Flying Brands Limited

Annual report and financial statements for the 52 weeks ended 26 December 2014

Registered number: 2044

Contents

Chairman's statement

It is with pleasure that I present the annual financial statements to shareholders for the 52 weeks ended 26th December 2014.

On 7 November 2014, the Company announced that it disposed of its freehold property at Retreat Farm, thereby completing the disposal of all of Flying Brands' remaining assets. The proceeds of this sale were used to repay the loan of £1.01m from Acorn Finance and to pay the agreed settlement amount of £0.15m to Flying Flowers Pty Ltd.

I was appointed to the Board on 13 February 2015, together with Trevor Brown, following the resignation of Stephen Cook and Paul Davidson. Following these Board changes, the Board called an Extraordinary General Meeting on 11 March 2015 (the "EGM"). At the EGM, shareholders voted in favour of increasing both the authorised share capital of the Company and the Directors' ability to allot shares without rights of pre-emption.

Following the passing of all resolutions at this EGM, Peterhouse Corporate Finance Limited raised £300,000 before expenses by way of the issue of Convertible Loan Notes convertible into Units at a price of £0.011 per Unit. The proceeds of the Convertible Loan Notes are to be used to provide the Company with working capital to allow it to continue to review and implement its on-going strategy, with a view to increasing shareholder value.

In the past 2 months, your Board has continued to identify and assess suitable opportunities. We will continue to review projects where we believe value can be created for Flying Brands' shareholders.

The Board, through its extensive network of contacts, hopes to identify potentially interesting investment opportunities, although formal discussions in respect of any of these opportunities have not yet commenced. The Company may be either an active investor and acquire control of a single company or it may acquire non-controlling shareholdings. The proposed investments to be made by the Company may be in either quoted or unquoted securities and made by direct acquisition of interest in companies, partnerships or joint ventures, or direct interests in projects and can be at any stage of development. Accordingly, the Company's equity interest in a proposed investment may range from a minority position to 100 per cent. ownership.

In the meantime the Board has sought to reduce the Company's on-going running costs in order to preserve the Company's primary asset being its cash deposits.

Michael Murphy
Chairman

To the members of Flying Brands Limited

Cautionary statement

This business review has been prepared solely to provide additional information to shareholders to assess the Company's strategies and the potential for those strategies to succeed.

The business review contains certain forward looking statements. These statements are made by the Directors in good faith based on the information available to them up to the time of their approval of this report and such statements should be treated with caution due to the inherent uncertainties, including both economic and business risk factors, underlying any such forward looking information.

This business review has been prepared for the Group as a whole and therefore gives greater emphasis to those matters which are significant to Flying Brands Limited and its subsidiary undertakings when viewed as a whole.

The Group's future business model

The Group's main income has come from the rental of sites within Retreat Farm. However, towards the end of 2014, the Company disposed of the Retreat Farm assets and announced the new Board's intention to review and implement an on-going strategy, with a view to increasing shareholder value. As a result, until the new strategy has been implemented, overheads will be kept at a minimum level.

Review of the Group's progress

The aim of the Directors is to find a suitable investment or investments to increase shareholder value. There is no guarantee that any of these investments will come to fruition.

Results for the 2014 financial period

A summary of the key financial results is set out in the table below:

	Total £'000
Revenue	-
Expenses	**(284)**
Loss before interest and tax	**(284)**
Interest payable	**(91)**
Loss before tax	**(375)**
Taxation	-
Loss for the period from continuing operations	**(375)**
Loss for the period from discontinued operations	**(1,396)**
Loss for the period attributable to the group	**(1,771)**

Interest

The net interest cost for the Group for the period was £0.1m (2013: £0.1m).

Loss before tax

Group loss before tax from continuing operations for the period was £0.4m (2013: £1.3m). The overall Group loss before tax for the period was £1.8m (2013: £nil).

Taxation

Taxation charge was £nil for the period (2013: £0.015m credit).

Earnings per share

Basic and diluted earnings per share from continuing and discontinued operations for the period was 6.40p loss (2013: 4.56p loss).

Dividend and dividend policy

The Directors will not be proposing a final dividend with respect to the financial 52 weeks ended 26 December 2014 (2013: nil). During the course of this financial period no interim dividend was paid (2013: nil).

Financial position

The Group's statement of financial position at 26 December 2014 can be summarised as set out in the table below:

	Assets £'000	Liabilities £'000	Net assets £'000
Investment property	-	-	-
Current assets and liabilities	422	(206)	216
Loans and provisions	-	(205)	(205)
Total as at 26 December 2014	422	(411)	11
Total as at 27 December 2013	3,127	(1,378)	1,749

The main movements in net assets during the period were as follows:

(i) Receipt of proceeds from sale of investment property (increase in net assets of £1.6m);

(ii) Disposal of investment property (reduction in net assets of £2.9m)

(iii) Repayment of Acorn Finance Loan (reduction in liabilities of £1.0m);

(iv) Settlement of FF Australia (reduction in liabilities £0.15m)

Capital structure

The Group has no bank debt (2013: nil). At the present time the Group retains clearing facilities with the bank.

The Group entered a loan agreement with West Coast Capital Trading Limited in the amount of £205,000 to meet working capital requirements.

In November 2014 the Group paid off the £1.0m loan from Acorn finance with the proceeds from the sale of the assets of the Retreat Farm.

Research and development and capital expenditure

During the period, the Group did not invest in capital expenditure (2013: £nil). All items of capital expenditure in 2014 were incidental to the operations of the Group and none of the expenditure was of a strategic nature. The Group made no investment in research and development during the period (2013: £nil).

Cash flow

Net cash inflow for 2014 was £0.4m (2013: £0.2m outflow).

This inflow reflects the disposal of business assets by the Group during the period. The overall movement in creditors was a decrease of £0.1m (2013: £0.3m increase).

Interest paid resulted in a net outflow of £0.1m which was unchanged from 2013. Disposal of the trade and assets of the discontinued operations were £1.6m (2013: £0.2m).

Liquidity and investments

During the year the Group had a £1.0m loan from Acorn Finance which provided additional working capital for the Group. The Acorn loan was repaid during the period from the proceeds of the disposal of the investment property.

The Group reached a settlement agreement with Flying Flowers Pty Ltd ("FFA") in 2013, which requires the Company to make a payment in full by 31 January 2015. The Group used the proceeds of the disposal of the Retreat Farm to repay the £0.15m to FFA on 17 November 2014.

Liquidity risk arises from the Group's management of working capital. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due.

The directors consider that there is no significant liquidity risk faced by the Group. The Group maintains sufficient balances in cash to pay accounts payable and accrued expenses.

The Board receives forward looking cash flow projections at periodic intervals during the year as well as information regarding cash balances. At the balance sheet date the Group had cash balances of £410,000 and the financial forecasts indicated that the Group expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances and will not need to establish overdraft or other borrowing facilities.

Interest rate risk

As the Group has no borrowings, it only has limited interest rate risk. The impact is on income and operating cash flow and arises from changes in market interest rates. Cash resources are held in current, floating rate accounts.

Market risk

Market price risk arises from uncertainty about the future valuations of financial instruments held in accordance with the Group's investment objectives. These future valuations are determined by many factors but include the operational and financial performance of the underlying investee companies, as well as market perceptions of the future of the economy and its impact upon the economic environment in which these companies operate.

Other matters

During the period the Group reached a settlement with Jersey Choice Marketing Limited, as a result of the settlement the Group did not receive consideration in the amount of £375,000. Subsequently, DPA Direct was sold to Jersey Choice Marketing Limited with the buyer taking over all on-going litigation matters.

Events after the reporting period

On 13 February 2015, the Company raised £300,000 by the way of the issue of Convertible Loan Notes. The notes are convertible into Units at a price of £0.011 per Unit. £150,000 of the Convertible Loan Note proceeds were subscribed by Trevor Brown, a Director of the Company. The proceeds of the Convertible Loan Notes will be used to provide the Company with working capital to allow it to continue to review and implement its on-going strategy.

Principal risks and uncertainties

This section describes the principal risk factors that the Directors believe could materially affect the Group, but this is not an exhaustive list as other risks may arise or existing risks my materially increase in the future. These are listed in no order of priority, and beneath the description of each risk is a note of the main mitigating factors and actions the Group is taking to address that particular risk.

Risks/uncertainties to the continuing Group		
Issue	**Risk/Uncertainty**	**Mitigation**
Identifying a suitable investment	The Group is dependent upon the ability of the Directors to identify suitable investment opportunities and to implement its investing policy. If the Directors are unable to identify further opportunities in line with the Company's investing policy for creating value, then the Company may not be able to invest its cash in a manner which accomplishes its objectives. There is no guarantee that the Company will be able to acquire further identified opportunities, or indeed complete the investment. The Group's ability to ascertain the merits or risks of the operations of a target company or business. The Group's ability to deploy the net proceeds on a timely basis. The availability and cost of equity or debt capital for future transactions.	The Group has formal investment criteria to identity suitable, earnings-enhancing acquisition targets and employs experienced professionals to drive the acquisition process.
Raising emergency funding	In the event of a significant issue arising for which the Group is required to access substantial liquid funds in excess of its available cash balances, it may not be easy to obtain additional funds as and when required.	The Group monitors its cash requirements carefully and in the need of significant additional funds would look to increase its financing.
Loss of key personnel	Due to the restructuring and downsizing, the Group comprises of a few key individuals. Any unforeseen loss of these key personnel would be damaging to the Group	The Group has a continuity program in place to ensure that Directors would be able to minimise the disruption of the loss of key personnel.
The Group may be adversely affected by the enforcement of and changes in legislation and regulation affecting its business	Compliance with various laws and regulations does impose compliance costs and restrictions on the Group, with fines and/or sanctions for non-compliance.	The Group monitors legislative and regulatory changes and alters its business practices where appropriate.

Principal risks and uncertainties (continued)

The Group relies on the experience and talent of its senior management and on its ability to recruit and retain key employees	The successful management and operations of the Group are reliant upon the contributions of senior management and directors. In addition, the Group's future success depends in part on its ability to continue to recruit, motivate and retain highly experienced and qualified management and directors.	The Group intends to offer incentives in the form of Warrants to motivate its Directors.

Key performance indicators

The main KPI for the Group is achieving its cash flow forecasts whilst efforts continue to implement the new investing policy.

The Board monitors its cash flow carefully to ensure that it has the funds necessary to meet its on-going requirements. Detailed forecasts are produced and reported against on a regular basis.

Future developments

As outlined earlier in this report, the Directors are working to explore new investment opportunities and the implementation of their investing policy.

Going concern basis

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in this review. The financial position of the Group, its cash flows and liquidity position are described in this business review. In addition, notes 2 and 24 to the financial statements include the Group's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments; and its exposure to credit risk and liquidity risk. As highlighted in note 24 to the financial statements, the Group meets its day to day working capital requirements through its on-going cash flows.

The Directors have prepared detailed working capital projections for the Group, taking into account reasonable possible changes in trading performance, to support the decision to prepare the financial statements on the going concern basis.

Going concern basis (continued)

The Group's forecasts and projections, taking into account the uncertainties above, show that the Group has a reasonable expectation of maintaining sufficient working capital to enable the Group to meet its liabilities as they fall due for the foreseeable future, being a period of not less than 12 months from the date of approval of this report.

Thus the Directors continue to adopt the going concern basis of accounting in preparing the annual financial statements

By order of the Board

Mr T Brown
Director

24 April 2015

Flying Brands Limited,
La Rue De La Frontiere,
Retreat Farm,
St Mary, Jersey.
Channel Islands. JE3 3EG

Directors' and corporate governance report

The Directors present their annual report on the affairs of the Group, together with the financial statements and auditor's report, for the 52 weeks ended 26 December 2014.

Principal activities

The principal activities in the 52 weeks ended 26 December 2014 comprise of property investment and the lease of its Retreat Farm property.

The subsidiary and associated undertakings principally affecting the profits or net assets of the Group in the year are listed in note 18 to the financial statements.

Business review

The Group's loss from continuing operations before taxation was £0.4m (2013: loss £1.3m). Information about the use of financial instruments by the Company and its subsidiaries is given in note 24 to the financial statements.

Details of significant events after the reporting period are contained in note 27 to the financial statements.

Incorporation

The Company is incorporated in Jersey, Channel Islands.

Future prospects

A commentary on the Group's future prospects and a description of principal risks and uncertainties are set out in the Chairman's statement and business review.

Capital structure

During 1996 the Group created a twinned share structure to enable UK based shareholders to receive a UK dividend and thereby avoid being double taxed on the Jersey dividend.

Consequently all shareholders hold in addition to their shares in Flying Brands Limited an equivalent number of shares in Flying Brands Holdings (UK) PLC.

Although the results for the 52 weeks ended 26 December 2014 of Flying Brands Holdings (UK) PLC are included in the consolidated financial statements of Flying Brands Limited, in accordance with UK Company Law a separate set of financial statements for Flying Brands Holdings (UK) PLC will be sent to shareholders.

Dividend

No interim dividend was paid in 2014 (2013: £nil). The Directors do not propose a final dividend for the financial year ended 26 December 2014 (2013: nil).

Statement of Directors' responsibilities

The Directors are responsible for preparing the annual report and the Group financial statements in accordance with applicable law and regulations. Company law requires the Directors to prepare Group financial statements for each financial year. Under UK listing rules the directors are required to prepare the Group financial statements in accordance with IFRSs as adopted by the EU. The Group financial statements are required by law and IFRSs as adopted by the EU to present fairly the state of affairs of the Group and the profit or loss for that period.

Statement of Directors' responsibilities (continued)

In preparing these financial statements, International Accounting Standard 1 requires the directors to:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the company's ability to continue as a going concern.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Group and enable them to ensure that its financial statements comply with the Companies (Jersey) Law 1991. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Directors' report, Directors' remuneration report and corporate governance statement that comply with that law and those regulations.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website. Legislation in the UK and Jersey governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

The Directors of the Company prior to the audit report date were as listed below:

Mr P R Davidson	— Non-Executive Chairman (resigned 13 February 2015)
Mr S S Cook	— Chief Executive Officer (resigned 13 February 2015)
Mr S J Dootson	— Group Finance Director (resigned 8 April 2014)
Mr T Brown	— Chief Executive Officer (appointed 13 February 2015)
Mr M Murphy	— Non-Executive Chairman (appointed 13 February 2015)

The service contracts of all Directors are noted in the Remuneration Committee report on pages 19 to 23. Mr T Brown and Mr M Murphy who were appointed to the Board on 13 February 2015 retire at the AGM and, being eligible, offer themselves for re-election.

Biographical details of the Directors are given on page 18.

Although an overseas Company, the Directors have sought to ensure that the financial statements of the Company and the Group comply with the disclosure requirements of Jersey Company Law and the listing requirements of the UK Listing Authority.

Share capital

Details of the share capital of the Company and the movements during the period are set out in note 20 to the financial statements.

The Ordinary shares carry equal rights to dividends, voting and return of capital on the winding up of the Company. There are no restrictions on the transfer of securities in the Company and there are no restrictions on any voting rights or deadlines, other than those prescribed by law, nor is the Company aware of any arrangements between holders of its shares which may result in restrictions on the transfer of securities or on voting rights. Participants in employee share schemes have no voting or other rights in respect of the shares subject to those awards until the allocations are exercised, at which time the shares rank pari passu in all respects with shares already in issue. No such schemes have any rights with regard to control of the Company.

Share capital (continued)

There are no Directors' interests in share options and awards. Apart from service contracts none of the Directors had a material interest in any contract of significance to which the Company or any of its subsidiaries was a party during the financial period.

The Company has set up an Employee share option trust for the settlement of awards that may vest in future periods. The trustees of this trust exercise the voting rights and these shares do not attract dividends.

Share issuing

At the Extraordinary General Meeting held on 11 March 2015, the shareholders gave the Company permission to allot additional equity securities on a non pre-emptive basis up to 35,838,914 Ordinary Shares, including the maximum number of Units that could be issued pursuant to the Convertible Loan Notes (assuming full conversion), to allow the Convertible Loan Notes to become unconditional. The balance of approximately 3,043,459 Ordinary Shares, to be used for the issue of and for any allotment of equity securities for cash.

The Company's previous authorities to issue Ordinary Shares have expired.

The Board will be seeking the approval of the shareholders to have the authority to purchase and allot Ordinary shares at the forthcoming AGM. The Company held 452,323 Ordinary shares of 1p each (2013: 452,323) in an ESOP trust. For further information see note 21 to the financial statements.

Charitable and political donations

The Company did not make any political or charitable donation during the financial period (2013: £nil).

Substantial shareholdings

As at 10 April 2015, other than the Directors' holdings, the Company has been advised of the following interests in 3% or more of its issued share capital:

	10.04.15	**26.12.14**
West Coast Capital Trading Limited	26.9%	26.9%
Silenus Investments Limited	11.3%	11.3%
Forest Nominees Limited	11.2%	12.1%
The Bank of New York Nominees Limited	6.4%	6.4%
Winterflood Securities Limited	-	5.3%
Chase Nominees Limited	4.0%	4.0%
TD Direct Investing Limited	3.4%	-
HALB Nominees Limited	3.2%	3.2%

Significant agreements/takeovers directive

There are a number of agreements that take effect, alter or terminate upon a change of control of the Group such as commercial contracts and employee share option/award schemes. None of these are deemed to be significant in terms of their potential impact on the business of the Group as a whole.

Memorandum and Articles of Association

The Company's Articles of Association (the Articles) give the Board the power to appoint Directors, but require Directors to retire and submit themselves for election at the first AGM following their appointment.

The Board of Directors may exercise all the powers of the Company subject to the provisions of relevant statutes, the Company's Memorandum of Association and the Articles. The Articles, for instance, contain specific provisions and restrictions regarding the Company's power to borrow money. Powers relating to the issuing and buying back of shares are also included in the Articles and such authorities are renewed by shareholders each year at the AGM.

Memorandum

The Company's capacity

There is no doctrine of ultra vires in Jersey law and accordingly the memorandum confirms that the capacity of the Company is not limited by anything in its memorandum and articles or by any act of its members.

Par value company

The memorandum states that the Company is a par value company under Jersey law.

Liability of members limited

The memorandum confirms that the liability of each member in respect of their holding of a share is limited to the amount (if any) unpaid on it.

Articles

Issue of shares

Subject to the provisions of Jersey law and the pre-emption rights described below, the Directors are generally authorised to allot or otherwise dispose of shares in the Company as they think fit (including the grant of options over and warrants in respect of, shares). The Company may issue redeemable shares and may pay commissions either in cash or by the allotment of shares or the grant of options or warrants.

The Company shall not allot any shares unless they are first offered to members (on the same or more favourable terms as the proposed allotment) in proportion to their existing shareholdings. Such an offer must state a period of not less than 21 days during which it may be accepted. These pre-emption rights shall not apply where shares are paid otherwise than in cash or if they are allotted or issued pursuant to an employee share scheme. Notwithstanding these pre-emption rights, the Directors may be given by special resolution (passed by a majority of not less than two-thirds of the members who vote at a general meeting) the power to allot shares either generally or specifically so that the pre-emption provisions do not apply, or apply with such modifications as the Directors may determine.

Un-certificated shares

The articles allow full advantage to be taken of Jersey legislation permitting shares to be held in un-certificated form.

Disclosure of interests in shares

The articles also require that the Company and its members comply with the UK Listing Authority's Disclosure and Transparency Rule 5 (Vote Holder and Issuer Notification Rules) as if the Company were a UK company.

Electronic communications

Notices may be served by the Company on a member by means of electronic communication to an address notified by the member to the Company for that purpose, in accordance with Jersey law. Proxies may be appointed by electronic communication as permitted by Jersey law.

Directors' fees

The limit on the aggregate fees payable to Directors each year is set at £300,000, to allow for the appointment and remuneration of a sufficient number of non-executive directors. The limit does not apply to the remuneration payable to executive directors.

Directors' service contracts

The maximum length a service contract may be granted to a director without the approval of members in general meeting is two years.

Age limit for Directors

There no requirements for a director to retire based upon age.

Employees

The Company's policy is to provide equal opportunities to all present and potential employees, including, where practical, those who are disabled.

The Group believes in respecting individuals and their rights in the workplace. With this in mind, specific policies are in place covering harassment and bullying, whistle blowing, equal opportunities and data protection.

Auditor

Each of the persons who is a Director at the date of approval of this annual report confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the Director has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

The Company appointed Welbeck Associates as auditor on 10 March 2015.

A resolution to appoint Welbeck Associates as auditor of the Company will be proposed at the AGM.

Corporate governance

As the Company has a standard listing within the UK, it is not required to comply with the Financial Conduct Authority's requirements to report on compliance with, and application of, the UK Corporate Governance Code. The disclosures below are required by Disclosure and Transparency Rule 7.

The Board is committed to ensuring the highest standards of corporate governance, and complies with, subject to a small number of exceptions listed below, the supporting principles and provisions set out in the Combined Code on Corporate Governance of the Financial and Reporting Council ("the Code") which was updated in June 2008 and which came into effect for financial years beginning after June 2009.

The Company has regularly updated its corporate governance policies and procedures to reflect the changes made to corporate governance guidelines in the last few years. The following describes the ways in which the Company complies with the detailed provisions of the Code. It includes full disclosure of the limited number of areas in which the Company is non-compliant and explanations why this is so.

The two areas of non-compliance with the Code are;

- the Chairman of the Audit Committee does not have any relevant accounting experience; and
- the Audit Committee is not made up of at least two independent non-executive Directors.

Annual general meeting

The Directors consider that all the resolutions to be put to the AGM to be held in June 2015 are in the best interests of the Company and its shareholders as a whole. The Board will be voting in favour of them and unanimously recommends that shareholders do also.

Board of Directors

Board meeting were held during the year. The Directors' attendance record during the year are as follows:

	Attendance at Board Meetings
S S Cook	8
P R Davidson	8
S J Dootson	2

The terms of appointment of the Non-Executive Director is made available for inspection at the AGM, along with the service contracts for the Executive Director. The Non-Executive does not have a fixed term of office in his letter of appointment.

Re-election

The articles of association require each director to retire and submit himself for re-election every three years, but also that at least one third of the Directors must be submitted for re-election every year.

On an annual basis, the Chairman considers the performance of the Board and discusses with the Company Secretary the re-election process. Given the performance of the Company the Chairman has confirmed that the Directors being submitted for election in 2015 continue to be highly effective, qualified and committed to their respective roles.

Insurance cover

The Company maintains insurance with a limit of £5m to cover its Directors and officers against the cost of defending themselves against civil legal proceedings taken against them. To the extent permitted by law the Company also indemnifies its Directors and officers. Neither protection applies in the event of fraud or dishonesty.

Board objectives and operation

The key objectives of the Board are as follows:

- The agreement of strategy.
- The agreement of the detailed set of objectives and policies that facilitate the achievement of strategy.
- Monitoring the performance of executive management in the delivery of objectives and strategy.
- Monitoring and safeguarding the financial position of the Company and Group to ensure that objectives and strategy can be delivered.
- Approval of major capital expenditure and other expenditure that is not part of the defined objectives or strategic plan.
- Approving corporate transactions - this includes any potential acquisition or disposal.
- Delegating clear levels of authority to the Executive management team. This is represented by the defined system of internal controls which is reviewed by the Audit Committee.
- Providing the appropriate framework of support and remuneration structures to encourage and enable Executive management to deliver the objectives and strategies of the Company.
- Monitoring the risks being entered into by the Company and ensuring that all of these are properly evaluated.
- Approval of all external announcements.

Board objectives and operation (continued)

A schedule is maintained of matters reserved to the Board for decision.

The Board met eight times in 2014, the Executive Directors attended every meeting during the year while in office and the Non-Executive Directors' attendance is summarised on page 14.

For each Board meeting, each Board member receives a pack of information, including financial reports, project updates and a formal agenda together with any relevant documentation.

Nominations Committee

The committee consists of the Chairman and the Chief Executive. The committee meets as required to fulfil its duties of reviewing the Board structure and composition and identifying and nominating candidates to fill Board vacancies as they arise.

No formal induction process exists for new Directors, but the Chairman ensures that each individual is given a tailored introduction to the Company and fully understands the requirements of the role.

Appraisal of Executive Directors

The Chief Executive normally carries out an annual formal appraisal of the performance of the other Executive Director which takes into account the objectives set in the previous year and the individual's performance in the fulfilment of these objectives. A formal annual appraisal of the Chief Executive is carried out by the Chairman. All the appraisals of the Executive Directors are provided to the Remuneration Committee.

Remuneration Committee

The report of the Remuneration Committee is included in this annual report. Formal terms of reference for the Remuneration Committee have been documented and are made available for review at the AGM.

Audit Committee

Formal terms of reference for the committee have been documented and are made available for review at the AGM

The terms of reference of the Audit Committee include the following requirements:

- To monitor the integrity of financial statements and of any formal announcements relating to the Company's financial performance.
- To review the Company's internal controls and risk management systems.
- To make recommendations to the Board in relation to internal control matters that require improvement or modification.
- To make recommendations to the Board in relation to the appointment, re-appointment and removal of the external auditor and to approve remuneration.
- To review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process.
- To establish and monitor whistle blowing procedures.

No internal audit function exists due to the size of the Group. This is reviewed annually by the Audit Committee which reflects on any increased risk or regulatory changes in the period under review in making their recommendation to the Board.

The Chairman of the Audit Committee does not have any direct, recent or relevant accountancy experience but the Board considers that he has sufficient business experience to enable him to perform the duties contained in his role.

Audit Committee (continued)

The Company engages its auditor for some non-audit services, including project work where opinions are required by the Group's auditor. Auditor objectivity and independence was safeguarded in these instances through the use of partners and staff who have no involvement in the audit of the financial statements and an independent audit partner reviewing work performed. The Audit Committee is satisfied that the provision of these services does not compromise the independence of the auditor. The extent of these fees is documented in note 7 to the financial statements.

The auditor provides a limited number of services additional to its obligation to perform a statutory audit of the Group's companies. These other services extend solely to those required of a listed entity's statutory auditor. The nature and size of the relationship with the auditor is such that it is immaterial to the overall business of the auditor and as such is considered not to impact on its independence in anyway. The Audit Committee considers independence from a number of perspectives, not only the materiality of fee income to the audit firm in question. It is only after considering all these aspects (along with a report on independence from the external auditor) does it conclude and make recommendations to the Board.

None of the members of the Audit Committee have a formal accounting qualification though all have operated at the highest levels of businesses. The Board is content that the overall level of qualification within the Audit Committee is sufficient to enable it to discharge satisfactorily its obligations.

In addition to the Non- Executive Director, the Chief Executive and the external auditor were invited to attend part of the meetings where relevant.

Internal controls

The Board is responsible for the Company's system of internal control and for reviewing its effectiveness. Given the size of the organisation and the level of transactions involved there are limited controls documented and in operation which is appropriate for the company in its current state.

The Audit Committee consider each year if the current level of internal control is appropriate. On advice from the Audit Committee, the Board does not consider any additional independent verification of the system of internal control to be required, on the basis of the size of the Company and the non-complex nature of both its management systems and financial structure.

The Group operates certain controls specifically relating to the production of consolidated financial information, covering operational procedures, validation and review.

The above procedures reflect the Group's commitment to ensuring it has policies in place that ensure high standards of integrity and transparency throughout its operations. Further, when these procedures detect unauthorised practises, the Group is committed to correction of such events. The Group is committed to analysing its internal controls to make them more robust and further limit the risk of such incidents. The Board believes such action properly reflects the Company's commitment to financial discipline and integrity at all levels. The Board has reviewed the effectiveness of internal control systems in operation during the financial period in accordance with the guidelines set out in the Turnbull report, through the processes set out above and no weaknesses or failings were identified.

Dialogue with major shareholders

The Company places considerable importance on communications with shareholders. Discussions take place with major shareholders with the Company delegating authority to the Chairman and Chief Executive to present the strategy and financial results of the Company.

Annual general meeting

At its AGM the Company complies with the provisions of the Code relating to the disclosure of proxy votes, the separation of resolutions and attendance of Directors, particularly committee chairpersons. The timing of the despatch of the formal notice of the AGM also complies with the Code.

Responsibility statement of the Directors in respect of the annual financial report

We confirm that to the best of our knowledge:

(i) the financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole; and

(ii) the Directors' report includes a fair review of the development and performance of the business and the position of the issuer and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

By order of the Board

Mr T Brown
Director

24 April 2015

Flying Brands Limited,
La Rue De La Frontiere,
Retreat Farm,
St Mary, Jersey.
Channel Islands. JE3 3EG

Trevor Brown

Trevor has been a strategic investor in equities and real estate for more than 30 years. He is currently a Non-executive Director of Feedback PLC, Braveheart Group PLC and Peterhouse Corporate Finance. Until recently, Trevor was a director of Advanced Oncotherapy plc where he was involved in the strategy of transition to the provision of advanced cancer treatment services.

Michael Murphy

Michael Murphy has been appointed Non-Executive Chairman of Flying Brands. Mike started in the City of London in 1987. He worked at Citigroup and Robert Flemings as a Trader in UK Equities before going on to become a Director in the Equity departments of both Barclays de Zoete Wedd and then Lehman Brothers. After leaving Lehman in 1997 Mike set up his own broking business, MSM Global Services Ltd, which worked in partnership with Shore Capital and Kyte Securities respectively, before merging with the latter in 2001 to form Eden Financial. Mike was bought out of Eden in 2003 by Lehman and then went on to set up and manage GM Capital Markets, the Equities subsidiary of GFI (one of the world's most successful Inter Dealing Brokerages). In 2005 Mike founded, and is still the Chairman and CEO, of Novus Capital Markets Limited. This small boutique of approximately 15 personnel specialises in Cash Equity Broking, Structured Products Broking and Corporate Finance/Broking.

The Remuneration Committee presents its report for the 52 weeks ended 26 December 2014.

Membership of the Remuneration Committee

The Remuneration Committee is currently comprised of Mr M Murphy and T Brown.

Subject to what appears below, no other third parties have provided advice that materially assisted the Remuneration Committee during the period.

Compliance

The Company has complied materially with The United Kingdom Directors' Remuneration Report Regulations 2002 (the Regulations). In accordance with the Regulations, a resolution to approve this report will be proposed at the AGM of the Company. The vote will have advisory status, will be in respect of the remuneration policy and overall remuneration packages and will not be specific to individual levels of remuneration.

Remuneration policy

The Group's current and future policy is to retain and motivate its staff and rewards linked to performance, results and the interest of shareholders. Bonus award for employees are assessed annually taking in to account the Group results.

Policy Table:

	Objective and link to the strategy	**Operation**	**Maximum potential value**	**Performance conditions and assessment**
Base salary[1]	Reflects level of responsibility and achievement of individual	Base salary is set annually on 1 January Salary levels are reviewed on an annual basis by reference to the median for comparable positions in Main Market companies of a similar market capitalisation and with similar revenues to the Company. Broadly the Company seeks to pitch base salary around the median level for such comparable positions without tracking it mechanistically.	Broadly pitched around the median level for comparable positions without tracking it mechanistically. When considering any increases to base salaries in the normal course (as opposed to a change in role or responsibility), the Board will take into consideration: - Reference to the increases provided to executives in the comparator group. - Pay and employment conditions of employees throughout the Company, including increases provided to the employee population - Inflation	N/A

[1] The basic salary element of remuneration is set in relation to responsibilities, length of service and contribution to the Company's activities.

	Objective and link to the strategy	**Operation**	**Maximum potential value**	**Performance conditions and assessment**
Annual Bonus	The annual bonus aligns reward to key Company strategic objectives and drives short-term performance	Bonus awards for employees are assessed annually taking into account the Company results.	Maximum 100 per cent of base salary. At threshold levels of performance, 0 per cent of base salary can be earned, with a straight-line pro-rate allocation between threshold and maximum.	Bonus performance conditions: Company profit Company cash Personal objectives
Other benefits	To provide competitive levels of employment benefits.	Futures benefits may include: - Private medical insurance. - Permanent health insurance. - Life assurance of two times base salary. The level of benefits provided is reviewed annually to ensure they remain market competitive.	Cost of providing life assurance private medical insurance and permanent health insurance.	N/A
Shareholding policy	To ensure that Executive Directors' and other senior executives' interests are aligned with those of shareholders over a longer time horizon.	Requirement to build and maintain a holding of at least 10,000 Flying Brands Limited shares at 1p per share. Executive Directors may be required to forfeit up to 20 per cent of their base salary if the shareholding requirement is not met within 3 years of appointment.	N/A	N/A

	Objective and link to the strategy	Operation	Maximum potential value	Performance conditions and assessment
Non-Executive Directors - Fees	To attract Non-Executive Directors with the requisite skills and experience to perform the role.	Fee levels are set at the level paid for comparable roles at companies of a similar size and complexity to Flying Brands Limited within the Main Market. The Non-Executive Director fee structure is a matter for the full Board.	Fee levels are set by reference to the median of this peer group. Fee levels are reviewed annually in January. When considering any increases to fee levels in the normal course, the Board will take into consideration: - Increases provided to comparable roles in the comparator group; - Pay and employment conditions of employees throughout the Company, including increases provided to the employee population; and - Inflation.	N/A

Share options

No share option scheme is provided nor is any long term incentive scheme in place.

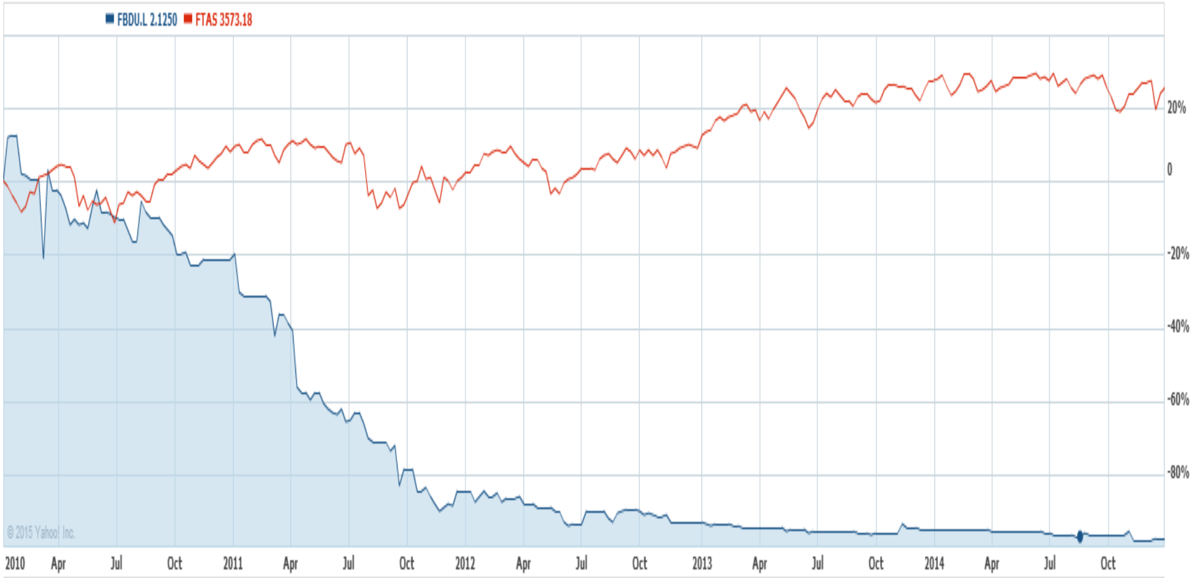
Directors' pensions

The Company provides a defined contribution and fully insured pension scheme which provides for a pension entitlement at the age of 65.

No dependent pensions or benefits are provided. Pension increases after retirement are not specifically guaranteed.

Performance graph

The following graphs shows the Group's performance measured by total shareholder return, compared with the performance of the FTSE All Share Index also measured by shareholder return which has been selected by the Board as being the most appropriate measure as no readily identifiable benchmark of companies exists.



Remuneration policy for Executive Directors

The Remuneration Committee seeks to provide the remuneration packages necessary to attract, retain and motivate Executive Directors of the quality required to manage the business of the Group and seeks to avoid paying more than is necessary for this purpose. In establishing the level of remuneration of each director the committee has regard to packages offered by similar companies.

Consistent with this policy, the benefit packages awarded to Executive Directors comprise a mix of performance and non-performance elements. During 2014 0% of the Executive Directors' pay was based on the Group achieving financial targets.

Directors' interests (held directly or indirectly) in the Company's shares

	Number at 26.12.14	**Number at 27.12.13**
S S Cook	**3,195,000**	**3,195,000**
S J Dootson	**-**	**-**
P R Davidson	-	-
T Brown	-	-
M Murphy	-	-

Mr P R Davidson is a partner in West Coast Capital Trading Limited (WCC). This Company owns 26.9% of the Company's issued share capital. There has been no change in the interests set out above between 26 December 2014 and 24 April 2015.

During the period West Coast Capital Trading Limited lent the Company £205,000 for general working capital purposes. From the proceeds of the sale of the Retreat Farm the loan was repaid in 2015.

Mr T Brown subscribed for £150,000 of convertible loan notes in the February 2015 issuance.

Audited information

Directors’ emoluments

52 weeks ended 26.12.14					52 weeks ended 27.12.13
	Salary and fees	**Pension**	**Benefits**	**Total**	**Total**
	£’000	**£’000**	**£’000**	**£’000**	**£’000**
S S Cook	124	-	-	124	227
C T Knott	5	-	-	5	66
P R Davidson	9	-	-	9	10
T H S Trotter	-	-	-	-	4
	138	-	-	138	307

Mr S S Cook’s services are invoiced by Silenus Investments Limited.

Mr P R Davidson’s services are invoiced by WCC.

The Group is not party to any arrangements whereby Directors or their families may acquire interests in the Company or any other Group Company.

M Murphy
Chairman of the Remuneration Committee

24 April 2015

Independent auditor's report to the members of Flying Brands Limited

We have audited the Group financial statements (the "financial statements") of Flying Brands Limited for the 52 weeks ended 26 December 2014 which comprise the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated statement of changes in equity, the consolidated statement of cash flows and the related notes 1 to 28. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by European Union.

This report is made solely to the Company's members, as a body, in accordance with Article 113A of the Companies (Jersey) Law 1991. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Group's affairs as at 26 December 2014 and of the Group's loss for the 52 weeks then ended;
- have been properly prepared in accordance with IFRSs as adopted by European Union; and
- have been properly prepared in accordance with the Companies (Jersey) Law 1991.

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.

Respective responsibilities of directors and auditor

As explained more fully in the statement of Directors' responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to 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.

Our application of materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

We determined materiality for the Group to be £0.08m, which is not greater than 5% of normalised pre-tax loss.

We agreed with the Audit committee that we would report to the Committee all audit differences in excess of £10,000, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

The Scope of our audit

Our audit is risk based and is designed to focus our efforts on the areas at greatest risk of material misstatement, aspects subject to significant management judgement as well as greatest complexity, risk and size.

Our assessment of risks of material misstatement

The assessed risks of material misstatement described below are those that had the greatest effect on our audit strategy, the allocation of resources in the audit and director the efforts of the engagement team.

The procedures described in our response to each risk below are not exhaustive and we have focused on those procedures that we consider address areas of judgement or subjectivity. As part of our audit of the Group, in addition to substantive tests, we also test the design and implementation of internal controls over financial reporting in each of the risk areas.

Accounting for disposal of tangible assets

Risk

The Group has disposed of the Retreat Farm assets in exchange for consideration of £1.7m. As a result of the disposal a loss on disposal of £1.4m had an impact on the Consolidated Statement of Income. The accounting for the disposal involved judgements and is based on the assumptions of the fair value of assets disposed of, and consideration received. Information if respect of the disposal is made in Note 28.

How the scope of our audit responded to the risk

We analysed the sale and purchase agreements for the asset disposal and challenged the disposal accounting applied by management. This included:

- testing the validity and completeness of consideration to the underlying agreements and consideration received
- evaluating management's assumptions and methodology supporting the fair values of assets disposed in the year
- assessing the terms of the disposal to ensure components of compensation and remuneration had been correctly identified and that disposal costs had been expensed.

Going Concern

Risk

Due to Flying Brands implementing a new investing policy and having no on-going revenue stream, it may not be able to continue as a going concern if it is unable to raise additional funds from other sources such as raising funds from capital markets or completing a reverse transaction. We have therefore considered that the conclusion on whether the Group represents a going concern continues to be a significant risk of material misstatement. Refer to basis of preparation in the notes to the financial statements and the Directors' Report for their assessment of going concern.

How the scope of our audit responded to the risk

We have challenged management's going concern model including the liquidity position at year end and the projected cash flows. We assessed and challenged the accuracy of anticipated funding, reduction in debt and suitable investments.

Management override of controls
Risk
Due to the number of significant accounting estimates and judgements that are relevant to the financial statements, with reference to the estimation of fair value, we have concluded that there is a risk that management may manipulate accounting records. We have therefore concluded that there is a risk that management may override controls that otherwise appear to be operating effectively.

How the scope of our audit responded to the risk
We assessed whether there was evidence of bias by the Directors in the significant accounting estimates and judgements relevant to the financial statements. We tested manual and automated journal entries and included a selection of journals, with a focus on those journal entries that may impact the fair value of assets, related to other significant risks identified as part of the audit engagement. In addition, as part of our audit procedures to address this fraud risk, we assessed the overall control environment and reviewed whether there had been any reported actual or alleged instances of fraudulent activity during the year.

Other matters
In our opinion:

- the part of the Directors' remuneration report to be audited has been properly prepared in accordance with the provisions of the Companies (Jersey) Law 1991.
- The information given in the Business Review and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception
We have nothing to report in respect of the following:

Under the Companies (Jersey) Law 1991 we are required to report to you if, in our opinion:

- proper accounting records have not been kept by the parent Company, or proper returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Corporate governance
Under the Listing Rules we are required to review the part of the Corporate Governance Statement relating to the Company's compliance with the ten provisions of the UK Corporate Governance Code specified for our review. Our review and findings are noted on page 13 of the Directors' and Corporate Governance Report.

Directors' remuneration
Under the Companies (Jersey) Law 1991 we are also required to report if in our opinion certain disclosures of directors' remuneration have not been made or the part of the Directors' Remuneration Report to be audited is not in agreement with the accounting records and returns. We have nothing to report arising from these matters.

Independent auditor's report to the members of Flying Brands Limited (continued)

Our duty to read other information in the Annual Report

Under International Standards on Auditing (UK and Ireland); we are required to report to you if, in our opinion, information in the Annual Report is:

- materially inconsistent with the information in the audited financial statements; or
- apparently materially incorrect based on, or materially inconsistent with, our knowledge of the Group acquired in the course of performing our audit; or
- otherwise misleading.

In particular, we are required to consider whether we have identified any inconsistencies between our knowledge acquired during the audit and the Directors' report that they consider the Annual Report is fair, balanced and understandable and whether the Annual Report appropriately discloses those matters that we communicated to the Audit Committee which we consider should have been disclosed. We confirm that we have not identified any such inconsistencies or misleading statements.

Jonathan Bradley-Hoare (Senior Statutory Auditor)
for and on behalf of Welbeck Associates
Chartered Accountants and Statutory Auditor
30 Percy Street
London
W1T 2DB
24 April 2015

52 weeks ended 26 December 2014

	Notes	**52 weeks ended 26.12.14 £'000**	52 weeks ended 27.12.13 £'000
Revenue		**-**	78
Cost of sales		**-**	(21)
Gross profit		**-**	57
Operating expenses	5	**(284)**	(1,238)
Operating loss	7	**(284)**	(1,181)
Finance costs	6	**(91)**	(95)
Loss before tax		**(375)**	(1,276)
Taxation	9	**-**	15
Loss from continuing operations		**(375)**	(1,261)
Loss from discontinued operations	28	**(1,396)**	-
Loss for the period		**(1,771)**	(1,261)
Loss attributable to non – controlling interest		**-**	-
Loss attributable to the Group		**(1,771)**	(1,261)
(Loss)/profit per share expressed in pence per share			
From continuing operations:			
Basic & diluted	10	(1.36)	(4.56)
From continuing and discontinued operations:			
Basic & diluted	10	(6.40)	(4.56)

Consolidated Statement of Comprehensive Income

52 weeks ended 26 December 2014

	52 weeks ended 26.12.14 £'000	52 weeks ended 27.12.13 £'000
Loss for the period	**(1,771)**	(1,261)
Unclaimed dividends	**33**	-
Total comprehensive loss for the period	**(1,738)**	(1,261)
Total comprehensive loss attributed to non-controlling interest	**-**	-
Total comprehensive loss attributable to the Group	**(1,738)**	(1,261)

Consolidated Statement of Financial Position

As at 26 December 2014

	Notes	**26.12.14 £'000**	27.12.13 £'000
Assets			
Non – current assets			
Investment property	13	**-**	3,040
Total non – current assets		**-**	3,040
Current assets			
Trade and other receivables	14	**12**	65
Cash		**410**	22
Total current assets		**422**	87
Current liabilities			
Trade and other payables	15	**(206)**	(223)
Total current liabilities		**(206)**	(223)
Net current assets		**216**	(136)
Non – current liabilities			
Borrowings	16	**(205)**	(1,005)
Provision		**-**	(150)
Net assets		**11**	1,749
Share capital	20	**282**	282
Share premium		**18,059**	18,059
Capital reserve	21	**(17)**	(17)
Capital redemption reserve		**22**	22
Treasury shares	21	**(840)**	(840)
Non – controlling interest		**(48)**	(48)
Revaluation reserve	21	**-**	1,484
Retained earnings		**(17,447)**	(17,193)
Total equity attributable to equity holders of the parent		**11**	1,749

The financial statements on pages 28 to 56 were approved by the Board of Directors on 24 April 2015 and signed on its behalf by:

T Brown	**M Murphy**
Director	**Director**

Consolidated Statement of Changes in Equity

52 weeks ended 26 December 2014

	Share Capital	Share premium	Revaluation reserve	Capital reserve	Capital redemption reserve	Treasury shares	Retained earnings	Non-controlling interest	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 28 December 2012	282	18,059	1,484	(17)	22	(840)	(15,932)	(48)	3,010
Profit for the period	-	-	-	-	-	-	(1,261)	-	(1,261)
Total comprehensive income/(loss)	-	-	-	-	-	-	(1,261)	-	(1,261)
Balance at 27 December 2013	**282**	**18,059**	**1,484**	**(17)**	**22**	**(840)**	**(17,193)**	**(48)**	**1,749**
Loss for the period	-	-	-	-	-	-	(1,771)	-	(1,771)
Unclaimed dividends	-	-	-	-	-	-	33	-	33
Total comprehensive loss	**-**	**-**	**-**	**-**	**-**	**-**	**(1,738)**	**-**	**(1,738)**
Transfer of revaluation reserve to retained losses on disposal of investment property	-	-	(1,484)	-	-	-	1,484	-	-
Balance at 26 December 2014	**282**	**18,059**	**-**	**(17)**	**22**	**(840)**	**(17,447)**	**(48)**	**11**

Consolidated Statement of Cash Flows

52 weeks ended 26 December 2014

	Notes	**52 weeks ended 26.12.14 £'000**	52 weeks ended 27.12.13 £'000
Loss for the period		**(1,771)**	(1,261)
Adjustment for:			
Loss on sale of tangible fixed assets	28	**1,378**	375
Depreciation		**91**	110
Decrease/(increase) in receivables		**53**	71
(Decrease)/increase in payables		**(63)**	(120)
Increase in provisions		**-**	150
Finance costs	6	**91**	95
Cash used in operations		**(221)**	(580)
Tax refunded		**-**	24
Net cash used in operating activities		**(221)**	(556)
Cash flows from investing activities:			
Proceeds from disposal of property, plant and equipment		**-**	13
Disposal of trade and assets of Retreat Farm		**1,650**	-
Disposal of trade and assets of Gardening Direct business		**-**	200
Net cash from investing activities		**1,650**	213
Cash flows from financing activities:			
New loans raised	16	**205**	1,000
Repayment of borrowings		**(1,155)**	(750)
Interest paid		**(91)**	(95)
Net cash (used in)/from financing activities		**(1,041)**	155
Net increase/(decrease) in cash and cash equivalents		**388**	(188)
Cash and cash equivalents brought forward		**22**	210
Cash and cash equivalents carried forward		**410**	22

1. Summary of significant accounting policies

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

(i) Basis of preparation and going concern basis

Flying Brands Limited (the Company) is a limited liability company incorporated and domiciled in Jersey. The Consolidated financial statements of the Company comprise the Company and its subsidiaries (together referred to as the Group).

These consolidated financial statements have been prepared and approved by the Directors in accordance with International Financial Reporting Standards as adopted by the European Union (adopted IFRS).

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in this review. The financial position of the Group, its cash flows and liquidity position are described in this business review. In addition, notes 2 and 24 to the financial statements include the Group's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments; and its exposure to credit risk and liquidity risk. As highlighted in note 24 to the financial statements, the Group meets its day to day working capital requirements though its ability to raise capital.

The Group's forecasts and projections, taking into account the uncertainties above, show that the Group has a reasonable expectation of maintaining sufficient working capital to enable the Group to meet its liabilities as they fall due for the foreseeable future, being a period of not less than 12 months from the date of approval of this report. Thus the Directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain financial assets and liabilities.

The preparation of financial statements in conformity with adopted IFRSs requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of sales and expenses during the reporting period. Although these estimates are based on management’s best knowledge of the amount, event or action, actual results ultimately may differ from those estimates.

(ii) Basis of consolidation

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies so as to obtain benefits from its activities generally accompanying a shareholding of more than one half of the voting rights.
The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group’s share of the identifiable assets, liabilities and contingent liabilities acquired is recorded as goodwill. The results of the subsidiary undertakings acquired or disposed of during the period are included in the Consolidated Income Statement from the date that control commences until the date control ceases.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(iii) Segment reporting

An operating segment is a component of the Group that engages in business activity from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with and of the Group’s other components. All operating segments’ operating results, for which discrete financial information is available, are reviewed regularly by the Group’s Board to make decisions about resources to be allocated to the segment and assess its performance. As a result of the disposal of all trading brands in 2012, the Group now reports on a single segment basis.

(iv) Foreign currency transactions
Foreign currency transactions are translated into the functional currency using the exchange rate prevailing at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated income statement.

(v) Business combinations
Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquirer. Acquisition-related costs are recognised in profit or loss as incurred.

Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition-date fair value. Subsequent changes in such fair values are adjusted against the cost of acquisition where they qualify as measurement period adjustments (see below). All other subsequent changes in the fair value of contingent consideration classified as an asset or liability are accounted for in accordance with relevant IFRSs. Changes in the fair value of contingent consideration classified as equity are not recognised.

Where a business combination is achieved in stages, the Group's previously-held interests in the acquired entity are remeasured to fair value at the acquisition date (i.e. the date the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

The acquirer's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3(2008) are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits respectively;
- liabilities or equity instruments related to the replacement by the Group of an acquiree's share-based payment awards are measured in accordance with IFRS 2 Share-based Payment; and
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date, and is subject to a maximum of one year.

(vi) Investments in associates
An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations.

Under the equity method, investments in associates are carried in the consolidated statement of financial position at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the associate, less any impairment in the value of individual investments. Losses of an associate in excess of the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate) are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of that investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss.

(vii) Investments in associates (continued)

Where a Group entity transacts with an associate, profits and losses are eliminated to the extent of the Group's interest in the relevant associate.

(viii) Property, plant and equipment

All property, plant and equipment is shown at cost less subsequent depreciation and impairment other than properties which are stated at their revalued amounts being fair value at the date of revaluation, less subsequent depreciation. Cost includes expenditure that is directly attributable to the acquisition of the items. Depreciation on assets is calculated using a straight-line method to allocate the cost to each asset less its residual value over its estimated useful life, as follows:

	%
Land and buildings	0-4
Investment property	0-4
Plant and equipment	10-21
Computer hardware, included in plant and equipment	20-33.33
Motor vehicles, including tractors	15-25

Freehold land is not depreciated.

The assets' residual values and useful lives are reviewed and adjusted if appropriate, at each Balance sheet date. Gains and losses on disposals are determined by comparing proceeds with the carrying amount and are included in the consolidated income statement.

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. All other costs including repairs and maintenance are charged to the Consolidated Income Statement during the financial period in which they are incurred.

(ix) Investment Property

From 1 August 2012 the Jersey based land and buildings, along with the plant and machinery was designated as Investment Property. These assets are held using the cost method and continue to be depreciated as before when they were designated as PPE.

The assets' residual values and useful lives are reviewed and adjusted if appropriate, at each Balance sheet date. Gains and losses on disposals are determined by comparing proceeds with the carrying amount and are included in the Consolidated Income Statement.

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. All other costs including repairs and maintenance are charged to the Consolidated Income Statement during the financial period in which they are incurred.

(x) Goodwill and intangible assets

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill is not amortised, but is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold. Goodwill is allocated to cash generating units for the purposes of impairment testing. The carrying value of Goodwill was disposed during the period.

Intangibles – trademarks

Trademarks obtained on the acquisition of subsidiaries are shown at fair value. They have a definite useful life and are carried at fair value at the date of acquisition less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of the trademarks over their estimated useful lives.

Intangibles – customer lists

Customer lists obtained on the acquisition of subsidiaries are shown at fair value. They have a definite useful life and are carried at fair value at the date of acquisition less accumulated amortisation. Amortisation is calculated using the reducing balance method based on the estimated annual attrition rate percentages. The customer lists were disposed during 2012.

Software
Computer software and associated development costs that generate economic benefits beyond one year are capitalised as an intangible asset and amortised on a straight line basis between three and five years depending on the estimated useful economic life. Following the disposal of all the trading brands, the remaining software was no longer in use and disposed of.

(xi) Impairment

Financial assets
A financial asset is assessed at each reporting date to determine whether there is any evidence that it is impaired. A financial asset is considered impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset. Individual significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics. All impairment losses are recognised in the consolidated income statement.

Non-financial assets
The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, the recoverable amount is estimated at each reporting date. The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risk specific to the asset. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units that are expected to benefit from the synergies of the combination. An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the consolidated income statement. An impairment loss in respect of goodwill is not reversed irrespective of whether that loss is recovered subsequently. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised.

(xii) Financial assets

Financial assets are recognised in the Group's Statement of Financial Position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets are classified into the following categories: loans and receivables and cash and cash equivalents. The classification is determined by management upon initial recognition, and it is based on the purpose for which the financial assets were acquired.

(xiii) Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset/liability and of allocation interest income/expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts/payments through the expected life of the financial asset/liability, or, where appropriate, a shorter period.

(xiv) Loans and receivables

Trade receivables, loans and other receivables are measured on initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method, less any impairment..

(xv) Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks and other short-term highly liquid investments with maturities of three months or less. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the consolidated cash flow statement.

(xvi) Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts if may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

(xvii) Financial liabilities and equity instruments issued by the group

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into.

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Group are recorded at the proceeds received, net of direct issued costs.

(xviii) Borrowings

Interest-bearing bank loans, overdrafts and other borrowings are recorded at the proceeds received, net of direct issued costs. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accrual basis in the Consolidated Income Statement using the effective interest rate method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

(xix) Finance costs

Finance costs of debts are capitalised against the debt value on first drawdown of the debt and are recognised in the Consolidated Income Statement using the effective interest rate method.

(xx) Trade payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised costs, using the effective interest rate method.

(xxi) Other financial liabilities

Other financial liabilities are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method, as set out above, with interest expense recognised on an effective yield basis.

(xxii) Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group’s obligations are discharged or cancelled, or they expire.

(xxiii) Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of Ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

Repurchase of share capital (treasury shares)

When share capital recognised as equity is repurchased, the amount of the consideration paid, including directly attributable costs, net of any tax effects, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are presented as a deduction from total equity. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity, and the resulting surplus or deficit on the transaction is transferred to/from retained earnings.

(xxiv) Revenue recognition

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

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

(xxv) Leases

Leases where the lessor retains substantially all the risks and rewards of ownership are classified as operating leases. Rentals payable under operating leases are taken to the consolidated income statement on a straight-line basis over the lease term.

Leases in which the lessee assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an equal amount to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

(xxvi) Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved.

(xxvii) Taxation

Income tax payable is provided on taxable profits using tax rates enacted or substantively enacted at the balance sheet date.

Deferred taxation is provided in full, using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted at the balance sheet date and are expected to apply when the related balance sheet tax asset is realised or the deferred liability is settled. Deferred income tax assets are recognised to the extent that it is possible that future taxable profit will be available against which temporary differences can be utilised. Income tax is recognised in the consolidated income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

(xxviii) Pensions

The Group makes contributions to some employees' and Directors' personal pension defined contribution schemes. These payments are accounted for on an accruals basis.

(xxix) Financial instruments

Financial guarantee contracts

Where Group companies enter into financial guarantee contracts to guarantee the indebtedness of other companies within the Group, the Group considers these to be insurance arrangements, and accounts for them as such. In this respect, the Group treats the guarantee contract as a formal contingent liability until such time as it becomes probable that the Company will be required to make a payment under the guarantee.

Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other receivables, cash and cash equivalents, loans and borrowings and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

(xxx) Termination benefits

Termination benefits are recognised as an expense when the Group is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy, and the Group has created a valid expectation in those affected that it will carry out that plan.

(xxxi) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

(xxxii) Adoption of new and revised International Financial Reporting Standards (IFRSs)

Standards and interpretations adopted in the current year

The following new and revised Standards and Interpretations have been adopted in the current period.

IFRS 10	Consolidated Financial Statements
IFRS 11	Joint Arrangements
IFRS 12	Disclosure of Interest in Other Entities
Amendments to IFRS 10, 12, IAS 27	Investment Entities
Amendments to IAS 27	Separate Financial Statements
Amendments to IAS 28	Investments in Associates and Joint Ventures
Amendments to IAS 32	Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities
Amendments to IAS 36	Impairment of Assets – Recoverable Amount Disclosures for Non-Financial Assets
Amendments to IAS 39	Financial Instruments: Recognition and Measurement – Novation of Derivatives and Continuation of Hedge Accounting
IFRIC 21	Levies
Improvements to IFRSs 2011-2013 cycle (issued December 2013)	

The adoption of these standards and interpretations has not led to any changes to the Group's accounting policies.

Standards and interpretations in issue, not yet adopted

At the date of authorisation of these financial statements, the following Standards and Interpretations which have not yet been applied in these financial statements were in issue but not yet effective (and in some cases, had not yet been endorsed by the EU):

IFRS 9	Financial Instruments – not endorsed by the EU
IFRS 14	Regulatory Deferral Accounts – not endorsed by the EU
IFRS 15	Revenue from Contracts with Customers – not endorsed by the EU
Amendments to IFRS 10,12, IAS 28	Applying the Consolidation Exception – not endorsed by the EU
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – not endorsed by the EU
Amendments to IFRS 11	Accounting for Acquisitions of Interest in Joint Operations – not endorsed by the EU
Amendments to IAS 1	Disclosure Initiative – not endorsed by the EU
Amendments to IAS 16 and 38	Clarification of Acceptable Methods of Depreciation – not endorsed by the EU
Amendments to IAS 19	
Amendments to IAS 27	Defined Benefit Plans: Employee Contributions – endorsed by the EU
Improvements to IFRSs 2012-2014 cycle (issued September 2014)	Equity Method in Separate Financial Statements – not endorsed by the EU
Improvements to IFRSs 2010-2012 cycle (issued December 2013)	Not endorsed by the EU
	Endorsed by the EU

The directors anticipate that the adoption of the Standards and Interpretations listed above in future periods will have no material impact on the financial statements of the Group, except for the following:

(xxxii) Adoption of new and revised International Financial Reporting Standards (IFRSs) (continued)

IFRS 9 is a new standard which enhances the ability of investors and other users of financial information to understand the accounting for financial assets and reduces complexity. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortised cost or fair value, replacing the many different rules in IAS 39. This standard is effective for accounting periods commencing on or after 1 January 2018. we will evaluate the impact of the Group in 2015.

IFRS 15 is a new standard, based on a five-step model framework, which replaces all existing revenue recognition standards. The standard's requirements will also apply to the recognition and measurement of gains and losses on the sale of certain non-financial assets that are not an output of the entity's ordinary activities (eg., sales of property, plant and equipment or intangibles). This standard is currently effective for accounting periods commencing on or after 1 January 2017. We will evaluate the impact on the Group in 2015.

2. Financial risk and credit management

The Group has exposure to the following risks from its use of financial instruments:

(a) **Credit risk**
(b) **Liquidity risk**
(c) **Market risk**
(d) **Currency risk**
(e) **Interest rate risk**

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risks and the Group's management of capital. Further quantitative disclosures are included throughout these consolidated financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Group Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

(a) Credit risk
Credit risk is the risk of financial loss to the Group if a customer fails to meet its contractual obligations.

Trade and other receivables
The Group's exposure to credit risk is influenced by the type of customer the Group contracts with. The Group is no longer exposed to a high number of low value receivables from retail customers and has minimal trade debtors.

(b) Liquidity risk
Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. During the latter part of 2011, the Group repaid all its bank borrowings leaving it without committed banking facilities. The strategy of the Directors (outlined earlier) is designed to address the risk that the Group has insufficient liquid resources to satisfy its requirements.

(c) Market risk
Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(d) Currency risk

The Group is exposed to currency risk on sales and purchases that are denominated in a currency other than the respective functional currencies of the Group entities, primarily the Euro and US Dollar. The risks in the 52 weeks ended to 26 December 2014 were minimal. The Group currently does not hedge any of its currency exposure due to the minimal impact of these currencies and will not need to do so in the foreseeable future following the decision to close all its overseas operations.

(e) Interest rate risk

The Group has no floating rate loans. Thus the Group has no exposure to interest rate risk.

Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Directors monitor the return on capital, which the Group defines as net operating income divided by total shareholders' equity. The Board also monitors the level of dividends to ordinary shareholders.

From time to time the Group purchases its own shares on the market; the timing of these purchases depends on market prices. Primarily the shares are intended to be used for issuing shares under the Group's share option programme. Buy and sell decisions are made on a specific transaction basis by the Board of Directors; the Group does not have a defined share buy-back plan.

There were no changes in the Group's approach to capital management during the period.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

3. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period are discussed below.

(a) Estimated impairment of goodwill and intangible assets

The Group tests annually, whether goodwill and intangible assets have suffered any impairment this is in accordance with the accounting policy stated in the notes.

(b) Discontinued operations

The discontinued operations of the Group relate to the businesses sold and closed down. Costs that do not relate specifically to the continuing business and are non-recurring have also been allocated to the discontinued operations.

(c) Going concern basis of preparation

The Directors decision to prepare these accounts on a going concern basis is based on assumptions which are discussed above and in the business review.

(d) Accounting for provisions

The Directors consider the nature of any outstanding legal or constructive claims on the Group in order to determine the accounting treatment required in accordance with note above.

4. Segmental analysis

The business is reported upon as a single segment.

The accounting policies of the reportable segments are the same as described in note 1. Information regarding the results of each reportable segment is included below.

Segmentation by continued/discontinued businesses

(a) Segment results

52 weeks ending 26 December 2014	Continuing	Discontinued	**Total**
	£'000	£'000	**£'000**
Revenue	-	76	**76**
Expenses	(284)	(94)	**(378)**
Loss on disposal of investment property	-	(1,378)	**(1,378)**
Reportable segment loss before tax and interest	(284)	(1,396)	**(1,680)**
Interest payable	(91)	-	**(91)**
	(375)	-	**(375)**
Taxation	-	-	**-**
Loss for the period	(375)	(1,396)	**(1,771)**

52 weeks ending 27 December 2013	Continuing	Discontinued	**Total**
	£'000	£'000	**£'000**
Revenue	78	-	**78**
Expenses	(1,259)	-	**(1,259)**
Reportable segment loss before interest and tax	(1,181)	-	**(1,181)**
Interest payable	(95)	-	**(95)**
	(1,276)	-	**(1,276)**
Taxation	15	-	**15**
Loss for the period	(1,261)	-	**(1,261)**

4. Segmental analysis (continued)

Segmentation by geographical area

Revenue by customer geographical area	**52 weeks ended 26.12.14 £'000**	52 weeks ended 27.12.13 £'000
Jersey, Channel Islands	**76**	67
United Kingdom	**-**	11
	76	78

Non – current assets by geographical area		
Jersey, Channel Islands	**-**	3,040
United Kingdom	**-**	-
	-	3,040

5. Operating expenses

	52 weeks ended 26.12.14 £'000	52 weeks ended 27.12.13 £'000
Administrative expenses	**284**	1,238

6. Finance costs

	52 weeks ended 26.12.14 £'000	52 weeks ended 27.12.13 £'000
Interest payable on other loans	**(91)**	(95)
Finance costs	**(91)**	(95)

7. Operating loss

	52 weeks ended 26.12.14	52 weeks ended 27.12.13
	£'000	£'000
The following items have been included in arriving at operating loss		
Depreciation charge: Property, plant and equipment	**-**	1
Depreciation charge: Investment property	**91**	109
Impairment of intangible assets	**-**	-
Impairment of receivables	**-**	375
Hire of land and buildings under operating lease	**-**	9
Staff costs	**159**	398
Settlement provision for FFA dispute	**-**	150
Auditor's remuneration has been included in arriving at operating loss as follows:		
Fees payable to the Company's auditor and their associates for the audit of the Company's annual accounts	**13**	14
Fees payable to the Company's current auditor and their associates for the audit of the Company's subsidiaries	**16**	19
Total audit fees	**29**	33
Corporate finance services	**-**	-
Total fees payable to the Group's auditor	**29**	33

8. Employee information

The average monthly number of employees (including Executive Directors) was:

	52 weeks ended 26.12.14	52 weeks Ended 27.12.13
	Count	Count
Administration	**3**	3
	3	3
	£'000	£'000
Staff costs (for the above employees)		
Wages and salaries	**159**	358
Social security costs	**-**	35
Pension contributions to employees' defined contribution schemes	**-**	5
	159	398

8. Employee information (continued)

Directors' remuneration and transactions

	52 weeks ended 26.12.14	52 weeks Ended 27.12.13
	£'000	£'000
Directors' remuneration		
Emoluments and fees	**138**	298
	138	298
	£'000	£'000
Remuneration of the highest paid director:		
Emoluments and fees	**124**	222
	124	222

The highest paid director did not exercise any share options in the year.

The highest paid director is a member of the Company's defined benefit pension scheme and had accrued entitlements of £nil (2013: £nil) under the scheme at the end of the year. There is no accrued lump sum.

9. Taxation

	52 weeks ended 26.12.14 £'000	52 weeks Ended 27.12.13 £'000
Current tax		
Jersey income tax	**-**	-
Over provision in previous periods	**-**	(15)
Total current tax	**-**	(15)
Deferred tax		
Charge to the income statement (see note 19)	**-**	-
Total tax on loss	**-**	(15)

The Finance Act 2013, which provides for reductions in the main rate of corporation tax from 23% to 21% effective 1 April 2014 and to 20% effective from 1 April 2015, was substantively enacted on 2 July 2013. Those rate reductions have been reflected in the calculation of deferred tax at the balance sheet date.

9. Taxation (continued)

The tax assessed for the period is different from the standard

	52 weeks Ended 26.12.14 £'000	52 weeks ended 27.12.13 £'000
Loss before tax on continuing operations	**(375)**	(1,276)
Loss before tax multiplied by the standard rate of Jersey income tax of 0%	**-**	-
Adjustments to tax in respect of prior periods	**-**	(15)
Adjustments in respect of foreign tax rates	**-**	-
Other	**-**	-
Tax (credit)/charge for period	**-**	(15)

10. Earnings per share

Basic and diluted

Earnings per share is calculated by dividing the loss attributable to the equity holders of the Company by the weighted average number of Ordinary shares in issue during the period, excluding Ordinary shares purchased by the Company and held as treasury shares. The Company previously had one category of dilutive potential Ordinary shares: LTIP awards. These have all lapsed.

Continuing operations:	**52 weeks ended 26.12.14 £'000**	52 weeks ended 27.12.13 £'000
Loss attributable to equity holders of the Company (£'000)	**(375)**	(1,261)
Weighted average number of shares in issue, less weighted average number of treasury shares ('000)	**27,671**	27,671
Loss per share (pence)	**(1.36)**	(4.56)
Discontinued operations:		
Loss attributable to equity holders of the Company (£'000)	**(1,396)**	-
Weighted average number of shares in issue, less weighted average number of treasury shares ('000)	**27,671**	27,671
Loss per share (pence)	**(5.04)**	-)
Continuing and discontinued operations:		
Loss attributable to equity holders of the Company (£'000)	**(1,771)**	(1,261)
Weighted average number of shares in issue, less weighted average number of treasury shares ('000)	**27,671**	27,671
Loss per share (pence)	**(6.40)**	(4.56)

11. Goodwill and intangible assets

	Software £'000	**Total intangibles £'000**	Goodwill £'000
The Group			
Cost			
At 28 December 2012	1,167	**1,167**	12,987
Disposals	(1,167)	**(1,167)**	(12,987)
At 27 December 2013 and 26 December 2014	-	-	-
Amortisation and impairment			
At 28 December 2012	1,167	**1,167**	12,987
Disposals	(1,167)	**(1,167)**	(12,987)
At 27 December 2013 and 26 December 2014	-	-	-
Carrying amount			
At 26 December 2014	-	-	-
At 27 December 2013	-	-	-

12. Property, plant and equipment

	Land and buildings £'000	Plant and equipment £'000	Motor vehicles £'000	Total £'000
The Group				
Cost or valuation				
At 28 December 2012	-	88	24	112
Disposals	-	(2)	(24)	(26)
At 27 December 2013	-	86	-	86
Disposals	-	(86)	-	(86)
At 26 December 2014	-	-	-	-
Accumulated depreciation and impairment				
At 28 December 2012	-	88	10	98
Charge for the period	-	-	1	1
Disposals	-	(2)	(11)	(13)
At 27 December 2013	-	86	-	86
Charge for the period	-	-	-	-
Disposals	-	-	-	-
At 26 December 2014	-	-	-	-
Carrying amount				
At 26 December 2014	-	-	-	-
At 27 December 2013	-	-	-	-

Land and buildings were revalued at 28 June 2011 by CB Richard Ellis Limited, independent valuers not connected with the Group, on the basis of market value. The valuation conforms to International Valuation Standards and was based on recent market transactions on arm's length terms for similar properties.

On 31 July 2012 the Group closed its GLD business with a view to leasing Retreat Farm. Under IAS 40, Retreat Farm was designated as Investment Property from this date (note 13).
At 26 December 2014, the Group has not entered into any contractual commitments for the acquisition of property, plant and equipment (27 December 2013: nil)

13. Investment Property

	Land and buildings £'000	Plant and equipment £'000	Total £'000
The Group			
Cost or valuation			
At 28 December 2012 and 27 December 2013	3,313	2,133	5,446
Disposal	(3,313)	(2,133)	(5,446)
At 26 December 2014	-	-	-
Accumulated depreciation			
At 28 December 2012	164	2,133	2,297
Charge for the period	109	-	109
At 27 December 2013	273	2,133	2,406
Charge for the period	-	(91)	(91)
Disposal	(273)	(2,042)	(2,315)
At 26 December 2014	-	-	-
Carrying amount			
At 26 December 2014	-	-	-
At 27 December 2013	3,040	-	3,040

Under IAS 40, Retreat Farm was designated as Investment Property from 1 August 2012. The plant and equipment forms an integral part of the property and as such is designated Investment Property along with the land and buildings.
The Directors believe the fair value of the investment property is the same as the carrying value. The investment property was revalued in 2011 by an independent valuer not connected with the Group. The Group accounts for this under the cost model per IAS 40.

On 11 November 2014 the Group disposed of its freehold property at Retreat Farm, Jersey for an aggregate consideration in cash of £1.65m, comprising £1.45m for the sale of the main glasshouses property to Discreet Holdings Limited and £0.2m for the sale of the attached parkland to Ruff Properties Limited. For details of the disposal see Note 28.

During the period, the Group had pledged all of its investment property as security to Acorn Finance Ltd, this was discharged when the investment property was sold and loan repaid.

The property rental income earned by the Group from its investment property, which was leased out under operating leases, amounted to £0.1m (2013: £0.1m).

14. Trade and other receivables

	26.12.14 **£'000**	27.12.13 £'000
Amounts falling due within one year:		
Trade receivables	**1**	1
Deferred consideration receivable on disposal of Gardening Direct	**-**	50
Prepayments	**2**	11
Other receivables	**9**	3
	12	65

14. Trade and other receivables (continued)

Trade receivables

The Group monitors on a monthly basis the receivable balance and makes impairment provisions when debt reaches a certain age. There are no significant known risks at 26 December 2014.

The ageing of trade receivables at the reporting date was:

	Gross 26.12.14 £'000	**Impairment 26.12.14 £'000**	Gross 27.12.13 £'000	Impairment 27.12.17 £'000
Not past due	**-**	**-**	-	-
Past due 0-30 days	**-**	**-**	-	-
More than 30 days past due	**1**	**-**	1	-
Total	**1**	**-**	1	-

15. Trade and other payables

	26.12.14 £'000	27.12.13 £'000
Trade payables and accruals	**206**	223

The fair value of trade and other payables has not been disclosed as, due to their short duration, management considers the carrying amounts recognised in the statement of financial position to be a reasonable approximation of their fair value.

16. Borrowings

During the year the Group had a £1.0m loan from Acorn Finance which provided additional working capital for the Group. The loan attracted an annual interest rate of 9.95%. The Acorn loan was repaid during the period from the proceeds of the disposal of the tangible fixed assets.

The Group entered into a new loan agreement with West Coast Capita Trading Limited in the amount of £205,000, of which former Chairman Mr P Davidson is a Partner.

	26.12.14 £'000	27.12.13 £'000
At the beginning of the period	**1,005**	-
Additions	**205**	1,255
Repayment	**(1,005)**	(250)
At the end of the period	**205**	1,005

17. Provisions

The Group has settled its dispute with Flying Flowers Pty Ltd ("FFA") by making a payment of £150,000 from the proceeds of the sale of investment property.

The Acorn loan Facility was secured by a charge over the freehold of Retreat Farm and has been discharged in full on payment in November 2014.

18. Subsidiaries

	Proportion of holding	Operating status	Place of incorporation
DPA Direct Ltd	100%	Trading	UK
Retreat Nurseries Ltd (formerly Flying Flowers (Jersey) Ltd)	100%	Trading	Jersey
Flying Brands Number One Ltd (formerly Garden Bird Supplies)	100%	Non-trading	UK
Arrossisca Ltd	100%	Non-trading	UK
Flying Brands Number Two Ltd (formerly Garden Centre Online Ltd)	100%	Non-trading	UK
Flying Brands International Ltd (formerly Flying Flowers International Ltd)	100%	Non-trading	Jersey
Flying Brands Holdings (UK) PLC	100%	Non-trading	UK
Flying Brands Number Three Ltd (formerly Flying Flowers UK Ltd)	100%	Non-trading	UK
Flying Brands Properties Ltd (formerly Flying Flowers Properties Ltd)	100%	Non-trading	Jersey
Benham Collectors Club Ltd	100%	Non-trading	Jersey
Benham Covers Ltd	100%	Non-trading	UK
Benham (A Buckingham) Ltd	100%	Dormant	UK
The Bellbourne Group Ltd	100%	Dormant	UK
Flying Brands Number Four Ltd (formerly Fresh Flower Supplies Ltd)	100%	Dormant	UK
Bellbourne Properties Ltd	100%	Dormant	UK
Flying Brands Number Five Ltd (formerly Flying Flowers Ltd)	100%	Dormant	UK
Collect Direct Ltd	100%	Dormant	UK
Victory Cards Ltd	100%	Dormant	UK
Flying Brands Ltd	100%	Dormant	UK
Flying Brands UK Ltd	100%	Dormant	UK
New Growth Ltd	100%	Dormant	UK
Greetings Direct Ltd	100%	Dormant	UK
Greetings Made Easy Ltd	100%	Dormant	UK
Cards4Free Ltd	100%	Dormant	UK
Cards for all Occasions Ltd	100%	Dormant	UK
Easy Greetings Ltd	100%	Dormant	UK
Dealtastic Holdings Ltd	80%	Non-trading	Jersey
Dealtastic Ltd	80%	Non-trading	Jersey
Promomachine Ltd	80%	Non-trading	Jersey
Promomachine UK Ltd	80%	Non-trading	UK
Vitabits Ltd	40%	Non-trading	Jersey

19. Deferred tax

Deferred tax is calculated in full on temporary differences under the liability method using a tax rate of between 0% and 25% (27 December 2013: 0-25%) depended on the locality of the future charges/credits.

The Directors have not recognised any deferred tax asset in respect of further unutilised UK tax losses of £1,769,000 (27 December 2013: £1,396,000), or connected party capital losses of £8,041,000 (27 December 2013 £8,226,000).

20. Share capital

	26.12.14	27.12.13
	£'000	£'000
Authorised		
35,000,000 Ordinary shares of 1p each	**350**	350
Allotted, called up and fully paid		
28,073,735 (27 December 2013: 28,073,735) Ordinary shares of 1p each	**281**	281
"A" Shares in Flying Brands Holdings (UK) PLC		
28,073,735 (27 December 2013: 28,073,735) Ordinary shares of 0.005p each	**1**	1
	282	282

21. Reserves

Capital reserve

The capital reserve of the Group comprises a premium of £104,000 which was written off in 1988 on the purchase of the minority interest in the subsidiary company, Retreat Farm (1988) Limited, (now Retreat Nurseries Limited and formerly Flying Flowers (Jersey) Limited), and the assignment of a loan in 1982 of £87,000.

Revaluation reserve

On the 30 June 2011 the property at Retreat Farm was revalued and a revaluation reserve was created.

As a result of the sale of the Retreat Farm on 11 November 2014 the reserve created in 2011 for the revaluation of the investment property has been transferred to retained losses.

	26.12.14	27.12.13
	£'000	£'000
At beginning of period	**1,484**	1,484
Transfer of revaluation reserve to retained losses on disposal of investment property	**(1,484)**	-
At end of period	**-**	1,484

This property is situated in Jersey and owned by a Jersey company. As such, on an ultimate disposal no capital gains will be payable as this tax does not exist in Jersey.

21. Reserves (continued)

Treasury shares

	26.12.14 £'000	27.12.13 £'000
Investment at cost – own shares		
452,323 Ordinary shares (27 December 2013: 452,323) of 1p each in Flying Brands Limited	**840**	840

These shares are held in an ESOP trust.. All dividends are waived whilst the shares are held in the ESOP trust. The shares are netted off against shareholders' equity. These shares continue to have voting rights whilst held in trust.

22. Operating lease commitments

Financial commitments

At 26 December 2014 the Group had total commitments under non-cancellable operating leases as follows:

	As at 26.12.14		As at 27.12.13	
	Equipment £'000	**Total £'000**	Equipment £'000	Total £'000
Within 1 year	-	-	10	10
More than 1 year and not later than 5 years	-	-	5	5
	-	-	15	15

The group as lessor

As set out in note 13, property rental income for the year was £0.08m (2013: £0.1m). The property has committed tenants until June 2014. The lessee does not have an option to purchase the property at the expiry of the lease period.

At the balance sheet date, the group had contracted with tenants for the following future minimum lease payments:

	26.12.14 £'000	27.12.13 £'000
Within 1 year	-	25
In the second to fifth years inclusive	-	-
	-	25

23. Contingent liabilities

All Jersey and UK based Group companies have given unlimited guarantees to Barclays Bank PLC or its subsidiaries where appropriate (the "Bank") in respect of facilities provided to the Group. The Group has no direct obligation to the Bank.

24. Financial instruments

Financial risk management

The Group has exposure to the following risks from its use of financial instruments:

- Capital risk management
- Market risk
- Credit risk
- Liquidity risk

This note presents information about the Group's exposure to each of the above risks, the Group's management of capital, and the Group's objectives, policies and procedures for measuring and managing risk.

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders as well as sustaining the future development of the business. In order to maintain or adjust the capital structure, the Group may adjust dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The capital structure of the Group consists of net debt, which includes loans, cash and cash equivalents, and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings.

Fair value of financial assets and liabilities

	Valuation, methodology and hierarchy	**Book value 26.12.14 £'000**	**Fair value 26.12.14 £'000**	**Book value 27.12.13 £'000**	**Fair value 27.12.13 £'000**
Financial assets					
Cash and cash equivalents	(a)	**410**	410	22	22
Loans and receivables, net of impairment	(a)	**12**	12	440	440
		422	422	462	462
Financial liabilities					
Trade and other payables	(a)	(206)	(206)	(223)	(223)
Borrowings and provisions	(a)	(205)	(205)	(1,155)	(1,155)
Total at amortised cost		(411)	(411)	(1,378)	(1,378)

Valuation, methodology and hierarchy

(a) The carrying amounts of trade and other receivables, trade and other payables and deferred stated at book value, all have the same fair value due to their short-term nature.

Market risk

Market price risk arises from uncertainty about the future valuations of financial instruments held in accordance with the Group's investment objectives. These future valuations are determined by many factors but include the operational and financial performance of the underlying investee companies, as well as market perceptions of the future of the economy and its impact upon the economic environment in which these companies operate.

Credit risk

Credit risk is the risk that counterparties to financial instruments do not perform their obligations according to the terms of the contract or instrument. The Group is exposed to counterparty credit risk when dealing with its customers and certain financing activities.

24. Financial instruments (continued)

The immediate credit exposure of financial instruments is represented by those financial instruments that have a net positive fair value by counterparty at 26 December 2014. The Group considers its maximum exposure to be:

	26.12.14 £'000	27.12.13 £'000
Financial assets		
Cash and cash equivalents	**410**	22
Loans and receivables, net of impairment	**12**	440
	422	462

All cash balances and short-term deposits are held with an investment grade bank who is our principal banker (Barclays Bank PLC). Although the Group has seen no direct evidence of changes to the credit risk of its counterparties, the current focus on financial liquidity in all markets has introduced increased financial volatility. The Group continues to monitor the changes to its counterparties' credit risk.

Liquidity risk

Liquidity risk is the risk the Group will encounter difficulty in meeting its obligations associated with financial liabilities as they fall due. The Finance Director is responsible for monitoring and managing liquidity and ensures that the Group has sufficient liquid resources to meet unforeseen and abnormal requirements. The current forecast suggests that the Group has sufficient liquid resources.

Available liquid resources and cash requirements are monitored by the use of detailed cash flow and profit forecasts these are reviewed at least quarterly, or more often as required. The Directors decision to prepare these accounts on a going concern basis is based on assumptions which are discussed in the going concern note above.

The following are the contractual maturities of financial liabilities:

26 December 2014	**Carrying amount £'000**	**Contractual cash flows £'000**	**6 months or less £'000**	**6 to 12 months £'000**	**1 to 2 years £'000**	**2 to 5 years £'000**
Non – derivative financial liabilities						
Trade and other payables	**206**	**206**	**206**	**–**	**–**	**–**
Borrowings	**205**	**205**	**-**	**205**	**-**	**-**
	411	**411**	**206**	**205**	**-**	**–**

27 December 2013	**Carrying Amount £'000**	**Contractual cash flows £'000**	**6 months or less £'000**	**6 to 12 months £'000**	**1 to 2 years £'000**	**2 to 5 years £'000**
Non – derivative financial liabilities						
Trade and other payables	223	223	223	–	–	–
Borrowings	1,005	1,005	-	-	1,005	-
	1,228	1,228	223	–	1,005	–

24. Financial instruments (continued)

Cash flow management

The Group produces an annual budget which it updates quarterly with actual results and forecasts for future periods for profit and loss, financial position and cash flows. The Group uses these forecasts to report against and monitor its cash position. If the Group becomes aware of a situation in which it would exceed its current available liquid resources it would apply mitigating actions involving reduction of its cost base. The Group would also employ working capital management techniques to manage the cash flow in periods of peak usage.

Currency risk

The Group currently has minimal exposure to foreign currency and thus does not engage in any hedging activity. The Group liquidated its overseas subsidiaries during 2010 and therefore has no exposure to foreign exchange gains or losses.

Interest rate risk

	26.12.14 £'000	27.12.13 £'000
Variable rate instruments		
Financial liabilities	**–**	–
Cash	**410**	22

The impact on profit and equity of a 100 basis points increase in the interest rates would be nil as the Group has no variable rate instruments (27 December 2013: nil).

25. Pension arrangements

The Group makes contributions to personal defined contribution schemes based on a fixed percentage of certain employees' basic remuneration (see note 8). There are no defined benefit pension arrangements in place for any employees employed by the Group during the 12 months under review.

26. Related party

Mr T H S Trotter is Chairman of Smithfield Consultants Limited, who were paid £nil (52 weeks ended 27 December 2013: £3,000) during the period for financial public relations consultancy services.

Mr T Trotter, is a Director of Trotter and Company Limited, who were paid £nil (52 weeks ended 27 December 2013: £4,000) during the period for Director's consultancy services.

Mr P Davidson, is a Partner at West Coast Capital Trading Limited, who were paid £nil (52 weeks ended 27 December 2013: £10,000) during the period for Director's consultancy services.

During the period West Coast Capital Trading Limited lent the Company £205,000 for general working capital purposes. From the proceeds of the sale of the Retreat Farm the loan was repaid in 2015.

Mr S Cook, is a Director of Silenus Investments Limited, who were paid £124,000 (52 weeks ended 27 December 2013: £198,000) during the period for Director's consultancy services.

27. Events after the reporting period

On 13 February 2015, the Company raised £300,000 by the way of the issue of Convertible Loan Notes. The notes are convertible into Units at a price of £0.011 per Unit. £150,000 of the Convertible Loan Note proceeds were subscribed by Trevor Brown, a Director of the Company. The proceeds of the Convertible Loan Notes will be used to provide the Company with working capital to allow it to continue to review and implement its on-going strategy.

28. Results of discontinued operations

On 11 November 2014 the Group disposed of its freehold property at Retreat Farm, Jersey for an aggregate consideration in cash of £1.65m, comprising £1.45m for the sale of the main glasshouses property to Discreet Holdings Limited and £0.2m for the sale of the attached parkland to Ruff Properties Limited.

The results of operations for discontinued activities are as follows:

	52 weeks ended 26.12.2014 £'000
Revenue	**76**
Expenses	**(94)**
Results from operating activities	**(18)**
Income tax	**-**
Results from operating activities, net of tax	**(18)**
Loss on sale of discontinued operations	**(1,378)**
Net loss attributable to discontinued operations	**(1,396)**

	52 weeks ended 26.12.2014 £'000
Net cash flow from operating activities	**73**
Net cash from disposal proceeds	**1,650**
Net cash flow for the year	**1,723**

Cash flow from discontinued operations of the Retreat Farm

Effect of disposal on the financial position of the Group was as follows:

	52 weeks ended 26.12.2014 £'000
Investment property	**2,949**
Net assets	**2,949**
Consideration received in cash	**1,650**
Jersey GST payable on sale	**(79)**
Total consideration	**1,571**
Loss on disposal of discontinued operations	**1,378**

Registered details

Registered Office

Retreat Farm, La Rue De La Frontiere, St Mary,

Jersey JE3 3EG

Company number

2044

Advisors

Registrar

Capita Registrars Limited

The Registry, 34 Beckenham Road

Beckenham, Kent BR3 4TU

Auditor

Welbeck Associates

30 Percy Street
London
W1T 2DB
United Kingdom

Banker

Barclays Bank PLC,

PO Box 8, 39-41 Broad Street,

St Helier, Jersey JE4 8PU