

Registered number  
5123368

AIM INVESTMENTS PLC  
(formerly Medsea Estates Group PLC)

AUDITED FINANCIAL STATEMENTS  
FOR THE 17 MONTHS TO 31 MAY 2009

AIM INVESTMENTS PLC

COMPANY INFORMATION

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Directors	Sir Bernard Zissman Alexandra Eavis Alberto Gil Andrew Meikle John Frankland
Secretary	Robert MacDonald Watson
Auditor	Spofforths LLP 1 Horsham Gates North Street Horsham West Sussex RH13 5PJ
Registered office	85 Elsenham Street London SW18 5NX
Bankers	Royal Bank of Scotland 280 Bishopsgate London EC2M 4RB
Nominated Advisor and Broker	ZAI Corporate Finance Ltd 12 Camomile St London EC3A 7PT
Registered number	5123368

# AIM INVESTMENTS PLC

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# **AIM INVESTMENTS PLC AND ITS SUBSIDIARY UNDERTAKINGS**

## **CHAIRMAN'S REPORT**

### **FOR THE 17 MONTHS TO 31 MAY 2009**

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I have recently taken over as Chairman of the Board and I am joined by a new management team to implement a new investing strategy. The underlying business of the company formerly known as Medsea Estates Group plc ("Medsea") was sold back to the management following the extraordinary general meeting ("EGM") on 30 April 2009. At the EGM, a new board of directors was appointed to radically change the direction of the Company. The trading business previously owned by Medsea is no longer within the Group.

Given the magnitude of changes during the 17-month period to 31 May 2009, I have summarised the material changes to assist shareholders whilst reading the enclosed financial statements.

#### **Disposal of the Medsea Business to the Previous Directors**

The disposal of a material subsidiary, Medsea UK Limited, fell under AIM rule 15 resulting in a fundamental change to the business of Medsea. Medsea UK Limited was the holding company controlling the income, assets and liabilities of the group based in Spain and Italy.

The disposal was made for the consideration of €1 euro from the previous directors of the Company, Tony Gatehouse and Juan Carlos Rodriguez Martinez ("Executive Directors"). In addition, deferred consideration of an amount equal to 15% of capital and income distributions attributable to Medsea UK Limited's shareholdings in three development properties will be paid 5 years from the date of the disposal, reducing after the five year period to 12% in year 6, 9% in year 7, 6% in year 8 and finally 3% in year 9.

The deferred consideration has been transferred to a trust set up specifically for the benefit of shareholders exclusive of the executive directors, thereby leaving the holders of 13,740,472 ordinary shares to benefit from the possible deferred consideration. Moreover, the Company will have audit access to Medsea Group SL for the deferred period and in the event of any dispute regarding valuations then both parties have agreed to be bound by the decision of an Independent Accountant.

#### **Change of Name**

The company was re-named AIM Investments plc to reflect the new business strategy.

#### **New Business Strategy**

Following the disposal, the Company became an investing company as defined by the AIM rules and it currently has no operations. The Company has adopted a strategy ("Strategy") to invest in profitable companies in emerging economies in particular from Brazil, Russia, India and China. The Company will seek to raise funds to implement its business plan and/or complete a transaction within 12 months that may result in a reverse takeover as defined per AIM rule 14. Any such investments will be in a passive capacity. The board will review opportunities and undertake due diligence to progress any specific opportunities.

#### **Change of Accounting Reference Date**

The Board decided to change the accounting reference date in order to capture all events leading to the disposal of the businesses associated with Medsea. Previously, the Company reported to 31 December. However, given the disposal on 8 May 2009, it was deemed appropriate to report the entire period up to and including the disposal. The company will be reporting its next interim results to 30 November 2009 and these will be the first set of financial statements that reflect the business of AIM Investments plc excluding any income, assets and liabilities associated with the previous business of the group.

# AIM INVESTMENTS PLC AND ITS SUBSIDIARY UNDERTAKINGS

## CHAIRMAN'S REPORT

FOR THE 17 MONTHS TO 31 MAY 2009

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### Resignation of the Executive Directors

Tony Gatehouse and Juan Carlos Rodriguez Martinez resigned from the Company at the EGM to make way for a new board of directors. The new board includes Alexandra Eavis, Alberto Gil, John Frankland, Sir Bernard Zissman and myself. Also, you will note that I am a discretionary beneficiary in a family trust which holds a substantial holding in the Company and now holds 64.66% of the ordinary shares.

### Review of the Financial Results

I do not propose to comment on the discontinued operations given that I was not on the Board of the Company. The previous management released a trading statement on 19 March 2009 and that should be read in conjunction with these financial statements.

I would like to clarify that Long Term Liability of £154,000 relates to loans provided by Maji Capital Partners Group Plc, a company that I am connected with. The loans were provided to ensure that the Company was able to sustain its working capital position. The new directors have ensured that any legacy liabilities from the previous Medsea business are the responsibility of the previous directors who acquired Medsea UK Limited, the trading subsidiary that held business in Spain and Italy.

Following the disposal, the company is now working from a substantially reduced cost base. The executive directors have chosen not to take a salary until a future transaction occurs and most of the costs incurred to date relate to professional advice for the recent corporate changes undertaken by the company.

Finally, Maji Capital Partners Group Plc and certain directors have indemnified the working capital position of the Company whilst the company seeks to raise new funds.

### Audit Qualification

The auditors have qualified the accounts for the period to 31 May 2009 on the basis of "limitation of scope". Effectively, the Company was unable to provide sufficient audit evidence in respect of the accounts of Medsea Group SL and its subsidiaries in Spain and Italy due to a failure to maintain adequate accounting records and the loss of key accounting staff. As you will note the previous business declined materially given the problems in the real estate market in both Spain and Italy.

I would like to take this opportunity to reassure shareholders that the new Board have put in place sufficient procedures and controls to avoid such problems in the future. The Company, as an investing company, is relatively less complex with regard to accounting procedures. However, we have prioritised the development of procedures and controls given the legacies of the previous business.

### Loan to Medsea and working capital

AIM Investments Plc is currently financed through the provision of loans by Maji Capital Partners Group plc ("Maji Capital"), a company connected to the new directors. Maji Capital undertook to repay creditors of the Holding Company, Medsea Estates Group plc which amounted to approximately £120,000. Therefore any liabilities held within the trading subsidiaries in Spain and Italy are the responsibility of Medsea UK Limited which was acquired by the previous management. This loan will be repayable on demand after 12 months and will be non interest bearing until duly demanded and will accrue on a daily basis at an annual rate of 5%.

Maji Capital has also provided working capital of up to £150,000 to the Company for a minimum period of eighteen months. The obligation to provide the working capital facility has been guaranteed by two of the new directors, Andrew Meikle and Alexandra Eavis. The working capital will be drawn down where necessary and until such time as the Company raises funds. The above transactions are deemed related party transactions per the AIM rules. The Nominated Adviser confirms that the terms of the transactions were fair and reasonable insofar as its shareholders were concerned.

## AIM INVESTMENTS PLC AND ITS SUBSIDIARY UNDERTAKINGS

### CHAIRMAN'S REPORT

FOR THE 17 MONTHS TO 31 MAY 2009

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#### Future of the Company

The Company intends to raise funds to execute its investing strategy or may choose to complete a reverse takeover. The Company is obliged to have completed either no later than 30 April 2010 in order to satisfy the AIM Rules. The Company has not entered into a binding agreement to acquire any business nor does it have the requisite funds to pursue any acquisition currently until a future fundraising is completed.

Finally, I would like to thank all the shareholders that accepted our proposals in the EGM to facilitate these corporate changes. I acknowledge that many shareholders have seen their investment in Medsea decline materially during the period under review. However, the new directors are equally motivated and look forward to building value for all shareholders. I look forward to reporting to you again shortly and thank you for your loyalty throughout this turbulent period under review. Moreover, we will seek to update shareholders on the status of the deferred consideration as soon as is practicable.

.....  
Andrew M Meikle

Chairman

Date: 30 July 2009

# AIM INVESTMENTS PLC

## DIRECTORS' REPORT

### FOR THE 17 MONTHS TO 31 MAY 2009

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The Directors present their report together with the audited group financial statements for the period ended 31 May 2009.

#### Principal activities and review of business

Under its former name of Medsea Estates Group Plc, the trading operations of the Company were disposed of by the sale of Medsea UK Ltd which controls the underlying operation of the estate agency businesses in Spain and Italy.

The Company has adopted a new strategy to invest in profitable companies in emerging economies in particular from Brazil, Russia, India and China. The Company will seek to complete a transaction within 12 months that may result in a reverse takeover as defined per AIM rule 14. The Company will seek consent of the shareholders on an annual basis to renew or change the strategy. The Company will seek to invest in a passive capacity. The incoming directors will form an investment committee to review opportunities and associated due diligence in advance of progressing specific opportunities.

#### Principal risks and uncertainties

The principle risks and uncertainties are the availability of working capital to meet on going regulatory costs and to provide for investments identified and to identify an appropriate investment within the required twelve month period.

#### Results and dividends:

The group has not paid a dividend during the period ended 31 May 2009 (2007:£nil)

Loss on continuing operations	£113,000 (2007: £101,000)
Loss on discontinued operations	£646,000 (2007: £1,210,000)
Decrease in revenue of	£3,606,000
Earnings per share (loss)	0.97p (2007:1.76p)

The Directors who served during the period were as follows:

Tony Gatehouse	Resigned 8 May 2009	Chairman
Juan Carlos Rodriguez Martinez	Resigned 8 May 2009	Chief Executive Officer
Graham Jeffs	Resigned 1 December 2008	Finance Director
Ken Burrage	Resigned 31 August 2008	Non - executive Director
Neil Craven	Resigned 8 April 2009	Non - executive Director
John Frankland	Appointed 23 April 2009	Non - executive Director

Following the General Meeting held on 30 April 2009 the following Directors were appointed:

Andrew Meikle	Appointed 8 May 2009	Chairman and executive director
Alberto Gil	Appointed 8 May 2009	Finance director
Alexandra Eavis	Appointed 8 May 2009	Executive director
Sir Bernard Zissman	Appointed 13 May 2009	Non - executive Director

#### Employee involvement

The Group keeps its employees informed of matters affecting them as employees through regular team briefings throughout the year.

# **AIM INVESTMENTS PLC**

## **DIRECTORS' REPORT**

### **FOR THE 17 MONTHS TO 31 MAY 2009**

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#### **Policy for payment of creditors**

It is the policy of the company to agree terms of payment when goods or services are ordered and to pay in accordance with these terms. The Group's creditor payment period at 31 May 2009 was 11 days (2007: 47 days) of purchases.

#### **Charitable and political donations**

No charitable or political donations were made during the year.

#### **Auditor**

A resolution to re-appoint Spofforths LLP will be put to the members at the Annual General Meeting.

#### **Directors' responsibilities**

The Directors are responsible for preparing the report and financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the group and of the profit or loss of the group for that period. In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business; and
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The Directors are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **Disclosure of information to auditor**

So far as each Director at the date of approval of this report is aware:

- there is no relevant audit information of which the company's auditor is unaware; and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

This report was approved by the board on 30 July 2009 and signed on behalf of the board by

Alberto Gil  
Director



**AIM INVESTMENTS PLC AND ITS SUBSIDIARY UNDERTAKINGS**

**DIRECTORS' REMUNERATION REPORT**

**FOR THE 17 MONTHS TO 31 MAY 2009**

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**Directors' Service Agreements and Emoluments**

The service contracts of the current directors are as follows:-

<b>Name</b>	<b>Basic Annual Fee</b>
John Frankland	£5,000
Andrew Meikle	£5,000
Alexandra Eavis	£5,000
Alberto Gil	£5,000
Sir Bernard Zissman	£10,000

With the exception of Sir Bernard Zissman, the directors have waived their entitlement to fees during the period.

The service contracts of the former directors were as follows:-

<b>Name</b>	<b>Basic Annual Salary</b>
Tony Gatehouse	€ 140,000
Juan Carlos Rodriguez Martinez	€ 119,000
Graham Jeffs	£75,000
Ken Burrage	£25,000
Neil Craven	£25,000

**Directors' Emoluments for the period ended 31 May 2009**

	<b>£</b>
Tony Gatehouse	134,305
Juan Carlos Rodriguez Martinez	168,141
Graham Jeffs	68,750
Ken Burrage	16,666
Neil Craven	32,636
John Frankland	-
Andrew Meikle	-
Alexandra Eavis	-
Alberto Gil	-
Sir Bernard Zissman	417
<b>Total directors' remuneration</b>	<b>420,915</b>

# **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AIM INVESTMENTS PLC**

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We have audited the group and parent company financial statements of AIM Investments PLC for the period ended 31 May 2009 which comprise the Consolidated Income Statement, the Company and Consolidated Balance Sheet, the Statement of Changes in Equity, the Consolidated Statement of Cash Flows and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the group'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 group and the group'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**

The directors' responsibilities for preparing the Directors' Report and financial statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted for use in the European Union are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the group has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. The other information comprises only the Chairman's report, the Directors' report and the Directors' remuneration report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

## **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's and company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. However, due to difficulties experienced by the Group's subsidiary companies based in Spain and Italy in respect of the discontinued trading activities we have been unable to obtain all the information and explanations required in respect of those activities. We have been unable to obtain the required information by other audit procedures and have therefore not been able to determine whether the results of discontinued activities are appropriately classified between the loss on discontinued activities before taxation and the gain on disposal of those operations.

In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AIM INVESTMENTS PLC

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### Qualified opinion arising from limitation in audit scope

Except for the financial effects of such adjustments, if any, that might be required in respect of the classification of the results of discontinued activities in our opinion the financial statements:

- give a true and fair view, in accordance with IFRSs as adopted for use in the European Union, of the state of the company's and group's affairs as at 31 May 2009 and of its loss for the period then ended;
- have been properly prepared in accordance with the Companies Act 1985.

In respect solely of the limitation of scope on our work in respect of the classification of loss on discontinued activities:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit;
- we were unable to determine whether proper accounting records had been maintained in respect of the Group's subsidiaries in Spain and Italy.

In our opinion the information given in the Directors' Report is consistent with the financial statements.

Spofforths LLP  
Chartered Accountants and Registered Auditor  
1 Horsham Gates  
North Street  
Horsham  
West Sussex  
RH13 5PJ

30 July 2009

AIM INVESTMENTS PLC

CONSOLIDATED INCOME STATEMENT

FOR THE 17 MONTHS TO 31 MAY 2009

	Notes	17 months 31 May 2009 £'000	17 months 31 May 2009 £'000	12 months 31 Dec 2007 £'000	12 months 31 Dec 2007 £'000
<b>Continuing operations</b>					
Administrative expenses			(113)		(101)
<b>Discontinued operations</b>					
Revenue	2	6,931		10,537	
Cost of sales		(6,380)		(8,274)	
Administrative expenses		(4,679)		(3,455)	
Finance income		1		24	
Finance expense		(51)		(28)	
Profit/(loss) of discontinued operations before taxation		<u>(4,178)</u>		<u>(1,196)</u>	
Tax charge on profit/(loss)		(14)		(14)	
		<u>(4,192)</u>		<u>(1,210)</u>	
Gain on disposal of operation		4,125		-	
Reversal of foreign currency translation reserve on disposal of subsidiaries		(579)		-	
Loss for the year from discontinued operations			<u>(646)</u>		<u>(1,210)</u>
<b>Profit/(loss) for the period</b>			<u><u>(759)</u></u>		<u><u>(1,311)</u></u>
<b>Attributable to:</b>					
Equity holders of the parent			(759)		(1,307)
Minority interests			-		(4)
			<u><u>(759)</u></u>		<u><u>(1,311)</u></u>
<b>Earnings/(loss) pence per share</b>					
Basic and diluted	21		<u><u>(0.97)</u></u>		<u><u>(1.76)</u></u>

# AIM INVESTMENTS PLC

## CONSOLIDATED BALANCE SHEET

AS AT 31 MAY 2009

	Notes	31 May 2009 £'000	31 Dec 2007 £'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets	10	-	4
Property, plant and equipment	11	-	1,057
Investments in associates		-	646
Other financial assets	13	-	100
		<u>-</u>	<u>1,807</u>
<b>Current assets</b>			
Inventories	14	-	165
Trade and other receivables	15	-	1,788
Current tax recoverable		-	15
Cash and cash equivalents		2	317
		<u>2</u>	<u>2,285</u>
<b>Total assets</b>		<u><u>2</u></u>	<u><u>4,092</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' equity</b>			
Share capital	21	7,798	7,798
Share premium		22	22
Other reserve		-	128
Revaluation reserve		-	51
Merger reserve		(7,060)	(7,058)
Foreign currency translation reserve		-	(170)
Retained earnings		(1,015)	(475)
		<u>(255)</u>	<u>296</u>
<b>Non-current liabilities</b>			
Long-term borrowings	17	-	209
Amounts owed to related undertakings		154	-
Deferred tax	19	-	-
		<u>154</u>	<u>209</u>
<b>Current liabilities</b>			
Trade and other payables	16	103	3,065
Short-term borrowings	20	-	522
		<u>103</u>	<u>3,587</u>
<b>Total equity and liabilities</b>		<u><u>2</u></u>	<u><u>4,092</u></u>

The financial statements set out on pages 9 to 26 were approved by the board and authorised for issue on 30 July 2009 and signed on behalf of the board by

Alberto Gil  
Finance Director

# AIM INVESTMENTS PLC

## COMPANY BALANCE SHEET

AS AT 31 MAY 2009

	Notes	2009 £'000	2007 £'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investment in subsidiaries	12	-	-
		<u>-</u>	<u>-</u>
<b>Current assets</b>			
Trade and other receivables	15	-	714
Cash and cash equivalents		<u>2</u>	<u>14</u>
		2	728
<b>Total assets</b>		<u><u>2</u></u>	<u><u>728</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' equity</b>			
Share capital	21	7,798	7,798
Share premium	22	22	22
Merger reserve	22	(7,060)	(7,060)
Retained earnings	22	<u>(1,015)</u>	<u>(83)</u>
		(255)	677
<b>Non-current liabilities</b>			
Amounts owed to related undertakings		154	-
<b>Current liabilities</b>			
Trade and other payables	16	103	51
<b>Total equity and liabilities</b>		<u><u>2</u></u>	<u><u>728</u></u>

The financial statements set out on pages 9 to 26 were approved by the board and authorised for issue on 30 July 2009 and signed on behalf of the board by

Alberto Gil  
Finance Director

AIM INVESTMENTS PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE 17 MONTHS TO 31 MAY 2009

	Share capital £'000	Share premium £'000	Other reserves £'000	Revaluation reserve £'000	Merger reserve £'000	Foreign currency translation reserve £'000	Retained earnings £'000	Minority interests £'000	Total equity £'000
Balance at 1 January 2007 brought forward	7,063	22	117	46	(7,058)	(109)	778	4	863
Loss for the period	-	-	-	-	-	-	(1,307)	-	(1,307)
Exchange differences arising on translation of foreign operations	-	-	11	5	-	(61)	54	-	9
Minority interest	-	-	-	-	-	-	-	(4)	(4)
Sales of revalued properties	-	-	-	-	-	-	-	-	-
<b>Total recognised income and expense for the year</b>	<b>7,063</b>	<b>22</b>	<b>128</b>	<b>51</b>	<b>(7,058)</b>	<b>(170)</b>	<b>(475)</b>	<b>-</b>	<b>(439)</b>
Issue of shares	735	-	-	-	-	-	-	-	735
Payment of dividends	-	-	-	-	-	-	-	-	-
<b>Balance at 31 December 2007 carried forward</b>	<b>7,798</b>	<b>22</b>	<b>128</b>	<b>51</b>	<b>(7,058)</b>	<b>(170)</b>	<b>(475)</b>	<b>-</b>	<b>296</b>
Balance at 1 January 2008 brought forward	7,798	22	128	51	(7,058)	(170)	(475)	-	296
Loss for the period	-	-	-	-	-	-	(759)	-	(759)
Exchange differences arising on translation of foreign operations	-	-	28	10	-	(409)	-	-	(371)
Minority interest	-	-	-	-	-	-	-	-	-
Sales of revalued properties	-	-	-	(18)	-	-	18	-	-
Reserves transfer on disposal of foreign operations	-	-	(156)	(43)	(2)	-	201	-	-
Arising on disposal of foreign operations	-	-	-	-	-	579	-	-	579
<b>Total recognised income and expense for the period</b>	<b>-</b>	<b>-</b>	<b>(128)</b>	<b>(51)</b>	<b>(2)</b>	<b>170</b>	<b>(540)</b>	<b>-</b>	<b>(551)</b>
Payment of dividends	-	-	-	-	-	-	-	-	-
<b>Balance at 31 May 2009 carried forward</b>	<b>7,798</b>	<b>22</b>	<b>-</b>	<b>-</b>	<b>(7,060)</b>	<b>-</b>	<b>(1,015)</b>	<b>-</b>	<b>(255)</b>

Each company in the Group registered in Spain is required to transfer 10% of its profit each year to a non-distributable reserve until the balance on that reserve reaches 20% of that company's paid up share capital. This balance is reflected under other reserves and the reserves were fully funded at 31 December 2007.

AIM INVESTMENTS PLC

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE 17 MONTHS TO 31 MAY 2009

	Notes	17 months 31 May 2009 £'000	12 months 31 Dec 2007 £'000
<b>Cash flows from operating activities</b>			
Loss before tax		(4,291)	(1,297)
Adjustments for:			
Depreciation		142	127
Foreign exchange		(662)	(63)
Finance income		(1)	(24)
Finance expense		51	28
Amortisation of other intangible assets		3	2
Loss on sale of tangible assets		10	15
Impairment of other financial assets		822	-
Decrease in trade and other receivables		777	548
(Increase)/decrease in inventories		(36)	136
Increase in trade and other payables		2,915	47
Increase in amounts owed to related undertakings		154	-
Cash used in operations		(116)	(481)
Tax on profits paid		18	(137)
Interest paid		(51)	(28)
<b>Net cash used in operating activities</b>		<b>(149)</b>	<b>(646)</b>
<b>Cash from investing activities</b>			
Interest received		1	24
Purchase of property, plant and equipment		(16)	(256)
Proceeds from the sale of property, plant and equipment		93	-
Proceeds from the sale of other financial assets		-	-
Cash disposed with subsidiary	23	(3)	-
Payments to acquire shares in associates		-	(654)
Payments to acquire other intangible assets		-	(1)
<b>Net cash generated from/(used in) investing activities</b>		<b>75</b>	<b>(887)</b>
<b>Cash from financing activities</b>			
Repayment of borrowings		(104)	123
Share issues		-	735
Other loans		-	(13)
Capital element of finance lease payments		(49)	(27)
<b>Net cash generated from financing activities</b>		<b>(153)</b>	<b>818</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(227)</b>	<b>(715)</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>229</b>	<b>944</b>
<b>Cash and cash equivalents at the end of the period</b>		<b>2</b>	<b>229</b>
<b>Cash and cash equivalents consists of:</b>			
Cash and cash equivalents included in current assets		2	317
Bank overdraft included in current liabilities		-	(88)
		<b>2</b>	<b>229</b>



**1 Principal accounting policies**

**Basis of preparation**

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain non-current assets and in accordance with applicable International Financial Reporting Standards (IFRS) as adopted for use by the European Union.

The group financial statements consolidate AIM Investments PLC and all its subsidiary undertakings. AIM Investments PLC disposed of its entire interest in all its operating subsidiaries on 8 May 2009. The financial statements have been prepared using merger accounting.

**Intangible non-current assets**

Trademarks are included at cost and amortised in equal annual instalments over a period of four years. Provisions are made for any impairment.

**Depreciation**

Property, plant and equipment is stated at cost or valuation, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets, other than freehold land, so as to write off their cost or valuation, less their estimated residual value, in equal annual instalments over the expected useful lives of the assets, as follows:

Freehold buildings	50 years
Office equipment and motor vehicles	3 to 10 years

**Investment properties**

In accordance with International Accounting Standard 40 (IAS 40), certain of the company's properties are held for long-term investment and are included in the Balance Sheet at their fair values. The surplus or deficit on revaluation of such properties is recognised in the Income Statement. Depreciation is not provided in respect of freehold investment properties.

**Available for sale financial assets**

All financial assets are initially recorded at cost, including transaction costs. All purchases and sales are recognised at the settlement date. Available for sale financial assets are subsequently carried at fair value, with all unrealised changes in fair value recorded in equity. When available for sale financial assets are sold, impaired or otherwise disposed of, the cumulative gains and losses previously recognised in equity are included in financial income (expense) for the current period.

Financial assets are assessed for possible impairment at each balance sheet date. An impairment charge is recorded where there is objective evidence of impairment.

**Taxation**

Current tax, including foreign corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Group's taxable profits and its results as stated in the financial information that arises from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial information.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the reversal of the underlying timing differences can be deducted.

Deferred tax is not recognised when fixed assets are revalued unless by the balance sheet date there is a binding agreement to sell the revalued assets and the gain or loss expected to arise on sale has been recognised in the financial information.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted at the balance sheet date. Deferred tax is measured on a non-discounted basis.

#### **Inventories**

Inventories are valued at the lower of cost and net realisable value.

#### **Leased assets**

Assets held under finance leases and other similar contracts are capitalised as non-current assets and are depreciated over the shorter of the lease terms and their estimated useful lives. The capital elements of future lease obligations are recorded as liabilities, while the interest elements are charged to the profit and loss account over the period of the lease to produce a constant rate of charge on the balance of capital repayments outstanding.

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

#### **Foreign currency transactions**

In preparing the financial statements of each Group entity, transactions in currencies other than the entity's functional currency are recorded at the rates of exchange prevailing at the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the period in which they arise except for exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur; which form part of the net investment in a foreign operation and which are recognised in the foreign currency translation reserve.

For the purposes of presenting sterling consolidated financial statements, the assets and liabilities of the Group's foreign operations are expressed using exchange rates prevailing at the balance sheet date. Income and expense items are translated at the average exchange rate for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are classified as equity and recognised in the Group's foreign currency translation reserve.

## **2 Revenue**

Revenue derives wholly from the principal activity of the Group which is carried out in countries adjacent to the Mediterranean. Revenue is the total amount receivable by the group for goods supplied and services provided, excluding value added tax.

Commission income receivable in respect of property sales is recognised at the point at which a legally binding contract for sale has been signed between the purchaser and the developer. In addition, the terms of the contracts with the developers have to have been fulfilled in terms of commissions being invoicable to them. Commissions payable in respect of property sales are recognised at the same time as the corresponding commission income is recognised, and are not payable until after commissions income is received.

## **3 Going concern**

The financial statements have been prepared on a going concern basis. The company's ability to continue to trade is dependant upon the support of Maji Capital Partners Group plc. Maji Capital Partners Group plc has indicated that it will continue to provide its support for a period of not less than twelve months from the date of approval of these financial statements. If these assumptions prove to be inappropriate, then adjustments may have to be made to adjust the value of assets to their recoverable amounts and to provide for any further liabilities which may arise.

# AIM INVESTMENTS PLC

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE 17 MONTHS TO 31 MAY 2009

#### 4 Operating loss

	17 months 31 May 2009 £'000	12 months 31 Dec 2007 £'000
<i>The operating loss is arrived at after charging:</i>		
Depreciation of owned assets	142	109
Depreciation of leased assets	-	18
Amortisation of intangible assets	3	2
Loss/(profit) on disposal of property, plant and equipment	10	15
Hire of equipment - operating leases - motor vehicles	322	655
Hire of equipment - operating leases - land and buildings	120	143
Auditors' remuneration - other services	10	27
Auditors' remuneration - audit services	37	40

#### 5 Directors and employees

Staff costs, including directors' remuneration, were as follows:

	17 months 31 May 2009 £'000	12 months 31 Dec 2007 £'000
Wages and salaries	2,477	2,494
Social security costs	370	623
	<u>2,847</u>	<u>3,117</u>

The average monthly number of employees, including directors, during the year was as follows:

	17 months 31 May 2009 No.	12 months 31 Dec 2007 No.
Selling and distribution	47	50
Administration	39	42
	<u>86</u>	<u>92</u>

#### Directors' emoluments

	17 months 31 May 2009 £'000	12 months 31 Dec 2007 £'000
Emoluments	<u>421</u>	<u>262</u>

The highest paid director received emoluments and benefits as follows:

	17 months 31 May 2009 £'000	12 months 31 Dec 2007 £'000
Emoluments	<u>168</u>	<u>86</u>

There were no directors (2007: none) to whom retirement benefits are accruing under money purchase schemes.

#### 6 Finance expenses

	17 months 31 May 2009 £'000	12 months 31 Dec 2007 £'000
Bank loans and overdrafts repayable within five years	50	25
Finance lease interest	1	3
	<u>51</u>	<u>28</u>

# AIM INVESTMENTS PLC

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE 17 MONTHS TO 31 MAY 2009

7	Taxation	17 months 31 May 2009 £'000	12 months 31 Dec 2007 £'000
	Analysis of charge in the year		
	Current tax:		
	Overseas corporation tax on profits of the year	-	19
	UK corporation tax on profits of the year	-	-
	Deferred tax	17	-
	Prior year adjustment to tax charge	(3)	(5)
	Tax on profit on ordinary activities	<u>14</u>	<u>14</u>

The tax assessed for the year is higher than the standard rate of corporation tax in the UK (28 per cent). The differences are explained below:

	31 May 2009 £'000	31 Dec 2007 £'000
Loss on ordinary activities before tax	<u>(4,178)</u>	<u>1,297</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2007: 30%)	(1,170)	(390)
Effects of:		
Losses arising in subsidiaries sold in period	199	-
Permanent timing differences	4	7
Utilisation of losses brought forward	-	(19)
UK tax losses not available for group relief	984	37
Loss carried forward	-	384
Prior year adjustment	(3)	(5)
Current tax charge for year as above	<u>14</u>	<u>14</u>

## 8 Minority interests

Prior to the disposal of the subsidiaries 5% of the share capital of Euromed Investments SL were held by third parties.

## 9 Profit for the year of the parent company

As permitted by section 230 of the Companies Act 1985 the parent company's profit and loss account has not been disclosed in these financial statements. The loss before dividends for the year in the accounts of the parent company was £932,874 (2007: loss of £1,000).

10 Intangible assets

Group	Trademarks £'000
<b>Cost</b>	
At 1 January 2008	14
Disposals	(17)
Foreign exchange difference	3
<b>At 31 May 2009</b>	<b>-</b>
<b>Amortisation</b>	
At 1 January 2008	10
Provided during the year	3
Disposals	(15)
Foreign exchange difference	2
<b>At 31 May 2009</b>	<b>-</b>
<b>Net book values</b>	
<b>At 31 May 2009</b>	<b>-</b>
<i>At 31 December 2007</i>	<i>4</i>

11 Property, plant and equipment

Group	Freehold land and buildings £'000	Investment properties £'000	Office equipment and motor vehicles £'000	Total £'000
<b>Cost or valuation</b>				
At 1 January 2008	275	341	953	1,569
Additions	-	-	16	16
Disposals	(335)	(415)	(1,166)	(1,916)
Foreign exchange difference	60	74	197	331
<b>At 31 May 2009</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Depreciation</b>				
At 1 January 2008	36	-	476	512
Charge for year	3	-	139	142
Disposals	(47)	-	(722)	(769)
Foreign exchange difference	8	-	107	115
<b>At 31 May 2009</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net book value</b>				
<b>At 31 May 2009</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>At 31 December 2007</i>	<i>239</i>	<i>341</i>	<i>477</i>	<i>1,057</i>

Assets held under finance leases have a net book value of £nil (2007: £71,000).

Investment properties have been valued by the directors based on the value of similar properties that have been sold by the Group in its capacity as sales agents. The historical cost of these properties is £nil (2007: £292,000).

12 Subsidiary undertakings and associates

Details of the investments in which the company held 20% or more of the nominal value of any class of share capital were as follows. All the group's interests were disposed of in May 2009.

Name of Company	Country of registration	Holding	Proportion of voting rights and shares held	Nature of business
<b>Subsidiary undertakings</b>				
Medsea Group SL	Spain	Ordinary	100%	Agent for property sales
Medsea Estates Torrevieja SL	Spain	Ordinary	100%	Agent for property sales
Property Market SL	Spain	Ordinary	100%	Agent for property sales
Medsea Estates Costa Blanca SL	Spain	Ordinary	100%	Agent for property sales
Medsea Estates Almeria SL	Spain	Ordinary	100%	Agent for property sales
Euromed Investments SL	Spain	Ordinary	95%	Promoter for property sales
Medsea Estates Costa Tropical SL	Spain	Ordinary	100%	Agent for property sales
Medsea Financial Services SL	Spain	Ordinary	100%	Agent for financial products
Medsea UK Limited	UK	Ordinary	100%	Holding company
Profile Spain Limited	UK	Ordinary	100%	Agent for property sales
Italian Connection SL	Spain	Ordinary	100%	Agent for property sales
Italian Connection SRL	Italy	Ordinary	100%	Agent for property sales

The net investment in subsidiaries at 31 December 2007 was £100 which was the share capital of Medsea UK Limited.

Name of Company	Country of registration	Holding	Proportion of voting rights and shares held	Nature of business
<b>Associated undertakings</b>				
Eurobond Investments SL	Spain	Ordinary	30%	Developer
Nuevas Gestion Mediterranean SL	Spain	Ordinary	50%	Property furnishings

	Group	
	31 May 2009	31 Dec 2007
	£'000	£'000
Cost of investments as at 1 January 2008	646	-
Additions	-	646
Foreign exchange difference	73	-
Provision for impairment	(719)	-
Disposals	-	-
<b>Cost of investments as at 31 May 2009</b>	<b>-</b>	<b>646</b>

During the period the company disposed of all its subsidiary and associated undertakings as detailed in note 23.

# AIM INVESTMENTS PLC

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE 17 MONTHS TO 31 MAY 2009

#### 13 Other financial assets

##### Group

	31 May 2009 £'000	31 Dec 2007 £'000
Fair value		
At 1 January 2008	100	92
Foreign exchange difference	3	8
Provision for impairment	(103)	-
Disposal	-	-
At 31 May 2009	<u>-</u>	<u>100</u>

The other financial assets are available for sale investments and were unquoted. These were disposed of as part of the disposal of the overseas operations.

#### 14 Inventories

	Group		Company	
	31 May 2009 £'000	31 Dec 2007 £'000	31 May 2009 £'000	31 Dec 2007 £'000
Properties held for resale	<u>-</u>	<u>165</u>	<u>-</u>	<u>-</u>

#### 15 Trade and other receivables

	Group		Company	
	31 May 2009 £'000	31 Dec 2007 £'000	31 May 2009 £'000	31 Dec 2007 £'000
Trade debtors	-	354	-	-
Amounts owed by group undertakings	-	-	-	702
Other debtors *	-	1,209	-	12
Prepayments and accrued income	<u>-</u>	<u>225</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>1,788</u>	<u>-</u>	<u>714</u>

Included within other debtors is £nil (2007: £831,000) due after more than one year.

\* The balance at 31 December 2007 is stated after deducting payments on account made by the Group to, or on behalf of, an Italian developer on whose behalf the funds were originally received. The sum involved, £1,878,493, has been off-set in the Group's financial statements.

AIM INVESTMENTS PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE 17 MONTHS TO 31 MAY 2009

16 Trade and other payables

	Group		Company	
	31 May 2009	31 Dec 2007	31 May 2009	31 Dec 2007
	£'000	£'000	£'000	£'000
Trade payables	16	1,072	16	13
Other taxation and social security	8	289	8	8
Other payables *	-	1,521	-	-
Accruals and deferred income	79	153	79	30
Obligations under finance lease	-	30	-	-
	<u>103</u>	<u>3,065</u>	<u>103</u>	<u>51</u>

\* This balance includes £nil (2007: £1,344,000) of client money.

17 Long term borrowings

	Group		Company	
	31 May 2009	31 Dec 2007	31 May 2009	31 Dec 2007
	£'000	£'000	£'000	£'000
Obligations under finance lease	-	19	-	-
Bank loan	-	190	-	-
	<u>-</u>	<u>209</u>	<u>-</u>	<u>-</u>

18 Loans

	Group		Company	
	31 May 2009	31 Dec 2007	31 May 2009	31 Dec 2007
	£'000	£'000	£'000	£'000
Amounts repayable:				
In one year or less, or on demand	-	434	-	-
Between one and two years	-	14	-	-
Between two and five years	-	176	-	-
	<u>-</u>	<u>624</u>	<u>-</u>	<u>-</u>

The bank loans were secured on the freehold investment properties owned by the Group and carried interest at 2% above the bank's base rate.



19 Provisions for liabilities

	Group		Company	
	31 May 2009	31 Dec 2007	31 May 2009	31 Dec 2007
	£'000	£'000	£'000	£'000
Deferred tax:				
At start of period	(17)	91	-	-
Foreign exchange difference	-	(9)	-	-
Charge/(credit) for the period	17	(99)	-	-
At end of period	-	(17)	-	-

The deferred tax balance in 2007 related to losses in the UK which were expected to be available to set against future profits. The balance was included in other debtors. Due to the change in activities the deferred tax asset has now been written off.

20 Short term borrowings

	Group		Company	
	31 May 2009	31 Dec 2007	31 May 2009	31 Dec 2007
	£'000	£'000	£'000	£'000
Bank overdraft	-	88	-	-
Bank loans (note 18)	-	434	-	-
	-	522	-	-

# AIM INVESTMENTS PLC

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE 17 MONTHS TO 31 MAY 2009

#### 21 Share capital

	31 May 2009 £'000	31 Dec 2007 £'000
<b>Authorised</b>		
<b>Equity shares</b>		
2,280,038,212 Ordinary shares of 0.1p each	2,280	-
77,979,412 Deferred shares of 9p each	7,018	-
77,979,412 Deferred shares of 0.9p each	702	-
100,000,000 Ordinary shares of 10 p each	-	10,000
	<u>10,000</u>	<u>10,000</u>
<b>Allotted</b>		
<b>Equity shares</b>		
77,979,412 Allotted, called up and fully paid ordinary shares of 10p each	-	7,798
77,979,412 Allotted, called up and fully paid ordinary shares of 0.1p each	78	-
77,979,412 Allotted, called up and fully paid deferred shares of 9p each	7,018	-
77,979,412 Allotted, called up and fully paid deferred shares of 0.9p each	702	-
	<u>7,798</u>	<u>7,798</u>

On 4 September 2008 each unissued 10p ordinary share was redesignated as ten ordinary shares of 1p and each issued 10p ordinary share was redesignated as one ordinary share of 1p and one deferred share of 9p.

On 30 April 2009 each unissued 1p ordinary share was redesignated as ten ordinary shares of 0.1p and each issued 1p ordinary share was redesignated as one ordinary share of 0.1p and one deferred share of 0.9p.

On the same date a special resolution was approved to cancel the deferred shares and the share premium, and reduce the merger reserve to £20,000, subject to court approval. Application to the court has not yet been made.

During the year ended 31 December 2007, the Company issued 7,350,000 ordinary shares of 10p each at 10p and issued share warrants for 1,559,588 ordinary shares of 10p each in the company. The recipients of these warrants have not ascribed any value to this warrant agreement.

The calculation of the earnings per share is based on the loss attributable to the equity holders for the period of £759,000 and on 77,979,412 shares (2007:77,979,412) being the weighted average number of shares, both basic and diluted, in issue during the period. The share warrants mentioned above are not included in the calculation of diluted EPS as the average share price was less than the exercise price for the period.

Substantial shareholders' interests	No.	% holding
PDT Holdings Limited	50,423,723	65%
Deniece Allen	10,000,000	13%

#### 22 Reserves

Company	Share Premium £'000	Merger reserve £'000	Retained earnings £'000
At 1 January 2007	22	(7,060)	(83)
Profit for the period	-	-	(932)
At 31 May 2009	<u>22</u>	<u>(7,060)</u>	<u>(1,015)</u>

## 23 Disposal of business

During the financial period the company disposed of its overseas operations. Details of the disposal are as follows:

### Book value of net assets sold

	Period ended 31 May 2009 £'000	Year ended 31 Dec 2007 £'000
Current assets		
Cash and cash equivalents	3	-
Trade receivables	994	-
Inventories	201	-
Non-current assets		
Property, plant and equipment	1,044	-
Current liabilities		
Payables	(5,847)	-
Non-current liabilities		
Borrowings	(520)	-
	<hr/>	<hr/>
Net liabilities disposed of	(4,125)	-
Minority interest	-	-
Gain on disposal	4,125	-
	<hr/>	<hr/>
	<hr/>	<hr/>
Consideration		
Consideration paid in cash	-	-
Deferred consideration	-	-
	<hr/>	<hr/>
	<hr/>	<hr/>

Consideration of 1 euro has been paid in respect of the overseas operations. For a period of five years there is deferred consideration payable to the company based on the capital and income distributions attributable to the overseas development properties (note 28). The deferred consideration receivable is estimated by the directors to be £100.

## 24 Operating leases

	Group		Company	
	31 May 2009 £'000	31 Dec 2007 £'000	31 May 2009 £'000	31 Dec 2007 £'000
Total commitments under non-cancellable operating leases are as follows:				
Land and buildings				
Expiring within one year	<hr/>	<hr/>	<hr/>	<hr/>

# AIM INVESTMENTS PLC

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE 17 MONTHS TO 31 MAY 2009

#### 25 Finance lease liabilities

	Group		Company	
	31 May 2009	31 Dec 2007	31 May 2009	31 Dec 2007
	£'000	£'000	£'000	£'000
Minimum lease payments:				
No later than 1 year	-	31	-	-
Later than 1 year and not later than 5 years	-	20	-	-
	-	51	-	-
Less future finance charges	-	(2)	-	-
Present value of minimum lease payments	-	49	-	-
Included in the financial statements as:				
Trade and other payables (note 16)	-	30	-	-
Long term borrowings (note 17)	-	19	-	-
	-	49	-	-

#### 26 Capital commitments

There were no capital commitments at 31 May 2009 or 31 December 2007.

#### 27 Directors' interests and related parties

The immediate parent and ultimate controlling party is PDT Holdings Limited, the majority shareholder. PDT Holdings Limited is a company incorporated in Mauritius. PDT Holdings Limited is a company connected to Andrew Meikle. Andrew Meikle has an interest as a discretionary beneficiary in a family trust, the trustees of which hold the shares in PDT Holdings Limited.

During the year the company disposed of Medsea UK Limited to Tony Gatehouse and Juan Carlos Rodriguez, who at that time were directors of the company, for consideration of €1 and the deferred consideration as set out in note 28.

Andrew Meikle and Alexandra Eavis are directors of Maji Capital Partners Group plc (Maji Capital). John Frankland is a shareholder of Maji Capital. Maji Capital has provided a loan of £120,000 to the company. In addition, Maji Capital has agreed to provide working capital of up to £150,000 to the Company for a minimum period of eighteen months. The obligation to provide the working capital facility has been guaranteed by Andrew Meikle and Alexandra Eavis. The amount drawn down at 31 May 2009 was £34,000. The total balance due to Maji Capital at 31 May 2009 was £154,000. The loan and working capital facility is non-interest bearing until repayment is duly demanded after which interest will accrue on a daily basis at an annual rate of 5%. The loan and the working capital facility are repayable on demand which may be made on or after 31 July 2010.

During the period Maji Capital provided administrative services to the company, and a fee of £12,000 is payable to Maji Capital for those services.

At 31 December 2007 Tony Gatehouse and Juan Carlos Rodriguez had shareholdings in Eurobond Investments SL, which is the parent company of Nuevas Inversiones del Mediterraneo SL and Residencial Argos Sol SL. These interests were disposed of as part of the disposal of Medsea UK Limited and the balance at 31 May 2009 was £nil.

The balances due from these related parties are as follows:

	2007
	£'000
Tojuca Investments SL	93
Nuevas Inversiones del Mediterraneo SL	149
Residencial Argos Sol SL	196
	<u>438</u>

**28 Events after the balance sheet date and deferred consideration**

There is deferred consideration arising on the sale of Medsea UK Limited equivalent to an amount equal to 15% of capital and income distributions derived by Medsea Group SL and its subsidiary undertakings attributable to certain of the development properties (the Property Distributions) which arise during the five year period from 8 May 2009 (the Deferred Period). In addition during each successive year following the Deferred Period, the Executive Directors will procure that an amount equal to 15% of the Property Distributions less 3% in each successive year will be paid to AIM Investments PLC (eg: 12% in year 6, 9% in year 7 etc.). In accordance with the Circular dated 7 April 2009 the benefit of this deferred consideration is to be held for the shareholders of the company excluding Mr Tony Gatehouse, Mrs Catherine Gatehouse and Mr Juan Carlos Rodriguez Martinez. In the opinion of the directors the value of the deferred consideration at the date of the transaction and at the date of these accounts was £100.

Following the year end the benefit of the deferred consideration has been transferred to a trust to be held for the benefit of the minority shareholders of the Company for consideration of £100.