Eco City Vehicles Plc

Annual Report and Accounts

For the year to 31 December 2015

Contents

Company Details, Directors and Advisors

Registered Office	One New Change London EC4M 9AF
Company Number	04998151
Directors	Clive Carver Charles Vivian
Nominated Advisor and Broker:	finnCap Ltd 60 New Broad Street London EC2M 1JJ
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 E14 5HP

Background

Eco City Vehicles Plc ("ECV" or the "Company") is an investment company looking to invest and/or acquire companies and/or assets in the telecommunications, media and technology sectors where the board of directors believes there are opportunities for growth which, if achieved, will be earnings enhancing for shareholders.

On 20 January 2015 the Company became an Investing Company (as defined in the AIM Rules for Companies (the "AIM Rules")) following the approval of the Company's Investing Policy (as defined in the AIM Rules) at a general meeting of shareholders.

On 30 December 2015 the Company announced that it had successfully concluded a share subscription raising a total of £5,000,000 from existing as well as new institutional shareholders, the latter included MXC Capital Limited, the listed merchant bank (AIM: MXCP), that specialises in investing in technology companies.

Since no acquisition or acquisitions constituting a reverse takeover under the AIM Rules had been concluded within 12 months of it becoming an Investing Company, neither had the Company otherwise implemented its Investing Policy to the satisfaction of AIM, the Company's ordinary shares of 1 pence each (the "Ordinary Shares") were suspended from trading on AIM on 21 January 2016.

If the Company's Investing Policy has not been implemented within 6 months of the suspension date, admission of the Ordinary Shares to trading on AIM will be cancelled. Based on progress to date the directors of ECV remain confident in the Company's ability to complete a transaction by 20 July 2016.

Strategic Report

Objectives

The Company's principal objective is to create shareholder value. In the first instance, this is dependent on the successful completion of a qualifying acquisition under the AIM Rules by 20 July 2016 at which point the Company will reassess its objectives in light of the business or businesses acquired.

Strategy and future developments

To invest and/or acquire companies and/or assets in the telecommunications, media and technology sectors where the board of directors believes there are opportunities for growth which, if achieved, will be earnings enhancing for shareholders.

In addition to being an investor in the Company, a subsidiary of MXC Capital Limited has been retained by the Company in order to assist it in identifying and assessing potential investment opportunities. In line with the Company's Investing Policy, MXC Capital Limited is focused on the telecommunications, media and technology sectors, has a pipeline of opportunities as well as a strong track record of executing transactions in the public markets, with an existing portfolio of five other quoted companies.

Business model

As an Investing Company, ECV has no current business operations and associated business model.

Key performance indicators

Once the Company has executed on its aforementioned strategy the board of directors will adopt a set of key performance indicators relevant to the size, profile and nature of the operating business or businesses acquired.

Principal risks and uncertainties

The board of directors continuously identifies, monitors and manages potential risks and uncertainties relating to the Company.

Given its status as an Investing Company, the main risks arising from the Company's activities are the ability to execute on its stated strategy of acquiring companies and/or assets in the telecommunications, media and technology sectors and the failure of internal systems and processes due, among other things, to fraud or error.

The Strategic Report was approved by the board of directors on 13 May 2016 and signed on its behalf by:

Clive Carver
Director, Eco City Vehicles Plc

Directors' Report

The directors submit this report together with the financial statements of the Company for the year ended 31 December 2015. The Strategic Report forms part of the business review for this year.

Principal activities

The principal activity of the Company is that of an Investing Company. ECV is a public limited company, incorporated and domiciled in England with its shares listed on AIM, the market of that name operated by the London Stock Exchange.

Business review and future developments

As previously stated in the Strategic Report on page 5, the Company is an Investing Company and has no current business operations.

Principal risks and uncertainties

Please see the Strategic Report on page 5.

Results and dividends

The Company made a loss before tax for the year of £0.3m (2014: loss before tax of £2.8m).

The directors do not recommend the payment of a dividend (2014: £nil).

Going concern

In light of its status as an Investing Company and taking into account the fundraising undertaken by the Company announced on 30 December 2015, the directors consider the going concern basis of preparation to be appropriate.

Events after the reporting period

Other than those reported in note 19 of these financial statements, there have been no material events between 31 December 2015 and the date of this report which are required to be brought to the attention of shareholders.

Directors and directors' interests

The directors who have held office since 1 January 2015 are as follows:

John Swingewood (resigned 23 March 2016)

Ran Oren (resigned 23 March 2016)

Charles Vivian (appointed 6 January 2016)

Clive Carver (appointed 23 March 2016)

Biographical details of the current directors are set out on the Company's website: www.ecocityvehicles.co.uk.

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

	On 31 December 2015 ordinary shares of 1p each	On 1 January 2015 ordinary shares of 1p each
John Swingewood	6,738,887	12,436,667
Ran Oren	1,639,344	–
Charles Vivian	–	–
Clive Carver	–	–

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 entered into by the Company during the year. The number of shares in issue reflects the share capital restructuring during the year ended 31 December 2015 (see note 14).

Share capital

The authorised share capital of the Company is £6,000,000 divided into 600,000,000 ordinary shares of 1p each. As at 31 December 2015, 441,885,446 fully paid ordinary shares of 1p each were in issue.

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, pursuant to which the directors have elected to prepare the Company's financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. Under Company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss 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 AIM.

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 IFRS as adopted by the European Union, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the 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.

The Directors' Report was approved by the board of directors on 13 May 2016 and signed on its behalf by:

Clive Carver
Director, Eco City Vehicles Plc

Corporate Governance Statement

The Company's shares are traded on AIM, the market of that name operated by the London Stock Exchange. The Company is therefore subject to the AIM Rules 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 Conduct 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 listed 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).

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 of directors 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

We have audited the financial statements of Eco City Vehicles Plc for the year ended 31 December 2015 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Cash Flow Statement and the related notes numbered 1 to 20.

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.

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.

Opinion on financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2015 and of its loss for the year then ended;
- have been properly prepared in accordance with IFRS as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us;
- the financial statements are not in agreement with the accounting records and returns;
- 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.

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

Date: 13 May 2016

Statement of Comprehensive Income
For the year ended 31 December 2015

	Notes	2015 £000	2014 £000
Revenue		**–**	–
Cost of sales		**–**	–
Gross profit		**–**	–
Administrative expenses		**(345)**	(2,854)
Other income	3b	**–**	42
(Loss)/profit from operations before non-recurring items		**(200)**	(467)
Non-recurring items	3c	**(145)**	(2,345)
(Loss)/profit from continuing operations		**(345)**	(2,812)
Finance costs	6	**–**	(22)
(Loss)/profit before taxation from continuing operations		**(345)**	(2,834)
Taxation		**–**	–
(Loss)/profit for the period and total comprehensive loss		**(345)**	(2,834)
(Loss)/profit attributable to:			
Equity holders of the parent: continuing operations		**(345)**	(2,834)
Loss per share		**Pence**	**Pence**
Basic and diluted loss per share	8	**(1.34)**	(75.2)

Statement of Financial Position

As at 31 December 2015

	Notes	2015 £000	2014 £000	1 Jan 2014 £'000
Assets				
Non-current				
Investments	9	**–**	–	225
Total non-current assets		**–**	–	225
Current				
Trade and other receivables	10	**24**	–	224
Cash and cash equivalents	11	**5,027**	–	92
Total current assets		**5,051**	–	316
Total assets		**5,051**	–	541
Equity and liabilities				
Equity				
Equity attributable to owners of the parent:				
Share capital	14	**4,419**	4,713	4,692
Share premium		**3,655**	3,190	3,177
Share based payment reserve		**444**	–	15
Retained deficit		**(3,588)**	(7,918)	(9,373)
		4,930	(15)	(1,489)
Total equity		**4,930**	(15)	(1,489)
Current liabilities				
Borrowings	12	**–**	–	333
Trade and other payables	12	**121**	15	864
Total current liabilities		**121**	15	1,197
Non-current liabilities				
Borrowings	12	**–**	–	833
Total non-current liabilities		**–**	–	833
Total liabilities		**121**	15	2,030
Total equity and liabilities		**5,051**	–	541

The financial statements were approved and authorised for issue by the board of directors on 13 May 2016.

Clive Carver
Director, Eco City Vehicles Plc

Statement of Changes in Equity

As at 31 December 2015

	Share capital £000	Share premium £000	Share based payment reserve £000	Retained deficit £000	Total Equity £000
At 1 January 2014	4,692	3,177	15	(9,373)	(1,489)
Total comprehensive loss	–	–	–	(2,834)	(2,834)
Issue of share capital	21	13	–	–	34
Disposal of assets	–	–	–	–	–
Other	–	–	–	4,289	4,289
Release of reserve	–	–	(15)	–	(15)
At 31 December 2014	4,713	3,190	–	(7,918)	(15)
Total comprehensive loss for the period	–	–	–	(345)	(345)
Restructuring of share capital	(4,675)	–	–	4,675	–
Issue of warrants		(444)	444	–	–
Conversion of loan notes	250	–	–	–	250
Issue of share capital	4,131	909	–	–	5,040
At 31 December 2015	**4,419**	**3,655**	**444**	**(3,588)**	**4,930**

Statement of Cash Flows

For the year ended 31 December 2015

	Notes	2015 £000	2014 £000
Net cash inflow from			
Operating activities			
(Loss)/profit for the year		**(345)**	(2,834)
Adjustments for:			
Impairment: continuing operations		**–**	2,079
Transfer to administrators		**–**	(2)
Share option charge			(15)
Finance cost		**–**	22
		(345)	(750)
(Increase)/decrease in debtors		**(24)**	134
Increase/(decrease) in creditors		**106**	513
Decrease in stocks		**–**	–
Net cashflows from operating activities		**(263)**	(104)
Net cash used in investing activities		**–**	–
Financing activities			
Net cash generated from share issues		**5,040**	34
Proceeds from issue of loan notes		**250**	–
Interest paid		**–**	(22)
Net cash from/(used in) financing activities		**5,290**	12
Increase/(decrease) in cash		**5,027**	(92)
Cash and cash equivalents at beginning of the year		**–**	92
Cash and cash equivalents at end of the year	20	**5,027**	–

Significant non-cash transactions

During the period, the Company issued £250,000 of convertible loan notes ("CLN") and received £250,000 of cash proceeds. The CLN also converted into ordinary shares during the period which constitutes a significant non-cash transaction.

Notes to the Financial Statements

For the year ended 31 December 2015

1. General information

ECV is a company incorporated in the United Kingdom and listed on AIM, the market of that name operated by the London Stock Exchange. The address of the registered office is 5th Floor, One New Change, London, EC4M 9AF.

These financial statements are presented in British Pounds Sterling, the currency of the primary economic environment in which the Company operates.

2. Accounting policies

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

Basis of preparation

The 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.

These are the Company's first financial statements prepared in accordance with IFRS. The date of the Company's transition to IFRS is 1 January 2014 (the "Transition Date"). ECV lost control of all of its subsidiaries during the year ended 31 December 2015 as all subsidiaries were in liquidation, had been liquidated or dissolved, and the likelihood of control reverting to the Company is highly remote. The financial statements of the former ECV group were prepared in accordance with IFRS with the Company financial statements being prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

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. These financial statements for the year ended 31 December 2015 are the first the Company has prepared in accordance with IFRS.

The directors have reviewed future standards not yet applicable and do not consider that the adoption of any of them would have a material impact on the results of the Company. The directors have yet to review IFRS 16 Leases, which is expected to be applicable for the year ended 31 December 2019.

The preparation of financial statements, in conformity with generally accepted accounting principles under IFRS, requires the directors 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 the directors' best knowledge of the amount, event or actions, actual results may ultimately differ from those estimates.

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

Going concern

Taking into account the proceeds from the share issuance in December 2015, the directors' consider the going concern basis of preparation to be appropriate.

Revenue recognition

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.

Financial equity

Financial instruments issued by the Company 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 Company 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 Company; 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.

- "Retained deficit" represents losses of the Company 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 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 Company'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 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 Company's underlying business performance.

Estimation of uncertainty

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

Going concern

To determine working capital, the directors estimate expected future cash flows for each cash generating unit. In the process of estimating future cash flows the directors 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 Company's working capital in the next twelve months.

3.

(a) Operating loss

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

	2015	2014
	£000	£000
Staff costs	**76**	154
Depreciation of property, plant and equipment		
– Impairment of assets (non-recurring)	**–**	2,080
Rental income received	**–**	(3)
Auditors' remuneration for the audit of the financial statements	**15**	15

(b) Other income

During the year the Company received the following other operating income

	2015	2014
	£000	£000
Rental income	**–**	3
Administrative charges & other	**–**	39
	–	42

(c) Non-recurring items

The operating loss for the year ended 31 December 2015 of £0.3m in total is stated after non-recurring items totalling £0.1m shown below:

	2015		2014	
	£000	**£000**	£000	£000
Professional fees:				
Restructuring	**143**		61	
		143		61
Impairment charges	**–**		2,080	
		–		2,080
Administration costs	**–**		114	
		–		114
Compensation for loss of office	**–**		49	
		–		49
Other	**2**		41	
		2		41
		145		2,345

During 2014 the parent Company and two of its subsidiaries entered administration, with another subsidiary entering liquidation. Impairment of the Company's investment in former subsidiaries and amounts receivable balances due from for subsidiaries resulted in a non-recurring cost of £2.08m

4. Employee remuneration

	2015	2014
	£000	£000
Wages and salaries	**68**	72
Social security costs	**8**	9
	76	81
Average number of employees in the year	**2**	2

5. Directors' emoluments

	Basic	**Bonus**	**Compensation for loss of office**	**Consideration paid to 3rd parties**	**Pension**	**Benefits**	**Total**	Total
	2015	**2015**	**2015**	**2015**	**2015**	**2015**	**2015**	2014
	£000	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	£000
Non-executive directors								
John Swingewood	34	–	–	–	–	–	34	27
Ran Oren	34	–	–	–	–	–	34	45
	68	–	–	–	–	–	68	72

In the year ended 31 December 2014 the directors were remunerated by former subsidiary undertakings.

6. Finance income and costs

	2015	2014
	£000	£000
Finance costs		
Interest payable on borrowings	**–**	22
	–	22

7. Tax credit

There is no provision for UK Corporation tax due to the administration of former subsidiaries and subsequent CVA of the Company. Please see note 13 for deferred taxation.

	2015	2014
	£000	£000
Taxation credit comprises:		
Current tax	**–**	–
Deferred tax (Note 13):	**–**	–
Total expense reported in the Statement of Comprehensive Income	**–**	–
Total tax expense reported in equity	**–**	–
Total tax	**–**	–

Factors affecting the tax credit for the year

The tax assessment for the year is lower than the standard UK corporate tax rate of 20% due to the following factors:

	2015	2014
	£000	£000
Loss on ordinary activities before taxation	**(345)**	(2,834)
Loss on ordinary activities at the standard rate of corporation tax in the UK of 20% (2014: 20.19%)	**(69)**	(572)
Effects of:		
current year losses for which no deferred tax asset has been recognised	**(69)**	(572)
Total tax credit	**–**	–

8. Loss per share

	2015 £000	2014 £000
Profit/(loss)		
Loss for the period, used in the calculation of total basic earnings per share	(345)	(2,834)
Weighted average number of ordinary shares for the purpose of basic and adjusted profit/(loss) per share	25,724,430	3,770,610
(Loss)/profit per share		
Basic and diluted (loss)/profit per share	(1.34)	(75.2)

The 2014 loss per share has been restated so as to illustrate for comparative purposes the share capital reorganisation that occurred in 2015, more particularly described in note 14. The dilutive effect of share based payments is not disclosed as the results for the year were a loss.

9. Investments

Cost	**Investment in subsidiary undertakings £000**
At 1 January 2014	5,170
Additions	–
At 31 December 2014	5,170
Additions	–
At 31 December 2015	5,170
Additions	
Provisions and disposals	
At 1 January 2014	4,945
Disposal for year	225
At 31 December 2014 and 31 December 2015	5,170
Carrying amount	
At 31 December 2015	–
At 31 December 2014	–
At 1 January 2014	225

As at 31 December 2014 the investment value was nil due to full impairment. As at 31 December 2015 no investments are held. No further impairment charges are expected as a result of the loss of control of subsidiaries given that the investment value was fully impaired as at 31 December 2014.

10. Trade and other receivables

	2015 £000	2014 £000	1 Jan 2014 £000
VAT claim	**24**	–	19
Amounts owed by former group undertakings	**–**	–	181
Prepayments and accrued income	**–**	–	24
	24	–	224

11. Cash and cash equivalents

	2015 £000	2014 £000	1 Jan 2014 £000
Cash and cash equivalents	**5,027**	–	92

12. Liabilities

Current	**2015 £000**	2014 £000	1 Jan 2014 £000
Trade payables	**70**	–	175
Amounts owed to former group undertakings	**–**	–	484
Accrued expenses and deferred income	**51**	15	205
Loans	**–**	–	333
	121	15	1,197
Non-current			
Loans	**–**	–	833
	–	–	833

13. Deferred taxation

There is no deferred taxation due to the administration of former subsidiaries and subsequent CVA of the Company. A deferred tax asset has not been recognised as the directors consider that there are not foreseeable taxable profits in the same nature of trade or conduct to recognise its recognition.

14. Share capital

	2015 £000	2014 £000	1 Jan 2014 £000
Authorised			
600,000,000 (2014: 600,000,000) ordinary shares of 1p each	**6,000**	6,000	6,000
	6,000	6,000	6,000
Allotted, called up and fully paid			
441,885,446 (2014: 471,336,521 and 1 January 2014: 469,203,187) ordinary shares of 1p each	**4,419**	4,713	4,692
	4,419	4,713	4,692

	Deferred No. '000	Ordinary No. '000	£'000
Shares in issue at 1 January 2015	–	471,336	4,713
Sub-division on 20 January 2015	471,336	–	–
Further sub-division on 29 January 2015	471,336	–	–
Share cancellations	(942,672)	(467,565)	(4,675)
Shares issued on conversion of CLN on 3 March 2015	–	25,000	250
Shares issued on 30 December 2015 at a premium of 0.22p	–	409,836	4,098
Shares issued on 30 December 2015 to directors in lieu of past fees at a premium of 0.22p	–	3,278	33
Shares in issue at 31 December 2015	–	441,885	4,419

On 20 January 2015 each existing ordinary share of 1 pence each was sub-divided into one ordinary share of 0.1 pence each ("Stage One Ordinary Share") and one deferred share of 0.9 pence each ("Deferred Share").

On 29 January 2015 each Stage One Ordinary Share was further sub-divided into one ordinary share of 0.008 pence each ("Stage Two Ordinary Share") and one deferred class B share of 0.092 pence each ("B Deferred Share") so that the Company had the following shares in issue:

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

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

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

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

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

On 30 December 2015, the Company issued 409,836,066 New Ordinary Shares of 1 pence at a price of 1.22 pence and 3,278,688 New Ordinary Shares were issued to directors in lieu of past fees.

As part of the arrangements in relation to the aforementioned issue of New Ordinary Shares on 30 December 2015, the Company also issued to MXC Capital Limited warrants to subscribe for 5 per cent. of the issued ordinary share capital of the Company from time to time. The value of the warrants has been calculated using a Black Scholes pricing model, the principal inputs into which were as follows: market price 2.72 pence, strike price 1.22 pence, warrant period 7 years, volatility of 51% (based on the Company's share price over 12 months) and risk free rate of 1%. The resulting charge of £444,000 has been recognised within equity and set against share premium account as a cost of the issue of New Ordinary Shares.

15. Related party transactions

On 30 December 2015, MXC Capital Markets LLP, a subsidiary undertaking of MXC Capital Limited, was appointed under an engagement letter as financial advisor to the Company to assist in identifying, evaluating and, together with the Company's other professional advisers, executing potential acquisition opportunities. MXC Capital Markets LLP will be paid an annual retainer fee of £30,000 increasing to £50,000 on the earlier of the Company completing its second acquisition or it achieving a market capitalisation of more than £30,000,000 for 10 consecutive business days. In addition MXC Capital Markets LLP will receive a corporate finance fee equal to 2.5 per cent. of the enterprise value of any corporate transactions concluded by the Company. MXC Capital Markets LLP, has also been granted the right to appoint a director to the board of the Company.

As previously mentioned in note 14, the Company has issued to MXC Capital Limited (or to such other company within the MXC group of companies as MXC Capital Limited may direct) warrants to subscribe for 5 per cent. of the issued ordinary share capital of the Company from time to time. The exercise of the warrants is linked to the growth in share price of the Company. If not otherwise exercised, the warrants shall lapse after seven years.

MXC Capital Limited is a related party by virtue of a 24.7% shareholding in the Company.

16. Notes supporting cash flow statement

	2015 £000	2014 £000
Cash available on demand	**5,027**	–
Overdraft	**–**	–
	5,027	–

17. Capital commitments

The Company had no capital commitments at 31 December 2015 (2014: £nil and 1 January 2014: £nil).

18. Contingent assets and liabilities

There were no contingent assets or liabilities as at 31 December 2015, 31 December 2014 or 1 January 2014.

19. Subsequent events

Since no acquisition or acquisitions constituting a reverse takeover under the AIM Rules had been concluded within 12 months of it becoming an Investing Company, neither had the Company otherwise implemented its Investing Policy to the satisfaction of AIM, the Company's ordinary shares of 1 pence each were suspended from trading on AIM on 21 January 2016.

20. Explanation of transition to IFRS

As stated in Note 2 these are the first financial statements prepared in accordance with IFRS's. The date of the Company's transition to IFRS is 1 January 2014 (the "Transition Date"). ECV lost control of all of its subsidiaries during the year ended 31 December 2015 as all subsidiaries were in liquidation, had been liquidated or dissolved, and the likelihood of control reverting to the Company is considered to be highly remote.

The accounting policies described in Note 2 were applied when preparing financial statements for the years ended 31 December 2014 and 31 December 2015 and the Statement of Financial Position as at the Transition Date.

In preparing its opening IFRS Statement of Financial Position and adjusting amounts reported previously in the financial statements prepared in accordance with UK GAAP (Generally Accepted Accounting Practice in the UK, previous GAAP), the Company has applied IFRS 1 First Time Adoption of International Financial Reporting Standards, which contains a number of voluntary exemptions and mandatory exceptions from the requirement to apply IFRS retrospectively.

Upon review of the transition from UK GAAP to IFRS no material adjustments have been identified and no adjustments are required for the purpose of this transition.

Exceptions and Exemptions used during transition to IFRS

The Company has applied the following mandatory exception required by IFRS 1 in the conversion from UK GAAP to IFRS:

Estimates

Hindsight is not used to create or revise estimates. Estimates previously made by the Company under UK GAAP were not revised for application of IFRS except where necessary to reflect any difference in accounting policies.