Final 30 May 2012

# WESTSIDE INVESTMENTS Plc
## (Formerly Westside Acquisitions Plc)

# ANNUAL REPORT AND FINANCIAL STATEMENTS

# 2011

Contents

**Directors**

| | |
|---|---|
| R L Owen | *Executive chairman* |
| G Simmonds FCA | *Chief executive* |
| D Hillel FCA | *Finance director* |
| J Zucker | *Non executive director* |
| D J Coldbeck ACIB | *Non executive director* |

**Secretary**

D Hillel FCA

**Registered office**

58-60 Berners Street
London W1T 3JS

**Company number**

3882621

**Company website**

www.westsideacquisitions.com

**Bankers**

Barclays Bank Plc
1 Churchill Place
London
E14 5HP

**Nominated advisor**

Seymour Pierce Limited
7th Floor
20 Old Bailey
London
EC4N 7EN

**Auditors**

Hazlewoods LLP
Windsor House
Barnett Way
Barnwood
Gloucester
GL4 3RT

**Broker**

Seymour Pierce Limited
7th Floor
20 Old Bailey
London
EC4N 7EN

**Legal advisors**

Finers Stephens Innocent LLP
179 Great Portland Street
London
W1W 5LS

**Registrars**

Share Registrars Limited
1st Floor
9 Lion and Lamb Yard
Farnham, Surrey GU9 7LL

Westside Investments Plc announces its results for the year ended 31st December 2011.

**Chairman's Statement and Chief Executive's Review**

Economic and political troubles especially in the Eurozone continue to unsettle the world markets and this continues to make conditions challenging for our investment activities.

Following a strategic review of the Group's activities in the second half of 2011, we refocused the structure and direction of Westside. This involved:

- a change of name to Westside Investments Plc;
- an intention to seek private equity style transactions to be conducted by Reverse Take-Over Investments Plc ('RTI');
- the further strengthening and development of The Elms, Sport in Schools and Football Partners Ltd - the subsidiaries controlled by Westside through Pantheon Leisure Plc; and
- the increase in the issued share capital of the Company by £1 million which was achieved by the issue of new ordinary shares by way of a Placing to raise £500,000 and the conversion into equity of £500,000 of loan notes which were due to be redeemed in 2014.

All of these matters were approved and ratified at the general meeting held prior to the year end.

For the year ended 31st December 2011 we are reporting a pretax loss of £279,976 (2010: £636,664). Westside's net cash balances as at 31st December 2011 were £692,227 (2010: £411,402). The Directors are not recommending the payment of a dividend.

Pantheon Leisure Plc ('Pantheon') as a group made a segmental profit of £145,767 for the 12 months ended 31st December 2011 (2010: £115,538)

We are pleased to report progress in the trading performance of The Elms Group which is a wholly owned subsidiary of Pantheon and in the underlying investment portfolio of RTI.

**Pantheon Leisure**

Westside holds 85.87% of the issued share capital of Pantheon which in turn wholly owns the operating business of The Elms Group, Pantheon's sport and leisure division.

The Elms Group comprises two trading companies, Sport in Schools Limited – also known as The Elms Sport in Schools ('ESS') and Football Partners Limited – also known as The Elms Small Sided Football ('ESSF').

ESS has generated growth of 13.2% in turnover for the year and contributed a divisional profit of some £113,120 as compared with £57,544 last year.

The management appointments previously announced - James Vaughan as Joint Managing Director; Jason O'Connor as Director of Coaching and Angie Wilcox as Director of Administration, have fulfilled our objective to provide The Elms Group with young and dynamic management.

Turnover of the 5-a-side activities decreased by some 6.8% in the full year with margins at ESSF being maintained and a small segmental profit of £12,770 being returned.

Pantheon continues to hold 6,254,000 Ordinary shares in Fitbug Holdings Plc ('Fitbug'). This interest now represents a 3.9% interest in the enlarged share capital of that company following the issue by Fitbug of 29,444,444 new ordinary shares at 1.8p to raise £530,000 for the purpose of supporting and accelerating the development of its business in America.

In Westside's accounts last year, Fitbug shares were valued at 1.47p per share. By July 2011, Fitbug shares traded in a price range between 5.7p and 9.0p per share.
In both the accounts of Westside and Pantheon, we have adopted a valuation for this shareholding of 1.43p per share being the bid market price at 31 December 2011.

**RTI**

Aeorema Communications Plc ('Aeorema') (previously named Cheerful Scout Plc) is a multimedia specialist company. Mike Hale was appointed Chairman in September 2011 and to accommodate his appointment RTI sold to him 500,000 Aeorema ordinary shares. This realised £50,000 before expenses and RTI now retains 300,000 shares in Aeorema currently valued (as at 25 May 2012) at £69,000 and represents 3.7% of Aeorema's issued share capital.

Messaging International Plc ('Messaging') is a provider of innovative mobile messaging services. Messaging reported strong revenue growth for its year to 31st December 2010 and made a profit of £357,000 and we anticipate that Messaging will have another successful year ended 31st December 2011.

In February 2012 Messaging bought back for cancellation 80 million ordinary shares representing some 34% of its share capital. As a result Messaging now has 155 million shares in issue and at the bid market price of 0.65p a share (as at 25 May 2012) it is capitalised at under £1.1 million. RTI and Westside now hold 24 million shares representing approximately 15.5% of the share capital and our combined holding is valued at £156,000 based on a share price of 0.65p per share.

During 2011, Westside was instrumental in the planning and implementation of this transaction. After complicated and lengthy negotiations the basic consideration paid by Messaging was £125,000 whereas the current market value of the cancelled shares would be in the order of £725,000.

The market value of RTI's portfolio of investments held as at 25 May 2012 is £225,000 (compared with £205,895 at 31st December 2010 as adjusted for the disposal of shares in Aeorema).

**Outlook**

We look forward to continued progress at Pantheon with particular emphasis on its sports tuition activities which we believe will continue to expand. Our investment portfolios do leave scope for price appreciation over time. We anticipate that our refocused structure and direction for Westside should result in new joint venture activities during 2012.

We look forward to updating shareholders on progress.

Richard Owen
Chairman

Geoffrey Simmonds
Chief Executive Officer

30 May 2012

**Richard Owen (aged 66), Executive Chairman**

Richard is a non-executive director of Aeorema Communications Plc, a company traded on AIM. Richard has extensive experience and involvement in corporate and strategic planning, acquisitions and finance. Richard holds various company directorships.

**Geoffrey Simmonds (aged 69), Chief Executive Officer**

Geoffrey is a non-executive director of Fitbug Holdings plc and Messaging International plc, both are AIM traded companies. He qualified as a chartered accountant in 1966. He has extensive involvement and experience in corporate and strategic planning, acquisitions and finance. Geoffrey holds various other company directorships.

**David Hillel (aged 76), Finance Director**

David is a chartered accountant, having qualified in 1966 and has extensive experience in the affairs of family run businesses of varying sizes and specialises in property dealing, development and investment companies. He is a fellow of the Institute of Chartered Accountants in England and Wales and a member of its Finance and Management Faculty.

**John Zucker (aged 62), Non-Executive Director**

John is a solicitor with considerable company and commercial experience. He is a consultant in the corporate department at law firm, Matthew, Arnold & Baldwin LLP.

**David Coldbeck (aged 65), Non-Executive Director**

David worked for HSBC Bank plc for 32 years during which time he undertook various managerial roles in Retail and Corporate Banking, ultimately being appointed Area Director in London, a position he held for nine years prior to his retirement in 1999. David is an associate of the Chartered Institute of Bankers and holds various other company directorships.

**Company Number 03882621**

The directors present their report and financial statements for the group and parent company for the year ended 31 December 2011.

**Results and dividends**
The loss of the group before and after tax is given on page 12. The directors do not recommend the payment of a dividend.

**Principal activity**
The principal activity of Westside Investments Plc ("the company") is to make investments in or to acquire early stage companies operating in the sectors of sport, technology and general investment.

The trading subsidiaries are Reverse Take-Over Investments Plc, Football Partners Limited and Sport in Schools Limited.

Reverse Take-Over Investments Plc specialises in shell companies which are used to make substantial acquisitions with the view to obtaining a public quotation for the shell.

Football Partners Limited carries on the business of running small-sided football leagues and Sport in Schools Limited provides sports coaching in schools.

**Business review**
The board continues to focus on all activities carried on by its trading subsidiaries. Details of these activities and a review of the business are given in more detail in the chairman's statement and chief executive's review on pages 2 and 3 and in note 6 to the group financial statements.

The group's key performance indicators are measured by reference to the fair value of investments-for-sale, growth in turnover and profit, details of which are also given in note 6 in the notes to the group financial statements.

**Business risk**
The main business risks to the group's trading operations are:

The operating performance and future prospects of the group's available-for-sale investments can have an effect on their market value for trading purposes.

The group's sport in schools activities relies on the continuation of government policy regarding preparation, planning and assessment time for teachers and compliance with the government recommended amount of time to be devoted to sports and physical education.

**Financial risk**
The main financial risks to the group are market, credit and liquidity risks.

Market risk is the risk that changes in general economic conditions will affect the value of the group's portfolio of available for sale investments. The directors monitor market values with the view to maximising revenues in the event of disposals.

Credit risks arise from trade receivables where the party fails to discharge their obligation in relation to the financial instrument. To minimise this risk, management have appropriate credit assessment methods to establish credit worthiness of new customers and monitor receivables by regularly reviewing aged receivable reports. There is no concentration of credit risk.

Liquidity risk arises in relation to the group's management of working capital and the risk that the company or any of its subsidiary undertakings will encounter difficulties in meeting financial obligations as and when they fall due. To minimise this risk the liquidity position and working capital requirements are regularly reviewed by management. Further explanation of these risks is set out in note 4 to the financial statements.

The directors do not consider changes in interest rates have a significant impact on the group's cost of finance or operating performance.

**Directors**

The directors holding office during the year were:-

R L Owen
G Simmonds
D Hillel
J Zucker
D Coldbeck

**Directors' interests**

At the date of this report the directors held the following beneficial interests in the ordinary share capital and warrants :

| | Ordinary shares No. | 2009 Warrants No. |
|---|---|---|
| R L Owen | 113,875,000 | 10,000,000 |
| G Simmonds | 113,867,042 | 10,000,000 |
| D Hillel | 3,500,000 | - |
| J Zucker | 31,746,363 | 2,500,000 |
| D Coldbeck | 6,160,909 | - |

**Substantial Interests**

At the date of this report, the following had an interest of 3% or more in the ordinary share capital of the company:

| | Ordinary shares | Percentage |
|---|---|---|
| B Rowan | 200,000,000 | 17.99 |
| W Weston | 166,700,000 | 15.00 |
| R L Owen | 113,875,000 | 10.25 |
| G Simmonds | 113,867,042 | 10.24 |
| D Kyte | 100,000,000 | 9.00 |
| M Coppeard | 50,725,000 | 4.56 |
| P R Jacobson (in trust for the estate of M Jacobs) | 40,000,000 | 3.60 |
| B Jacobs | 35,000,000 | 3.15 |

**Supplier payment policy for the payment of creditors**

The group's policy is to settle its liabilities within terms of payment agreed with suppliers. The group's normal terms of payment are 45 days. The parent company adheres to terms of payment agreed with suppliers. At 31 December 2011, and at all other times in the year, trade creditors were minimal.

The ratio of group creditors expressed in days of the amounts owed to trade creditors at the year end to amounts invoiced by suppliers during the year was 19 days (2010 – 29 days).

**Health and safety**

The company recognises the importance of safeguarding the health, safety and welfare of all employees in the group and the relevant subsidiary undertakings have health and safety policies in place.

**Environmental policy**

The group recognises the importance of environmental responsibilities and where practicable has an environmental policy in place which includes the recycling of paper and all office material. The directors believe the nature of its activities have a minimal effect on the environment.

**Auditors**

In accordance with Section 489 of the Companies Act 2006 a resolution proposing that Hazlewoods LLP, be re-appointed as auditors of the company will be put forward at the forthcoming Annual General Meeting.

**Statement of disclosure to auditor**

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware and the directors have taken all steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

By order of the board.

D Hillel
Company secretary
30 May 2012

The board of Westside Investments Plc is accountable to the company's shareholders for good corporate governance and in so doing is committed to the principles outlined in the Combined Code. Although AIM traded companies are not required to report on the Combined Code, the directors are committed to proper standards of good governance and will continue to keep procedures under review. The following provides an outline of the principal policies and procedures established by the board.

**Board and board committees**

Board meetings are held on a monthly basis throughout the year which with few exceptions have been fully attended. In view of the small size of the board, matters otherwise dealt with by the remuneration committee have been dealt with by the board as a whole.

The audit committee is composed of the two non-executive directors and meetings are held twice a year to review the company's interim and final results.

Westside's shares are traded on AIM and, as such under AIM Rule 31, the company is required to:

- have in place sufficient procedures, resources and controls to enable its compliance with the AIM rules;
- seek advice from its nominated adviser ("nomad") regarding its compliance with the AIM Rules whenever appropriate and take that advice into account;
- provide the company's nomad with any information it requests in order that the nomad can carry out its responsibilities under the AIM Rules for companies and the AIM rules for nominated advisers;
- ensure that each of the company's directors accepts full responsibility, collectively and individually, for compliance with the AIM Rules; and
- ensure that each director discloses without delay all information which the company needs in order to comply with AIM Rule 17 (Disclosure of Miscellaneous Information) insofar as that information is known to the director or could with reasonable diligence be ascertained by the director.

The board as a whole have considered their obligations under AIM Rule 31 and are satisfied the objectives set out above are being met.

**Relationships and shareholders**

The board places considerable importance on creating and maintaining a strong relationship with its shareholders.

**Accountability and financial control**

The board has overall responsibility for the systems of financial controls which reflect the current scale of the group's activities, the key features of which are as follows:

(i) **Control environment**
There are clearly defined organisational responsibilities and the board is committed to employing suitably qualified staff so that the appropriate level of authority can be delegated with regard to accountability and acceptable levels of risk.

(ii) **Information systems**
The group prepares monthly financial information which is discussed at the monthly board meetings.

(iii) **Identification and evaluation of business risks and controls**
Management control is exercised at all levels of the group and is regulated by appropriate limits of authority. The directors have considered various areas of business risks and take decisions whenever there are perceived changes to the risks.

(iv) **Quality and integration of personnel**
The group attaches high importance to the values of trust, honesty and integrity of personnel in positions of responsibility and operates a policy of recruiting suitably experienced personnel with defined duties.

The board has considered the need for an internal audit function but does not consider that the size of the business justifies a fulltime appointment. The board continues to monitor this appointment and will act accordingly.

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have, as required by the AIM Rules of the London Stock Exchange, elected to prepare the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group 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 estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with IFRS's as adopted by the European Union; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that company and the group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions, and disclose with reasonable accuracy at any time the financial position of the company and 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.

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

We have audited the financial statements of Westside Investments Plc for the year ended 31 December 2011 which comprise the consolidated statement of comprehensive income, the consolidated and company statement of financial position, the consolidated and company statements of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRS's) as adopted by the European Union and, as regards the parent company financial statements as applied in accordance with the provisions of the Companies Act 2006.

This report is made solely to the members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report and for the opinions we have formed.

**Respective responsibilities of directors and auditors**

As explained more fully in the statement of directors' responsibilities set out on page 9, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland).Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

**Scope of audit and 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 and parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors and the overall presentation of the financial statements.

**Opinion on financial statements**

In our opinion:

- the financial statements give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2011 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRS's as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with IFRS's as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the group and parent company financial statements have been prepared in accordance with the provisions of the Companies Act 2006.

**Opinions on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following:

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the 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 and returns: or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit

**Paul Fussell (Senior Statutory Auditor)**
**For and on behalf of Hazlewoods LLP, Statutory Auditors**

Windsor House
Barnett Way
Barnwood
Gloucester GL4 3RT

30 May 2012

| | Notes | 2011 £ | 2010 £ |
|---|---|---|---|
| **Revenue** | **3b, 6** | 1,515,290 | 1,535,127 |
| Cost of sales | | (867,908) | (938,115) |
| **Gross profit** | | 647,382 | 597,012 |
| Administrative expenses | | (883,693) | (922,423) |
| Provision for impairment in value of available -for- sale investments | | (2,563) | (265,005) |
| | | (992,923) | (1,187,428) |
| **Operating loss** | **7** | (238,874) | (590,416) |
| Finance costs | **9** | (41,102) | (46,248) |
| **Loss before taxation** | | (279,976) | (636,664) |
| Taxation | **10** | (13,431) | (15,401) |
| **Loss after taxation** | | (293,407) | (652,065) |
| **Attributable to:** | | | |
| Equity holders of the parent company | | (296,443) | (628,426) |
| Non-controlling interests | | 3,036 | (23,639) |
| | | (293,407) | (652,065) |
| **Other comprehensive loss:** | | | |
| Revaluation losses on available-for-sale investments taken to equity | | (32,397) | (55,005) |
| Taxation on items taken directly to equity | **10** | 13,431 | 15,401 |
| **Other comprehensive loss** | | (18,966) | (39,604) |
| **Comprehensive loss attributable to:** | | | |
| Equity holders of the parent company | | (315,409) | (668,030) |
| Minority interest | | 3,036 | (23,639) |
| **Total comprehensive loss** | | (312,373) | (691,669) |
| **Loss per share (basic and diluted)** | | | |
| Loss from operations per share | **11** | (0.25)p | (0.56)p |
| Other comprehensive loss per share | | (0.01)p | (0.04)p |
| **Total comprehensive loss per share** | | (0.26)p | (0.60)p |

All losses arise from continuing operations of the group

The notes on pages 17 to 37 form part of these financial statements.

| | *Unaudited group pro forma 2011* | Notes | 2011 | Restated 2010 |
|---|---|---|---|---|
| | *£* | | £ | £ |
| **Non current assets** | | | | |
| Goodwill | *59,954* | **13** | 59,954 | 59,954 |
| Property, plant and equipment | *88,918* | **15** | 88,918 | 109,719 |
| Available-for-sale investments | *89,432* | **16** | 89,432 | 91,995 |
| **Total non-current assets** | *238,304* | | 238,304 | 261,668 |
| **Current assets** | | | | |
| Available-for-sale investments | *208,500* | **16** | 208,500 | 255,895 |
| Trade and other receivables | *85,739* | **17** | 85,739 | 135,582 |
| Cash and cash equivalents | *692,227* | | 692,227 | 411,402 |
| **Total current assets** | *986,466* | | 986,466 | 802,879 |
| **Total assets** | ***1,224,770*** | | **1,224,770** | **1,064,547** |
| **Current liabilities** | | | | |
| Trade and other payables | *279,091* | **18** | 279,091 | 283,852 |
| Borrowings | *25,993* | **21** | 25,993 | 25,993 |
| **Total current liabilities** | *305,084* | | 305,084 | 309,845 |
| **Non-current liabilities** | | | | |
| Borrowings | *35,993* | **21** | 35,993 | 561,987 |
| **Total non-current liabilities** | *35,993* | | 35,993 | 561,987 |
| **Total liabilities** | ***341,077*** | | **341,077** | **871,832** |
| **Net assets** | ***883,693*** | | **883,693** | **192,715** |
| **Equity** | | | | |
| Share capital | *1,111,489* | **22** | 2,114,894 | 1,114,884 |
| Share premium account | - | **24** | 307,252 | 307,179 |
| Capital redemption reserve | - | **24** | 182,512 | 182,512 |
| Merger reserve | *325,584* | **24** | 325,584 | 325,584 |
| Fair value reserve | *82,840* | **24** | 82,840 | 101,806 |
| Retained earnings | *(573,164)* | **24** | (2,066,333) | (1,773,158) |
| **Equity attributable to shareholders' of the parent company** | ***946,749*** | | **946,749** | **258,807** |
| Non- controlling interests | *(63,056)* | **24** | (63,056) | (66,092) |
| **Total Equity** | ***883,693*** | | **883,693** | **192,715** |

The group pro forma statement of financial position represents the balance sheet at 31 December 2011 subsequent to the capital reorganisation approved by shareholders on 29 December 2011 and by the High Court on 8 February 2012 and illustrates the balance sheet position at 31 December 2011 had the reorganisation taken place at that date as explained in note 25.

The financial statements were approved and authorised for issue by the board on 30 May 2012 and signed on its behalf by:

R L Owen
Director

G Simmonds
Director

The notes on pages 17 to 37 form part of these financial statements.

| | *Unaudited company pro forma 2011 £* | Notes | 2011 £ | 2010 £ |
|---|---|---|---|---|
| **Non current assets** | | | | |
| Investment in subsidiaries | *295,508* | **14** | 295,508 | 252,928 |
| Property, plant and equipment | *49,908* | **15** | 49,908 | 74,861 |
| Other receivables | *500,000* | **17** | 500,000 | - |
| **Total non-current assets** | *845,416* | | 845,416 | 327,789 |
| **Current assets** | | | | |
| Trade and other receivables | *389,191* | **17** | 389,191 | 1,012,737 |
| Cash and cash equivalents | *582,224* | | 582,224 | 319,138 |
| **Total current assets** | *971,415* | | 971,415 | 1,331,875 |
| **Total assets** | ***1,816,831*** | | **1,816,831** | **1,659,664** |
| **Current liabilities** | | | | |
| Trade and other payables | *199,042* | **18** | 199,042 | 97,694 |
| Borrowings | *23,993* | **21** | 23,993 | 23,993 |
| **Total current liabilities** | *223,035* | | 223,035 | 121,687 |
| **Non current liabilities** | | | | |
| Borrowings | *23,993* | **21** | 23,993 | 547,987 |
| **Total non-current liabilities** | *23,993* | | 23,993 | 547,987 |
| **Total liabilities** | ***247,028*** | | **247,028** | **669,674** |
| **Net assets** | ***1,569,803*** | | **1,569,803** | **989,990** |
| **Equity** | | | | |
| Share capital | *1,111,489* | **22** | 2,114,894 | 1,114,884 |
| Share premium account | - | **24** | 307,252 | 307,179 |
| Capital redemption reserve | - | **24** | 182,512 | 182,512 |
| Merger reserve | *325,584* | **24** | 325,584 | 325,584 |
| Retained earnings | *132,730* | **24** | (1,360,439) | (940,169) |
| **Total equity** | ***1,569,803*** | | **1,569,803** | **989,990** |

The company pro forma statement of financial position represents the balance sheet at 31 December 2011 subsequent to the capital reorganisation approved by shareholders on 29 December 2011 and by the High Court on 8 February 2012 and illustrates the balance sheet position at 31 December 2011 had the reorganisation taken place at that date as explained in note 25.

The financial statements were approved and authorised for issue by the board on 30 May 2012 and signed on its behalf by:

R L Owen
Director

G Simmonds
Director

The notes on pages 17 to 37 form part of these financial statements.

| | Notes | 2011 £ | 2010 £ |
|---|---|---|---|
| **Cash flow from operating activities** | | | |
| Operating loss | | (238,874) | (590,416) |
| **Adjustments for:** | | | |
| Provision for impairment in value of available for sale investments | | 2,563 | 265,005 |
| Profit on disposal of available-for-sale investments | | (34,751) | (25,002) |
| Depreciation | | 41,740 | 31,356 |
| Share based payments | | 9,829 | 21,874 |
| **Operating cash flow before working capital movements** | | (219,493) | (297,183) |
| Increase in receivables | | 43,282 | (15,422) |
| Decrease in payables | | (4,761) | (7,351) |
| **Net cash absorbed by operations** | | (180,972) | (319,956) |
| Finance costs | | (41,102) | (46,248) |
| **Net cash absorbed by operating activities** | | **(222,074)** | **(366,204)** |
| **Investing activities** | | | |
| Property, plant and equipment acquired | | (20,939) | (13,903) |
| Proceeds from sale of property, plant and equipment | | - | 39,000 |
| Acquisition of available-for-sale investment | | - | (30,000) |
| Proceeds on disposal of available-for-sale investment | | 49,749 | 125,000 |
| **Net cash from investing activities** | | **28,810** | **120,097** |
| **Financing activities** | | | |
| Issue of equity capital | | 1,000,083 | - |
| Repayment of 7.5% loan notes | | (500,000) | - |
| Purchase of interest in subsidiary | | - | (132,651) |
| Loan repaid | | (2,000) | (2,000) |
| Hire purchase repayments | | (23,994) | (57,009) |
| **Net cash from/(used in) financing activities** | | **474,089** | **(191,660)** |
| **Net increase/(decrease) in cash and cash equivalents in the year** | **29** | **280,825** | **(437,767)** |
| Cash and cash equivalents at the beginning of the year | **29** | 411,402 | 849,169 |
| **Cash and cash equivalents at the end of the year** | **29** | **692,227** | **411,402** |

The notes on pages 17 to 37 form part of these financial statements.

| | Notes | 2011 £ | 2010 £ |
|---|---|---|---|
| **Cash flow from operating activities** | | | |
| Operating loss | | (379,168) | (281,298) |
| **Adjustments for:** | | | |
| Provision for impairment in value of investments | | (42,580) | (28,680) |
| Provision against irrecoverable intra-group indebtedness | | 95,650 | - |
| Depreciation | | 24,953 | 16,993 |
| Share based payments | | 6,561 | 8,750 |
| **Operating cash flow before working capital movements** | | (294,584) | (284,235) |
| Decrease in receivables | | 21,335 | 158,716 |
| Increase/(decrease) in payables | | 101,348 | (5,510) |
| **Net cash absorbed by operations** | | (171,901) | (131,029) |
| Finance costs | | (41,102) | (46,248) |
| **Net cash absorbed by operating activities** | | **(213,003)** | **(177,277)** |
| **Investing activities** | | | |
| Acquisitions of property, plant and equipment | | - | (2,880) |
| Proceeds from sale of property, plant and equipment | | - | 39,000 |
| **Net cash from investing activities** | | **-** | **36,120** |
| **Financing activities** | | | |
| Issue of equity capital | | 1,000,083 | - |
| Repayment of 7.5% loan notes | | (500,000) | - |
| Hire purchase repayments | | (23,994) | (57,009) |
| **Net cash from/(used in) financing activities** | | **476,089** | **(57,009)** |
| **Net increase/(decrease) in cash and cash equivalents in the year** | **29** | **263,086** | **(198,166)** |
| Cash and cash equivalents at the beginning of the year | **29** | 319,138 | 517,304 |
| **Cash and cash equivalents at the end of the year** | **29** | 582,224 | 319,138 |

The notes on pages 17 to 37 form part of these financial statements

**1. General information**

Westside Investments Plc (formerly Westside Acquisitions Plc) is a company incorporated in the United Kingdom and its activities are as described in the chairman's statement and directors' report.

These financial statements are prepared in pounds sterling because that is the currency of the primary economic environment in which the group operates.

**2. Basis of Accounting**

The consolidated financial statements of the group for the year ended 31 December 2011 have been prepared under the historical cost convention except for the revaluation of available-for-sale investments to fair value and are in accordance with International Financial Reporting Standards ('IFRS'') as adopted by the EU. These have been applied consistently except where otherwise stated.

At the date of authorisation of these financial statements, the following standards and Interpretations which have not been applied in these financial statements were in issue but not yet effective (and in some cases had not been adopted by the EU).

Amendments to IFRS 7 'Disclosures - Transfers of financial assets' effective for periods commencing on or after 1 July 2011
Amendments to IAS 12 'Deferred tax: recovery of underlying assets' effective 1 January 2012
Amendments to IAS1 'Presentation of items of other comprehensive income' effective 1 July 2012
IFRS 9 'Financial instruments' effective 1 January 2013
IFRS 10 'Consolidated financial statements' effective 1 January 2013
IFRS 11 'Joint arrangements' effective 1 January 2013
IFRS 12 'Disclosure of interests in other entities' effective 1 January 2013
IFRS 13 'Fair value measurement' effective 1 January 2013
IAS 19 'Employee benefits (amended 2011)' effective 1 January 2013
IAS 27 'Separate financial statements (2011)' effective 1 January 2013

The directors anticipate that the adoption of these standards and interpretations in future periods will have no material effect on the financial statements of the group.

**3. Significant accounting policies**

(a) **Basis of consolidation**

The financial statements of the group incorporate the financial statements of the company and entities controlled by the company which are its subsidiary undertakings. Control is achieved where the company has the power to govern the financial and operating policies of its subsidiary undertakings so as to benefit from their activities.

Details of subsidiary undertakings are set out in note 14.

All intra-group transactions and balances have been eliminated in preparing the consolidated financial statements.

(b) **Revenue**

Revenue arises from the disposal of available-for-sale investments by Reverse Take-Over Investments Plc and sports and leisure activities undertaken by Football Partners Limited and Sport in Schools Limited. In the case of sports and leisure activities it represents invoiced and accrued amounts for services supplied in the year, exclusive of value added tax and trade discounts.

**3. Significant accounting policies (continued)**

(c) **Goodwill**

Goodwill arising on consolidation represents the excess of the cost of acquisition over the group's interest in the fair value of the identifiable assets and liabilities of subsidiary entities at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses. Goodwill which is recognised as an asset is reviewed for impairment at least annually. Any impairment is recognised immediately in the income statement and is not subsequently reversed.

For the purpose of impairment testing, goodwill is allocated to each of the group's cash generating units expected to benefit from synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary, associate or jointly controlled entity, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Goodwill arising on acquisitions before the date of transition to IFRS's has been retained at the previous UK GAAP amounts subject to being tested for impairment at that date.

(d) **Plant and equipment**

Plant and equipment are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less their estimated residual value over their expected useful lives.

The rates applied to these assets are as follows:

| | |
|---|---|
| Plant & equipment | 25% & 10% straight line |
| Motor vehicles | 33.3% straight line |

(e) **Operating leases**

Rentals applicable to operating leases, where substantially all of the benefits and risks of ownership remain with the lessor, are charged against revenue as and when incurred.

(f) **Deferred taxation**

Deferred taxation is provided in full in respect of timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance is not discounted.

The recognition of deferred tax assets is limited to the extent that the group anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

(g) **Trade receivables**

Trade receivables are recognised at fair value. A provision for impairment of trade receivables is established where there is objective evidence that the company or group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or liquidation and default or delinquency of payments are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the income statement within administrative expenses. When a trade receivable is uncollectable it is written off against the allowance account for trade receivables.

**3. Significant accounting policies (continued)**

(h) **Investments**

Investments are classified as available for sale, and are measured at fair value. Gains or losses in changes in fair value are recognised directly in equity, until the security is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognised in equity is included in the net profit or loss for the period. Impairment losses recognised in profit or loss are not subsequently reversed through profit or loss.

Fair value of quoted investments is based on current bid prices. If an investment is suspended from trading fair value is based on quoted bid prices on the first day that trading recommences following suspension.

Investments in subsidiary undertakings are stated at cost less provision for impairment in the parent company balance sheet.

(i) **Cash and cash equivalents**

Cash and cash equivalents include cash in hand and deposits held at call with banks. Bank overdrafts are shown as borrowings within current liabilities.

(j) **Financial liabilities and equity**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Ordinary shares are classified as equity. Incremental costs directly attributable to new shares are shown in equity as a deduction from the proceeds.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost, any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowing using the effective interest method.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the date of the statement of financial position.

**4. Critical accounting judgements and key sources of estimation uncertainty**

**Deferred tax asset**

At the present time the directors' do not consider that there is sufficient certainty regarding the utilisation of tax losses available in the group. As a result, no deferred tax asset has been recognised.

**Impairment of goodwill**

Determining whether goodwill is impaired requires an estimation of the value in use of the cash generating units to which the goodwill has been allocated. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash generating unit and a suitable discount rate in order to calculate present value. The carrying amount of goodwill is the deemed cost on first time application of IFRS.

Details of the impairment review calculation are given in note 13.

## 4. Critical accounting judgements and key sources of estimation uncertainty (continued)

**Impairment of investment in subsidiary undertakings**

The company holds listed investments through various subsidiary undertakings. The values of these investments have been assessed based on their current quoted market value .These values have been used to estimate the recoverable value of the subsidiary undertakings. Where the estimated recoverable value of the company's investments in these subsidiary undertakings is less than the carrying value, the investment has been written down to the estimated recoverable value.

**Impairment of loans to subsidiary undertakings**

The company has made provision against loans to its subsidiary undertakings that hold listed investments resulting from a change in the value of those listed investments and thus affecting the ability of those subsidiary undertakings to repay these loans in full.

## 5. Going concern

These financial statements have been prepared on the assumption that the group is a going concern which is dependent on the group's ability to generate sufficient revenues which along with existing cash resources will be sufficient to meet future financial obligations as they fall due.

In the last three completed financial years the group has continued to absorb cash from its operations which has significantly depleted available cash resources. The directors are however satisfied that sufficient cash will continue to be available to enable continuation of its trading activities. In particular the directors anticipate that the sports and leisure business segment will continue to be cash generative, overhead costs will be strictly controlled and monitored and it is anticipated that it will be possible to realise some or all of the group's investments.

A further £500,000 was raised during the year from the placing of new shares and at the end of the financial year the group had cash resources of £692,227.

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## 6. Business segment analysis

Segmental information with regard to activities is disclosed below
All turnover, profit, assets and liabilities relate to operations undertaken in the UK

**Year ended 31 December 2011**

| | Investment £ | Sports and leisure £ | Consolidated £ |
|---|---|---|---|
| Revenue | 49,749 | 1,465,541 | 1,515,290 |
| Segment operating profit | 32,188 | 145,767 | 177,955 |
| Unallocated corporate expense* | | | (416,829) |
| **Operating loss** | | | (238,874) |
| Finance costs | | | (41,102) |
| **Loss before taxation** | | | (279,976) |
| Taxation | | | (13,431) |
| **Loss after taxation from continuing activities** | | | (293,407) |

**Year ended 31 December 2010**

| | Investment £ | Sports and leisure £ | Consolidated £ |
|---|---|---|---|
| Revenue | 125,000 | 1,410,127 | 1,535,127 |
| Segment operating (loss)/profit | (240,776) | 115,538 | (125,238) |
| Unallocated corporate expense* | | | (465,178) |
| **Operating loss** | | | (590,416) |
| Finance costs | | | (46,248) |
| **Loss before taxation** | | | (636,664) |
| Taxation | | | (15,401) |
| **Loss after taxation from continuing activities** | | | (652,065) |

* ‘Unallocated corporate expense’ represents the costs of running the group as a whole. The directors consider that the costs of running Pantheon Leisure Plc of £74,772 (2010: £170,200) form part of these costs as opposed to forming part of the segmental costs of the sports and leisure division.

**6. Business Segment analysis (continued.)**

**Financial position at 31 December 2011**

| | Investment | Sports and leisure | Consolidated |
|---|---|---|---|
| | £ | £ | £ |
| Segment assets | 297,932 | 113,320 | 411,252 |
| Unallocated corporate assets | | | 813,518 |
| Consolidated total assets | | | 1,224,770 |
| Segment liabilities | 1,000 | 261,068 | 262,068 |
| Unallocated corporate liabilities | | | 79,009 |
| | | | 341,077 |
| | £ | £ | |
| Capital additions | - | 20,939 | |
| Depreciation charge | - | 16,787 | |

**Financial position at 31 December 2010**

| | | | Consolidated |
|---|---|---|---|
| | £ | £ | £ |
| Segment assets | 347,890 | 148,510 | 496,400 |
| Unallocated corporate assets | | | 568,147 |
| Consolidated total assets | | | 1,064,547 |
| Segment liabilities | 500 | 289,576 | 290,076 |
| Unallocated corporate liabilities | | | 581,756 |
| | | | 871,832 |
| | £ | £ | |
| Capital additions | - | 11,023 | |
| Depreciation charge | - | 14,363 | |

Unallocated assets include group cash balances of £692,227 (2010: £411,402), plant and equipment of £49,907 (2010: £74,861), goodwill of £59,954 (2010: £59,954), other assets and receivables attributable to the parent company of £11,429 (2010: £21,930). Unallocated liabilities include trade and other payables of £31,023 (2010: £9,776), hire purchase liabilities and loan notes attributable to the parent company of £47,986 (2010: £571,980).

**7. Operating loss**

| **The operating loss is stated after charging** | **2011** £ | **2010** £ |
|---|---|---|
| Auditors' remuneration – audit services | 15,195 | 16,950 |
| Operating lease rentals – land and buildings | 6,500 | 5,000 |
| – other | 5,019 | 5,019 |
| Depreciation of property, plant and equipment | 41,740 | 31,356 |

Included in the audit fee for the group is an amount of £4,930 (2010: £5,950) in respect of the Company.
The auditors received fees of £1,200 (2010: £1,200) in respect of the provision of services in connection with advice relating to the group's interim results.

**8. (a) Staff Costs**

Employee benefit costs were as follows:

| | Group | |
|---|---|---|
| | **2011** | **2010** |
| | **£** | **£** |
| Wages and salaries | 923,027 | 842,319 |
| Social security costs | 65,247 | 65,598 |
| | 988,274 | 907,917 |

The average numbers of employees, including directors during the year, was as follows:-

| | No. | No. |
|---|---|---|
| Administration, sales and coaching staff | 89 | 65 |

**(b) Directors' remuneration**

| | **2011** | **2010** |
|---|---|---|
| An analysis of directors' remuneration (who are the key management personnel) is set out below: | **£** | **£** |
| Salary and consultancy fees | 170,793 | 185,854 |
| Executive directors: | | |
| Salaries and benefits | 84,793 | 99,854 |
| Consultancy fees | 61,000 | 61,000 |
| | 145,793 | 160,854 |
| Non-executive directors: | | |
| Salaries and benefits | 17,500 | 8,345 |
| Consultancy fees | 7,500 | 16,655 |
| | 25,000 | 25,000 |

| | **2011** | **2010** |
|---|---|---|
| Directors consultancy fees comprise: | **£** | **£** |
| G Simmonds and Simmonds & Co | 45,000 | 45,000 |
| D Hillel | 16,000 | 16,000 |
| J Zucker and Matthew Arnold Baldwin LLP | - | 9,155 |
| D J Coldbeck | 7,500 | 7,500 |
| | 68,500 | 77,655 |

The total cost of key management personnel being the executive directors and including employers' national insurance was £151,245 (2010: £173,636).

| The following amounts were paid for the services of the directors in the year: | **2011** | **2011** | **2011** | **2010** |
|---|---|---|---|---|
| | **£** | **£** | **£** | **£** |
| | Salaries and benefits | Consultancy | Total | Total |
| R L Owen | 62,513 | - | 62,513 | 70,177 |
| G Simmonds | 22,280 | 45,000 | 67,280 | 74,677 |
| D Hillel | - | 16,000 | 16,000 | 16,000 |
| J Zucker | 12,500 | - | 12,500 | 12,500 |
| D J Coldbeck | 5,000 | 7,500 | 12,500 | 12,500 |
| | 102,293 | 68,500 | 170,793 | 185,854 |

Consultancy fees in respect of G Simmonds were paid to Simmonds & Co.

**9**. **Finance income and charges**

| | 2011<br>£ | 2010<br>£ |
|---|---|---|
| **Finance costs:** | | |
| 7.5% loan note interest | 37,500 | 37,500 |
| Other interest | 3,602 | 8,748 |
| | 41,102 | 46,248 |

**10**. **Taxation**

| | 2011<br>£ | 2010<br>£ |
|---|---|---|
| **Deferred tax expense** | | |
| Origination and reversal of temporary differences | 13,431 | 15,401 |
| Total deferred tax expense | 13,431 | 15,401 |
| **Tax expense in income statement** | 13,431 | 15,401 |

No income tax charge arises based on the loss for the year (2010: nil).

The group has unutilised tax losses of £5,047,000 (2010: £4,845,000) which includes £2,178,000 (2010:£2,274,000) in relation to the company's subsidiary undertakings. Where it is anticipated that future taxable profits will be available to utilise these losses a deferred tax asset or a reduction in deferred tax liability is recognised as appropriate. Tax losses available in the parent company are available for offset only against income and gains of that company.

**Factors affecting the tax charge in the year**

| | 2011<br>£ | 2010<br>£ |
|---|---|---|
| **Loss on ordinary activities before taxation** | (279,976) | (636,664) |
| Loss on ordinary activities before taxation at the standard rate of UK corporation tax of 26.5% (2008: 28%) | (74,194) | (178,266) |
| **Effects of:** | | |
| Expenses not deductible for tax purposes | 9,601 | 19,322 |
| Temporary differences in respect of depreciation and capital allowances not reflected in deferred tax | 4,961 | (11,582) |
| Unutilised tax losses not recognised as a deferred tax asset | 57,743 | 103,326 |
| Adjustment on available-for-sale investments | 19,064 | 104,162 |
| Tax losses utilised not previously recognised as a deferred tax asset | (3,744) | (21,561) |
| **Tax charge** | 13,431 | 15,401 |

In recognition of the effects on taxation arising from the revaluation of the group's available-for-sale investments, a deferred tax provision of £13,431 (2010: £15,401) has been made and reflected as an adjustment to equity as shown in note 24 below.

**11. Loss per share**

Basic loss per share has been calculated on the group's loss attributable to equity holders of the parent company of £296,443 (2010: £628,426) and on the weighted average number of shares in issue during the year, which was 119,707,472 (2010:111,487,845).

Comprehensive loss per share is based on the same number of shares and on the comprehensive loss for the year attributable to the equity holders in the parent company of £315,409 (2010: £668,030).

In view of the group loss for the year, share warrants and options to subscribe for ordinary shares in the company are anti-dilutive and therefore diluted earnings per share information is not presented. There are options and warrants outstanding at 31 December 2011 on 59,200,000 shares (2010: 77,738,395) that could potentially dilute basic earnings per share in future.

**12. Loss for the financial year**

As permitted by Section 400 of the Companies Act 2006, the profit and loss account for the company is not presented as part of these financial statements.

The consolidated loss for the year of £293,407 (2010: £652,065) includes a loss of £420,270 (2010: loss £356,226) after adjustment for impairment of investments in and indebtedness with group companies totalling £53,070 (2010: £28,680) which is dealt with in the accounts of the parent company.

**13. Goodwill**

Goodwill relates to the acquisition of Pantheon Leisure which is included at its deemed cost on first time application of IFRS.

Goodwill acquired in a business combination is allocated, at acquisition, to cash generating units ("CGUs") that are expected to benefit from that business combination. The carrying amount of goodwill relates wholly to the leisure activities business segment.

The recoverable amounts of the CGUs are determined from value in use calculations. The key assumptions for the value in use calculations are those regarding forecast revenues and operating costs. Management have taken into account the following two elements:

(i) Based on current enquiries into the sport in schools activities, revenues will continue to grow in 2012 and 2013; and

(ii) Operational costs are monitored and controlled.

A discount factor to reflect the time value of money has not been applied in these calculations as the impact is not material given the relatively short period that future cash inflows are expected to exceed the carrying value of goodwill.

## 14. Investments in Subsidiaries

| Company | 2011<br>£ | 2010<br>£ |
|---|---|---|
| **Cost of shares** | | |
| At 1 January and 31 December | 1,716,859 | 1,716,859 |
| **Impairment** | | |
| At 1 January | 1,463,931 | 1,492,611 |
| Reversal of provision in year | (42,580) | (28,680) |
| At 31 December | 1,421,351 | 1,463,931 |
| **Carrying value at 31 December** | 295,508 | 252,928 |

The following were subsidiaries at the balance sheet date and have been included in these consolidated financial statements:

| Subsidiary undertakings | Description and proportion of share capital owned | Country of incorporation or registration | Nature of business |
|---|---|---|---|
| Westside Acquisitions Limited | Ordinary 100% | England & Wales | Holding company |
| Reverse Take-Over Investments Plc * | Ordinary 100% | England & Wales | Acquisition and development of shell companies |
| Westsidetech Limited | Ordinary 100% | England & Wales | Dormant |
| Westside Sports Limited | Ordinary 100% | England & Wales | Holding company |
| Summer Camp Enterprises Limited | Ordinary 100% | England & Wales | Dormant |
| Soccer Enterprises Limited | Ordinary 100% | England & Wales | Dormant |
| Pantheon Leisure Plc ** | Ordinary 85.87% | England & Wales | Holding company |
| Sport in Schools Limited *** | Ordinary 85.87% | England & Wales | Sports coaching in schools |
| The Elms Group Limited *** | Ordinary 85.87% | England & Wales | Sports activities holding company |
| Football Partners Limited **** | Ordinary 85.87% | England & Wales | Small sided football leagues |
| Footballdirectory.co.uk Limited **** | Ordinary 85.87% | England & Wales | Dormant |

* $33^{1}/_{3}$% held indirectly through Westside Acquisitions Limited
** held indirectly through Westside Sports Limited
*** held indirectly through Pantheon Leisure Plc
**** held indirectly through The Elms Group Limited

**15. Property, plant and equipment**

| Group | Plant and equipment £ | Motor Vehicles £ | Total £ |
|---|---|---|---|
| **Cost** | | | |
| At 1 January 2010 | 95,028 | 99,527 | 194,555 |
| Additions | 11,023 | 74,860 | 85,883 |
| Disposals | (43,066) | (99,527) | (142,593) |
| Cost at 31 December 2010 | 62,985 | 74,860 | 137,845 |
| Additions | 20,939 | - | 20,939 |
| At 31 December 2011 | 83,924 | 74,860 | 158,784 |
| **Depreciation** | | | |
| At 1 January 2010 | 56,829 | 43,534 | 100,363 |
| Disposals | (43,066) | (60,527) | (103,593) |
| Charge for year | 14,363 | 16,993 | 31,356 |
| At 31 December 2010 | 28,126 | - | 28,126 |
| Charge for the year | 16,787 | 24,953 | 41,740 |
| At 31 December 2011 | 44,913 | 24,953 | 69,866 |
| **Carrying value** | | | |
| At 31 December 2011 | 39,011 | 49,907 | 88,918 |
| At 31 December 2010 | 34,859 | 74,860 | 109,719 |

| Company | Plant and equipment £ | Motor Vehicles £ | Total £ |
|---|---|---|---|
| **Cost** | | | |
| At 1 January 2010 | 1,848 | 99,527 | 101,375 |
| Additions | - | 74,860 | 74,860 |
| Disposals | - | (99,527) | (99,527) |
| Cost at 31 December 2010 | 1,848 | 74,860 | 76,708 |
| Additions | - | - | - |
| At 31 December 2011 | 1,848 | 74,860 | 76,708 |
| **Depreciation** | | | |
| At 1 January 2010 | 1,847 | 43,534 | 45,381 |
| Disposals | - | (60,527) | (60,527) |
| Charge for year | - | 16,993 | 16,993 |
| At 31 December 2010 | 1,847 | - | 1,847 |
| Charge for the year | - | 24,953 | 24,953 |
| At 31 December 2011 | 1,847 | 24,953 | 26,800 |
| **Carrying value** | | | |
| At 31 December 2011 | 1 | 49,907 | 49,908 |
| At 31 December 2010 | 1 | 74,860 | 74,861 |

The motor vehicles are held on hire purchase agreements. Depreciation charged on these assets in the year was £24,953 (2010: £16,993).

**16. Available-for-sale investments**

The group, through its subsidiaries holds the following investments which are stated at fair value:

| Group | 2011 £ | 2010 £ |
|---|---|---|
| **Investments admitted to trading on AIM** | | |
| **Non current assets** | | |
| Fitbug Holdings Plc | 89,432 | 91,995 |
| **Current assets** | | |
| Aeorema Communications Plc (Formerly Cheerful Scout Plc) | 36,000 | 112,375 |
| Messaging International Plc | 172,500 | 143,520 |
| | 208,500 | 255,895 |
| **Total** | 297,932 | 347,890 |

The group has not designated any investments as financial assets at fair value through profit or loss.

Details of investment holdings are:

**Fitbug Holdings Plc**

6,254,000 Ordinary shares in Fitbug Holdings Plc ('Fitbug'). In February 2012 Fitbug issued 29,444,444 new ordinary shares at 1.8p to raise £530,000 for the purpose of supporting and accelerating the development of its business in America. Westside's interest now represents a 3.9% interest in the enlarged share capital of Fitbug.

At 25 May 2012, the market bid price was 1.25p per share valuing Westside's holding of Fitbug shares at £78,175.

**Aeorema Communications Plc (Formerly Cheerful Scout Plc):**

300,000 ordinary shares (2010: 800,000) in Aeorema, representing 3.7% (2010- 8.2%) of Aeorama's issued share capital.

During the year, 500,000 Aeorema shares costing £62,500 were disposed of by Westside for £49,749 which, after releasing £47,502 from fair value reserves, gave rise to a profit of £34,751.

At 25 May 2012, the market bid price was 23.0p per share valuing Westside's holding of Aeorema shares at £69,000.

**Messaging International Plc**

23,000,000 ordinary shares (2010: 23,000,000 ordinary shares) in Messaging now representing 14.8% (2010: 9.8%) of Messaging's issued share capital.

In March 2012, Westside Investments Plc acquired a further 1 million Messaging shares at 0.88p per share for £9,018 including costs.

At 25 May 2012, the market bid price was 0.65p per share valuing Westside's holdings of Messaging shares at £156,000.

## 17. Receivables and loan notes

### Non-current assets

Amounts due after more than one year relate to £500,000 of loan notes assigned by Reverse Take-Over Investments Plc to the company in December 2011.
Reverse Take-over Investments Plc is a subsidiary undertaking.
The loan notes are convertible into 50 million new shares in Pantheon Leisure Plc, (the borrower) at any time before redemption. The loan notes carry an interest coupon of 7.5% and are repayable at par on 2 March 2014 or earlier at the option of the borrower.
Pantheon Leisure Plc is a subsidiary undertaking of Westside Investments Plc.

### Current assets

| | Group | | Company | |
|---|---|---|---|---|
| | 2011 £ | 2010 £ | 2011 £ | 2010 £ |
| Trade receivables | 54,356 | 82,623 | - | - |
| Other receivables | 14,844 | 15,481 | 9,797 | 10,007 |
| Amounts due from subsidiary undertakings | - | - | 378,056 | 990,517 |
| Prepayments and deferred expenditure | 16,539 | 37,478 | 1,338 | 12,213 |
| | 85,739 | 135,582 | 389,191 | 1,012,737 |

The average credit period given for trade receivables at the end of the year is 13 days (2010:20 days). Trade receivables are stated net of a provision for irrecoverable amounts of £502 (2010: £2,528).

Amounts due from subsidiary undertakings are stated net of provisions for irrecoverable amounts which total £406,686 (2010: £311,036).

The total charge in the year in respect of irrecoverable receivables in the group accounts was £47 (2010: £3,194).

As at 31 December, the ageing analysis of trade receivables is as follows:

| | Total | Due but not impaired | | |
|---|---|---|---|---|
| | £ | £ <3 months | £ 3 – 6 months | £ >6 months |
| **2011** | 54,356 | 54,356 | - | - |
| **2010** | 82,623 | 81,563 | 1,060 | - |

Items over 3 months are considered overdue but have not been impaired.

## 18. Trade and other payables

| | Group | | Company | |
|---|---|---|---|---|
| | 2011 £ | 2010 £ | 2011 £ | 2010 £ |
| Trade payables | 46,638 | 46,056 | 22,129 | - |
| Other payables | 103,975 | 62,453 | - | 26 |
| Taxes and social security | 69,660 | 69,741 | - | - |
| Amounts due to subsidiary undertakings | - | - | 168,018 | 87,918 |
| Accruals and deferred income | 58,818 | 105,602 | 8,895 | 9,750 |
| | 279,091 | 283,852 | 199,042 | 97,694 |

The average credit period taken for trade payables at the end of the year is 19 days (2010: 30 days).

**19. Bank overdraft**

Bank overdraft facilities of £50,000 are available to Football Partners Limited and Sport in Schools Limited which are secured by guarantees of up to £50,000 for each company given by Westside Investments Plc. Both overdrafts are repayable on demand.

**20. Deferred tax**

The following are the deferred tax liabilities and assets recognised by the group and movements during the current and previous year:

| **Deferred tax liabilities** | **Fair value gains £** | **Tax losses offset £** | **Total £** |
|---|---|---|---|
| At 1 January 2010 | 54,992 | (54,992) | - |
| Charged in the income statement | - | 15,401 | 15,401 |
| Credited directly to equity | (15,401) | - | (15,401) |
| At 31 December 2010 | 39,591 | (39,591) | - |
| Charged in the income statement | - | 13,431 | 13,431 |
| Credited directly to equity | (13,431) | - | (13,431) |
| At 31 December 2011 | 26,160 | (26,160) | - |

Unutilised tax losses available for offset against future fair value gains are deducted in computing net deferred tax liabilities.

**21. Borrowings**

| | **Group** | | **Company** | |
|---|---|---|---|---|
| | **2011 £** | **2010 £** | **2011 £** | **2010 £** |
| **Due within one year** | | | | |
| Interest free loan | 2,000 | 2,000 | - | - |
| Hire purchase finance | 23,993 | 23,993 | 23,993 | 23,993 |
| **Total due within one year** | 25,993 | 25,993 | 23,993 | 23,993 |
| **Due after more than one year** | | | | |
| 7.5% loan notes | - | 500,000 | - | 500,000 |
| Interest free loan | 12,000 | 14,000 | - | - |
| Hire purchase finance | 23,993 | 47,987 | 23,993 | 47,987 |
| **Total due after more than one year** | 35,993 | 561,987 | 23,993 | 547,987 |
| Total borrowings | 61,986 | 587,980 | 47,986 | 571,980 |

**Unsecured loan notes**

In December 2011, £500,000 of funds raised by way of loan notes with a 7.5% coupon in March 2009 and due to mature in February 2014, were satisfied by the issue of new 'Loan Note Capitalisation Shares'. The new shares were part of a capital reorganisation approved by shareholders on 29 December 2011. Further details can be found in notes 22 and 25 below and in a circular to shareholders dated 6 December 2011.

**22. Issued share capital**

| | Number | £ |
|---|---|---|
| **Ordinary shares of 1p each** | | |
| At 1 January 2011 | 111,487,845 | 1,114,884 |
| Issued in the year conversion of Warrants (2006): | 1,000 | 10 |
| At 29 December 2011 | 111,488,845 | 1,114,894 |
| **Subdivision on 29 December 2011 and at 31 December 2011** | | |
| **Ordinary shares of 0.1p each** | **111,488,845** | **111,489** |
| **Deferred shares of 0.9p each** | **111,488,845** | **1,003,405** |
| **New ordinary shares of 0.1p each:** | | |
| Loan note capitalisation shares allotted | 500,000,000 | 500,000 |
| Placing shares allotted | 500,000,000 | 500,000 |
| At 31 December 2011 | **1,000,000,000** | **1,000,000** |
| **Totals:** | | **2,114,894** |

On 29 December 2011 shareholders approved the creation of new ordinary shares of 0.1p each as part of a capital reorganisation involving the subdivision 111,488,845 ordinary shares of 1p each into 111,488,845 ordinary shares of 0.1p each and 111,488,845 deferred shares of 0.9p each.

The deferred shares do not confer on the holders any rights to dividends or distributions in the event of a winding up or other return of capital. There are no voting rights attached to the shares.

The deferred shares were cancelled on 8 February 2012 as part of a capital reorganisation which was approved by the High Court on that date. Details of that capital reorganisation are summarised in note 25 – 'Post balance sheet events'.

At 31 December 2011 the company's issued shares carry no rights to fixed income.

**Share options and warrants**

At 31 December 2011 there were 50,000,000 warrants in existence which were originally issued on 2 March 2009.These warrants were granted to loan note holders on a pro rata basis at that time and are exercisable for five years from that date.

On 17 January 2011 the company adopted an unapproved share option scheme details of which are given in note 27.

The market price of the company's shares at 31 December 2011 was 0.03p and the price range during the financial year was 0.03p to 0.675p.

**23. Financial commitments**

The group is committed to making the following future minimum lease payments under non-cancellable operating leases which fall due as follows:

| | 2011<br>£ | 2010<br>£ |
|---|---|---|
| **Within one year** | | |
| Land and buildings | 8,075 | 5,000 |
| Other | 5,019 | 5,019 |
| **Between two and five years** | | |
| Land and buildings | 32,300 | 10,000 |
| Other | 10,038 | 15,057 |
| | 55,432 | 35,076 |

## 24. Statements of changes in equity

**Group**

| | Share capital £ | Share premium £ | Capital redemption reserve £ | Merger reserve £ | Fair value reserve £ | Retained earnings £ | To equity holders of the parent company £ | Non-controlling interest £ | Total £ |
|---|---|---|---|---|---|---|---|---|---|
| **Balance at 1 January 2010** | 1,114,884 | 307,179 | 182,512 | 325,584 | 141,410 | (1,071,171) | 1,000,398 | 16,637 | 1,017,035 |
| Revaluation losses taken to equity | - | - | - | - | (15,005) | - | (15,005) | - | (15,005) |
| Released on disposal of available-for-sale investment | - | - | - | - | (40,000) | - | (40,000) | - | (40,000) |
| Deferred tax on items taken directly to equity | - | - | - | - | 15,401 | - | 15,401 | - | 15,401 |
| Loss for the year | - | - | - | - | - | (628,426) | (628,426) | (23,639) | (652,065) |
| Purchase of further interest in subsidiary from non-controlling interest | - | - | - | - | - | (134,978) | (134,978) | 2,327 | (132,651) |
| **At 1 January 2011 as previously reported** | **1,114,884** | **307,179** | **182,512** | **325,584** | **101,806** | **(1,834,575)** | **197,390** | **(4,675)** | **192,715** |
| Adjustment to restate non-controlling interest (see below) | - | - | - | - | - | 61,417 | 61,417 | (61,417) | - |
| **At 1 January as restated** | **1,114,884** | **307,179** | **182,512** | **325,584** | **101,806** | **(1,773,158)** | **258,807** | **(66,092)** | **192,715** |
| Issue of shares | 1,000,010 | 73 | - | - | - | - | 1,000,083 | - | 1,000,083 |
| Released on disposal of available-for sale investment | - | - | - | - | (47,502) | - | (47,502) | - | (47,502) |
| Revaluation profits taken to equity | - | - | - | - | 15,105 | - | 15,105 | - | 15,105 |
| Deferred tax on items taken directly to equity | - | - | - | - | 13,431 | - | 13,431 | - | 13,431 |
| Share based payments | - | - | - | - | - | 3,268 | 3,268 | - | 3,268 |
| Loss for the year | - | - | - | - | - | (296,443) | (296,443) | 3,036 | (293,407) |
| **At 31 December 2011** | **2,114,894** | **307,252** | **182,512** | **325,584** | **82,840** | **(2,066,333)** | **946,749** | **(63,056)** | **883,693** |

**24.** **Statements of changes in equity (continued)**

In the financial statements for the year ended 31 December 2010, the change in value relating to an investment owned by Pantheon, a sub group in which Westside owns 85.87%, was allocated between non-controlling interest and the owners of the company based on its UK GAAP carrying value. The loss attributable to the owners of the company and non-controlling interest, and equity attributable to the owners of the company and non-controlling interests has been re-stated in these financial statements to allocate the change in value based on IFRS carrying values. This re-statement has increased the deficit on non-controlling interest at 31 December 2010 by £61,417.

**Company**

| | Share capital £ | Share premium £ | Capital redemption reserve £ | Merger reserve | Retained earnings | Total £ |
|---|---|---|---|---|---|---|
| **At 1 January 2010** | **1,114,884** | **307,179** | **182,512** | **325,584** | **(612,623)** | **1,317,536** |
| Loss for the year | - | - | - | - | (327,546) | (327,546) |
| **At 1 January 2011** | **1,114,884** | **307,179** | **182,512** | **325,584** | **(940,169)** | **989,990** |
| Issue of shares | 1,000,010 | 73 | - | - | - | 1,000,083 |
| Loss for the year | - | - | - | - | (420,270) | (420,270) |
| **At 31 December 2011** | **2,114,894** | **307,252** | **182,512** | **325,584** | **(1,360,439)** | **1,569,803** |

**24. Statement of changes in equity (continued)**

Retained earnings represent the cumulative retained profit or loss of the group.

Share premium is the amount subscribed for share capital in excess of nominal value and is a capital reserve required by UK company law.

The capital redemption reserve is equal to the nominal value of shares redeemed by the company, this is a capital reserve required by UK company law.

The merger reserve is a non-statutory reserve and represents the difference between the fair value and nominal value of the shares exchanged for shares on acquisition of Reverse Take-Over Investments Plc which took place in 2003.

The fair value reserve represents the cumulative surplus and deficits on recognition of available-for-sale investments at fair value, less tax attributable to the net surplus.

No dividend was paid during the year (2010: Nil).

**25. Post balance sheet events**

**Capital reorganisation**

On 8 February 2012, the High Court approved a capital reorganisation involving the cancellation of the share premium account (£307,252), the cancellation of the capital redemption reserve (£182,512) and the cancellation of 111,488,845 deferred shares of 0.9p each with a nominal value of £1,003,405.

The financial effect of the above was to release £1,493,169 against the deficit figure for revenue reserves.

Pro forma balance sheets for the group and the company show what the impact on the balance sheet would have been had the capital reorganisation been approved by the High Court prior to the year end.

**The bid market value of the company's investments at 25 May 2012**

| | Value per share | Number of shares | Value £ |
|---|---|---|---|
| Aeorema Communications Plc | 23.0p | 300,000 | 69,000 |
| Messaging International Plc | 0.65p | 24,000,000 | 156,000 |
| Fitbug Holdings Plc | 1.25p | 6,254,000 | 78,175 |

**26. Related parties**

Details of the remuneration of directors are given in note 8. In addition to the information given in that note, the following provides further details of related party transactions involving the company and its directors:

**Simmonds & Co**

The group made payments of £31,200 (excluding VAT) (2010: £31,200) as contributions towards office and secretarial costs to Simmonds & Co, Chartered Accountants, a practice in which G Simmonds is sole proprietor.

**Loan notes**

In 2009 Highgrove Properties & Investments Limited (a company controlled by R Owen), G Simmonds and J Zucker subscribed to loan notes, details relating to these loan notes are given in note 21. On 29 December, these loan notes were satisfied by the issue of new ordinary shares - details of which are given in note 22 as well as in a circular to shareholders dated 6 December 2011.

Up to 29 December 2011 the company owed Highgrove Properties & Investments Limited £100,000, G Simmonds £100,000 and J Zucker £25,000. Interest before deduction of withholding tax of £7,500 (2010 £7,500) was paid to both Highgrove Properties & Investments Limited and G Simmonds, and £1,875 before deduction of withholding tax (2010 £1,875) to J Zucker in respect of these loan notes.

**27. Share-based payment transaction**

On 17 January 2011 the company adopted an unapproved share option scheme and granted 7,000,000 options over ordinary shares in the company to a number of key employees of its trading subsidiaries. These share options are exercisable at 1p per ordinary share for a period of 10 years from the date of issue.

Options were valued using the Black-Scholes option pricing model. The fair value per option granted and the assumptions used in the calculation are as follows:

| | |
|---|---|
| Grant date | 17 January 2011 |
| Share price at grant date | 0.63p per share |
| Exercise price | 1.00p per share |
| Number of employees | 4 |
| Shares under option | 7 Million |
| Vesting period (years) | None |
| Expected volatility | 17.0% |
| Option life (years) | 10 years |
| Expected life (years) | 10 Years |
| Risk-free interest rate | 2.0% |
| Expected dividends expressed as a dividend yield | 0.0% |
| Fair value per option | 0.06p |

**Comment [LT1]:** Table to be completed with the relevant info

In accordance with IFRS2, the fair value of the award of £3,268 has been recognised as a charge in these accounts which represents 0.05p per option having applied a 25% discount for market conditions.

In arriving at the above:-
The expected volatility is based on historical volatility, the expected life which is the average expected period to exercise and the risk-free rate of return which is the yield on a zero-coupon UK government bond for a term consistent with the assumed option life.

**Comment [LT2]:** Sentence to be completed by C Mammon

**28. Capital management and financial instruments**

The group is mainly equity funded which together with an interest free loan of £14,000 and hire purchase obligations of £47,896 represent the group's capital.

The group's objectives when maintaining capital are:

- To safeguard the entity's ability to continue as a going concern, so that it can begin to provide returns for shareholders and benefits for other stakeholders; and
- To provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The group sets the amounts of capital it requires in proportion to risk. The group manages its capital structure and makes adjustments to it in light of changes in economic conditions and risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

Capital for the group comprises all components of equity – share capital of £2,114,894 (2010: £1,114,884), share premium of £307,252 (2010: £307,179), other reserves of £609,902 (2010: £609,902), the retained deficit of (-£2,066,333 (2010: -£1,834,575) and debts which comprises loans of £14,000 (2010: £516,000) and hire purchase commitments of £47,986 (2010: £71,980).

During the year ended 31 December 2011 the group's strategy, which was to preserve net cash resources by limiting cash absorbed from losses and through good cash management.

**28. Capital management and financial instruments (continued)**

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

At 31 December 2011 and 31 December 2010, there were no material differences between the fair value and the book value of the group's financial assets and liabilities other than the interest free loan which has a carrying value of £14,000 and a fair value of approximately £10,000. Relevant financial assets and liabilities are set out below.

| | Group | | Company | |
|---|---|---|---|---|
| | **2011** | **2010** | **2011** | **2010** |
| | **£** | **£** | **£** | **£** |
| **Financial assets** | | | | |
| Available-for-sale investments | 297,932 | 347,890 | - | - |
| Cash and cash equivalents | 692,227 | 411,402 | 582,224 | 319,138 |
| Due from subsidiary undertakings | - | - | 378,056 | 990,517 |
| Trade and other short term receivables | 59,403 | 85,799 | - | - |
| | 1,049,562 | 845,091 | 960,280 | 1,309,655 |
| **Financial liabilities (which are included at amortised cost)** | | | | |
| Trade and other short term payables | 173,905 | 138,285 | 31,024 | 9,776 |
| Due to subsidiary undertakings | - | - | 171,818 | 87,918 |
| Hire purchase obligations | 47,986 | 71,980 | 47,986 | 71,980 |
| Loans | 14,000 | 516,000 | - | 500,000 |
| | 235,891 | 726,265 | 250,828 | 669,674 |

The group's financial instruments comprise available-for-sale investments, cash and cash equivalents, receivables, payables, loans and hire purchase obligations that arise directly from its operations.

Amounts shown in trade and other short term receivables exclude prepayments and deferred expenditure for the group of £16,539 (2010: £37,478) and VAT recoverable of £9,797 (2009: £12,305) for the group and £1,338 (2010: £12,213) and £9,797 (2010: £10,007) for the company.

Trade and short term payables exclude deferred income of £35,526 (2010: £75,826), tax and social security creditors of £69,660 (2010: £69,741) company - £nil (2010: £nil).

The group has not adopted a policy of using financial derivatives and does not rely on the use of interest rate hedges.

In common with other businesses, the group is exposed to risks that arise from its use of financial instruments. There have been no substantive changes to the group's response to financial instrument risk and the methods used to measure them from previous periods.

The main risks arising from the group's financial instruments are market, credit and liquidity risks.

Market risk arises mainly from uncertainty about future prices of available-for-sale investments held by the group. The board monitors movements in the carrying value of its investments on a regular basis. A 20% increase or decrease in the market value of investments would impact on the carrying value of investments by £60,000. (2010: £70,000) Results are not sensitive to changes in interest rates unless the change was significant.

Credit risk arises from trade receivables where the party fails to discharge their obligation in relation to the instrument. To minimise this risk, management have appropriate credit assessment methods to establish credit worthiness of new customers and monitor receivables by regularly reviewing aged receivable reports. There is no concentration of credit risk other than in respect to cash held on deposit at the company's bank as set out above.

**28. Capital management and financial instruments (continued)**

The amount exposed to risk in respect of trade receivables at 31 December 2011 was £54,356 (2010: £82,623).

Liquidity risk arises in relation to the group's management of working capital and the risk that the company or any of its subsidiary undertakings will encounter difficulties in meeting financial obligations as and when they fall due. To minimise this risk the liquidity position and working capital requirements are regularly reviewed by management**.**

The directors do not consider changes in interest rates have a significant impact on the group's cost of finance or operating performance. The fair value of the group's loan notes which are subject to a fixed rate of interest fluctuate as market rates of interest change.

As the group's operations are conducted in the United Kingdom, risks associated with foreign currency fluctuations are not relevant.

**29. Notes to statements of cash flows**

**a) Analysis of net debt**

| | At 1 January 2011 £ | Cash Flow £ | Non-cash movements £ | At 31 December 2011 £ |
|---|---|---|---|---|
| **Group** | | | | |
| Cash and cash equivalents | 411,402 | 280,825 | - | **692,227** |
| Borrowings | (587,980) | 525,994 | - | **(61,986)** |
| Net funds/(debt) | (176,578) | 806,819 | - | **630,241** |
| **Company** | | | | |
| Cash and cash equivalents | 319,138 | 263,086 | - | **582,224** |
| Borrowings | (571,980) | 523,994 | - | **(47,986)** |
| Net funds/(debt) | (252,842) | 787,080 | - | **534,238** |

**(b) Reconciliation of net cash flow to movement in net funds**

| | Group £ | Company £ |
|---|---|---|
| Increase in cash and cash equivalents in the year | 280,825 | 263,086 |
| Cash outflow on borrowings repaid in the year | 525,994 | 523,994 |
| | 806,819 | 787,080 |

**Westside Investments plc**
**(the “Company”)**
*(Incorporated and registered in England and Wales under the Companies Act 1985 with registered number 03882621)*

## Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be held at the offices of A H Montpelier at 58-60 Berners Street, London W1T 3JS at 1:00 p.m. on 25 June 2012 for the transaction of the following business.

**Ordinary Business**

To consider, and, if thought fit, pass the following resolutions which will be proposed as Ordinary Resolutions:

1. To receive and adopt the financial statements of the Company for the year ended 31 December 2011 with the Directors’ and auditors’ report thereon.

2. To re-appoint R L Owen as a Director of the Company, who retires by rotation in accordance with Article 23 of the Company's articles of association.

3. To re-appoint Hazlewoods LLP, Chartered Accountants, as auditors to the Company and to authorise the Directors to agree and fix their remuneration.

**Special Business**

To consider, and, if thought fit, pass the following resolutions which will be proposed as to Resolution 4 as an Ordinary Resolution and as to Resolution 5 as a Special Resolution:

4. THAT the Directors of the Company be generally and unconditionally authorised pursuant to and in accordance with section 551 of the Act 2006 to exercise all the powers of the Company to allot shares in the Company and to grant rights to subscribe for, or to convert any security into, shares in the Company (“Rights”) provided that such power is limited to the allotment of shares in the Company and/or the grant of Rights up to an aggregate nominal amount of £1,000,000 provided that this authority shall expire at the end of the next annual general meeting of the Company to be held after the date of the passing of this Resolution or, if earlier, fifteen months from the date of the passing of this Resolution save that the Company may prior to the expiry of such period make any offer or agreement which would or might require shares in the Company to be allotted or Rights to be granted after such expiry and the Directors of the Company shall be entitled to allot shares in the Company and to grant Rights pursuant to any such offer or agreement as if this authority had not expired.

5. THAT, subject to the passing of Resolution 4 above, the Directors of the Company be empowered pursuant to section 570 and section 573 of the Act to allot equity securities (within the meaning of section 560 of the Act) for cash pursuant to the authority conferred on them by Resolution 4 above, as if section 561(1) of the Act did not apply to such allotment provided this power shall be limited to the allotment to any person or persons of equity securities up to an aggregate nominal amount of £1,000,000 provided that the power given by this Resolution shall expire at the end of the next annual general meeting of the Company to be held after the date of the passing of this Resolution or, if earlier, fifteen months from the date of the passing of this Resolution, save that the Directors of the Company shall be entitled to make offers or agreements before the expiry of such power which would or might require equity securities to be allotted after such expiry and the Directors of the Company shall be entitled to allot equity securities pursuant to any such offers or agreements as if the power conferred hereby had not expired.

By order of the Board

D Hillel Company Secretary

30 May 2012

Registered Office:
58-60 Berners Street
London W1T 3JS

Notes:

1. **A member entitled to attend and vote at the above meeting is entitled to appoint a proxy or proxies to attend, speak and vote instead of him. A proxy may demand, or join in demanding, a poll. A proxy need not be a member of the Company.**

2. A Form of Proxy is enclosed for your use if desired. The instrument appointing a proxy must reach the Company's Registrars, Share Registrars Limited at Suite E, First Floor, 9 Lion and Lamb Yard, Farnham, Surrey GU9 7LL not less than 48 hours before the time of holding of the meeting.

3. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that only those Shareholders of the Company on the register of members of the Company 48 hours before the time set for the meeting shall be entitled to attend or vote at the meeting in respect of the number of shares registered in their name at the time. Changes to the register of members after that time will be disregarded in determining the rights of any person to attend or vote at the meeting.

4. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).

5. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, you should contact Share Registrars Limited of Suite E, First Floor, 9 Lion and Lamb Yard, Farnham, Surrey GU9 7LL.

6. In the case of a member which is a company, the proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.

7. Except as provided above, members who have general queries about the meeting should telephone Share Registrars Limited on 01252-821390 (no other methods of communication will be accepted). You may not use any electronic address provided either in this notice of annual general meeting or any related documents (including the chairman's letter and the form of proxy) to communicate with the Company for any purposes other than those expressly stated.

8. A copy of the Register of Directors' Interests in shares in the Company and copies of the Directors' service contracts of more than one year's duration will be available for inspection at the registered office of the Company during business hours only on any weekday (excluding Saturdays, Sundays and public holidays) from the date of this notice until the date of the meeting and at the place of the meeting for at least 15 minutes prior to and during the meeting.

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## Form of Proxy

## Westside Investments plc

*(Incorporated and registered in England and Wales under the Companies Act 1985 with registered number 03882621)*

**(the "Company")**

For use at the Annual General Meeting of the above named company to be held at the offices of A H Montpelier, 58-60 Berners Street, London W1T 3JS at 1:00 p.m. on 25 June 2012.

I/We (name(s) in full) …………………………………………………………………………………...
(BLOCK LETTERS)

of ………………………………………………………………………………………………………
being (a) holder(s) of ordinary shares of 0.1p each in Westside Investments plc hereby appoint the Chairman of the meeting/or

*………………………………………………………………………………………………………
as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on 25 June 2012, and at every adjournment thereof. I/We wish my/our proxy to vote as shown below in respect of the resolutions set out in the notice of the Annual General Meeting.

| **Ordinary Resolutions** | **For** | **Against** | **Vote Withheld**** |
|---|---|---|---|
| 1. To receive and adopt the financial statements of the Company for the year ended 31 December 2011 with the Directors' and auditors' report thereon. | | | |
| 2. To re-appoint R L Owen as a Director of the Company, who retires by rotation in accordance with Article 23 of the Company's articles of association. | | | |
| 3. To re-appoint Hazlewoods LLP, Chartered Accountants, as auditors to the Company and to authorise the Directors to agree and fix their remuneration. | | | |
| 4. To authorise the Directors generally and unconditionally to allot shares or grant rights to subscribe for or to convert any security into shares in accordance with Section 551 of the Companies Act 2006, subject to certain specified limitations. | | | |
| **Special Resolution** | | | |
| 5. To authorise the Directors to dis-apply the statutory rights of pre-emption in relation to certain allotments of equity securities, subject to certain limitations. | | | |

*You may, if you wish, in the space provided insert the name(s) of the person(s) of your choice to attend and vote at the meeting on your behalf

**Please note that if the "Vote Withheld" box is marked with a "X", the Shareholder will not be counted in the calculation of votes "For" and "Against" and the Shareholder will not be taken to have given his/her/their discretion to the Proxy, on how to vote.

Signature…………………………………  Date……………………………………..

Notes

1. **A member entitled to attend and vote at the meeting is also entitled to appoint a proxy or proxies to exercise all or any of his rights to attend, speak and vote at the meeting instead of him. A proxy may demand, or join in demanding, a poll. A proxy need not be a member of the Company.**

2. Completion and return of the form of proxy will not preclude ordinary shareholders from attending or voting at the meeting, if they so wish.

3. To be effective, this proxy form must be lodged with the Company's Registrars, Share Registrars Limited by post at Suite E, First Floor, 9 Lion and Lamb Yard, Farnham, Surrey GU9 7LL not later than 48 hours before the time of the meeting, or any adjournment thereof, together, if appropriate, with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or, where the proxy form has been signed by an officer on behalf of a corporation, a notarially certified copy of the authority under which it is signed.

4. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior). Any alterations made in this proxy should be initialled.

5. In the case of a member which is a corporation this proxy form must be given under its common seal or be signed on its behalf by an attorney or officer duly authorised. Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.

6. As provided by Regulation 41 of the Uncertificated Securities Regulations 2001, only those members registered in the register of members of the Company 48 hours before the time set for the meeting shall be entitled to attend and vote at the meeting in respect of the number of shares registered in their name at that time. Changes to entries on the relevant register of members after that time shall be disregarded in determining the rights of any person to attend or vote at the meeting.

7. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares, You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, you will need to complete a separate proxy form in relation to each appointment. Please contact Share Registrars Limited for the purpose of requesting additional proxy forms. You will need to state clearly on each proxy form how many shares the proxy was appointed in relation to. A failure to specify the number of shares each proxy appointment relates to or specifying a number of shares in excess of those held by the member will result in the proxy appointment being invalid.

8. Except as provided above, members who have general queries about the meeting should telephone Share Registrars Limited on 01252-821390 (no other methods of communication will be accepted). You may not use any electronic address provided either in this notice of annual general meeting or any related documents (including the chairman's letter and the directors' letter and explanatory note in respect of electronic communications) to communicate with the Company for any purposes other than those expressly stated.