares, D shares and E shares confer no voting rights or entitlement to future dividends and cannot be traded on any stock exchange.

27 Share-based payments

The Group uses share options as remuneration for services of Directors and employees. The Group issued no share options during the year (2012: none). Details of the number of share options and the weighted average exercise price (WAEP) outstanding during the year are as follows:

	2013 WAEP		2012 WAEP	
	Number	Price (pence)	Number	Price (pence)
Outstanding at the beginning of the year	**7,900,000**	**5.27**	7,900,000	9.27
Granted during the year	**—**	**—**	—	—
Lapsed during the year	**(400,000)**	**(11.07)**	—	—
Exercised during the year	**(6,000,000)**	**(5.07)**	—	—
Outstanding at the year end	**1,500,000**	**5.57**	7,900,000	9.27
Exercisable at the year end	**1,500,000**	**5.57**	7,900,000	9.27

Date of grant	Vesting period (years)	Date of vesting	Date of expiry	Expected life (years)	Exercise price (pence)	Risk-free rate	Share price at grant (pence)	Volatility of share price	Fair value (£)	Number outstanding
8 Jan 04	3	8 Jan 07	7 Jan 14	5	5.57	4.4%	11.75	25%	23,940	1,500,000

The fair value of options/warrants granted after 7 November 2002 has been arrived at using the Black-Scholes model. The assumptions inherent in the use of this model are as follows:

- the option life is assumed to be at the end of the allowed period;
- there are no vesting conditions which apply to the share options;
- no variables change during the life of the option (e.g. dividend yield); and
- volatility has been calculated over the three years prior to the grant date.

In addition to the Eurovestech equity-settled scheme, the Group's subsidiary, KSS Fuels, also has a separate share option scheme in respect of its own equity. The total expense recognised by the Group for the year, for all continuing schemes, was £40,000 (30 June 2012: £28,000). The share-based payment reserve contains only those share-based payments made by the parent company.

28 Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. Risk management is carried out by the board and their policies are outlined below.

(a) Market risk

Foreign exchange risk

The Group is exposed to translation and transaction foreign exchange risk as it operates primarily within Europe and the US with transactions denominated in Sterling, Euros and US dollars. The Group policy is to try to match the timing of the settlement of sales and purchase invoices so as to aim to eliminate currency exposure.

The Group does not hedge any transactions and foreign exchange differences on retranslation of foreign assets and liabilities are taken to the income statement. The Company does not consider there to be a significant risk from its investments.

Sensitivity to reasonably possible movements in exchange rates can be measured on the basis that all other variables remain constant. Strengthening or weakening of the Euro against Sterling by 10 per cent would impact equity by plus or minus £65,000 (2012: £12,000). For the same 10 per cent movement in the US dollar the impact would be £312,000 (2012: £222,000). The result for the year is affected by the same 10 per cent movement in the Euro by plus or minus £46,000 (2012: £10,000). For the US dollar a 10 per cent exchange rate movement would impact the result by £87,000 (2012: £39,000).

The cash and cash equivalent balances carried within the Group comprise the following currency holdings:

	30 June 2013 £000	30 June 2012 £000
Sterling	**648**	197
Euros	**413**	9
US dollars	**902**	1,458
Canadian dollars	**69**	216
	2,032	1,880

The majority of the Group's financial assets are held in Sterling but movements in the exchange rate of the Euro and the US dollar against Sterling have an impact on both the result for the year and equity.

Interest rate risk

The Group finances its operations through equity fundraising and therefore does not carry significant borrowings. As the Group carries no long-term borrowings, the Directors consider that there is no significant interest rate risk.

Price risk

The Group is exposed to equity securities price risk because investments are held by the Group classified in the Statement of Financial Position as "at fair value through profit or loss". During the last year share prices have remained volatile and had the quoted prices of these investments increased or decreased by 10 per cent the net result for the year would have been increased/reduced by £0.2 million (2012: £0.6 million). As changes in valuation are taken to the Consolidated Statement of Comprehensive Income, the equity of the Group would have been impacted by the same amount.

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. In order to minimise this risk, the Group endeavours only to deal with companies which are demonstrably creditworthy and this, together with the aggregate financial exposure, is continuously monitored. The maximum exposure to credit risk is the value of the outstanding amount.

Provision of services by members of the Group results in trade receivables which the management considers to be of low risk. Other receivables include subscription monies from shareholders and are likewise considered to be low risk. Management do not consider that there is any concentration of risk within either trade or other receivables. No trade or other receivables have been impaired.

Credit risk on cash and cash equivalents is considered to be small as the counterparties are all substantial banks with high credit ratings. The maximum exposure is the amount of the deposit.

(c) Liquidity risk

The Group currently holds substantial cash balances in Sterling, US dollars and Canadian dollars to provide funding for normal trading activity. The Group also has access to additional equity funding and, for short-term flexibility, overdraft facilities would be arranged with the Group's bankers. Trade and other payables are monitored as part of normal management routine.

(d) Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other members. The Group will also seek to minimise the cost of capital and attempt to optimise the capital structure. Capital for further development of the Group's activities is achieved by disposals and share issues. Dividends were paid to shareholders both during previous years and the current year following investment disposals and further capital returns may continue. The Group does not carry significant debt.

There is no material difference between the fair values and the carrying values of these financial instruments.

29 Operating lease commitments

The following payments are due to be made on operating lease commitments:

Land and buildings

	30 June 2013 £000	30 June 2012 £000
Within one year	**521**	449
Two to five years	**872**	1,028
More than five years	**51**	—
	1,444	1,477

30 Related party transactions

During the year, Citysleet Services Limited provided the Company with legal services amounting to £nil (2012: £32,000). Quentin Solt is a director of Citysleet Services Limited. The balance outstanding at 30 June 2013 was £nil (2012: £32,000).

During the year the Company charged ITWP Acquisitions Limited £20,000 (30 June 2012: £20,000) in fees for Non-Executive Directors' services, plus rechargeable expenses. At 30 June 2013 £39,000 (2012: £6,000) was due from ITWP Acquisitions Limited.

During the year the Group provided additional loan funding of £1,385,000 (2012: £908,000) to Audionamix SA, one of its investee companies. At the year end the balance of £2,726,000 (2012: £1,408,000) remained outstanding.

The Company has a profit sharing agreement with its Executive Directors. Refer to note 25 for further details.

Information on remuneration of key management personnel is given in note 8.

There were no other related party transactions.

31 Capital commitments

At 30 June 2013 the Group was committed to capital expenditure of £nil (2012: £nil).

32 Accounts

Copies of these accounts are available from Companies House, [Crown Way, Maindy, Cardiff CF14 3UZ (www.companieshouse.gov.uk) and from the Eurovestech Plc website (www.eurovestech.com).

33 Events after the reporting period

On 29 November 2013, as part of an Initial Public Offering, the Company sold 56 per cent of its shareholding in Kalibrate Technologies plc (the new company name of Knowledge Support Systems Limited) for a cash consideration of £6.6million before expenses. Post-fundraising, the Company retains a shareholding of 20% in Kalibrate Technologies plc.

Directors' Responsibilities
for the Company financial statements

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 that law the Directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 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 accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, 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 are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's 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.

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

Report of the Independent Auditors
to the members of Eurovestech Plc

We have audited the parent company financial statements of Eurovestech Plc for the year ended 30 June 2013 which comprise the Company Balance Sheet and the Notes to the Company Financial Statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of Directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 36, the Directors are responsible for the preparation of the parent company financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the parent company financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the parent company financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 June 2013;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the parent company financial statements are prepared is consistent with the parent company 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Other matter

We have reported separately on the Group financial statements of Eurovestech Plc for the year ended 30 June 2013.

Simon O'Brien (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
31 January 2014

Company Balance Sheet
at 30 June 2013

	Note	30 June 2013 £000	30 June 2012 £000
Fixed assets			
Tangible assets	4	**1**	5
Investments	5	**44,150**	52,919
		44,151	52,924
Current assets			
Debtors	6	**2,193**	2,375
Investments	7	**1,913**	6,299
Cash at bank and in hand		**500**	52
		4,606	8,726
Creditors: amounts falling due within one year	8	**(498)**	(4,279)
Net current assets		**4,108**	4,447
Net assets		**48,259**	57,371
Capital and reserves			
Called up share capital	9	**3,389**	3,325
Share premium account	10	**423**	261
Capital redemption reserve	10	**4,438**	4,438
Other reserve	10	**100**	100
Profit and loss account	10	**39,909**	49,247
Shareholders' funds		**48,259**	57,371

The financial statements on pages 38 to 44 were authorised for issue by the board of Directors on 30 Jan 2014 and were signed on its behalf:

Richard Bernstein

Richard Bernstein
Chief Executive

Registered number: 3913197

Notes to the Company Financial Statements
for the year ended 30 June 2013

1 Accounting policies

Accounting convention

The parent company financial statements have been prepared on a going concern basis under United Kingdom Generally Accepted Accounting Practice using the historical cost convention as modified by the revaluation of certain financial instruments and in accordance with the Companies Act 2006 and applicable accounting standards. The particular accounting policies adopted by the Directors are described below and are considered suitable, have been consistently applied and are supported by reasonable and prudent judgements and estimates in accordance with FRS 18.

Fixed asset investments

All fixed asset investments are designated at fair value through profit or loss at initial recognition.

General

In valuing investments, the Directors follow the principles recommended in the International Private Equity and Venture Capital Valuation Guidelines which were effective from January 2005. Investments are valued at fair value at the reporting date. In the small minority of cases where fair value cannot be reliably measured, existing book value, less any impairment, is used as the basis of valuation.

Fair value represents the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction. In estimating fair value, the Directors use a methodology which is appropriate in light of the nature, facts and circumstances of the investment and its materiality in the context of the total investment portfolio. Methodologies are applied consistently from one year to another except where a change results in a better estimate of fair value. Because of the inherent uncertainties in estimating the value of private equity investments, the Directors exercise due caution in applying the various methodologies.

Unlisted investments

The principal methodologies applied in valuing unlisted investments include the following:

- earnings multiple;
- price of recent investment; and
- net assets.

In applying the earnings multiple methodology, the Directors apply a market-based multiple that is appropriate and reasonable to the maintainable earnings of the Company. In the majority of cases the enterprise value of the underlying business is derived by the use of earnings before interest and tax multiple applied to current year's earnings where these can be forecast with a reasonable degree of certainty and are deemed to represent the best estimate of maintainable earnings. Where this is not the case, historic earnings will generally be used in their place.

Listed investments

Listed investments are fixed asset investments at fair value through profit or loss and held for trading. Listed investments held for long-term gain are valued on the basis of the bid price at the year-end date.

All gains and losses on fixed asset investments are recorded in the profit and loss account.

Current asset investments

Listed current asset investments held for short-term gain are stated at bid prices. Gains and losses on current asset investments and income therefrom are included in the profit and loss account.

Convertible loan notes are classified as loans and receivables and recorded at fair value.

Tangible fixed assets

Tangible fixed assets are stated at cost, less provision for depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Depreciation is calculated to write down the cost, less estimated residual value, of all tangible fixed assets on a straight line basis over their expected useful lives. The rates applicable are:

Office equipment	three to four years

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

Leased assets
Operating leases and the payments made under them are charged to the profit and loss account on a straight line basis over the lease term.

Foreign currencies
Assets and liabilities in foreign currencies are translated into Sterling at the rates of exchange ruling at the reporting date. Transactions in foreign currencies are translated into Sterling at the rate of exchange ruling at the date of transaction. Exchange differences are recorded within the operating result.

Share-based payments
The Company operates equity-settled share-based compensation plans for remuneration of its employees.

All goods and services received in exchange for the grant of any share-based payment are measured at their fair values. Where employees are rewarded using share-based payments the fair values of their services are determined indirectly by reference to the fair value of the instrument granted to the employee. This fair value is appraised at the grant date and excludes the impact of non-market vesting conditions (e.g. profitability and sales growth targets). FRS 20 has been applied to all share-based payment arrangements granted after 7 November 2002.

All equity-settled share-based payments are ultimately recognised as an expense in the profit and loss account with a corresponding credit to other reserves.

Upon exercise of share options the proceeds received, net of attributable transaction costs, are credited to share capital and, where appropriate, share premium.

Dividends
Under FRS 21, final ordinary dividends payable to the shareholders of Eurovestech Plc are recognised in the year that they are approved by the shareholders. Interim ordinary dividends payable are recognised in the period that they are paid.

Dividends receivable are recognised when the Company's right to receive payment is established.

Cashflow statement
The Company has taken advantage of the exemption from preparing a cashflow statement under the terms of FRS 1 (Revised) "Cashflow Statements". The cashflows of the Company are included in the Eurovestech Plc Group financial statements.

Related party transactions
The Company is exempt under the terms of FRS 8 from disclosing related party transactions with entities that are part of the Eurovestech Plc Group.

2 Company profit and loss account
As permitted by Section 408 of the Companies Act 2006, the profit and loss account of the parent company is not presented as part of these financial statements. The parent company's loss after taxation for the year ended 30 June 2013 was £4,955,000 (2012: profit of £4,899,000). There were no other recognised gains or losses. The auditors' remuneration for the statutory audit was £24,000 (2012: £23,000).

3 Employees
Employee costs (including Directors):

	Year ended 30 June 2013 £000	Year ended 30 June 2012 £000
Wages and salaries	**604**	2,312
Social security costs	**80**	238
Share-based payments	**—**	1
	684	2,551

For details of Directors' remuneration, see page 8 of this annual report.

The average monthly number of employees during the year was as follows:

	Year ended 30 June 2013 £000	Year ended 30 June 2012 £000
Administration	**1**	1
Management	**2**	3
	3	4

4 Tangible fixed assets

	Office equipment £000
Cost	
At 1 July 2011	109
Additions	—
At 30 June 2012	109
Additions	—
At 30 June 2013	**109**
Depreciation	
At 1 July 2011	97
Charged in the year	7
At 30 June 2012	104
Charged in the year	4
At 30 June 2013	**108**
Net book value at 30 June 2013	**1**
Net book value at 30 June 2012	5

5 Fixed asset investments

	£000
Valuation	
At 1 July 2011	31,275
Additions	13,487
Net gain on revaluation at fair value through profit and loss	8,157
Disposals	—
At 30 June 2012	52,919
Additions	1,989
Net gain on revaluation at fair value through profit and loss	(3,108)
Disposals	(7,650)
At 30 June 2013	**44,150**

The additions relate to investment in Maxifier Limited. The loss on revaluation arises from a reduction in the carrying value of ITWP Acquisitions Limited and the disposal of ARKeX Limited partially offset by increases in valuation of Knowledge Support Systems Limited and Maxifier Limited.

Included within fixed asset investments are the following companies:

Portfolio company name	Country of incorporation	% interest in ordinary shares at 30 June 2013	Fair value at 30 June 2013 £000
Principal subsidiary			
Knowledge Support Systems Limited (and its subsidiaries)	UK	**60.0**	**11,850**
Other investments			
ITWP Acquisitions Limited (previously ToLuna plc)	UK	**16.5**	**20,200**
Magenta Corporation Limited	UK	**49.6**	**1,209**
Maxifier Limited	UK	**43.4**	**8,600**
Audionamix SA	France	**45.5**	**875**
LogNet Information Systems plc	UK	**24.5**	**1,366**
Ecodata Limited	UK	**0.2**	**50**
Investments' carrying value			**44,150**

Portfolio company name	Country of incorporation	% interest in ordinary shares at 30 June 2012	Fair value at 30 June 2012 £000
Principal subsidiary			
Knowledge Support Systems Limited (and its subsidiaries)	UK	100	18,000
Other investments			
ITWP Acquisitions Limited (previously ToLuna plc)	UK	16.5	23,782
Magenta Corporation Limited	UK	49.6	1,209
Maxifier Limited	UK	46.3	6,482
Audionamix SA	France	45.5	875
LogNet Information Systems plc	UK	26.5	1,325
ARKeX Limited	UK	2.5	1,196
Ecodata Limited	UK	0.2	50
Investments' carrying value			52,919

6 Debtors

	30 June 2013 £000	30 June 2012 £000
Trade debtors	**175**	197
Amounts owed by Group undertakings	**1,790**	2,096
Amounts owed by related parties	**—**	—
Other debtors	**168**	27
Prepayments and accrued income	**60**	55
	2,193	2,375

Amounts owed by Group undertakings are unsecured, bear interest at 8 per cent per annum, have no fixed repayment date and are repayable on demand.

7 Current asset investments

	30 June 2013 £000	30 June 2012 £000
Financial assets at fair value through profit or loss	**1,913**	6,299
Historical cost	**1,726**	5,990

Financial assets held for trading primarily consist of listed investments and marketable securities.

8 Creditors: amounts falling due within one year

	30 June 2013 £000	30 June 2012 £000
Trade creditors	**36**	86
Other tax and social security	**17**	29
Other creditors	**60**	2,438
Accruals and deferred income	**385**	1,726
	498	4,279

9 Share capital

	Shares	£000
Authorised share capital		
At 1 July 2012 and 30 June 2013		
Ordinary shares of £0.01 each	570,000,000	5,700
B shares of £0.00001 each	383,722,801	4
C shares of £0.0218 each	383,722,801	8,365
D shares of £0.00001 each	340,950,000	3
E shares of £0.00001 each	339,950,000	4
Issued, called up and fully paid		
Ordinary shares of £0.01 each		
At 1 July 2012	332,050,000	3,320
Exercise of share options	6,000,000	60
At 30 June 2013	**338,050,000**	**3,380**
B shares		
At 1 July 2012 and 30 June 2013	152,518,623	2
D shares		
At 1 July 2012 and 30 June 2013	331,550,000	3
E shares		
Issue of E shares	332,050,000	4
At 30 June 2013	332,050,000	4
At 30 June 2013	**1,154,168,623**	**3,389**

A summary of the movements in share capital during the year, together with share price information, is disclosed in note 26 to the Group financial statements. Details of the Eurovestech Plc equity-settled share-based payment scheme are fully disclosed in note 27 to the Group consolidated accounts.

10 Reserves

	Share premium account £000	Capital redemption reserve £000	Other reserve £000	Profit and loss account £000
At 1 July 2012	261	4,438	100	49,247
Profit for the year	—	—	—	(4,955)
Exercise of share options	166	—	—	—
Issue of E shares and E share dividend	(4)	—	—	(4,383)
At 30 June 2013	**423**	**4,438**	**100**	**39,909**

At 30 June 2013, the Company's distributable reserves were £9,459,000. All gains which remain unrealised at the balance sheet date are not distributable.

11 Reconciliation of movements in shareholders' funds

	2013 £000	2012 £000
Profit for the financial year	**(4,955)**	4,899
Charitable donation of shares	—	143
Exercise of share options	**226**	—
Share option charge	—	1
Issue of D shares and D share dividend	—	(13,262)
Issue of E shares and E share dividend	**(4,383)**	—
Purchase of own shares	—	(55)
Net movement in shareholders' funds	**(9,112)**	(8,274)
Shareholders' funds at 1 July	**57,371**	65,645
Shareholders' funds at 30 June	**48,259**	57,371

12 Operating lease commitments

At 30 June 2013 the Company had annual commitments under non-cancellable operating leases for land and buildings expiring as follows:

	30 June 2013 £000	30 June 2012 £000
Within one year	**75**	—
Two to five years	**150**	75
	225	75

13 Related party transactions

During the year, Citysleet Services Limited provided the Company with legal services amounting to £nil (2012: £32,000). Quentin Solt is a director of Citysleet Services Limited. The balance outstanding at 30 June 2013 was £nil (2012: £32,000).

During the year the Company charged ITWP Acquisitions Limited £20,000 (30 June 2012: £20,000) in fees for Non-Executive Directors' services, plus rechargeable expenses. At 30 June 2013 £39,000 (2012: £6,000) was due from ITWP Acquisitions Limited.

During the year the Group provided additional loan funding of £1,385,000 (2012: £908,000) to Audionamix SA, one of its investee companies. At the year end the balance of £2,726,000 (2012: £1,408,000) remained outstanding.

The Company has a profit sharing agreement with its Executive Directors; refer to note 14.

There were no other related party transactions.

14 Contingent liabilities

In 2008, the Company entered into shareholder approved employee incentive arrangements with the Company's two Executive Directors. These incentive arrangements provide for each of the Executive Directors to receive 7.5 per cent of the net profits (after disposal costs) made by the Company in relation to its investments above a 5 per cent internal rate of return. In the event that the Company was to have disposed of its entire fixed asset investment portfolio at the valuation in the Balance Sheet at 30 June 2013, this would give rise to a bonus payment to the Directors of £3,163,000 (2012: £4,962,000).

15 Capital commitments

The Company had no capital commitments at 30 June 2013 (30 June 2012: £nil).

16 Accounts

Copies of these accounts are available from Companies House, Crown Way, Maindy, Cardiff CF14 3UZ (www.companieshouse.gov.uk) and from the Eurovestech Plc website (www.eurovestech.co.uk).

17 Events after the reporting period

On 29 November 2013, as part of an Initial Public Offering, the Company sold 56 per cent of its shareholding in Kalibrate Technologies plc (the new company name of Knowledge Support Systems Limited) for a cash consideration of £6.6million before expenses. Post-fundraising, the Company retains a shareholding of 20 per cent in Kalibrate Technologies plc.