Frontier IP Group plc

ANNUAL REPORT & FINANCIAL STATEMENTS 2009

Registered number 06262177

FRONTIER IP GROUP PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2009

FRONTIER IP GROUP PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended 30 June 2009

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KEY POINTS

Neil Crabb, Chairman, said:

"In the relatively short period since the reverse takeover of ARH Leisure Investments PLC, we have made good progress on the delivery of our strategy, with the establishment of two funds to support our existing University partners. We are confident that we will be able to build on those relationships and expand our business."

Key Points

- Completion of reverse takeover in May 2009
- Placing to raise £633,000 (gross) completed
- At 30 June 2009 £710,000 cash available to underpin implementation of business strategy
- Two long-term university partnerships in place and earning revenues in line with business model:
  - share in licensing income
  - retainers from clients
  - two equity stakes in spin-out companies
  - investment uplift from stake in one spin-out

Post year end

- In July, first dedicated venture capital fund launched for university partner - The RGU Ventures Investment Fund LP. Total potential funds for investment of £2.2m including partnership status with Scottish Enterprise's Scottish Co-Investment Fund.
- Second dedicated venture capital fund for university partner announced today (see separate announcement) - The University of Dundee Venture Fund LP. Total potential funds for investment of £1.5m, including partnership status with Scottish Enterprise's Scottish Co-Investment Fund

CHAIRMAN'S STATEMENT

Introduction

In May 2009, Frontier IP Limited, a subsidiary of Sigma Capital Group plc ("Sigma"), an AIM-quoted company, agreed the reverse takeover of ARH Leisure Investments PLC ("ARH"). On the completion of the takeover, ARH's name was changed to Frontier IP Group Plc ("Frontier IP") to reflect the fundamental transformation which had occurred in terms of the Company's business, board composition and voting control. I am now pleased to present Frontier's maiden set of results as a PLUS-quoted group.

Frontier is focused on the commercialisation of intellectual property originating from universities and their research programmes. It already has two long term partnerships, a 10-year agreement with Dundee University and a 25-year agreement with Robert Gordon University as well as a fledgling equity portfolio.

Business Model

The Frontier business model is low cost, with potential for high quality earnings and capital appreciation.

The model is based on assisting universities and research organisations in the commercialisation of the intellectual property produced from their substantial research budgets. In return for this service, Frontier receives a share of the founder equity and licence revenue that the universities receive from being the source of these research projects. In addition Frontier will generate revenue from board retainers and fees for bespoke advisory work. Also, where required, Frontier will establish a dedicated fund for each relationship. This will help to accelerate the commercialisation process and will also create recurring fund management income for Frontier. Our intention is also to participate as a limited partner in these funds.

Our objective is to increase the number of Frontier's commercialisation relationships and thereby generating value both from recurring revenue and from the capital appreciation of equity in spin outs and of direct investment in the dedicated funds.

Results

Prior to the reverse takeover, ARH was a cash shell with no trading business. At the same time as ARH agreed the reverse takeover of Frontier IP Limited for £3.5m in shares in May 2009, a placing was conducted which raised £633,000 before expenses. This has considerably strengthened the Company's balance sheet. At 30 June 2009, Frontier had cash balances of £710,000 with which to continue the development of its business.

At a trading level, revenue from services consists of retainers from clients, a first payment from Robert Gordon University under our agreement which allows us to share in licensing income, and the receipt of equity stakes in spin-outs from both Robert Gordon University and Dundee University. There was also an investment gain of £30,000 as one of the companies in which we have a holding conducted a successful fundraising at an increased valuation.

A loss of £120,000 was reported for the year, in part affected by costs in relation to the reverse and the associated fundraising. Prior year comparisons for Frontier IP Limited have been provided but are not particularly meaningful as the business was not operated independently, but rather as a newly incorporated subsidiary of Sigma.

CHAIRMAN'S STATEMENT

Operational Review

This operational review covers the period from the reverse takeover which was completed in May 2009.

I am pleased to report that Frontier has made good progress on delivering the strategy outlined at the time of the reverse. In July 2009, Frontier announced the establishment and First Closing of the first dedicated private equity fund for investment in intellectual property developed by Robert Gordon University, Aberdeen. The private equity fund, named The RGU Ventures Investment Fund LP ("the RGU Fund"), launched with committed funds at First Closing of up to £1.1 million, with Frontier and Robert Gordon University comprising the first investors. It obtained partnership status with Scottish Enterprise's Scottish Co-investment Fund, potentially doubling the amount available to invest to £2.2m. I am delighted to report today the establishment of a similar £750,000 fund dedicated to spin-outs from Dundee University, full details of which are given in a separate announcement. This fund has also obtained partnership status with Scottish Enterprise's Scottish Co-investment Fund, potentially doubling the amount available to invest to £1.5m.

The RGU Fund has already completed its first investment in B1 Medical Limited, an orthopaedics business that has a long term pipeline agreement to selectively commercialise intellectual property from Robert Gordon University, the University of Aberdeen and NHS Grampian.

The Company benefits from a formal services agreement covering the provision of both corporate resources and premises with Sigma, which remains the major shareholder. This enables us to keep costs tightly under control. These services include the initial management of the two venture funds on behalf of Frontier while Frontier obtains its own independent Financial Services Authority authorisation.

Outlook

Frontier is well placed to build on its two existing university partnerships, with each now having a dedicated venture fund in place to support its spinouts. Both of these funds remain open to new investors for a further two years from first close. Significant effort will now be put into expanding these funds and ensuring their successful deployment in building their portfolios which, in turn, will drive our own revenue growth.

The economic environment is likely to remain fragile for some time and while this clearly presents some challenges, we believe it will also help drive demand for our services from institutions keen to maximise the value of their intellectual property. More widely, we expect that there will be ongoing consolidation in our sector and we aim to be proactive in this process. Our independent quoted status leaves us well placed to participate where such opportunities arise.

Neil Crabb

Chairman

2 October 2009

BUSINESS REVIEW

The newly created Group was the result of the reverse acquisition of ARH Leisure Investments Plc by Frontier IP Limited. This is discussed in detail in the Directors' Report under principal activities.

The Frontier IP business model is low cost with potential for high earnings and capital appreciation. It is Frontier IP's intention to seek other relationships throughout the UK and a number of discussions are already underway. Frontier IP also believes that in addition to the acquisition of new relationships there is also the opportunity for consolidation in the sector and it aims to be proactive in this process.

The strategy is to grow the portfolio of commercialisation partnership agreements, participate in sector consolidation and generate value and revenue by:

- Holding spin-out equity;
- Income from licencing;
- Board retainers; and
- Bespoke advisory work in the sector.

The model is to forge close commercial relationships with universities and research organisations whereby, as a result of the assistance provided to these organisations in the commercialisation of the intellectual property produced from their substantial research budgets, Frontier IP receives a share of the founder equity and licence revenue that the universities receive, by right, as the source of these projects. In addition to the founder equity for services and the associated fee income created through transaction fees and retainers, Frontier IP intends to establish dedicated funds for each of the relationships in order to help accelerate the commercialisation process and create recurring management income for Frontier IP. Frontier IP plans to be a limited partner in these funds.

Principal investment holdings

Aridhia Informatics Limited ("Aridhia")

Aridhia is a joint venture between the University of Dundee, Summerian Europe Limited and Scottish Health Equities Limited. Aridhia has developed an intelligent data analysis service for the medical and life sciences sector which represents key performance indicators for both management and clinical purposes.

At 30 June 2009 the Group held 1.76% of the issued share capital of Aridhia.

Advanced Underwater Systems Limited ("ADUS")

ADUS delivers high resolution multibeam sonar surveys and systems for the inspection of underwater assets. ADUS sonargrams offer photographic like detail of vessels, underwater structures and wrecks. The results provide a unique tool for those engaged in the management, development and research of the marine environment.

At 30 June 2009 the Group held 5% of the issued share capital of ADUS.

In addition to holding the two equity investments above, Frontier IP also receives a share of the licencing income and revenue from Gas2 Limited (Gas2).

DIRECTORS

Neil Crabb, Non-executive Chairman (Age 42) Appointed 13 May 2009
Neil Crabb co-founded Sigma Capital Group plc with Graham Barnet. Neil has considerable investment management experience, particularly in technology and smaller companies. Prior to co-founding Sigma, Neil spent two years, from 1995 to 1996, with Duncan Lawrie Limited where he was an investment manager with responsibility for a range of managed portfolios. These portfolios invested primarily in UK smaller companies. Whilst at Duncan Lawrie Limited, Neil was responsible for investment activity in unquoted technology companies. From 1990 to 1994, he worked for Equitable Life Assurance Society, latterly as investment analyst with investment authority for approximately one-third of the Society's UK smaller company holdings, as well as larger stocks in the electronics sector.

Graham Barnet, Non-executive Director (Age 46) Appointed 13 May 2009
Graham Barnet is Chief Executive Officer and co-founder of Sigma Capital Group plc. Graham is a qualified lawyer, having worked at Shepherd & Wedderburn, Noble Grossart Limited and Edinburgh Financial Trust Limited prior to forming his own company, Merchant Investments Limited, in 1994. This company was a specialist consultancy involved in the management of businesses both in the traditional and technology sectors. In 1996, Graham co-founded Sigma Capital Group plc with Neil Crabb. Graham is also non-executive director of one of Scotland's leading IFAs, Dunedin Independent plc.

Marilyn Cole, FCA, Finance Director and Company Secretary (Age 55) Appointed 13 May 2009
Marilyn Cole qualified as a chartered accountant with Deloitte Haskins & Sells. She moved to Pannell Kerr Forster in 1985 and spent eight years in its corporate finance department assisting clients on a variety of transactions including flotations, acquisitions, disposals and fundraisings. In 1993 Marilyn set up her own business advisory practice working with local businesses and also undertaking work for the DTI and The Competition Commission. During this period she undertook consultancy work for Northamber plc, a company listed on the London Stock Exchange, and subsequently joined that company, being appointed finance director in 1997. Marilyn joined Sigma Capital Group plc in January 2000 and was appointed finance director in April 2000.

Alister Minty, Managing Director (Age 51) Appointed 13 May 2009
Alister Minty is Managing Director of Frontier IP. Alister has worked with university spin out companies for more than 15 years. He has been a member of Scottish Enterprise's National High Growth Unit since its inception in 2002, mentoring over 20 university spin-outs as well as start-ups across a range of industries. He is Chairman of Dimensional Imaging Limited, a spin-out company from the Universities of Glasgow and Edinburgh, and a non-executive director of DEM Solutions Limited, a spin-out from the University of Edinburgh. He was previously a founding director and Vice President Sales of IndigoVision Limited, and before that a Business Group Manager at VLSI Vision Limited, the CMOS camera spin-out from University of Edinburgh.

Tim Cockroft, Non –Executive Director (Age 42) Appointed 11 May 2009
Tim Cockroft is a Non-Executive Director of Frontier IP. Tim is Chief Executive of Singer Capital Markets Limited, the independent stockbroking business. He was previously CEO of KBC Peel Hunt Limited, having been a founding member of Peel Hunt Limited in 1989.

Both Adam Wilson and Guy Miller resigned on 13 May 2009.

Neil Crabb, Tim Cockcroft and Graham Barnet are members of the audit and remuneration committees.

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Registered number 06262177

DIRECTORS' REPORT

The Directors present their annual report on the affairs of the Group, together with the audited financial statements, for the year ended 30 June 2009.

Principal activities
Frontier IP Group Plc ("the Company") is a limited liability company incorporated in England. It acts as a holding company and has two principal wholly owned subsidiaries, Frontier IP Limited ("Frontier IP") and Frontier IP Investments Limited ("Frontier IP Inv").

It is intended that Frontier IP will operate as the fund manager and corporate finance advisor of the Group and it is currently applying for authorisation to be regulated by the Financial Services Authority ("FSA"). Its principal activities are commercialisation of IP within the university sector.

Frontier IP Inv was incorporated during the year but has not traded. It is the investment vehicle of the Group, investing in the funds to be managed by Frontier IP and in some clients of Frontier IP.

On 13 May 2009 the Company became the legal parent company of Frontier IP Limited in a share for share transaction by which the Company issued 350,000,000 0.1p shares to Frontier IP Limited's then parent, Sigma Capital Group plc, in exchange for the entire issued share capital of Frontier IP Limited.

On the same date the Company placed 63,300,000 0.1p shares for cash at 1p per share ('the Placing'). Sigma Capital Group plc participated in the Placing and was allotted 35,000,000 shares at 1p per share.

Due to the relative values of the companies, following the share for share transaction and the Placing, Sigma Capital Group plc became the majority shareholder with 77.4% of the enlarged share capital. Following the transaction the Company's continuing operations and executive management were predominantly those of Frontier IP Limited. Accordingly the substance of the transaction was that Frontier IP Limited acquired Frontier IP Group Plc in a reverse acquisition.

As a consequence of applying reverse acquisition accounting, the results of the Group to 30 June 2009 comprise the results of Frontier IP Group Plc for the period from 13 May 2009 to 30 June 2009 and those of Frontier IP Limited from 1 July 2008 to 30 June 2009. The comparative figures for the Group are those of Frontier IP Limited for the period from 10 January 2008 to 30 June 2008.

The comparative figures for the period ended 30 June 2008 are derived from the accounts of Frontier IP Limited for the period ended 31 December 2008. The company was dormant until after 30 June 2008.

Results and dividends
The Group made a loss for the year of £120,000 (2008: nil). The Directors do not recommend the payment of a dividend (2008: nil). The directors are confident of the prospects for the current year.

Review of the business and future developments
A review of the business and future developments is presented in the Chairman's Statement and the Business Review.

Directors
The Directors who held office during the year and the current directors of the Company are listed on page 6. Details of Directors' shareholdings are given in the Directors' Remuneration Report on page 12.

DIRECTORS' REPORT

Employees
Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled every effort will be made to ensure that their employment with the Group continues and that appropriate training is arranged. It is the policy of the Group that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Charitable and political donations
No charitable or political contributions were made during the year (2008: Nil).

Risk factors
Information on the Group's financial risk management objectives and policies relating to market risk, credit risk and liquidity risk is provided in note 1 to the financial statements.

Substantial shareholdings
The following shareholders had disclosable interests at 1 October 2009 as detailed below.

Name of holder	Number of shares	Percentage held
Sigma Capital Group plc	385,000,000	77.4%
Ruegg & Co Limited	21,916,495	4.4%
Hichens Harrison (Ventures) Limited	20,500,000	4.1%

Treasury activities and financial instruments
The Group's financial instruments comprise cash, equity investments, non-equity share capital plus other items such as trade debtors and trade creditors that arise directly from its operations. The Group has no borrowings. At 30 June, the Group had positive cash balances of £710,000 (2008: £nil). The Group's policy is to keep surplus funds on instant access and short-term deposit to earn the prevailing market rate of interest.

It is the Group's policy not to speculate in derivative financial instruments. The Group is not exposed to any foreign exchange risks as it has no transactions in foreign currency.

Directors' indemnity insurance
The Company had a Directors and Officers insurance policy in place throughout the year.

Going concern
After making appropriate enquiries, the Directors have a reasonable expectation that the Group and the Company have adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the Group's financial statements.

Corporate governance
Although not required to do so, the Company seeks within the practical confines of being a small company to act in compliance with the principles of good governance and the code of best practice as contained in the Combined Code on Corporate Governance.

DIRECTORS' REPORT

The Board meets regularly to determine the policy and business strategy of the Group and has adopted a schedule of matters that are reserved as the responsibility of the Board. The Managing Director leads the development of business strategies within the Group's operations. The Board consists of two executive directors and three non-executive directors including the non-executive Chairman. The Board considers that there is an appropriate balance between the executives and non-executives and that no individual or small group dominates the Board decision making. The Board's members have a wide range of expertise and experience and it is felt that concerns may be addressed to the non-executive Chairman.

The Board has delegated certain authorities to committees, each with formal terms of reference. The whole Board acts as a Nomination Committee.

The Audit Committee consists of Neil Crabb (Chairman), Tim Cockroft and Graham Barnet. It will meet at least twice a year to consider the scope of the annual audit, interim review and to assess the effectiveness of the Group's system of internal controls. Given the size of the Group, the Audit Committee considers an internal audit function is not currently justified. The Finance director may be invited to attend Audit Committee meetings but is not a member.

The Remuneration Committee consists of Graham Barnet (Chairman), Neil Crabb and Tim Cockroft. It will meet at least once a year to determine Company policy on senior executive remuneration, and to make detailed recommendations to the Board regarding the remuneration package of the Managing Director. The remuneration and terms and conditions of the appointment of the non-executive directors are determined by the Board. The Finance director receives no remuneration from the Group as she is remunerated by the Group's ultimate holding company, Sigma Capital Group plc.

The Board acknowledges its responsibility for reviewing the effectiveness of the systems that are in place to manage risk and to provide reasonable but not absolute assurance with regard to the safeguarding of the Group's assets against misstatement or loss. The key elements of the system of internal control are:

- Clear definition of delegated authorities and preparation of annual budgets for Board approval
- Close involvement of senior management in the day to day business of the Group
- Regular reporting of business performance to the Board and the review of results against budget

Awareness of relevant audit information

At the date of signing of this report and insofar as each of the Directors is aware:

- There is no relevant audit information of which the auditor is unaware
- The Directors have taken all steps they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

DIRECTORS' REPORT

Auditor
During the year Littlejohn LLP resigned and Chantrey Vellacott DFK LLP were appointed as the company's auditor.

A resolution to re-appoint Chantrey Vellacott DFK LLP as auditor will be proposed at the Annual General Meeting.

By order of the Board

Neil Crabb
Chairman
2 October 2009

DIRECTORS' REMUNERATION REPORT

Directors' remuneration
The members of the Remuneration Committee are Neil Crabb, Tim Cockroft and Graham Barnet. The Remuneration Committee decides the remuneration policy that applies to the Managing Director.

Salaries and benefits
The Remuneration Committee meets at least once a year in order to consider and set the remuneration package for the Managing Director. The remuneration package is benchmarked to ensure comparability with companies of a similar size and complexity. Remuneration comprises basic salary, pension contributions to the Managing Director's personal pension scheme and benefits in kind.

Contract of service
Alister Minty's service agreement is subject to a three-month notice period.

Share options
The Company is not currently eligible to grant Enterprise Management Incentive (EMI) options on the basis that it does not satisfy the independence test set out in the relevant legislation. At this stage, there is no intention to introduce any HM Revenue & Customs approved share option scheme, such as a Company Share Option Plan.

The following unapproved share options have been granted:

	Number of Ordinary Shares	Exercise Price	Grant Date	Option Period	Expiry Date
Alister Minty	14,916,495	£0.01	13.5.09	13.5.12–12.5.19	12.5.19
Neil Crabb	19,888,660	£0.01	13.5.09	13.5.12-12.5.19	12.5.19

Directors' interest's in shares
The Directors in office at 30 June 2009 had the following interests in the ordinary shares of 0.1p each of the Company.

	2009 Number	2008 Number
Neil Crabb	12,500,000	-
Alister Minty	1,000,000	-

Graham Barnet and Marilyn Cole are both directors and shareholders of Sigma Capital Group plc, which held 385,000,000 shares at 30 June 2009 (2008: nil). Neil Crabb is also a significant shareholder of Sigma Capital Group plc, holding 15.6% of its share capital.

Neil Crabb
By order of the Board

2 October 2009

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law, the Directors have prepared the Group and Parent Company financial statements in accordance with International Financial Reporting Standards as adopted by the European Union. The financial statements are required by law to give a true and fair view of the state of affairs of the Company and Group and of the income statement and cash flows of the Company and Group for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state that the financial statements comply with International Financial Reporting Standards as adopted by the European Union; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

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

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

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF FRONTIER IP GROUP PLC

We have audited the financial statements of Frontier IP Group Plc for the year ended 30 June 2009 which comprise the Consolidated Income Statement, the Consolidated and Company Balance Sheets, the Consolidated and Company Statements of Changes in Equity, the Consolidated and Company Cash Flow Statements, the Accounting Policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRS) as adopted by the European Union and, as regards the Company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

This report is made solely to the Company's members, as a body, in accordance with section 495 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and 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 the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group's and the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Company's affairs as at 30 June 2009 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRS as adopted by the European Union;
- the Company financial statements have been properly prepared in accordance with IFRS as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF FRONTIER IP GROUP PLC

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the 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 Act 2006 we are required to report to you if, in our opinion:

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

IAN STAUNTON
Senior Statutory Auditor
for and on behalf of:

CHANTREY VELLACOTT DFK LLP
Chartered Accountants
Statutory Auditor

2 October 2009

FRONTIER IP GROUP PLC

CONSOLIDATED INCOME STATEMENT

For the year ended 30 June 2009

	Notes	2009 £'000	For the period 10 January 2008-30 June 2008 £'000
Revenue			
Revenue from services		**23**	-
Other operating income			
Unrealised gains on the revaluation of investments	9	**30**	-
Total revenue		**53**	-
Administrative expenses	3	**(173)**	-
Loss before tax		**(120)**	-
Taxation	5	**-**	-
Loss for the year		**(120)**	-
Loss per share attributable to the equity holders of the Company:			
Basic loss per share	6	**(0.1)p**	0.0p
Diluted loss per share	6	**(0.1)p**	0.0p

All of the Group's activities are classed as continuing and there were no recognised gains and losses in either year other than those included in the income statement.

The accompanying notes are an integral part of this consolidated income statement.

The Company has elected to take the exemption under section 408 of the Companies Act 2006 to not present the Company income statement. The loss for the Company for the year was £101,000 (2008: £16,000).

FRONTIER IP GROUP PLC

CONSOLIDATED BALANCE SHEET

At 30 June 2009

	Notes	2009 £'000	2008 £'000
Assets			
Non-current assets			
Goodwill	7	**1,966**	-
Financial assets at fair value through profit and loss	9	**39**	-
		2,005	-
Current assets			
Trade receivables	10	**9**	-
Other current assets	10	**8**	-
Cash and cash equivalents		**710**	-
		727	-
Total assets		**2,732**	-
Liabilities			
Current liabilities			
Trade and other payables	11	**(46)**	-
		(46)	-
Net assets		**2,686**	-
Equity			
Called up share capital	12	**497**	-
Share premium account	12	**3,898**	-
Reverse acquisition reserve	13	**(1,667)**	-
Share based payment reserve	13	**78**	-
Retained earnings	13	**(120)**	-
Total equity		**2,686**	-

The accompanying notes are an integral part of this consolidated balance sheet.

The financial statements on pages 16 to 31 were approved by the Board of Directors and authorised for issue on 2 October 2009 and were signed on its behalf by:

Neil Crabb
Chairman

2 October 2009

FRONTIER IP GROUP PLC

COMPANY BALANCE SHEET

At 30 June 2009

	Notes	2009 £'000	2008 £'000
Assets			
Non-current assets			
Investment in subsidiaries	8	**3,563**	-
Current assets			
Trade receivables		**-**	6
Other current assets	10	**787**	-
Cash and cash equivalents		**20**	361
		807	367
Total assets		**4,370**	367
Liabilities			
Current liabilities			
Trade and other payables	11	**(14)**	(3)
Net assets		**4,356**	364
Equity			
Equity attributable to equity holders of the Company			
Called up share capital	12	**497**	69
Share premium account	12	**3,898**	296
Share-based payments	13	**78**	15
Retained earnings	13	**(117)**	(16)
Total equity		**4,356**	364

The accompanying notes are an integral part of this balance sheet.

The financial statements on pages 16 to 31 were approved by the Board of Directors and authorised for issue on 2 October 2009 and were signed on its behalf by:

Neil Crabb
Chairman

2 October 2009

FRONTIER IP GROUP PLC

CONSOLIDATED AND COMPANY STATEMENTS OF CHANGES IN EQUITY

For the year ended 30 June 2009

Group

	Share capital £'000	Share premium account £'000	Reverse acquisition reserve £'000	Share-based payment reserve £'000	Profit and loss account £'000	Total equity attributable to equity holders of the Company £'000
At 10 January 2008 and at 30 June 2008	-	-	-	-	-	-
Reserves of Frontier IP Group plc on acquisition	69	296	-	15	-	380
Reserve arising on reverse	-	-	(1,667)	-	-	(1,667)
Issue of shares	428	3,720	-	31	-	4,179
Costs of issue	-	(118)	-	-	-	(118)
Loss for the year	-	-	-	-	(120)	(120)
Share-based payments	-	-	-	32	-	32
At 30 June 2009	497	3,898	(1,667)	78	(120)	2,686

Company

	Share capital £'000	Share premium account £'000	Share-based payment reserve £'000	Profit and loss account £'000	Total equity attributable to equity holders of the Company £'000
Balance at incorporation on 29 May 2007	-	-	-	-	-
Issue of shares	89	351	-	-	440
Redemption	(20)	-	-	-	(20)
Costs of issue	-	(55)	-	-	(55)
Share-based payments	-	-	15	-	15
Loss for the year	-	-	-	(16)	(16)
At 30 June 2008	69	296	15	(16)	364
Issue of shares	428	3,720	31	-	4,179
Costs of issue	-	(118)	-	-	(118)
Share-based payments	-	-	32	-	32
Loss for the year	-	-	-	(101)	(101)
At 30 June 2009	497	3,898	78	(117)	4,356

FRONTIER IP GROUP PLC

CONSOLIDATED AND COMPANY CASH FLOW STATEMENTS

For the year ended 30 June 2009

	Notes	Group 2009 £'000	Group Period 10January 2008 to 30 June 2008 £'000	Company 2009 £'000	Company Period 29 May 2007 to 30 June 2008 £'000
Cash flows from operating activities					
Cash used in operations	15	**(89)**	-	**(839)**	(19)
Taxation paid	5	-	-	-	-
Net cash used in operating activities		**(89)**	-	**(839)**	(19)
Cash flows from investing activities					
Investment in subsidiary		**(17)**	-	**(17)**	-
Cash acquired with reverse takeover		**345**	-	-	-
Net working capital acquired		**(35)**	-	-	-
Purchase of financial assets at fair value through profit and loss	9	**(9)**	-	-	-
Interest received		-	-	-	15
Net cash generated from/(used in) investing activities		**284**	-	**(17)**	15
Cash flows from financing activities					
Proceeds from issue of equity shares		**633**	-	**633**	440
Redemption of redeemable shares		-	-	-	(20)
Costs of share issue		**(118)**	-	**(118)**	(55)
Net cash generated from financing activities		**515**	-	**515**	365
Net increase in cash and cash equivalents		**710**	-	**(341)**	361
Cash and cash equivalents at beginning of year		**-**	-	**361**	-
Cash and cash equivalents at end of year		**710**	-	**20**	361

The accompanying notes are an integral part of this cash flow statement.

ACCOUNTING POLICIES for the year ended 30 June 2009

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year.

Basis of accounting
The financial statements of the Group and the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted for use in the European Union.

The financial statements have been prepared on the historical cost basis, except where IFRS requires an alternative treatment. The principal variations from historical cost relate to financial instruments (IAS 39).

Basis of consolidation
The Group financial statements consolidate the financial statements of Frontier IP Group Plc and its subsidiary undertaking.

On 13 May 2009 the Company became the legal parent company of Frontier IP Limited in a share for share transaction by which the Company issued 350,000,000 0.1p shares to Frontier IP Limited's then parent, Sigma Capital Group plc, in exchange for the entire issued share capital of Frontier IP Limited.

On the same date the Company placed 63,300,000 0.1p shares for cash at 1p per share ('the Placing'). Sigma Capital Group plc participated in the Placing and was allotted 35,000,000 shares at 1p per share.

Due to the relative values of the companies, following the share for share transaction and the Placing, Sigma Capital Group plc became the majority shareholder with 77.4% of the enlarged share capital. Following the transaction the Company's continuing operations and executive management were predominantly those of Frontier IP Limited. Accordingly the substance of the transaction was that Frontier IP Limited acquired Frontier IP Group Plc in a reverse acquisition.

As a consequence of applying reverse acquisition accounting, the results of the Group to 30 June 2009 comprise the results of Frontier IP Group Plc for the period from 13 May 2009 to 30 June 2009 and those of Frontier IP Limited from 1 July 2008 to 30 June 2009. The comparative figures for the Group are those of Frontier IP Limited for the period from 10 January 2008 to 30 June 2008.

The comparative figures for the period ended 30 June 2008 are derived from the accounts of Frontier IP Limited for the period ended 31 December 2008. The company was dormant until after 30 June 2008.

Segmental reporting
The Group operates in one market sector, the commercialisation of university intellectual property, and wholly within the UK. Therefore the segmental analysis of turnover, profit/(loss) on ordinary activities before tax and net assets do not need to be separately analysed.

Goodwill
Goodwill arising on consolidation represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of a subsidiary at the date of acquisition. Goodwill is recognised as an asset and reviewed for impairment annually. Any impairment is recognised immediately in the income statement and is not subsequently reversed.

Financial instruments
Financial assets and financial liabilities are recognised in the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument.

Trade and other receivables
Trade and other receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts.

ACCOUNTING POLICIES for the year ended 30 June 2009

Cash
Cash and cash equivalents comprise cash at bank and in hand.

Investments
Investments are recognised and derecognised on the trade date. Investments are classified as either trade investments or financial assets at fair value through profit and loss. Investments classified as held for trading are initially measured at cost. Investments classified as financial assets at fair value through profit and loss are initially measured at cost, including transaction costs.

Investment in subsidiary companies is stated at cost less provision for any impairment in value. Subsequent measurement of all investments is at fair value.

When managing its investments, the Group aims to profit from the receipt of interest and dividends and changes in the fair value of equity instruments. Accordingly, all equity investments are designated as at fair value through profit or loss and are subsequently recorded in the balance sheet at fair value. Any gains or losses arising from changes in fair value are included in net gains or losses for the period.

Investments classified as financial assets at fair value through profit and loss are recognized as non-current assets. Investments classified as trade investments are recognised as current assets.

Financial liabilities and equity
Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations rather than the financial instrument's legal form. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

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

Equity instruments
Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Current and deferred tax
The charge for current tax is based on the results for the year as adjusted for items which are non-assessable or disallowed. It is calculated using rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable profit. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction which affects neither the tax profit nor the accounting profit.

Deferred tax is calculated at the rates that are expected to apply when the asset or liability is settled.

Deferred tax is charged or credited in the income statement, except when it relates to items credited or charged directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

ACCOUNTING POLICIES for the year ended 30 June 2009

Warrants
Fair value is measured using the Black Scholes-Merton pricing model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

Share based payments
The Group has applied the requirements of IFRS 2 *Share-based Payment*.

The Group issues equity-settled share-based payments to certain employees. Equity-settled share-based payments are measured at fair value (excluding the effect of non-market based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares or options that will eventually vest.

Fair value is measured in the same way as Warrants. .

Revenue recognition
Fees for services provided by the Group are measured at the fair value of the consideration received or receivable, net of value added tax.

Retirement benefit costs
The Group operates a defined contribution retirement benefit scheme. The amount charged to the income statement in respect of retirement benefit costs are the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either prepayments or accruals in the balance sheet.

Impairment
At each balance sheet date, the Group reviews the carrying amounts of its intangible assets with finite lives to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Goodwill arising on acquisition is allocated to cash-generating units. The recoverable amount of the cash-generating unit to which goodwill has been allocated is tested for impairment annually, or on such other occasions that events or changes in circumstances indicate that it might be impaired.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. Impairment losses are recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. However, impairment losses relating to goodwill may not be reversed.

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2009

1. Financial risk management

Financial risk factors

The Group's business activities are set out in the Business Review. These activities expose the Group to a number of financial risks. The following describes the Group's objectives, policies and processes for managing these risks and the methods used to measure them. The Group only operates in the UK and transacts in sterling. It is therefore not exposed to any foreign exchange risk.

The Group has sufficient financial resources for the size of its business and has no borrowings. As a consequence, the directors believe that the Group is well placed to manage its business risks successfully despite the current uncertain economic outlook. After making enquiries, the directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

(a) Market risk

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. From time to time, certain of the Group's cash resources are placed on short term fixed deposit (one month to three months) to take advantage of preferential rates. Otherwise, cash resources are held in current, floating rate accounts.

(b) Credit risk

The Group's credit risk is primarily attributable to its trade receivables, other current assets and cash equivalents. The Group's current cash and cash equivalents are held with two UK financial institutions, the Lloyds Banking Group and Barclays.

The concentration of credit risk from trade receivables and other current assets varies throughout the year depending on the timing of transactions and invoicing of fees.

Other exposures of the Group are spread over a number of customers and counterparties with little concentration on any one entity.

The maximum exposure to credit risk for cash equivalents, trade receivables and other current assets is represented by their carrying amount.

(c) Liquidity risk

The Group seeks to manage liquidity risk to ensure sufficient liquidity is available to meet the requirements of the business and to invest cash assets safely and profitably. The Board reviews available cash to ensure there are sufficient resources for working capital requirements. At 30 June 2009 and 30 June 2008 all amounts shown in the consolidated balance sheet under current assets and current liabilities mature for payment within one year.

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2009

2. Significant accounting estimates

Sources of estimation uncertainty

The preparation of the financial statements requires the Group to make estimates, judgments and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and related disclosure of contingent assets and liabilities. The directors base their estimates on historical experience and various other assumptions that they believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

3. Expenses by nature

Expenses included in administrative expenses are analysed below.

	2009 £'000	For the period 10 January 2008 – 30 June 2008 £'000
Employee costs	68	-
Travel and entertainment	9	-
Audit services:		
- Fees payable to Company auditor for the audit of the parent company and consolidated accounts	8	-
Non-audit services:		
- tax services	4	-
Other legal, professional and financial costs	50	-
Warrants issued to University of Dundee	31	-
Administration costs	3	-
	173	-

4. Directors and employees

The average number of employees, who are also directors, employed by the Group during the year was:

	2009 Number	For the period 10 January 2008 – 30 June 2008 Number
Business and corporate development	1	-
Administration	-	-
	1	-

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2009

4. Directors and employees (cont.)

The aggregate remuneration is in respect of the Managing Director and non-executive Chairman and was as follows:

	2009 £'000	For the period 10 January 2008 – 30 June 2008 £'000
Wages and salaries	45	-
Social security	6	-
Pension costs – defined contribution plans	1	-
Directors' fees	15	
Share option expense	1	-
	68	-

The key management of the Group comprises the Frontier IP Group Plc Board of directors. The remuneration of the Managing Director and fees of the non-executive Chairman are shown above. No other director received remuneration from the Group. Payments made to Sigma Capital Group plc for the services of Graham Barnet and Marilyn Cole are disclosed in note 16.

5. Taxation

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The differences are explained below.

	2009 £'000	For the period 10 January 2008 – 30 June 2008 £'000
Loss before tax	(120)	-
Loss before tax at the effective rate of corporation tax in the UK of 21% (2008: 21%)	(25)	-
Effects of:		
Trading losses carried forward	25	-
Tax charge for the year	-	-

The Group's deferred tax assets, other than those relating to short term timing differences, are not recognised in accordance with Group policy. The amounts set out below will be available for offset against future taxable profits.

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2009

6. Loss per share

The calculation of the basic loss per share for the year ended 30 June 2009 is based on the losses attributable to the shareholders of Frontier IP Group Plc divided by the weighted average number of shares in issue during the year.

	Loss attributable to shareholders £'000	Weighted average number of shares	Basic loss per share amount in pence
Year ended 30 June 2009	120	125,313,402	0.10

No warrant or option is potentially dilutive as the average market price of the ordinary shares during the year was less than the exercise price of the warrants and options, hence basic and diluted loss per share are the same.

7. Business combination

On 13 May 2009 the Company became the legal parent company of Frontier IP Limited in a share for share transaction by which the Company issued 350,000,000 0.1p shares to Frontier IP Limited's then parent, Sigma Capital Group plc, in exchange for the entire issued share capital of Frontier IP Limited.

On the same date the Company placed 63,300,000 0.1p shares for cash at 1p per share ('the Placing'). Sigma Capital Group plc participated in the Placing and was allotted a further 35,000,000 shares at 1p per share.

Details of net assets acquired and goodwill are as follows:

	£'000	**£'000**
Cost of Combination		
Fair value of Company's shares before the reverse – 69m shares at 0.5p per share		345
Fair value of consideration shares – 350m shares at 0.5p per share		1,750
		2,095
Net asset value of Frontier IP Group Plc on acquisition	(310)	
Costs on acquisition	181	
		129
Goodwill		1,966

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2009

8. Investment in subsidiaries

	Company 2009 £'000	Company 2008 £'000
At 1 July 2008	-	-
Investment in Frontier IP Limited	3,563	-
At 30 June 2009	3,563	-

Group investments

The Company has investments in the following subsidiary undertakings.

	Country of incorporation	Class of capital	%
Frontier IP Limited – Principal activity is commercialisation of intellectual property.	Scotland	Ordinary	100.0
Frontier IP Investments Limited – Principal activity will be investment. Currently dormant.	Scotland	Ordinary	100.0

9. Financial assets at fair value through profit and loss

	Group 2009 £'000	Group 2008 £'000	Company 2009 £'000	Company 2008 £'000
At 1 July 2008	-	-	-	-
Additions	9	-	-	-
Fair value increase	30	-	-	-
At 30 July 2009	39	-	-	-

10. Trade receivables and other current assets

	Group 2009 £'000	Group 2008 £'000	Company 2009 £'000	Company 2008 £'000
Trade receivables	9	-	-	6
Receivables from Group undertakings	-	-	779	-
VAT	3	-	3	-
Prepayments and accrued income	5	-	5	-
	17	-	787	6

NOTES TO THE FINANCIAL STATEMENTS for the year 30 June 2009

11. Trade and other payables

	Group 2009 £'000	Group 2008 £'000	Company 2009 £'000	Company 2008 £'000
Trade payables	21	-	6	-
Amount owed to group undertakings	4	-	-	-
Amount due to subsidiaries	-	-	2	-
Social security and other taxes	6	-	-	-
Accruals and deferred income	15	-	6	3
	46	-	14	3

12. Share capital and premium

Group

	Number of shares in issue	Ordinary shares £'000	Share premium £'000	Total £'000
At 10 January 2008 and 30 June 2008	-	-	-	-
Reverse of Frontier IP Group plc	69,000,000	69	296	365
Issue of shares	428,216,495	428	3,720	4,148
Costs of issue	-	-	(118)	(118)
At 30 June 2009	**497,216,495**	**497**	**3,898**	**4,395**

Company

	Number of ordinary shares in issue	Ordinary shares £'000	Share premium £'000	Redeemable ordinary shares £'000	Total £'000
Balance at incorporation on 29 May 2007	-	-	-	-	-
Issue of shares	69,000,000	69	351	20	440
Redemption of shares	-	-	-	(20)	(20)
Cost of issue	-	-	(55)	-	(55)
At 30 June 2008	69,000,000	69	296	-	365
Issue of shares	428,216,495	428	3,720	-	4,148
Costs of issue	-	-	(118)	-	(118)
At 30 June 2009	497,216,495	497	3,898	-	4,395

The total authorised number of redeemable ordinary shares of 1p each is 2,000,000 (2008: 2,000,000). The total authorised number of ordinary shares is 1,980,000,000 (2008: 480,000,000) with a par value of 0.1p per share (2008: 0.1p). All issued shares are fully paid.

Warrants

During the year, the Company granted warrants over 9,944,330 ordinary shares to Ruegg & Co Limited at a price of 1p per share and warrants over 10,000,000 ordinary shares to the University of Dundee. In both cases the warrants were conditional of admission of the Company on PLUS Markets and were for a period of five years from admission.

NOTES TO THE FINANCIAL STATEMENTS for the year 30 June 2009

12. Share capital and premium (cont.)

Movements in the number of warrants outstanding and their related weighted average exercise prices were as follows:

	2009 Average exercise price in pence per warrant	2009 Warrants	2008 Average exercise price in pence per warrant	2008 Warrants
At 1 July 2008	1.0	6,900,000	1.0	6,900,000
Granted	1.0	19,944,330	-	-
	1.0	26,844,330	1.0	6,900,000

Warrants outstanding at the end of the year have the following expiry date. All warrants have an exercise price of 1p per share.

	2008	2007
25 June 2012	6,900,000	6,900,000
12 May 2014	19,944,330	19,944,330

The weighted average fair value of these options that were granted during the period determined using the Black-Scholes-Merton valuation model was 0.31p per option (2008: 0.21p). The significant inputs into the model were exercise price as above, volatility of 30% (2008: 5%), dividend yield of 0% (2008: 0%), expected life of 5 years (2008: 5 years) and an annual risk free interest rate of 2.59% (2008: 4.75%).

13. Company reserves

The reverse acquisition reserve was created on the reverse takeover of Frontier IP Group Plc. The movement in reserves for the years ended 30 June 2009 and 2008 is set out in the Consolidated and Company Statement of Changes in Equity on page 19.

14. Share options

On 13 May 2009, options over 19,888,660 shares were granted to Neil Crabb, non-executive Chairman and options over 14,916,495 shares were granted to Alister Minty, Managing Director, at an exercise price of 1p. The exercise of the options is conditional on the director completing three years service following grant (the vesting period).

The weighted average fair value of these options, that were determined using the Black-Scholes-Merton valuation model was 0.03p per option. The significant inputs into the model were exercise price as above, volatility of 30%, dividend yield of 0%, expected life of 4 years and an annual risk free interest rate of 2.59%.

NOTES TO THE FINANCIAL STATEMENTS for the year 30 June 2009

15. Cash used in operations

	Group 2009 £'000	Group 2008 £'000	Company 2009 £'000	Company 2008 £'000
Loss before tax	(120)	-	(101)	(31)
Adjustments for:				
Share-based payments	32	-	32	15
Fair value gain on financial assets through profit and loss	(30)	-	-	-
Changes in working capital:				
Trade and other receivables	(17)	-	(781)	(6)
Trade and other payables	46	-	11	3
Cash flows from operating activities	(89)	-	(839)	(19)

16. Related party transactions

During the year the Company had transactions with a significant shareholder, Sigma Capital Group plc ("Sigma").

Sigma charged fees of £10,000 (2008: nil) for work done for the Company and recharged administration expenses of £2,000 (2008: nil). The fees are for the services of Graham Barnet and Marilyn Cole as directors of the Company and for administration support.

Shares issued to Directors during the year are shown in the Directors Remuneration report.

At 30 June 2009, the Company owed Sigma £17,000 (2008: nil).

17. Ultimate controlling party

The directors regard Sigma Capital Group plc, a company incorporated in England, as the ultimate parent company and the ultimate controlling party.

Copies of the financial statements are available from the Company's trading office at 41 Charlotte Square, Edinburgh EH2 4HQ.

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