eco city vehicles plc

Report and Accounts

For the year ended 31st December 2014

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Directors and Advisors

Directors:	John Swingewood *Non-Executive Chairman* Ran Oren *Non-Executive Director*
Registered Office:	60 Canon Street London EC4N 6NP
Registered in England:	Company number – 04998151
Nominated Advisor & Broker:	Allenby Capital Limited 3 St Helen's Place London EC3A 6AB
Solicitors to the Company:	DWF LLP 20 Fenchurch Street London EC3M 3AG
Registered Auditors:	Crowe Clark Whitehill LLP St. Bride's House 10 Salisbury Square London EC4Y 8EH
Registrars:	Computer Share Investor Services PLC The Pavilions Bridgwater Road Bristol BS13 8AE
Bankers:	Barclays Bank Plc Level 27, One Churchill Place London BX3 2BB

SUMMARY AND OUTLOOK

Eco City Vehicles PLC (the "Company") is the non-trading holding company of a group of companies which, together with its subsidiary undertakings (together the "Group") was formerly engaged in specialist vehicle distribution and after-sales service for the London taxi market. The annual results for the period to 31 December 2014 provide a rather distorted picture of the Company's current position as they reflect the former activities of the Group within the London taxi market classified as "discontinued activities" in the financial statements for the year ended 31 December 2014.

- On 23 September 2014 Mercedes-Benz informed KPM-UK Taxis Plc ("KPM") that it was terminating its stocking facilities and trading agreements with immediate effect. On 19 September 2014 the trading in the Company's shares was suspended and on 24 September 2014 the directors placed KPM into administration.
- One80 Limited ("One80") the Company's intellectual property subsidiary, was placed in administration on 24 September 2014 by its directors.
- On 6 October 2014 the Company filed a notice of intention to appoint an administrator for the Company and the resignation of Jonathan Moritz from the board.
- On 14 November 2014 the Company announced the appointment of Allenby Capital Limited as Nominated Adviser & Broker and the resignation of Peter DaCosta as a director of the Company.
- On 17 October 2014 the Company was placed in administration by its directors. On 1 December 2014 the administrators issued a proposal for a CVA to the Company's creditors and shareholders following discussions with a number of potential investors. The CVA proposals were approved by the Company's shareholders and creditors on 22 December 2014. Following the approval of the CVA proposal the Company exited administration and entered into CVA. Management and control of the Company returned to its directors, John Swingewood and Ran Oren. The former Joint Administrators continued as Joint Supervisors of the CVA for the purpose of its implementation.
- On 24 December 2014 the Company issued a circular and a notice of General Meeting to its shareholders setting out proposals to raise funds in total of £250,000 by means of private placing of up to £250,000 of convertible loan notes ("CLN"). £143,000 of the proceeds of the subscription has been applied to fund the CVA proposals. The proposals, including resolutions for the reorganisation and consolidation of the Company's shares, were approved on 20 January 2015, and the Company began its new activity as an investing company, seeking a suitable operating company to acquire by way of a share exchange.

Following the implementation of the CVA the Company has become an investing company. The Company's new investing policy is to invest and/or acquire companies and/or assets in the telecommunications, media and technology sectors where the Board believes there are opportunities for growth which, if achieved, will be earnings enhancing for shareholders.

Commenting on the results, John Swingewood, Chairman, said

"The market conditions became very difficult for London taxi sales and unfortunately the Company was unable to continue trading in these conditions. Subsequently the board has worked hard to restructure the business to enable it to become an investing company that hopefully in the long term will return value to the Company's existing and new shareholders following the completion of the above mentioned CLN subscription."

CHAIRMAN'S REVIEW

Introduction

2014 was a difficult year for everybody involved in the Company, with the administration first of our operating subsidiaries, followed by the Company itself, but following the difficult restructuring, which was not completed until after the year end, we now face the future with a renewed sense of optimism. As an investing company, we are hopeful of identifying a suitable company to acquire by way of a share exchange, and look forward to communicating this to shareholders in the future.

The results reflect the position prior to ECV entering and subsequently exiting administration on 22 December 2014 by way of a Company Voluntary Arrangement ("CVA"), following approval by both creditors and shareholders. Shareholders subsequently also approved the refinancing through the issue of CLN's described earlier, and the Company's shares returned to trading on AIM on 3 March 2015 as an investing company.

The annual accounts for the year ended 31 December 2014 reflect the former operating activities of the Group as discontinued activities.

Management, Employees and Board

On 5 March 2014 the Company announced that Trevor Parker had stepped down from the Board to pursue other interests and the appointment of Ran Oren as non-executive director.

On 6 October 2014 Jonathan Moritz resigned from his position as Finance Director of the Company and other subsidiaries.

On 16 November Peter DaCosta resigned from the board as non executive director.

Future Outlook

Following the implementation of the CVA the Company has become an investing company. The Company's new investing policy is to invest and/or acquire companies and/or assets in the telecommunications, media and technology sectors where the Board believes there are opportunities for growth which, if achieved, will be earnings enhancing for shareholders

John Swingewood

Chairman
3 June 2015

STRATEGIC REPORT

Principal Activities

Eco City Vehicles PLC entered administration on 17 October 2014 and subsequently exited administration on 22 December 2014 by way of a Company Voluntary Arrangement ("CVA"), following approval by both creditors and shareholders.

On 24 December 2014 the Company issued a circular and a notice of General Meeting to its shareholders setting out proposals to raise funds totalling of £250,000 by means of a private placing of CLN's. £143,000 of the proceeds of the subscription have been applied to fund the CVA. The proposals also included resolutions for the reorganisation and consolidation of the Company's shares. All resolutions were approved at the General Meeting.

The placing of the CLN's was successful and the share reorganisation implemented following the successful return of the company's ordinary shares from suspension on 3 March 2015

Prior to the administration the Group owned intellectual property used for the conversion of Mercedes Benz vans into licensed taxis, and ran a licensed taxi dealership, with related driver solutions and after-sales services, from its main site in East London. The dealership's activities comprised new vehicle sales, used vehicle sales, vehicle servicing, vehicle parts distribution, taxi meter fitting and calibration, and a bodyshop repair centre. The Group also ran its own taxi rental fleet, with around 45 vehicles out on hire by 30 June 2014. The new vehicle business operated under a dealer agreement with Mercedes Benz covering Vito taxis. It's servicing and parts activities operated under dealer agreements both with Mercedes Benz and with the London Taxi Company. The servicing and parts agreement with Mercedes Benz covered commercial vehicles as well as taxis. The Mercedes Benz Vito taxi was converted for Mercedes Benz by a 3rd party vehicle conversion company which operated under licence from the Group's intellectual property subsidiary One80 Ltd. These activities were terminated by Mercedes Benz with immediate effect on 23 September 2014. The annual accounts for the year ended 31 December 2014 reflect activities of the Group as discontinued activities.

Key performance indicators

In future periods the directors will set KPI's aligned with the achievement of the Company's new investing policies.

Business Strategy

Following the approval of the CVA proposal the Company exited administration and entered into CVA. Management and control of the Company returned to its directors, John Swingewood and Ran Oren. The former Joint Administrators will continue in a different role as Joint Supervisors of the CVA for the purpose of its implementation

On 24 December 2014 the Company issued a circular and a notice of General Meeting to its shareholders setting out proposals to raise funds in total of £250,000 by means of private placing of up to £250,000 CLN's. £143,000 of the proceeds of the subscription have since been applied to fund the CVA proposals.
As the Company no longer has a trading activity, the Company has become an investing company. The Company's strategy is to invest in and/or acquire companies and/or assets in the telecommunications, media and technology sectors where the Board believes there are opportunities for growth which, if achieved, will be earnings enhancing for Shareholders.

Principal Risks and Uncertainties

The Board of Directors continuously identify, monitor and manage potential risks and uncertainties relating to the Group. The risks are inherent in all business. The list below sets out certain risk factors which could have an impact on the Group's long term performance. The list is not presumed to be exhaustive, and by its nature is subject to change.

The main risks arising from Group's operations are dependence on key personnel and breakdown of internal control due to fraud or error. The Directors review and agree policies for managing each of these risks and they are summarised below:

Dependence on key personnel

The Group depends upon the expertise and continued service of key executives. The Group ensures that the key personnel are retained by offering competitive pay.

Internal control

The Group does not employ an internal audit function but ongoing review of systems and adherence to these systems is undertaken by the Directors.

Post balance sheet events

On 20 January 2015 all the resolutions set out in the proposal above were approved by the Company's shareholders
The Board has decided to continue with the current name Eco City Vehicles PLC until a suitable acquisition is completed.
The Company's shares returned to trading on AIM on 3 March 2015.

Ran Oren
Director

Company number 04998151

Directors’ Biographies

John Swingewood (Non-Executive Chairman)

John Swingewood has been a director of the Company since 2004, acting historically as Non-Executive Chairman. John founded both DITG and TGC in 2001 having previously been responsible for launching interactive TV sports betting whilst Director of New Media at Sky. Before joining Sky, he held a number of positions at British Telecom including Director of Internet and Multimedia, and General Manager, Broadcast TV Services. John was a founding shareholder of DTIG and TGC which were both sold to Yoomedia PLC in December 2004. He is an entrepreneurial investor and is Executive Chairman on Emizon Group ltd, Chairman of CentralNic Ltd, a director of Big Art Productions Ltd and Brilliant Law Group Ltd, Non-Executive director of Playjam Group Ltd.

Ran Oren (Non-Executive Director)

Ran Oren has been responsible for refinancing companies, as well as negotiation on companies’ behalf with their various stakeholders. In addition he has acted in the sale of a number of companies. Ran is a director of William Ransom & Sons Holdings Plc, and was previously finance director of Screwfast Foundations Ltd, Creative Outsourcing Solutions Ltd and Q Group PLC. Ran gained his CPA qualification with Deloitte & Touche.

Directors' Report

The Directors have pleasure in submitting this report together with the financial statements of Eco City Vehicles PLC ("the Company") and its subsidiary undertakings (together "the Group") for the year ended 31 December 2014.

Principal Activities

The principal activity of the Company is that of a holding Company. Eco City Vehicles is a public listed Company, incorporated and domiciled in England, with its shares quoted on the AIM Market.

Business review and future developments

Details of the Group's performance and expected future developments are set out on pages 4-6.

Results and Dividends

The Group made a loss before tax for the year of £2.8m (2013: loss of £0.8m)

The Company is not able to declare a dividend.

Going concern

The Group has prepared detailed forecast taking account of actual results to date and its current run rate on a prudent basis. Taking into account the proceeds from the issue of CLN's after the balance sheet date and based on available forecasts, the directors' consider the going concern basis of preparation to be appropriate.

Directors

The Directors who held office since 1 January 2014 were as follows:

John Swingewood
Ran Oren (appointed 5 March 2014)
Trevor Parker (resigned 5 March 2014)
Jonathan Moritz (resigned 10 October 2014)
Peter DaCosta (resigned 14 November 2014)

Biographies of the current Directors are given on page 7.

Directors' Interests

The interests of Directors in the shares of the Company were as follows:

	On 31 December 2014 Ordinary Shares of 0.1p each	On 1 January 2014 Ordinary Shares of 1p each
John Swingewood	12,436,667	10,303,333

The beneficial holdings disclosed above include, where applicable, the holdings of immediate family. None of the Directors had a material interest in any significant contracts undertaken by the Group during the year. None of the Directors had any beneficial interest in the shares of any subsidiary companies. See below for Mr Swingewood's interests in the Company following the refinancing and capital restructuring after the balance sheet date.

Share capital

The authorised share capital of the Company was £6,000,000 divided into 600,000,000 ordinary shares of 1p each. At 31st December 2014 471,336,521 ordinary shares of 0.1p each were in issue, fully paid.

Post balance sheet share restructuring

As more fully described at Note 26 of the financial statements, after the balance sheet date the Company's shareholders' approved certain refinancing and capital restructuring events, comprising the issue of £250,000 of CLN's and a three stage capital restructuring of the Company involving the creation and subsequent cancellation on new deferred shares, a 1:125 consolidation of ordinary shares and conversion of the CLN's into new ordinary shares.

Substantial Shareholdings

On completion of the refinancing and capital restructuring events the Company has 28,770,692 New Ordinary Shares in issue. Shareholders holding 3% or more of the restructured issued ordinary share capital of the Company following the refinancing and capital restructuring events described in Note 26 are as follows:

Shareholder	Number of New Ordinary Shares Held	Percentage of New Ordinary Shares Held
Euroblue Investments Limited *	5,697,600	19.80%
Henderson Global Investors	5,600,000	19.46%
John Swingewood **	5,099,493	17.72%
Jeremy Fenn	5,059,600	17.59%
Percipient Capital ***	2,761,333	9.60%
Peter DaCosta	1,431,103	4.97%

* Includes shares held by Nigel Wray, who controls Euroblue Investments Limited

** A director of the Company

*** Includes shares held by GKF Nominees One Limited, an associated company GKF Wealth Management Limited, which Percipient Capital is a trading name of.

Principal Risks and Uncertainties

The Board of Directors continuously identify, monitor and manage potential risks and uncertainties relating to the Group. The risks are inherent in all business. The list below sets out certain risk factors which could have an impact on the Group's long term performance. The list is not presumed to be exhaustive, and by its nature is subject to change.

The main risks arising from Group's operations are dependence on key personnel and breakdown of internal control due to fraud or error. The Directors review and agree policies for managing each of these risks and they are summarised below:

Dependence on key personnel

The Group depends upon the expertise and continued service of key executives. The Group ensures that the key personnel are retained by offering competitive pay.

Internal control

The Group does not employ an internal audit function but ongoing review of systems and adherence to these systems is undertaken by the Directors.

Statement on 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 elected to prepare the group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and the company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company and of the profit or loss of the group for that period. The directors are also required to prepare financial statements in accordance with the rules of the London Stock Exchange for companies trading securities on the Alternative Investment Market.

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

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the requirements of the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Website publication

The directors are responsible for ensuring the annual report and the financial statements are made available on a website. Financial statements are published on the company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the company's website is the responsibility of the directors. The directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

The work carried out by the auditors does not involve the consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred in the accounts since they were initially presented on the website.

Statement to Auditors

The directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each Director has taken all the steps that he ought to have taken as a Director to make him aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

Crowe Clarke Whitehill LLP have expressed their willingness to continue in office. A resolution to re-appoint Crowe Clarke Whitehill LLP will be proposed at the forthcoming Annual General Meeting.

Recommendation

The Board considers that the resolutions to be proposed at the Annual General Meeting are in the best interests of the shareholders and, accordingly, recommends that the shareholders vote in favour of the resolutions, as the Directors intend to do in respect of their own beneficial shareholdings in the Company.

The Directors' report was approved by the Board on 3 June 2015 and signed on its behalf by:

Ran Oren
Director

Company number 04998151

Corporate Governance Statement

The Company's shares are traded on the AIM market ("AIM") of the London Stock Exchange. The Company is therefore subject to the AIM Admission Rules of London Stock Exchange and is not consequently required to comply with the best practice governance provisions contained within the UK Corporate Governance Code appended to the Listing Rules of the Financial Services Authority. However, the Directors recognise the importance of sound corporate governance, as set out in the UK Corporate Governance Code, and the following are the Company's current corporate governance procedures.

The Company has adopted a model code for Directors' dealings in securities of the Company which is appropriate for a Company quoted on AIM. The Directors will comply with Rule 21 of the AIM Rules relating to Directors' dealings and will take all reasonable steps to ensure compliance by the Company's "applicable employees" (as defined in the AIM Rules).

Relations with shareholders

The Company reports to shareholders twice a year. The Company dispatches the notice of its Annual General Meeting, together with a description of the items of special business, at least 21 clear days before the meeting. Each substantially separate issue is the subject of a separate resolution and all shareholders have the opportunity to put questions to the Board at the Annual General Meeting. The Chairman advises the meeting of the details of proxy votes cast on each of the individual resolutions after they have been voted on in the meeting.

The Directors intend to maintain a good and continuing understanding of the objectives and views of the shareholders.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ECO CITY VEHICLES PLC

We have audited the group financial statements of Eco City Vehicles Plc for the year ended 31 December 2014, which comprise the Consolidated Statement of Financial Position, the Consolidated Statement of Comprehensive Income, the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity, and the related notes numbered 1 to 26.

The financial reporting framework that has been applied in the preparation of the consolidated financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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 auditors

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

Scope of the audit of the financial statements

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

In addition, we read all the financial and non-financial information in the Strategic Report and the Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

Basis for disclaimer of opinion on financial statements

Following the termination of stocking facilities and trading agreements with Mercedes Benz with immediate effect, on 24 September 2014 the Company's principal operating subsidiary undertakings, KPM-UK Taxis Plc and One80 Limited, were placed into administration by their respective directors and remain in administration. On 17 October 2014 the Company was similarly placed into administration by its directors. Subsequently, with the approval of creditors and shareholders, the Company entered into a CVA on 22 December 2014 and management and control of the Company was returned to its directors under the supervision of the joint administrators and on 26 February 2015 the supervisors confirmed that the Company had settled its obligations under the terms of the CVA.

The scope of our audit work has been restricted because we were unable to obtain access to the books and records of the Company's principal subsidiary undertakings during the period in which they have been in administration. In this respect we were unable to obtain sufficient appropriate audit evidence on which to base our opinion and the possible effects on the financial statements of undetected misstatements, if any, could be material.

Disclaimer of opinion on group financial statements

Because of the significance of the matter described in the Basis for Disclaimer of Opinion on Financial Statements paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly we do not express an opinion on the financial statements:

Opinion on other matter prescribed by the Companies Act 2006

Notwithstanding our disclaimer of an opinion on the view given by the financial statements, in our opinion the information given in the Strategic Report 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

Arising from the limitation of our work referred to above:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- certain disclosures of directors' remuneration specified by law are not made.

Other matter

We have reported separately on the parent company financial statements of Eco City Vehicles Plc for the year ended 31 December 2014.

Stephen Bullock
Senior Statutory Auditor
For and on behalf of
Crowe Clark Whitehill LLP
Statutory Auditor
London

3 June 2015

eco city vehicles plc

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2014

	Notes	2014 £000	2013 restated £000
Revenue		-	-
Cost of sales		-	-
Gross profit		-	-
Administrative expenses		(2,854)	(818)
Other income	4b	42	93
(Loss)/profit from operations before non-recurring items		(467)	242
Non-recurring items	4c	(2,345)	(967)
(Loss)/profit from continuing operations		(2,812)	(725)
Finance costs	7	(22)	(62)
(Loss)/profit before taxation from continuing		(2,834)	(787)
Taxation		-	-
(Loss)/profit from discontinued operations	23	(910)	1,814
(Loss)/profit for the period and total comprehensive loss		(3,744)	1,027
(Loss)/profit attributable to:			
Equity holders of the parent			
- Continuing operations		(2,834)	(787)
- Discontinued operations		(826)	1,783
Non-controlling interests:			
- Continuing operations		-	-
- Discontinued operations		(84)	31
		(3,744)	1,027
Loss per share		Pence	Pence
Basic and diluted loss per share :	9	(0.79)	0.24
(Loss)/profit from continuing operations		(0.10)	0.05
Loss from non-recurring items		(0.50)	(0.20)
(Loss)/profit from discontinued operations		(0.19)	0.39

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Consolidated Statement of Financial Position

As at 31 December 2014

Assets	Notes	2014 £000	2013 £000
Non-current			
Property, plant and equipment	10	-	3,185
Intangible assets	11	-	661
Goodwill	12	-	564
Total non-current assets		-	4,410
Current			
Inventories	13	-	2,932
Trade and other receivables	14	-	6,217
Cash and cash equivalents	15	-	930
Total current assets		-	10,079
Total assets		-	14,489
Equity and liabilities			
Equity			
Share capital	20	4,713	4,692
Share premium		3,190	3,177
Reverse acquisition reserve		-	(1,709)
Retained deficit		(7,918)	(4,723)
		(15)	1,437
Non-controlling interest		-	84
Total equity		(15)	1,521
Current liabilities			
Borrowings	17	-	1,387
Trade and other payables	16	15	7,703
Provisions	18	-	285
Total current liabilities		15	9,375
Non-current liabilities			
Borrowings	17	-	3,170
Trade and other payables	16	-	254
Provisions	18	-	169
Total non-current liabilities		-	3,593
Total liabilities		15	12,968
Total equity and liabilities		-	14,489

The financial statements were approved and authorised for issue by the Board on 3 June 2015.

Ran Oren
Director

John Swingewood
Chairman

eco city vehicles plc

Consolidated Statement of Changes in Equity

As at 31 December 2014

	Share capital £000	Share premium £000	Reverse acquisition reserve £000	Shares to be issued £000	Retained deficit £000	Total attributable to equity holders of Parent £000	Non-Controlling Equity £000	Total Equity £000
At 1 January 2013	4,565	3,070	(1,709)	189	(5,697)	418	53	471
Total comprehensive loss	-	-	-	-	996	996	31	1,027
Issue of share capital	127	107	-	(189)	-	45	-	45
Share based payment	-	-	-	-	(22)	(22)	-	(22)
At 31 December 2013	4,692	3,177	(1,709)	-	(4,723)	1,437	84	1,521
Total comprehensive loss	-	-	1,709	-	(3,744)	(2,035)	(84)	(2,119)
Disposal of assets	-	-	-	-	549	549	-	549
Issue of share capital	21	13	-	-	-	34	-	34
At 31 December 2014	4,713	3,190	-	-	(7,918)	(15)	-	(15)

eco city vehicles plc

Consolidated Statement of Cash Flows

For the year ended 31 December 2014

	Notes	2014 £000	2013 £000
Net cash inflow from			
Operating activities			
(Loss)/profit for the year		(3,744)	1,027
Adjustments for:			
Depreciation and Amortisation		-	572
Impairment – continuing operations		2,080	856
Loss from Discontinued Operations		910	-
Transfer to administrators		(506)	-
Share option charge		-	(22)
Finance cost		22	219
Income tax expense		-	(50)
Payments to acquire assets held for rental		-	(141)
		1,238	2,461
Decrease/(Increase) in debtors		6,217	(4,275)
(Decrease)/increase in creditors		(7,943)	878
Decrease in stocks		2,932	1,206
Cash generated from operations		(32)	270
Income taxes received		-	50
Net cashflows from operating activities		(32)	320
Investing activities			
Payments to acquire tangible fixed assets		-	(125)
Impairment of fixed assets		-	-
Purchase of intangibles		-	(47)
Net Cash used in investing activities		-	(172)
Financing activities			
Net cash generated from share issue		34	45
Interest paid		(22)	(219)
Repayments of pension loans		-	(84)
Loss from Discontinued Operations		(910)	
Movement in stock financing		-	449
Net cash (used in)/from financing activities		(898)	191
Increase/(decrease) in cash		(930)	339
Cash and cash equivalents at beginning of the year		930	591
Cash and cash equivalents at end of the year	22	-	930

Notes to the Group Financial Statements

For the year ended 31 December 2014

1. General Information

Eco City Vehicles PLC is a company incorporated in the United Kingdom and listed on the AIM market. The address of the registered office is 60 Canon Street, London EC4N 6NP.

These financial statements are presented in British Pounds Sterling, the currency of the primary economic environment in which the Group operates. The Group comprises Eco City Vehicles PLC and its subsidiary and associate companies as set out in Note 3 of the parent company's financial statements.

2. Accounting policies

The principal accounting policies adopted in preparation of the Group's financial statements are set out below.

Basis of preparation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS and IFRIC Interpretations) issued by the International Accounting Standards Board (IASB) as adopted by the European Union and with those parts of the Companies Act 2006 applicable to companies preparing their financial statements under IFRS.

The financial statements have been prepared using the measurement basis specified by IFRS for each type of asset, liability, income and expense. The measurement bases are more fully described in the detailed accounting policies below.

The preparation of financial statements, in conformity with general accepted accounting principles under IFRS, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results may ultimately differ from those estimates.

The accounting policies have been applied consistently throughout the Group for the purposes of preparation of these consolidated financial statements.

Going concern

The Group has prepared detailed forecasts taking account of actual results to date and its current run rate on a prudent basis. On 24 December 2014 the Company issued a circular and a notice of General Meeting to its shareholders setting out proposals to raise funds in total of £250,000 by means of private placing of up to £250,000 CLN's. £143,000 of the proceeds of the subscription have been applied to fund the CVA proposals. Taking into account the proceeds from the issue of CLN's after the balance sheet date and based on available forecasts, the directors' consider the going concern basis of preparation to be appropriate.

Basis of consolidation

The financial statements incorporate the financial statements of the Company and subsidiaries controlled by the Company made up to the year ended 31 December 2014.

Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the financial statements from the date that control commences until the date that control ceases.

On acquisition, the assets and liabilities and contingent liabilities of a subsidiary are measured at their fair values at the date of acquisition. Any excess of the cost of acquisition over the fair values of the identifiable net assets acquired is recognised as goodwill. Any deficiency of the cost of acquisition below the fair values of the identifiable net assets acquired (i.e. discount on acquisition) is credited to profit and loss in the period of acquisition.

The results of subsidiaries acquired or disposed of during the year are included in the Consolidated statement of comprehensive income from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group.

All intra-Group transactions, balances, income, expenses and unrealised gains are eliminated when preparing the historical financial information. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Business combinations
Business combinations are accounted for using the acquisition method. The cost of the 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 acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 (r2008) are recognised at their fair value at the acquisition date.

The Group has not applied IFRS 3 (r2008) "Business Combinations" retrospectively to business combinations prior to 1 January 2010.

For business combinations completed on or after 1 January 2010, cost comprised the fair value of assets given, liabilities assumed and equity instruments issued, plus the amount of any non-controlling interests in the acquiree plus, if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree. Contingent consideration is included in cost at its acquisition date fair value and, in the case of contingent consideration classified as a financial liability, remeasured subsequently through profit and loss. For business combinations completed on or after 1 January 2010, direct costs of acquisition are recognised immediately as an expense.

Goodwill is capitalised as an intangible asset with any impairment in carrying value being charged to the consolidated statement of comprehensive income. Where fair value of identifiable assets, liabilities and contingent liabilities exceed the fair value of consideration paid, the excess is credited in full to the consolidated statement of comprehensive income on the acquisition date.

Standards, amendments and interpretations to published standards not yet effective
At the date of approval of these financial statements, no standards and interpretations which were in issue but not yet effective are expected to have a material impact on the financial statements of the Group.

Discontinued operations
The Group classifies discontinued operations as major lines of business, geographical areas of business or subsidiaries companies that are held for resale or that are not continuing to trade. Such operations are measured at the lower of their carrying amount and fair value less costs to sell or to distribute. Costs to distribute are the incremental costs directly attributable to the distribution, excluding the finance costs and income tax expense.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit or loss. Additional disclosures are provided in Note 23.

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

Sales of goods comprise new and used taxis sales and related parts. These sales are recognised when the substantial risks and rewards are transferred, this is when the goods are delivered.

Sales of services comprise servicing and repairs of taxis and sales of bodyshop repairs comprise repairs of taxis. These sales are recognised as services are provided.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Cash and cash equivalents
For the purpose of the cash flow statement, cash and cash equivalents comprise cash at bank, cash in hand, deposits with a maturity of three months or less from inception and bank overdrafts. Any bank overdrafts would be shown within Borrowings in Current Liabilities on the Balance Sheet.

Segmental reporting
Operating segments have been identified on the basis of internal reports that are regularly reviewed by the chief operating decision maker to allocate resources and assess performance.

Impairment of assets
At each balance sheet date, the Directors review the carrying amounts of the Group's tangible and intangible assets, 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, if any. Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amounts of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. 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 the money and the risks specific to the asset which the estimates of future cash flows have not been adjusted.

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. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Impairment losses recognised for cash-generating units, to which goodwill has been allocated, are credited initially to the carrying amount of goodwill. Any remaining impairment loss is charged pro rata to the other assets in the cash-generating unit.

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 the prior period. A reversal of an impairment loss is recognised in the Consolidated statement of comprehensive income immediately.

Goodwill and intangible assets with an indefinite life are not amortised but are reviewed annually for impairment. Any charge is recognised as a profit or loss.

Financial equity
Financial instruments issued by the Group are treated as equity (i.e. forming part of shareholders' funds) only to the extent that they meet the following two conditions:

- they include no contractual obligations upon the Group to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Group; and

- where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

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

- "Share capital" represents the nominal value of equity shares.
- "Share premium" represents the excess over nominal value of the fair value of consideration received for equity shares, net of expenses of the share issue.
- "Reverse acquisition reserve" represents the excess of the fair value of the deemed cost of acquisition over the issued share capital and share premium of the combined entity.
- "Revaluation reserve" represents Group assets that are deemed to have an increase or decrease on their original book value.
- "Retained deficit" represents losses of the Group brought forward.

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit or loss for the year. Taxable profit or loss differs from net profit as reported in the Consolidated statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current and deferred tax is calculated using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit or loss, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally 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 the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the Consolidated statement of comprehensive income, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Non-recurring Items

These are items of income or expense which are presented separately due to their nature, size or incidence. The separate reporting of such items helps provide a better indication of the Group's underlying business performance.

Estimation of uncertainty

In the process of applying the Group's accounting policies the items requiring management estimation and judgement that have the most significant risk of causing material adjustments to the amounts recognised in the financial statements are described below:

Estimation:

- Impairment

An impairment loss recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. To determine the recoverable amount, management estimates expected future cash flows from each cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. In the process of measuring expected future cash flows, management make assumptions about future operating results. These assumptions relate to future events and circumstances. The actual results may vary, and may cause significant adjustments to the Group's assets within the next financial year. In most cases, determining the applicable discount rate involves estimating the appropriate adjustment to market risk and the appropriate adjustment to asset-specific risk factors.

Judgement:

- Going concern

Management consider whether the Group has sufficient working capital to continue trading for at least twelve months. To determine working capital, management estimates expected future cash flows for each cash generating unit. In the process of estimating future cash flows management makes assumptions about future operating results. These assumptions relate to future events and circumstances. The actual results may vary, and may cause significant adjustments to the Group's working capital in the next twelve months.

3. Segmental analysis

For management purposes, the Group is organised into two business segments based on the nature of the business. The Group's reportable segments are now as follows:

- Continuing, which relates to the parent company
- Discontinued, which relates to the groups subsidiary companies.

Revenue reported represents revenue generated from external customers. Sales between segments in the year are eliminated for reporting purposes.

There are no external customers that individually represent 10% or more of the entity's revenues.

The accounting policies of the reportable segments are the same as the Group's accounting policies. Segment profit represents the gross profit earned by each segment without allocation of central administration, profits of associates, investment revenue and income tax expense. Other income, finance costs and finance income are allocated to the department incurring them where possible. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

Segment revenues and results

The following is an analysis of the Group's revenue and results from continuing operations by reportable segment.

	Segment Revenue		Segment Profit	
	31 December 2014 £'000	31 December 2013 £'000	31 December 2014 £'000	31 December 2013 £'000
Revenue	-	-	-	-
Non-allocated	-	-	-	-
Total for continuing operations	-	-	-	-
Other operating income			42	93
Finance costs			(22)	(62)
Non-recurring items			(2,345)	(967)
Central administration costs			(509)	149
Loss before tax per management information			(2,834)	(787)
Reconciliation to statutory accounts:				
Loss per management information			(2,834)	(787)
Reconciling items:				
(Loss)/profit from continuing operations			(910)	1,814
(Loss)/profit before tax per statutory accounts			(3,744)	1,027

Note: Prior years have been restated to reflect a change in management accounting allocations in the reportable segments.

For the purposes of monitoring segment performance and allocating resources between segments:

- Prior year has been restated to reflect a change in management account allocations
- The Group operates entirely within the United Kingdom, and all revenues arise from this geographical area.

4. a) Operating loss

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

	2014 £000	2013 £000
Staff costs	154	268
Depreciation of property, plant and equipment		
- Impairment of assets (non-recurring)	991	856
Rental income received	(3)	(9)
Auditors' remuneration for following services:		
- Fees payable to the Company's auditors for the audit of the financial statements	15	25
- Fees payable to the Company's auditors for the audit of the company's subsidiaries pursuant to legislation	-	25
- Audit related assurance services	-	17
- Tax compliance services	-	8
Total of Auditors fees	15	75

4. b) Other income

During the year the Group received the following other operating income

	2014 £000	2013 £000
Rental income	3	9
Administrative charges & other	39	84
	42	93

4. c) Non-recurring items

The operating loss for the year ended 31 December 2014 of £2.8m in total is stated after non-recurring items totalling £2.3m shown below

	2014		2013	
	£000	£000	£000	£000
Professional fees				
- Restructuring	61		62	
		61		62
Impairment charges	2,080		856	
		2,080		856
Administration costs	114		-	
		114		-
Employment/recruitment	-		24	
		-		24
Compensation for loss of office	49		-	
		49		-
Other	41		25	
		41		25
		2,345		967

During 2014 the parent company and two of its subsidiaries entered administration, with another subsidiary entering liquidation. Impairment of assets associated with these companies resulted in a non-recurring cost of 2.08m

5. Employee remuneration

5.1 Employee benefits expensed & employee numbers

	2014	2013
	£000	£000
Wages and salaries	139	242
Social security costs	16	26
	155	268
Average number of employees in the year	63	68

6. Directors' emoluments

	Basic 2014 £000	Bonus 2014 £000	Compensation for loss of office 2014 £000	Consideration paid to 3rd parties 2014 £000	Pension 2014 £000	Benefits 2014 £000	Total 2014 £000
Non-executive							
John Swingewood	27	-	-	-	-	-	27
Ran Oren	-	-	-	45	-	-	45
Executive directors							
Trevor Parker *	24	-	46	-	2	4	76
Peter DaCosta	55	-	-	-	-	-	55
Jonathan Moritz	60	-	-	-	7	7	74
	166	-	46	45	9	11	277

* Highest paid director in the year

The remuneration of the executive directors was paid through KPM-UK Taxis Plc, a subsidiary of Eco City Vehicles Plc of which they were also directors. Ran Oren, in his role as Finance Director, is paid through a service company.

7. Finance income and costs

	2014 £000	2013 £000
Finance costs		
Interest payable on borrowings	22	62
	22	62

8. Tax credit

There is no provision for UK Corporation tax due to the administration of the Group companies and subsequent CVA of the parent company.

	2014	2013
	£000	£000
Taxation credit comprises:		
Current tax	-	(50)
Deferred tax (Note 19):	-	-
Total expense reported in the consolidated income statement	-	(50)
Total tax expense reported in equity	-	-
Total tax	-	(50)

Factors affecting the tax credit for the year

The tax assessment for the year is lower than the standard UK corporate tax rate of 26% due to the following factors:

	2014	2013
	£000	£000
Loss on ordinary activities before taxation	(2,834)	(977)
Loss on ordinary activities at the standard rate of corporation tax in the UK of 20.19% (2013 - 23.25%)	(572)	227
Effects of:		
Expenses that are not deductible in determining taxable profit	-	235
Fixed asset timing differences	-	(40)
Over provision in respect of prior year	-	(50)
Non taxable group income	-	(82)
Current year losses for which no DTA has been recognised	(572)	(340)
Total tax credit	-	(50)

9. Loss per share

	2014 £000	2013 £000
Profit/(losses)		
Total Comprehensive (Loss)/profit for the period, used in the calculation of total basic earnings per share	(3,744)	1,027
(Loss)/Profit for the year used in the calculation of total basic earnings per share from continuing operations	(467)	242
Non-recurring items	(2,345)	(967)
Adjusted loss for the period	(2,812)	(725)
Discontinued operations	(910)	1,814
Weighted average number of ordinary shares for the purpose of basic and adjusted profit/(loss) per share	471,327,000	467,833,000
<u>(Loss)/profit per share</u>		
Continuing operations (pence)	(0.10)	0.05
Non-recurring items (pre-tax) (pence)	(0.50)	(0.20)
Discontinued operations (pence)	(0.19)	0.39
Basic and diluted (loss)/profit per share	(0.79)	0.24

An adjusted loss per share is presented which excludes non-recurring items, and therefore reflects the underlying business performance. The dilutitive effect of share based payments is not disclosed as the results for the year were a loss.

After the balance sheet date, and as more fully described in note 26, the Company's shareholder's approved certain refinancing and capital restructuring events which have the effect, inter alia, of reducing the number of ordinary shares in issue from 471,336,521 at the balance sheet date to 28,770,692 at the date of approval of the financial statements. The refinancing and capital restructuring will have a material effect on future reported loss/earnings per share.

10. Property, plant and equipment

	Leasehold property £000	Improvements to property £000	Plant and machinery £000	Fixtures Fittings £000	Vehicles for Hire £000	Motor vehicles £000	Total £000
Cost							
At 1 January 2014	41	235	615	77	2,523	626	4,117
Disposals	(41)	(235)	(615)	(77)	(2,523)	(626)	(4,117)
Additions	-	-	-	-	-	-	-
At 31 December 2014	-	-	-	-	-	-	-
Depreciation							
At 1 January 2014	39	197	423	51	109	113	932
Impairment	-	-	-	-	-	-	-
Disposals	(39)	(197)	(423)	(51)	(109)	(63)	(882)
Charge for year	-	-	-	-	-	(50)	(50)
At 31 December 2014	-	-	-	-	-	-	-
Carrying amount							
At 31 December 2014	-	-	-	-	-	-	-
At 31 December 2013	2	38	192	26	2,414	513	3,185

This compares to the property, plant and equipment in the previous reporting period as follows:

	Leasehold property £000	Improvements to property £000	Plant and machinery £000	Fixtures Fittings £000	Vehicles for Hire £000	Motor vehicles £000	Total £000
Cost							
At 1 January 2013	41	191	543	68	-	623	1,466
Disposals	-	-	-	-	-	(776)	(776)
Additions	-	44	72	9	2,523	779	3,427
At 31 December 2013	41	235	615	77	2,523	626	4,117
Depreciation							
At 1 January 2013	39	191	354	47	-	198	829
Impairment	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	(219)	(219)
Charge for year	-	6	69	4	109	134	322
At 31 December 2013	39	197	423	51	109	113	932
Carrying amount							
At 31 December 2013	2	38	192	2 6	2,414	513	3,185
At 31 December 2012	2	-	189	21	-	425	637

Due to the administration and/or liquidation of the parent company and some subsidiaries, the assets have been impaired to nil value during the year. Further details are shown within note 23.

The net book value of assets under hire purchase contracts are as follows:

	2014	2013
	£000	£000
Motor vehicles	-	32
Vehicles for hire	-	2,413
Plant and machinery	-	6
	-	2,451

11. Intangible assets

	Patents	Development costs	Intellectual Property	Total
	£000	£000	£000	£000
Cost				
At 1 January 2014	25	917	787	1,729
Disposals	(25)	(917)	(787)	(1,729)
At 31 December 2014	-	-	-	-
Depreciation				
At 1 January 2014	-	744	324	1,068
Disposals	-	(744)	(324)	(1,068)
At 31 December 2014	-	-	-	-
Carrying amount				
At 31 December 2014	-	-	-	-
At 31 December 2013	25	173	463	661

Due to the administration of the parent company the administration and/or liquidation of some subsidiaries, the intangible assets have been impaired to nil value during the year. Further details are shown within note 23.

This compares to the intangible assets in the previous reporting period as follows:

	Patents £000	Development costs £000	Intellectual Property £000	Total £000
Cost				
At 1 January 2013	25	905	752	1,682
Additions	-	12	35	47
Disposals	-	-	-	-
At 31 December 2013	25	917	787	1.729
Depreciation				
At 1 January 2013	-	602	216	818
Charge for year	-	142	108	250
At 31 December 2013	-	744	324	1,068
Carrying amount				
At 31 December 2013	25	173	463	661
At 31 December 2012	25	303	536	864

12. Goodwill

	2014 £000	2013 £000
At 1 January 2014	564	1,420
Acquired through business	-	-
Impairment	(564)	(856)
At 31 December 2014	-	564

Due to the administration and/or liquidation of the parent company and some subsidiaries, goodwill has been impaired to nil value during the year. Further details are shown within note 23.

13. Inventories

Inventories recognised in the statement of financial position can be analysed as follows:

	2014 £000	2013 £000
Raw materials	-	378
Consignment stock	-	1,411
Finished goods and goods for resale	-	1,143
	-	2,932

Due to the administration and/or liquidation of the parent company and some subsidiaries, inventories have been impaired to nil value during the year. Further details are shown within note 23.

14. Trade and other receivables

	2014	2013
	£000	£000
Trade receivables	-	2,969
Less: provision for impairment of trade receivables	-	(28)
Net trade receivables	-	2,941
VAT claim	-	2,230
Other receivables	-	68
Prepayments and accrued income	-	978
	-	6,217

Due to the administration and/or liquidation of the parent company and some subsidiaries, receivables have been impaired to nil value during the year. Further details are shown within note 23.

Provision for impairment of trade receivables:

	2014	2013
	£000	£000
Provision at start of year	28	24
New provisions	-	28
Reversal of previous provisions	(28)	(24)
Provision at end of year	-	28
Movement in provision	(28)	4

15. Cash and cash equivalents

	2014	2013
	£000	£000
Cash and cash equivalents	-	930

16. Trade and other payables

	2014 £000	2013 £000
Current portion of Trade and other payables		
Trade payables	-	4,760
Consignment creditor	-	1,411
Other taxation and social security	-	107
Other payables	-	535
Accrued expenses and deferred income	15	890
	15	7,703
Non-current portion of Trade and other payables		
Trade payables	-	254
Accrued expenses and deferred income	-	-
	-	254

Due to the administration and/or liquidation of the parent company and some subsidiaries, payables have been impaired to nil value during the year. Further details are shown within note 23.

17. Borrowings

	2014 £000	2013 £000
Current portion of long term borrowings		
Obligations under finance leases	-	1,054
Pension loans	-	333
Total	-	1,387
Non-current long term borrowings		
Obligations under finance leases	-	2,337
Pension loans	-	833
Total	-	3,170

Due to the administration and/or liquidation of the parent company and some subsidiaries, borrowings have been impaired to nil value during the year. Further details are shown within note 23.

18. Provisions

	2014 £000	2013 £000
Brought Forward	454	221
Amount transferred from other payables	-	104
Movement in year	(454)	129
	-	454
Of which:		
Current portion of provisions	-	285
Non-current long term provisions	-	169
Total	-	454

Due to the administration and/or liquidation of the parent company and some subsidiaries, provisions have been impaired to nil value during the year. Further details are shown within note 23.

19. Deferred taxation

There is no deferred taxation due to the administration of the Group companies and subsequent CVA of the Parent Company.

20. Share capital

	2014 £000	2013 £000
Authorised		
600,000,000 (2013 - 600,000,000) Ordinary shares of 1p each	6,000	6,000
	6,000	6,000
Allotted, called up and fully paid		
471,336,521 (2013 - 469,203,187) ordinary shares of 1p each	4,713	4,692
	4,713	4,692

	No. '000	£'000
Shares in issue at 1 January 2014	469,203	4,692
Shares issued on 2 January 2014 at a premium of 3p	2,133	21
	471,336	4,713

As more fully described at Note 26 below, after the balance sheet date the Company's shareholders' approved certain refinancing and capital restructuring events, comprising the issue of £250,000 of CLN's and a three stage capital restructuring of the Company involving the creation and subsequent cancellation on new deferred shares, a 1:125 consolidation of ordinary shares and conversion of the CLN's into new ordinary shares.

On completion of the refinancing and capital restructuring events the Company has 28,770,692 ordinary shares in issue.

21. Related party transactions

The Group entered into the following material transactions with related parties:

The Group has taken advantage of the exemption contained within IAS 24 – Related Party Disclosures from the requirement to disclose transactions between Group companies as these have been eliminated on consolidation.

22. Notes supporting cash flow statement

	2014 £000	2013 £000
Cash available on demand	-	930
Overdraft	-	-
	-	930

There were no significant non-cash transactions, which would be classified as a financing activity, for the assets acquired under the finance leases.

23. Discontinued operations

On 24th September 2014 the Group announced the decision of its Board of Directors to place One80 Limited and KPM-UK Taxis Plc into administration. On 23rd December 2014 the directors placed Eco City Taxis Limited into liquidation. These businesses were the only actively trading companies within the Group, and have therefore been classified as discontinued operations. The results of the discontinued operations for the year are presented below:

	2014 £000	2013 £000
Revenue	15,476	30,939
Cost of sales	(12,894)	(26,372)
Gross profit	2,582	4,567
Administrative expenses	(3,771)	(5,874)
Other income	427	3,228
(Loss)/profit from operations before costs of administration	(1,850)	197
Costs of administration and impairment	1,088	1,724
(Loss)/profit from discontinued operations	(762)	1,921
Finance costs	(148)	(157)
(Loss)/profit before taxation from discontinued operations	(910)	1,764
Taxation	-	50
(Loss)/profit for the period from discontinued operations	(910)	1,814

24. Capital commitments

The Group had no capital commitments at 31 December 2014 (2013 : £nil).

25. Contingent assets and liabilities

There were no contingent assets or liabilities as at 31 December 2014 or 31 December 2013.

26. Post balance sheet events

On 20 January 2015 in general meeting the issue of £250,000 of convertible loan notes and a three stage capital restructuring of the Company, certain aspects of which were also approved at a class meeting of the Company's deferred shareholders held immediately following the general meeting. Under the terms of the capital restructuring:

Stage 1

With effect from 29 January2015 each existing ordinary share of 0.1 pence each ("Old Ordinary Shares") were be subdivided into one ordinary share of 0.008 pence each ("Stage 1 Ordinary Shares") and one deferred class B share of 0.092 pence each ("B Deferred"). In addition, the existing deferred shares of 0.9 pence each were reclassified as class B deferred shares and their rights varied ("Deferred"). Following Stage 1, the Company had the following shares in issue:

- 471,336,521 Stage 1 Ordinary Shares;
- 471,336,521 Deferred; and
- 471,336,521 B Deferred.

Stage 2

With effect from 24 February 2015, all the Deferred and B Deferred were cancelled under s662 of the Companies Act 2006.

Stage 3

As resolved on 24 February 2015 but with effect from 3 March 2015, every 125 Stage 1 Ordinary Shares were consolidated into 1 new ordinary share of 1 penny each ("New Ordinary Shares").

On 26 February 2015 the Company announced that the CLN's had been issued, that from the proceeds of the CLN issue the Company had paid £143,000 to the joint supervisors of the Company's CVA (the "Supervisors") for the purpose of implementing the CVA and that the Supervisors had confirmed that this payment provided full settlement of the Company's obligations under the terms of the CVA.

Also on 26 February 2015 the Company announced that the refinancing process relating to the CVA that was approved by creditors of the Company and Company's shareholders on 22 December 2014 had been effectively completed.

On 3 March 2015 the Company's New Ordinary Shares of 1 penny each were admitted to trading on AIM following the successful completion of the refinancing and capital restructuring. Also on 3 March 2015 the CLN's automatically converted to 25,000,000 New Ordinary Shares of 1 penny each and those shares were also admitted to trading on AIM.

On completion of all of the above refinancing and capital restructuring events the Company has 28,770,692 New Ordinary Shares in issue.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ECO CITY VEHICLES PLC

We have audited the parent financial statements of Eco City Vehicles Plc for the year ended 31 December 2014, which comprise the Parent Company Balance Sheet and the related notes numbered 1 to 12.

The financial reporting framework that has been applied in the preparation of the Parent Company financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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 auditors

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

Scope of the audit of the parent financial statements

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

In addition, we read all the financial and non-financial information in the Strategic Report and the Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

Opinion on parent financial statements

In our opinion the parent company financial statements:

- give a true and fair view of the state of the parent company's affairs as at 31 December 2014;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the group Strategic Report and the group 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 matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit

Other matter

We have reported separately on the group financial statements of Eco City Vehicles Plc for the year ended 31 December 2014. A disclaimer of opinion has been included in the group audit report.

Stephen Bullock
Senior Statutory Auditor
For and on behalf of
Crowe Clark Whitehill LLP
Statutory Auditor
London

3 June 2015

eco city vehicles plc

Parent Company Balance Sheet

As at 31 December 2014

	Notes	2014 £'000	2013 £'000
Fixed assets			
Investments	2	-	225
		-	225
Current assets			
Debtors	3	-	224
Cash at bank and in hand		-	92
		-	316
Current liabilities			
Creditors: amounts falling due within one year	4	(15)	(1,197)
Net current liabilities		(15)	(881)
Total assets less current liabilities		(15)	(656)
Non-current liabilities			
Creditors: amounts falling due after one year	4	-	(833)
Net liabilities		(15)	(1,489)
Capital and reserves			
Called up share capital	5	4,713	4,692
Shares to be issued	6	-	-
Share premium	6	3,190	3,177
Share based payment reserve	6	-	15
Profit and loss account	6	(7,918)	(9,373)
Shareholders' deficit	7	(15)	(1,489)

The financial statements were approved and authorised for issue by the Board on 3 June 2015.

Ran Oren	John Swingewood
Director	Chairman

Notes to the Parent Company Financial Statements

1. Accounting policies of the Parent Company

The financial statements have been prepared under the historical cost convention and in accordance with Companies Act 2006 and United Kingdom Generally Accepted Accounting Practice ("UK GAAP").

The principal accounting policies of the Company are as follows:

Going concern

The Group has prepared detailed forecast taking account of actual results to date and its current run rate on a prudent basis. On 24 December 2014 the Company issued a circular and a notice of General Meeting to its shareholders setting out proposals to raise funds in total of £250,000 by means of private placing of up to £250,000 CLN. £143,000 of the proceeds of the subscription to be applied to fund the CVA proposals. The proposals included resolution for the reorganisation and consolidation of the Company's shares. On 20 January 2015 all the resolutions set out in the proposal above were approved by the Company's shareholders. Taking into account the proceeds from the issue of CLN's after the balance sheet date and on the basis of available forecasts, the directors consider the going concern basis of preparation to be appropriate.

The accounting policies have been applied consistently by the Company for the purposes of preparation of these consolidated financial statements.

Profit and loss account

As permitted by Section 408 of the Companies Act 2006, a separate profit and loss account for the parent company is not presented. The Company's loss for the year was £2,819,000 (2013: £788,000).

Deferred taxation

There is no deferred taxation due to the administration of group companies and subsequent CVA of the parent company.

2. Investments

	Investment subsidiary undertakings
Cost	£000
At 1 January 2014	5,170
Additions	-
At 31 December 2014	5,170
Depreciation	
At 1 January 2014	4,945
Impairment for year	225
At 31 December 2014	5,170
Carrying amount	
At 31 December 2014	-
At 31 December 2013	225

Following the administration of the Company's subsidiary undertakings the directors have undertaken an impairment review, which has resulted in the carrying values of the investments being reduced to nil.

Holdings of more than 20%
The Company holds more than 20% of the share capital of the following companies:

Name of Company	Proportion Held	Class of shareholding	Nature of Business
Subsidiary undertakings			
KPM Autos Limited	100%	Ordinary	Intermediate holding company (Dissolved post- year end)
Eco City Taxis Limited*	100%	Ordinary	Taxi cab rentals (in Liquidation)
KPM-UK Taxis Plc *	100%	Ordinary	Taxi cab dealer (in Administration)
KPM-UK Knowledge School Limited *	100%	Ordinary	Dormant (Dissolved post- year end)
Transmedia Limited *	100%	Ordinary	Dormant (Dissolved post- year end)
Eco City Vehicles UK Limited	100%	Ordinary	Dormant (Dissolved post- year end)
One80 Limited	76%	Ordinary	Vehicle engineering (in Administration)

* Held indirectly

3. Debtors

	2014 £000	2013 £000
Current portion of debtors		
Amounts owed by group undertakings	-	181
Other taxation and social security	-	19
Prepayments and accrued income	-	24
	-	224

4. Creditors

2014

	Current		Non-Current		
	Within 6 Months £000	6 to 12 Months £000	1 to 2 Years £000	2 to 5 Years £000	Later Than 5 Years £000
Accruals	15	-	-	-	-
Loans	-	-	-	-	-
	15	-	-	-	-

The repayment of the capital element of these loans is repayable in the following timescale:

2013

	Current		Non-Current		
	Within 6 Months £000	6 to 12 Months £000	1 to 2 Years £000	2 to 5 Years £000	Later Than 5 Years £000
Loans	125	125	250	250	416
	125	125	250	250	416

5. Share capital

	2014	2013
	£000	£000
Authorised		
600,000,000 (2013 - 600,000,000) Ordinary shares of 0.1p each	6,000	6,000
Allotted, called up and fully paid		
471,336,521 (2013 - 469,203,187) ordinary shares of 0.1p each	4,713	4,692

	No. '000	£'000
Shares in issue at 1 January 2014	469,203	4,692
Share issued on 2 January 2014 at a premium of 3p	2,133	21
	471,336	4,713

Please see notes 20 and 26 to the group financial statements for details of the post balance sheet refinancing and share capital restructuring.

6. Statement of movement on reserves

	Share based payment £000	Share premium £000	Retained earnings £000	Shares to be issued £000
At 1 January 2013	39	3,070	(8,586)	189
Shares to be issued	-	-	-	(189)
Share issue	-	107	-	-
Loss for the year	-	-	(787)	-
Share based payment	(24)	-	-	-
At 1 January 2014	15	3,177	(9,373)	-
Share issue	-	13	-	-
Impairment	(15)	-	4,289	-
Loss for the year	-	-	(2,834)	-
Share based payment	-	-	-	-
At 31 December 2014	-	3,190	(7,918)	-

7. Reconciliation of movement in shareholders' funds

	2014	2013
	£000	£000
Loss for the year	(2,834)	(787)
Share based payment	(15)	(24)
Proceeds from share issue (net of issue costs)	13	45
Net addition to shareholders' funds	(2,789)	(766)
Opening shareholders' funds	(1,489)	(723)
	(4,278)	(1,489)

8. Employees and employment cost

Employees

There were no employees apart from the directors. The remuneration of the executive directors was paid through KPM-UK Taxis Plc, a subsidiary of Eco City Vehicles Plc of which they were also directors. Director's remuneration is disclosed in note 6 in the Group accounts.

9. Capital commitments

The Company had no capital commitments at 31 December 2014 or 31 December 2013.

10. Related party transactions

The Company has taken advantage of the exemption in Financial Reporting Standard No 8 from the requirement to disclosure transactions with wholly owned Group companies.

11. Contingent liabilities

There were no contingent assets or liabilities as at 31 December 2014 or 31 December 2013.

12. Post balance sheet events

Please see note 26 to the group financial statements for details of post balance sheet events.