31 January 2018

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Ecovista PLC
("Ecovista" or "the Company")

Audited Annual Results for the year ended 31 August 2017

Ecovista Plc, are delighted to report its audited annual results for the twelve months ended 31 August 2017.

CHAIRMAN'S STATEMENT

I am pleased to present to you my first chairman's statement since the departure of our previous chairman Mr Luca Tenuta for the period 1st September 2016 to 31st August 2017. Since my appointment I have made a thorough examination of company's investments.

Overview

The accounts for the period to 31 August 2017 showed a loss of £885,802, comparable to the loss for the 8 months ended 31 August 2016 of £216,536.

During the financial period, we have had several regulatory issues caused by one of the nominees of a number of our shareholders. These issues were beyond our control but have now all been resolved. The consequence of this resulted in a higher level of running costs due to various legal fees the Company was having to pay to protect the Company's position.

The continued decline in the Italian property market saw the value of our holding in Cignella SRL be devalued by £482,208, this being 54% of the losses incurred. The current value of our holding in Cignella is £278,586.

During the financial period under review the Company raised £350,000 in new equity, and £570,000 in convertible loan notes (of which I personally invested £270,000[in the loan note?]) showing the strong commitment from new investors. This has strengthened our balance sheet and helped the completion of the property investments we targeted for this period, increasing the NAV of the company from £1,165,000 to £1,674,142 for the period to 31 August 2017.

The board remains committed to continue keeping a tight rein on costs and low levels of leveraging.

ECOVISTA PLC

Current operations

100 Rye Street Ltd

The new 4,380sq ft. house that is being built is progressing well and is currently at first floor level with an expected completion date of 1st May with an anticipated gross value in the region of £1,350,000.

Start Hill Limited and Willside Limited

Start Hill Limited owns a 4-bedroom house on 0.3 of a hectare which is currently rented out on an Assured Shorthold Tenancy. Willside Limited has an option to purchase on the next-door property, also a 4-bedroom house within a slightly bigger plot of 0.43 hectares. The group is looking to gain planning to demolish the two houses and build a significant number of two-bedroom apartments on the combined plot. A pre-application has been obtained and the company hopes to submit a full planning application in early March.

Cignella S.r.l.

The Cignella Estate (Cignella -- http://www.cignella.com/en/) The resort is in southern Tuscany approximately 35 minutes south of Siena. The resort comprises 18 houses and apartments, of which 13 are currently let via web based and local holiday companies to tourists mostly from the UK and Germany. The remaining 5 properties are townhouses which are yet to be completed. Holiday sale continue to improve year on year.

At present Ecovista owns 13% of the shares in Cignella SRL and has an option to buy the balance of the equity for €4m.

Recent Sale

Willow Cottages Ltd

After the planning appeal was turned down for the car park next to Stansted Airport. The group decided to sell the company Willow Cottage Limited for £400,000 (£100,000 for the shares, £300,00 for the debt). Although this created a loss of £[ ] on the transaction, the Board believes that the funds can be better used to generate value for Shareholders.

Outlook

The Group has continuous deal flow and is currently looking at a number of potential development sites in and around the London, Essex and Hertfordshire area.

The Directors believe there is sustainable growth in selective property transactions in these areas.

The Company intends to launch a €10,000,000 Eurobond listed on the GEM exchange in Dublin in the coming months in order to continue to fund further acquisitions in its target market and explore further opportunities in the UK property market.

The Board continues to view the year ahead with confidence.

ECOVISTA PLC

Strategic report

The Directors present their Strategic report on Ecovista plc (the "Company") and its subsidiary undertakings (together the "Group") for the year ended 31 August 2017

Review of Business

Review of the business is given in the Chairman's Statement on page 2.

Key Performance Indicators

The Board monitors the activities and performance of the group on a regular basis. The main KPIs for the group are listed as follows:

	2017	2016
	£	£
Investment properties	1,253,529	1,165,000
Net current assets/(liabilities)	114,464	(15,158)
Cash and cash equivalents	124,310	31,822

Future outlook

The Chairman's Statement on page 2 gives information on the future outlook of the group.

Principal risks and uncertainties

The group seeks investments in properties with development potential. The risk is loss or impairment of investments.

It will be necessary to raise additional funds in the future by a further issue of new ordinary shares or by other means. However, the ability to fund future investments and overheads as well as the ability of investments to return suitable profit cannot be guaranteed, particularly in the current economic climate.

The group may not be able to identify suitable investment opportunities and there is no guarantee that investment opportunities will be available and the group may incur costs in conducting due diligence into potential investment opportunities that may not result in an investment being made.

The price at which investments are made, and the price which the group may realise for its investment, will be influenced by a large number of factors, some specific to the group and its operations and some which may affect the sector.

Louise Stokely

Director

31 January 2017

ECOVISTA PLC

Directors' report

The directors present their report and the audited financial statements for the year ended 31 August 2017.

Principal place of business

Ecovista plc is a company incorporated and domiciled in England and has its registered office and principal place of business at Millars 3 Southmill Road, Bishops' Stortford, Hertfordshire, CM23 3DH.

Results and appropriations

The results and the state of affairs of the group for the period are set out in the Chairman's Statement on page 2.

The directors do not recommend the payment of a dividend.

Directors

The directors of the Group throughout the period were:

Ken Jones

Louise Stokely (appointed 4 October 2016)

Luca Tenuta (resigned 10 January 2017)

Directors' remuneration

	Directors' fees £	Bonus £	**Total 2017 £**	Total 2016 £
K. Jones	12,000	-	**12,000**	8,000
L. Tenuta	6,000		**6,000**	112,000
L Stokely	16,000-	-	**16,000-**	-
Total		-	**34,000**	120,000

Director's interests

	Ordinary shares of £0.001 each 31 August 2017 £	31 August 2016 £
K. Jones	-	-
L. Stokely	50,000,000-	-

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Directors' report (continued)

Shares and listing

The Company's ordinary shares are listed on the NEX Growth Market (ticker: EVTP). Details of the nominated advisor is presented on the Company Information on page 1. The closing price of the Company's shares at 31 August 2017 was 0.05 pence (2016: 0.085 pence).

Substantial shareholdings

As at 31st January 2018, the Company was aware of the following holdings of 3% or more in the Company's issued share capital:

	Number of shares	**Approximate percentage of the Company's issued share capital**
Hubwise Securities	571,428,571	12.45%
Cam Elite Balance Fund	428,571,428	9.34%

Employees

Other than the Directors of the Company, the Company has 1 employee.

Financial risk management

The financial risk management is discussed in Note 19 of the financial statements.

Strategic Report

In accordance with section 414C(11) of the Companies Act 2006 the Company chooses to report the review of the business, the future outlook and the risks and uncertainties faced by the Company in the Strategic Report on page 0.

Statement of Directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- 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 disclose with reasonable accuracy at any time the financial position of the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors' report (continued)

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

Post balance sheet events

There are no matters to report as post balance sheet events.

Statement of disclosure of information to auditors

The directors of the company who held office at the date of approval of this directors' report confirm that:

- So far as they are aware, there is no relevant audit information, information needed by the group's auditors in connection with preparing their report, of which the group's auditors are unaware; and
- They have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the group's auditors are aware of that information.

Auditors

The auditors, Welbeck Associates, will be proposed for reappointed in accordance with the Companies Act 2006, s. 485.

This report was approved by the board on 31 January 2017 and signed on its behalf.

L Stokely

Director

ECOVISTA PLC

Independent auditor's report

to the members of Ecovista Plc

We have audited the financial statements of Ecovista plc for the year ended 31 August 2017 on pages 8 to 24, which comprise the Group Statement of Comprehensive Income, the Group and Parent Company Statements of Financial Position, the Group and Parent Company Statements of Changes in Equity, the Group and Parent Company Statement of Cash Flow and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 that 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, or the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' responsibilities statement set out on page 6, 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 Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by 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 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 Group's and of the Parent Company's affairs as at 31 August 2017 and of the Group's loss for the year then ended;
- 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.

Independent auditor's report (continued)

Emphasis of matter – going concern

In forming our opinion on the Financial Statements, which is not modified, we have considered the adequacy of the disclosure made in note 3 to the Financial Statements concerning the Group's and Company's ability to continue as going concerns. These conditions, along with the other matters explained in note 3 to the Financial Statements, indicate the existence of a material uncertainty which may cast doubt on the Group's and Company's ability to continue as going concerns. The Financial Statements do not include the adjustments that would result if the Group was unable to continue as a going concern.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and 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 Statements are not in agreement with the accounting records or 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

The Group comparative information is unaudited.

Jonathan Bradley-Hoare (senior statutory auditor)
For and on behalf of Welbeck Associates
Accountants and Statutory Auditors
30 Percy Street, London, W1T 2DB

31 January 2017

ECOVISTA PLC

Consolidated Income statement

For the year ended 31 August 2017

	Notes	Year to August 2017 £	Period to August 2016 £
TURNOVER	5	200	5,142
Cost of sales		-	-
Gross profit		200	5,142
Loss on sale of investment		(169,941)	-
Loss on revaluation of investments		(482,208)	
Administrative expenses		(219,356)	(222,445)
Operating loss	6	(871,305)	(217,303)
Financial income	12	-	7,411
Financial expense	15	(14,497)	(6,645)
Loss before tax		(885,802)	(216,536)
Taxation	7	-	-
Loss for the period		(885,802)	(216,536)
Earnings per share attributable to owners of the parent company			
Basic loss per share (pence)	8	(0.009p)	(0.006p)

There are no items of other comprehensive income.

The Company has elected to take the exemption under section 408 of the Companies Act 2006 not to present the Parent Company income statement. The loss for the Parent Company for the year was £355,226 (2016: £188,197).

The notes on pages 13 to 24 form part of these financial statements.

ECOVISTA PLC

Consolidated Statement of financial position

at 31 August 2017

		Group		Company	
		2017	2016	2017	2016
	Notes	£	£	£	£
Fixed assets					
Goodwill	9	-	1,745	-	-
Investment properties	10	1,253,529	1,165,000	-	-
Investments in subsidiaries	11	-	-	181	269,942
Investments	12	278,586	760,794	278,586	760,794
		1,532,115	1,927,539	278,767	1,030,736
Current assets					
Debtors	13	70,225	72,124	1,383,660	931,308
Cash at bank and in hand		124,310	31,822	113,644	30,949
		194,535	103,946	1,497,304	962,257
Creditors: amounts falling due within one year	14	(80,071)	(119,104)	(52,299)	(51,787)
Net current assets		114,464	(15,158)	1,445,005	910,470
Total assets less current liabilities		1,646,579	1,912,381	1,723,772	1,941,206
Creditors: amounts falling due after more than one year	15	(454,645)	(184,645)	(454,645)	(184,645)
		1,191,934	1,727,736	1,269,127	1,756,561
Capital and reserves					
Called up share capital	16	173,190	163,190	173,190	163,190
Share premium account		2,683,045	2,343,045	2,683,045	2,343,045
Equity reserve	15	22,000	22,000	22,000	22,000
Profit and loss account		(1,686,301)	(800,499)	(1,609,108)	(771,674)
Shareholders Funds		1,191,934	1,727,736	1,269,127	1,756,561

The financial statements were approved by the board of directors on 31 January 2017 and signed on its behalf.

L Stokely (Director)

Company No. 05660908 (England and Wales)

The notes on pages 13 to 24 form part of these financial statements

Group statement of changes in equity

For the year ended 31 August 2017

	Share capital £	Share premium £	Equity reserve £	Retained earnings £	Total £
1 September 2016	151,730	1,572,105	22,000	(583,963)	1,161,872
Total comprehensive income for the year	-	-	-	(216,536)	(216,536)
Issue of share capital	11,460	770,940	-	-	782,400
31 August 2016	163,190	2,343,045	22,000	(800,499)	1,727,736
Total comprehensive income for the period	-	-	-	(885,802)	(885,802)
Issue of share capital	10,000	340,000	-	-	350,000
31 August 2017	173,190	2,683,045	22,000	(1,686,301)	1,191,934

The notes on pages 13 to 24 form part of these financial statements

ECOVISTA PLC

Company statement of changes in equity

For the year ended 31 August 2017

	Share capital £	Share premium £	Equity reserve £	Retained earnings £	Total £
1 September 2016	151,730	1,572,105	22,000	(583,477)	1,162,358
Total comprehensive income for the year	-	-	-	(188,197)	(188,197)
Issue of share capital	11,460	770,940	-	-	782,400
31 August 2016	163,190	2,343,045	22,000	(771,674)	1,756,561
Total comprehensive income for the period	-	-	-	(837,434)	(837,434)
Issue of share capital	10,000	340,000	-	-	350,000
31 August 2017	173,190	2,683,045	22,000	(1,609,108)	1,269,127

The notes on pages 13 to 24 form part of these financial statements.

ECOVISTA PLC

Group and Company Statement of cash flows

For the year ended 31 August 2017

	Group		Company	
	2017	**2016**	**2017**	**2016**
	£	**£**	**£**	**£**
Operating activities				
Loss for the year	(403,594)	(216,536)	(355,226)	(188,197)
Financial income	-	(7,411)	-	(7,411)
Finance cost	14,497	6,645	14,497	6,645
Other movements	(12,782)	(2,153)	155,264	(2,153)
Decrease in debtors	1,899	8,411	-	2,731
(Decrease)/increase in creditors	(39,003)	27,806	512	12,690
Expenses settled in shares	-	110,000	-	110,000
Net cash used in operating activities	**(439,983)**	**(73,238)**	**(184,953)**	**(66,055)**
Investing activities				
Purchase of investment properties	(88,529)	-	-	-
Proceeds from sale of subsidiaries	-	(665,000)	100,000	(1)
Acquisition of subsidiaries (Note 11)	-	(665,000)	-	(1)
Loans to subsidiaries	-	-	(452,352)	(619,999)
Loans issued	-	(40,000)	-	(40,000)
Net cash used in investing activities	**(88,529)**	**(705,000)**	**(352,352)**	**(660,000)**
Financing activities				
Proceeds from issue of equity	350,000	752,000	350,000	752,000
Share issue costs	-	(79,600)	-	(79,600)
Proceed from loan notes issue	-	-	-	-
Loan received	270,000	53,200	270,000	-
Net cash generated by financing activities	**620,000**	**725,600**	**620,000**	**672,400**
Net increase in cash and cash equivalents	92,488	(52,818)	82,695	(53,655)
Cash and cash equivalents at the beginning of the period	31,822	84,640	30,949	84,604
Cash and cash equivalents at the end of the period	**124,310**	**31,822**	**113,644**	**30,949**

The notes on pages 13 to 24 form part of these financial statements.

Notes to the financial statements

for the year ended 31 August 2017

1. General information

Ecovista plc is a public company limited by shares and incorporated in England. Its registered office is Millars 3 Southmill Road, Bishops' Stortford, Hertfordshire, CM23 3DH.

The financial statements are presented in Sterling £, which is the functional currency of the company.

2. Accounting policies

2.1. Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, modified to include revaluation of investment properties, in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006.

No profit and loss account is presented for Ecovista plc as permitted by section 408 of the Companies Act 2006. The parent company's loss for the year was £355,226 (2016: 188,197).

2.2. Going concern

After reviewing the group's forecasts and projections, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. The group therefore continues to adopt the going concern basis in preparing its consolidated financial statements.

2.3. Basis of consolidation

The group financial statements consolidate the financial statements of Ecovista plc and all its subsidiary undertakings.

Subsidiaries are consolidated from the date of their acquisition, being the date on which the Group obtains control and continue to be consolidated until the date that such control ceases. Control comprises the power to govern the financial and operating policies of the investee so as to obtain benefit from its activities.

In the parent company financial statements investments in subsidiaries are accounted for at cost less impairment.

2.4. Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

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

2.5. Taxation

Taxation represents the sum of tax currently payable and deferred tax.

The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on all timing 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. The carrying amount of deferred tax assets is reviewed at the end of each reporting period 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 assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

2.6. Investment properties

All of the group's property interests held under operating leases to earn rentals or for capital appreciation purposes are accounted for as investment properties.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. Gains and losses arising from changes in the fair value of investment properties are included in the income statement in the period in which they arise.

2.7. Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instrument.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.8. Investments

Investments comprise investments in unquoted equity instruments. The investments are carried at fair value through profit or loss. Where fair value cannot be measured reliably, the investment is carried at cost less impairment.

2.9. Debtors

Short term debtors are measured at transaction price, less any impairment.

Loans receivable are initially recorded at the present value of future payments discounted at a market rate of interest for a similar loan. Subsequently, they are measured at amortised cost using the effective interest method. Loans that are receivable within one year are not discounted.

2.10. Impairment of assets

At each reporting date assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carry amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

2.11. Creditors

Short term trade creditors are measured at the transaction price.

Other financial liabilities, including loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.12. Foreign currencies

Transactions in currencies, other than the functional currency of the company, are recorded at the rate of exchange on the date the transaction occurred. Monetary items denominated in other currencies are translated at the rate prevailing at the end of the reporting period. All differences are taken to the profit and loss account. Non-monetary items that are measured at historic cost in a foreign currency are not retranslated.

2.13. Comparatives

In 2016 the company changed the end of the reporting period from December to August to align with the reporting periods of other entities in the group. As a result, the current period financial statements are prepared for the year while the comparative information is presented for the 8 months period ending 31 August 2016. For this reason the comparative amounts presented in the accounts (including the related notes) are not entirely comparable.

3. Accounting judgements and estimates

The preparation of the financial statements requires management to make estimates and assumptions concerning the future that affect the reported amounts of assets and liabilities at the dates of the financial statements and the reported amounts of revenues and expenses during the reporting periods. The resulting accounting estimates will, by definition, differ from the related actual results.

The following are the Groups key sources of estimation uncertainty:

3.1. Going concern

As at 31 August 2017 the Group had a cash balance of £124,310 (2016: £31,822), net current assets of £114,464 (2016: liabilities of £15,158). The Group continues to incur costs in relation to planning applications, development and maintenance of the properties.

Therefore the cash flow forecasts for the Group and Company show that a combination of disposing a property and further financing from debt and/or equity may be required to see the Group's through to a sustainable cash flow generating position. Although the Directors are confident that further debt or equity can be raised at a valuation acceptable to the Group there is no guarantee this will be the case. Should further funding not be attainable and there are delays in the generation of revenue and profits from the property development, then there would be serious doubt as to the Group and Company's ability to continue as a going concern.

3.2. Revaluation of investment properties

The group carries its investment property at fair value, with changes in fair value being recognised in profit or loss. The directors determine the fair values based on market data for comparable properties or purchase offers received by the company. Where there is a lack of comparable market data the investment properties are stated at cost. The Group did not engage independent valuation specialists to determine fair value at 31 August 2017.

3.3. Carrying value of investments

The group is required to make judgements over carrying value of investments in unquoted companies where fair values cannot be readily established and evaluate the size of any impairment required.

It is important to recognise that the carrying value of such investments cannot always be substantiated by comparison with independent markets and, in many cases, may not be capable of being realised immediately.

4. Segmental information

A segment is a distinguishable component of the Group or Company's activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the Group's chief operating decision maker to make decisions about the allocation of resources and assessment of performance and about which discrete financial information is available.

As the chief operating decision maker reviews financial information for and makes decisions about the Group's activities as a whole, the directors have identified a single operating segment, that of property development. The Group operates in a single geographical segment which is the UK.

Notes to the financial statements (continued)

for the year ended 31 August 2017

5. Turnover

	2017 £	2016 £
Rental income from properties in the UK	200	5,142
	200	5,142

6. Operating loss

Operating loss is stated after charging:

	2017 £	2016 £
Auditors' remuneration – audit fees	10,000	8,500
other services	-	-
Directors' emoluments	34,000	120,000

7. Taxation

	2017 £	2016 £
Loss on ordinary activities before taxation	403,594	216,536
Current tax on profits of the year at standard rate of UK corporation tax of 19.58% (2016 – 20%)	79,024	43,307
Losses carried forward	(79,024)	(43,307)
Tax charge in the income statement	-	-

The group has estimated excess management expenses of £813,823 (2016: £734,799) available for carry forward against future trading profits.

Deferred tax assets arising from these losses at 20% of £403,594 (2016: £216,536) have not been provided in the accounts as recovery is not probable in the foreseeable future.

8. Earnings per share

	2017	2016
Losses, £	403,594	216,536
Weighted average number of shares	4,590,315,699	3,391,061,602
Basic earnings per share, pence	0.009	0.006

9. Goodwill

	2017 £	2016 £
At the beginning of the period	1,745	1,745
Disposals	(1,745)	-
At the end of the period	-	1,745

Goodwill relates to the acquisition of Willow Cottages ltd.

10. Investment properties

	2017 £	2016 £
At the beginning of the period	1,165,000	500,000
Additions on acquisition of subsidiaries	88,529	665,000
At the end of the period	1,253,529	1,165,000

Additions during the period represent property owned by 100 Rye Street Limited.

11. Investments in subsidiaries

	2017 £	2016 £
At the beginning of the period	269,942	269,941
Additions	-	1
Disposals	269,761	-
At the end of the period	181	269,942

In March 2016 the group has acquired 100% in 100 Rye Street Limited. The fair value of assets acquired and liabilities assumed is as follows:

	£
Investment property	665,000
Shareholder's loan	(664,999)
At the end of the period	1

Consideration paid by the group includes:

	£
Investments in subsidiary	1
Repayment of the shareholder's loan	664,999
Total cash paid on acquisition of subsidiary	665,000

At 31 August 2017 the Company had interests in the following subsidiaries:

	Domicile	% owned	Nature of business
Willside Limited	England	100*	Shell
100 Rye Street Limited	England	100	Land owner

12. Investments

	2017 £	2016 £
Loan issued	116,779	116,779
Equity investments	151,807	634,015
	278,586	760,794

a) Loan issued is an interest free loan to Cignella Srl with an option to acquire all of Cignella's share capital by 31 December 2019, the loan is repayable on 31 December 2019. The loan is carried at amortised cost:

	2017 £	2016 £
At the beginning of the period	116,779	741,230
Nominal value of the loan issued	-	-
Fair value adjustment	-	-
Converted into shares	-	(634,015)
Exchange difference	-	2,153
Finance income	-	7,411
At the end of the period	116,779	116,779

b) Equity investments represent a 13% stake in Cignella Srl received as a partial loan repayment. The investments are unquoted and stated at cost less impairment.

13. Debtors

	Group		Company	
	2017 £	2016 £	2017 £	2016 £
Due from subsidiaries	-	-	1,317,910	865,558
Loans issued	60,000	60,000	60,000	60,000
Prepayments	5,750	5,750	5,750	5,750
Other debtors	4,475	6,374	-	-
	70,225	72,124	1,383,660	931,308

Loans issued represent loans to Cignella Wellness Limited; the loans are unsecured, interest free and repayable in December 2019.

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Notes to the financial statements (continued)

for the year ended 31 August 2017

14. Creditors: amounts falling due within one year

	Group		Company	
	2017	**2016**	**2017**	**2016**
	£	**£**	**£**	**£**
Trade payables	33,005	43,832	33,005	31,305
Loans payable	464	53,200	-	-
Other creditors	46,602	22,072	19,294	20,482
	80,071	119,104	52,299	51,787

15. Convertible loan notes

	2017	**2016**
	£	**£**
At the beginning of the period	184,645	178,000
Nominal value of loan notes issued	470,000	-
Equity component of loan notes issued	-	-
Interest charged	-	6,645
At the end of the period	454,645	184,645

The convertible loan Note to Al Maskan Trading LLC was repaid on the 15th Oct 2015

Two further Convertible Loan Notes were issued on the 31st May 2017 for £200,000 and £270,000. The loans are convertible into new ordinary shares at a conversion price of £0.0005 per share, final conversion date is 30 May 2019 and they carry a 6% interest coupon.

The orginal remaining convertible loan notes of £100,000 was issued on 20 October 2015. The loans are convertible into new ordinary shares at a conversion price of £0.0005 per share, final conversion date is 29 June 2018 and carries a nil interest coupon.

The net proceeds from the issue of the loan notes have been split between the liability element and an equity component, representing the fair value of the embedded option to convert the liability into equity of the Company. The loan note equity reserve created by this is £22,000.

16. Share capital

	2017		2016	
	Number	**£**	**Number**	**£**
Ordinary shares of £0.00001 each, issued and fully paid	4,590,315,699	45,903	3,590,315,700	35,903
Deferred shares of £0.00099 each	128,572,167	127,287	128,572,167	127,287
		173,190		163,190

On the 27th July 2017, 571,428,571 new ordinary shares were subscribed for at £0.00035 and a further 428,571,428 new ordinary shares were subscribed for at £0.00035, both to fund future property acquisitions.

17. Reserves

Called-up share capital – represents the nominal value of shares that have been issued.

Share premium account – includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

Equity reserve – represents the equity component of the loan notes following the separation of the loan notes amount between debt and equity components.

Retained earnings – includes all current and prior period retained profits and losses.

18. Financial assets and liabilities

	2017 £	2016 £
Financial assets:		
Cash	124,310	31,822
Measured at amortised cost	188,903	188,903
	220,725	220,725
Financial liabilities measured at amortised cost	303,749	303,749

19. Financial instruments

The company raises finance through equity and convertible debt issues and places surplus cash on short term deposits. The company has no other financial liabilities or borrowing facilities.

The disclosures below exclude short term debtors and creditors of a trading nature.

(a) Interest rate profile of financial assets

At 31 August 2017 the group had sterling cash deposits of £124,310 (2016: £31,822), earning variable rates of interest. The convertible loan notes have no coupon rate. The principal purpose is to provide working capital.

(b) Fair value of financial assets

The fair value of the group's recorded financial assets does not materially differ from their book values.

(c) Foreign currency risk

The group is exposed to currency exchange rate risk due to the loan to Cignella Srl being denominated in Euro. The group's currency risk management is limited to monitoring of net currency exposure.

(d) Liquidity risk

The objective of the group in managing liquidity risk is to ensure that it can meet its financial obligations as and when they fall due. The group expects to meet its financial obligations through operating cash flows.

(e) Financial risk management and treasury policies

The directors recognise that this is an area in which they need to develop specific policies should the company becomes more exposed to wider financial risks as the business develops.

20. Transactions with related parties

There were no related party transactions during the year apart from the directors' remuneration disclosed in note 6.

21. Other commitments

At 31 August 2017, the group had total revenue commitments under non-cancellable operating leases over the remaining life of those leases of £5,341 (2016 – £5,341).

22. Control

In the opinion of the Directors there is no controlling party at the period end.

23. Post balance sheet events

There have been no material events after the reporting date.