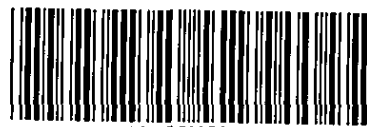


Company Registration No 3512304 (England and Wales)

**ST HELEN'S FINANCE PLC**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2011**

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# ST HELEN'S FINANCE PLC

## COMPANY INFORMATION

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<b>Directors</b>	R D Abbott B I Harris
<b>Secretary</b>	M Hudson
<b>Company number</b>	3512304
<b>Registered office</b>	c/o mhlaw 5 London Wall Buildings London EC2M 5NS
<b>Auditors</b>	H W Fisher & Company Acre House 11-15 William Road London NW1 3ER
<b>Business address</b>	c/o City of London Group plc 30 Cannon Street London EC4M 6XH
<b>Solicitors</b>	mhlaw 5 London Wall Buildings London EC2M 5NS

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# ST HELEN'S FINANCE PLC

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# ST HELEN'S FINANCE PLC

## CHAIRMAN'S STATEMENT

*FOR THE YEAR ENDED 31 DECEMBER 2011*

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Dear Shareholders

Since the end of the first quarter of 2011 the loan book has continued to run off and as at the year end stands at £223,602 net of bad debt provisions. The board has taken the decision to provide in full against all balances due from customers that were in arrears at the year end date and still in arrears as at 8 May 2012. In addition the board has continued to provide a general provision of 5% of the remaining debts due from customers. This has been the only business activity of the company to report.

You will remember that the convertible loan note holders agreed to waive further interest payments and to receive a capital repayment of 0.5% per month which has been ongoing since April 2011.

The Directors have since then been considering several opportunities with which to re-establish the company. Any such future opportunity will require the agreement of the convertible loan note holders to capitalise their loans into equity which has not been obtained at the time of writing as many of the opportunities being reviewed have not reached the point of recommending such a recapitalization.

As and when the board have concluded their search for opportunities shareholders will be notified but given the negative net worth there will be negligible value attached to the existing shares.



Rick Abbot  
Executive Chairman

Dated 29.06.2012

# ST HELEN'S FINANCE PLC

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2011

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The directors present their report and financial statements for the year ended 31 December 2011

#### Principal activities and review of the business

The principal activity of the Company is that of managing an existing portfolio of asset finance facilities across the small to medium company sector ('SME')

The continuing recession and its consequences on the company's customer base is reflected in the results for the year. Additional provisions have had to be made in the year but the company is continuing to actively manage its position.

In the opinion of the Directors, there are no Key Performance Indicators whose disclosure is necessary for an understanding of the development, performance or position of the business.

The company made a loss for the year ended 31 December 2011 of £538,343 and had net liabilities as at 31 December 2011 of £1,976,001. In March 2012 the Company renegotiated with Loan Note Holders, to defer the repayment indefinitely and agree a capital repayment program. The directors have prepared cashflow forecasts that demonstrate that with these changes and significantly reduced costs the company has sufficient cash to continue trading for the foreseeable future. The financial statements have therefore been prepared on a going concern basis.

The principal risks and uncertainties facing the Company relate to its ability to recover amounts due from its customers in a timely manner.

#### Directors

The directors who served during the year were

R D Abbott	
N J Kenvyn	(Resigned 19 July 2011)
B Harris	
A Irving	(Resigned 31 January 2011)
R E Guilbert	(Resigned 14 April 2011)
M R Hughes	(Resigned 16 February 2011)
J E E Frost	(Resigned 16 February 2011)
C L R Boobyer	(Resigned 16 February 2011)

#### Creditor payment policy

The Group's current policy concerning the payment of trade creditors is to

- settle the terms of payment with suppliers when agreeing the terms of each transaction,
- ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts,
- pay in accordance with the Group's contractual and other legal obligations, and
- at the year-end trade creditors represented 274 days (2010 34 days)

#### Charitable donations

The Company made no charitable donations during the year (2010 £nil)

# ST HELEN'S FINANCE PLC

## DIRECTORS' REPORT (CONTINUED)

*FOR THE YEAR ENDED 31 DECEMBER 2011*

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### Disclosure of information to auditors

Each of the directors has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditors are unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditors are aware of such information.

### Auditors

A resolution proposing HW Fisher & Company be reappointed as auditors of the Company will be put to the Annual General Meeting.

On behalf of the board



R D Abbott

Director

Dated

29.06.2012

# ST HELEN'S FINANCE PLC

## STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

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

In preparing these financial statements, the directors are required to

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

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

# ST HELEN'S FINANCE PLC

## INDEPENDENT AUDITORS' REPORT

### TO THE MEMBERS OF ST HELEN'S FINANCE PLC

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We have audited the financial statements of St Helen's Finance Plc for the year ended 31 December 2011 set out on pages 7 to 17. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

#### **Respective responsibilities of directors and auditors**

As explained more fully in the Directors' Responsibilities Statement on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2011 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Emphasis of matter - Going concern**

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosures made in note 11 of the financial statements, regarding the company's ability to continue as a going concern which is dependent upon the loan note holders not seeking repayment of the principal loan amount as and when it falls due for repayment.

#### **Opinion 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.



# ST HELEN'S FINANCE PLC

## INDEPENDENT AUDITORS' REPORT (CONTINUED)

### TO THE MEMBERS OF ST HELEN'S FINANCE PLC

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the 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

**Gary Miller (Senior Statutory Auditor)**

**for and on behalf of H W Fisher & Company**

**Chartered Accountants**

**Statutory Auditor**

Acre House  
11-15 William Road  
London  
NW1 3ER

Dated 22/6/2012

# ST HELEN'S FINANCE PLC

## PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2011

	Notes	2011 £	2010 £
Turnover	2	233,840	491,186
Cost of sales		(163,440)	(252,829)
<b>Gross profit</b>		<b>70,400</b>	<b>238,357</b>
Administrative expenses		(630,235)	(1,502,723)
Other operating income		20,000	-
<b>Operating loss</b>	<b>3</b>	<b>(539,835)</b>	<b>(1,264,366)</b>
Other interest receivable and similar income		1,492	3,939
<b>Loss on ordinary activities before taxation</b>		<b>(538,343)</b>	<b>(1,260,427)</b>
Tax on loss on ordinary activities	8	-	-
<b>Loss for the year</b>	<b>15</b>	<b>(538,343)</b>	<b>(1,260,427)</b>

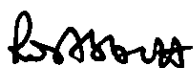
The profit and loss account has been prepared on the basis that all operations are continuing operations

There are no recognised gains and losses other than those passing through the profit and loss account

**ST HELEN'S FINANCE PLC****BALANCE SHEET****AS AT 31 DECEMBER 2011**

	Notes	2011		2010	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	9		-		4,739
Investments	10		51		27,711
			<u>51</u>		<u>32,450</u>
<b>Current assets</b>					
Debtors	11	228,838		1,241,874	
Cash at bank and in hand		253,693		218,203	
		<u>482,531</u>		<u>1,460,077</u>	
<b>Creditors amounts falling due within one year</b>	12	<u>(1,508,358)</u>		<u>(1,608,665)</u>	
<b>Net current liabilities</b>			<u>(1,025,827)</u>		<u>(148,588)</u>
<b>Total assets less current liabilities</b>			<u>(1,025,776)</u>		<u>(116,138)</u>
<b>Creditors amounts falling due after more than one year</b>	13		<u>(950,225)</u>		<u>(1,321,519)</u>
			<u>(1,976,001)</u>		<u>(1,437,657)</u>
<b>Capital and reserves</b>					
Called up share capital	14		657,845		657,845
Share premium account	15		1,064,604		1,064,604
Profit and loss account	15		(3,698,450)		(3,160,106)
<b>Shareholders' funds</b>	16		<u>(1,976,001)</u>		<u>(1,437,657)</u>

Approved by the Board and authorised for issue on 29/6/12



R D Abbott

Director

# ST HELEN'S FINANCE PLC

## CASH FLOW STATEMENT

*FOR THE YEAR ENDED 31 DECEMBER 2011*

	Notes	£	2011 £	£	2010 £
<b>Net cash inflow from operating activities</b>	17		30,959		163,288
<b>Returns on investments and servicing of finance</b>					
Interest received		1,492		3,939	
<b>Net cash inflow for returns on investments and servicing of finance</b>			1,492		3,939
<b>Capital expenditure and financial investment</b>					
Payments to acquire tangible fixed assets		-		(2,542)	
Payments to acquire fixed asset investments		-		(2,581)	
Receipts from sales of tangible fixed assets		3,039		-	
<b>Net cash inflow/(outflow) for capital expenditure</b>			3,039		(5,123)
<b>Net cash inflow before financing</b>			35,490		162,105
<b>Increase in cash in the year</b>	19, 18		35,490		162,105

# ST HELEN'S FINANCE PLC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

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### 1 Accounting policies

#### 1.1 Accounting convention

The financial statements are prepared under the historical cost convention

The company made a loss for the year ended 31 December 2011 of £538,343 and had net liabilities as at 31 December 2011 of £1,976,001

In March 2011 the Company negotiated with its Loan Note Holders, who amount to £2,218,475 out of the Company's total liabilities of £2,458,583, to agree a capital repayment program by deferring the actual due date the loan notes were originally due for repayment

This agreement stated that commencing April 2011 the Company would aim to pay not less than 0.5% of the principal amount due under the Loan Notes each month for at least 12 months, after which the monthly repayment will be reviewed by the directors. The amount to be repaid after April 2012 will depend on the Company's cash receipts and anticipated cash flow

The deferment agreement does not state that the Loan Note holders will not request in full repayment of the principal Loan Note amounts as and when they fall due for repayment. They have however agreed to the deferment of interest payments and a monthly capital repayment program as outlined above

The directors have prepared cashflow forecasts that demonstrate that with these changes and significantly reduced costs the company has sufficient cash to continue trading for the foreseeable future, on the assumption that they continue to pay 0.5% of the principal Loan Note amount each month and no request for repayment of the Loan Notes in full is received

It should be noted that it is unlikely that the Loan Note holders will receive over time full repayment of the outstanding Loan Note principal. The financial statements have therefore been prepared on a going concern basis

#### 1.2 Compliance with accounting standards

The financial statements have been prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

#### 1.3 Revenue recognition

Turnover represents gross earnings under finance leases, hire purchase contracts and operating leases

Amounts due from customers under finance leases, hire purchase and loan agreements are recorded in the balance sheet as a debtor at the amount of the net investment in the agreements after making any provisions for bad and doubtful debts. Gross earnings are allocated to accounting periods to give a constant periodic rate of return

Rental income from operating leases, excluding charges for services such as insurance and maintenance, is recognised on a straight line basis over the period of the lease

#### 1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows

Fixtures, fittings & equipment	4 years straight line
Office equipment	3 years straight line
Assets held for hire under operating leases	Over the term of the lease

#### 1.5 Investments

Fixed asset investments are stated at cost less provision for diminution in value

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# ST HELEN'S FINANCE PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2011

### 1 Accounting policies

(Continued)

#### 16 Deferred taxation

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the accounts. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the assets. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

#### 17 Share-based payments

The Company has applied the requirements of FRS 20 Share-based payments from 1 January 2006.

The Company accounts for employee and non-employee share-based compensation awards based on their fair value in accordance with FRS 20 Share-based payments.

The cost of granting share options and other share-based remuneration is recognised through the profit and loss account over the period in which they vest.

#### 18 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company has not prepared group accounts because the inclusion of the results of its subsidiaries would not be material for the purpose of giving a true and fair view.

#### 19 Provisioning

The Company has taken the decision to provide in full against all balances due from customers that were in arrears at the year end date and still in arrears as at 8 May 2012. The Company maintains a non-specific (general) provision against the remainder of the portfolio based on prior experience and current market conditions.

The Company general provision as at 31 December 2011 stands at £10,383 (2010 £88,511).

### 2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

	2011	2010
	£	£
<b>Class of business</b>		
HP interest income	3,646	8,844
Finance lease interest income	66,383	265,779
Loan interest	16,107	42,849
Fees & sundry income	147,704	138,019
	<u>233,840</u>	<u>455,491</u>

# ST HELEN'S FINANCE PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2011

<b>3</b>	<b>Operating loss</b>	<b>2011</b>	<b>2010</b>
		<b>£</b>	<b>£</b>
	Operating loss is stated after charging		
	Depreciation of owned tangible fixed assets	1,699	10,340
	Loss on disposal of fixed asset investments	27,660	-
	Fees payable to the company's auditor for the audit of the company's annual accounts	19,700	19,575
		<u>          </u>	<u>          </u>
<b>4</b>	<b>Directors' emoluments</b>	<b>2011</b>	<b>2010</b>
		<b>£</b>	<b>£</b>
	Emoluments for qualifying services	181,993	164,642
		<u>          </u>	<u>          </u>
<b>5</b>	<b>Employees</b>		
	<b>Number of employees</b>		
	The average monthly number of employees (including directors) during the year was		
		<b>2011</b>	<b>2010</b>
		<b>Number</b>	<b>Number</b>
		5	7
		<u>          </u>	<u>          </u>
	<b>Employment costs</b>	<b>2011</b>	<b>2010</b>
		<b>£</b>	<b>£</b>
	Wages and salaries	253,315	267,708
	Social security costs	17,255	28,574
		<u>          </u>	<u>          </u>
		270,570	296,282
		<u>          </u>	<u>          </u>
<b>6</b>	<b>Other interest receivable and similar income</b>	<b>2011</b>	<b>2010</b>
		<b>£</b>	<b>£</b>
	Bank interest	1,492	3,939
		<u>          </u>	<u>          </u>
		1,492	3,939
		<u>          </u>	<u>          </u>

# ST HELEN'S FINANCE PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2011

7 Interest payable	2011	2010
	£	£
On loans wholly repayable within five years	33,440	252,829
	<u>33,440</u>	<u>252,829</u>
	<u><u>33,440</u></u>	<u><u>252,829</u></u>
8 Taxation	2011	2010
<b>Current tax charge</b>	-	-
	<u>-</u>	<u>-</u>
	<u><u>-</u></u>	<u><u>-</u></u>
<b>Factors affecting the tax charge for the year</b>		
Loss on ordinary activities before taxation	(538,343)	(1,260,427)
	<u>(538,343)</u>	<u>(1,260,427)</u>
	<u><u>(538,343)</u></u>	<u><u>(1,260,427)</u></u>
Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 26.49% (2010 - 28.00%)	(142,607)	(352,920)
	<u>(142,607)</u>	<u>(352,920)</u>
	<u><u>(142,607)</u></u>	<u><u>(352,920)</u></u>
Effects of		
Non deductible expenses	34,935	653
Capital allowances in excess of depreciation	601	(7,159)
Short term timing differences	(20,699)	(3,217)
Unrelieved tax losses and other deductions arising in period	127,770	362,643
	<u>142,607</u>	<u>352,920</u>
	<u><u>142,607</u></u>	<u><u>352,920</u></u>
<b>Current tax charge</b>	-	-
	<u>-</u>	<u>-</u>
	<u><u>-</u></u>	<u><u>-</u></u>

The company has estimated losses of £ 3,396,358 (2010 - £ 2,914,036) available for carry forward against future trading profits



# ST HELEN'S FINANCE PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2011

#### 9 Tangible fixed assets

	Fixtures, fittings & equipment £
<b>Cost</b>	
At 1 January 2011	55,635
Disposals	(55,635)
	<hr/>
At 31 December 2011	-
	<hr/>
<b>Depreciation</b>	
At 1 January 2011	50,896
On disposals	(52,595)
Charge for the year	1,699
	<hr/>
At 31 December 2011	-
	<hr/>
<b>Net book value</b>	
At 31 December 2011	-
	<hr/> <hr/>
At 31 December 2010	4,739
	<hr/> <hr/>

#### 10 Fixed asset investments

	Unlisted investments £	Shares in group undertakings £	Total £
<b>Cost</b>			
At 1 January 2011	50	27,661	27,711
Disposals	-	(27,660)	(27,660)
	<hr/>	<hr/>	<hr/>
At 31 December 2011	50	1	51
	<hr/>	<hr/>	<hr/>
<b>Net book value</b>			
At 31 December 2011	50	1	51
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 December 2010	-	27,711	27,711
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

# ST HELEN'S FINANCE PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2011

11 Debtors	2011	2010
	£	£
Net investment in finance leases and hire purchase contracts	192,897	969,026
Net investment in loans	30,705	81,605
Loans to subsidiaries	-	129,863
Other debtors	4,617	51,044
Prepayments and accrued income	619	10,336
	<u>228,838</u>	<u>1,241,874</u>

Amounts falling due after more than one year and included in the debtors above are

	2011	2010
	£	£
Net investment in finance leases, hire purchase and loans	126,172	230,932
	<u>126,172</u>	<u>230,932</u>

12 Creditors amounts falling due within one year	2011	2010
	£	£
Trade creditors	70,205	53,280
6% Convertible Loan Notes 2011	66,850	70,000
7.5% Convertible Loan Notes 2011	888,150	930,000
8.5% Loan Notes 2012	47,750	-
9.5% Loan Notes 2012	95,500	-
5% Convertible Loan Note 2012	170,000	-
Loans secured over certain client agreements	-	230,869
5% Secured Convertible Loan Note 2011	-	125,000
Taxes and social security costs	17,913	61,661
Accruals and deferred income	151,990	137,855
	<u>1,508,358</u>	<u>1,608,665</u>

# ST HELEN'S FINANCE PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2011

<b>13</b>	<b>Creditors amounts falling due after more than one year</b>	<b>2011</b>	<b>2010</b>
		<b>£</b>	<b>£</b>
	8 5% Loan Notes 2012	-	50,000
	9 5% Loan Notes 2012	-	100,000
	5% Convertible Loan Notes 2012	-	170,000
	8 5% Unsecured Convertible Loan Notes 2013	950,225	995,000
	Loans secured over certain client agreements	-	6,519
		<u>950,225</u>	<u>1,321,519</u>
<b>14</b>	<b>Share capital</b>	<b>2011</b>	<b>2010</b>
		<b>£</b>	<b>£</b>
	<b>Allotted, called up and fully paid</b>		
	18,795,565 Ordinary shares of 3 5p each	657,845	657,845
		<u>657,845</u>	<u>657,845</u>
<b>15</b>	<b>Statement of movements on reserves</b>		
		<b>Share premium account</b>	<b>Profit and loss account</b>
		<b>£</b>	<b>£</b>
	Balance at 1 January 2011	1,064,604	(3,160,107)
	Loss for the year	-	(538,343)
		<u>1,064,604</u>	<u>(3,698,450)</u>
	Balance at 31 December 2011	1,064,604	(3,698,450)
<b>16</b>	<b>Reconciliation of movements in shareholders' funds</b>	<b>2011</b>	<b>2010</b>
		<b>£</b>	<b>£</b>
	Loss for the financial year	(538,343)	(1,260,427)
	Opening shareholders' funds	(1,437,657)	(177,230)
		<u>(1,976,001)</u>	<u>(1,437,657)</u>
	Closing shareholders' funds	(1,976,001)	(1,437,657)

# ST HELEN'S FINANCE PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2011

17 Reconciliation of operating loss to net cash inflow from operating activities	2011	2010
	£	£
Operating loss	(539,835)	(1,264,366)
Depreciation of tangible fixed assets	1,699	10,340
Loss on disposal of fixed asset investments	27,660	-
Decrease in debtors	1,013,036	2,143,632
Decrease in creditors	(471,601)	(726,318)
<b>Net cash inflow from operating activities</b>	<b>30,959</b>	<b>163,288</b>

18 Reconciliation of net cash flow to movement in net funds	2011	2010
	£	£
Increase in cash in the year	35,490	162,105
<b>Movement in net funds in the year</b>	<b>35,490</b>	<b>162,105</b>
Opening net funds	218,203	56,098
<b>Closing net funds</b>	<b>253,693</b>	<b>218,203</b>

19 Analysis of net funds	1 January 2011	Cash flow	Other non-cash changes	31 December 2011
	£	£	£	£
Net cash				
Cash at bank and in hand	218,203	35,490	-	253,693
<b>Net funds</b>	<b>218,203</b>	<b>35,490</b>	<b>-</b>	<b>253,693</b>

#### 20 Related party transactions

R Abbott, Executive Chairman, was the beneficial holder of £270,000 7.5% and £300,000 6% Convertible Loan Notes and £130,000 8.5% Unsecured Convertible Loan Notes. In addition £17,213 interest was paid in respect of the Company's Loan Notes to R Abbott (2010 £32,318).

During the year a total of £1,200 was paid to Jupiterpoint Limited (2010 £1,200), a related party through common directorship of B Harris, comprising interest paid on £20,000 6% Convertible Loan Notes. A further £9,000 (2010 £nil) was paid to Jupiterpoint Limited during the year in respect of directors fees for B Harris.

#### 21 Controlling parties

The company is not under the overall control of one company or person.