

**QUIET REVOLUTION LIMITED
CONSOLIDATED FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2011**

COMPANY REGISTRATION NUMBER 5405104

**QUIET REVOLUTION LIMITED
GROUP CONSOLIDATED FINANCIAL STATEMENTS**

31 DECEMBER 2011

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QUIET REVOLUTION LIMITED
CONSOLIDATED FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2011

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**QUIET REVOLUTION LIMITED
OFFICERS AND PROFESSIONAL ADVISERS
FOR THE YEAR ENDED 31 DECEMBER 2011**

Company registration number	5405104
The board of directors	Mr R Cochrane (resigned - 23 November 2011) Mr B Guest (resigned - 26 January 2012) Mr C Leick Mr R Webb (resigned - 19 October 2011) Ms M Hurley (resigned - 1 September 2011) Mr P Ward (appointed - 31 October 2011) Mr P Summers (appointed - 25 April 2012) Ms I Schirmer (appointed - 26 January 2012)
Company secretary	Mr M Park (appointed - 13 May 2011) Ms M Hurley (resigned - 13 May 2011)
Registered office	Unit 23 B&C Berghem Mews Blythe Road London W14 0HN
Current auditor	Evens & Co Ltd Hamilton House Hamilton Terrace Milford Haven Pembrokeshire SA73 3JP
Bankers	National Westminster Watford 72-74 High Street Watford Herts WD17 2GZ
Solicitors	Peachey & Co LLP 95 Aldwych London WC2B 4JF

QUIET REVOLUTION LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2011

The directors present their report and consolidated financial statements for the year ended 31 December 2011. These consolidated financial statements have been prepared under International Financial Reporting Standards for Small and Medium-sized Entities as adopted by the European Union, rather than UK GAAP.

RESULTS AND DIVIDENDS

The loss for the year after taxation amounted to £4,001,300 (2010 - £3,142,727). The directors do not recommend the payment of a dividend (2010 - £nil).

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The Group continued the strategy of commercialising its vertical axis wind turbine (VAWT) product in the context of very challenging economic conditions. The project to deliver the next generation of the qr5 remains a key focus, and the Group has consolidated its cost base.

In order to diversify its dependency on a single technology and to capitalise on market opportunities, in early 2012 the Group secured the exclusive UK distribution rights to a market-leading horizontal axis wind turbine (HAWT). This technology complements the Group's existing product range and provides opportunities for new sources of profitable revenues.

The directors recognise the continued challenges of a subsidy-dependant market in the UK but remain confident in the ability of the Group to consolidate its position and to grow through new opportunities. The commercial strategy of the business no longer relies on further investment.

PRINCIPAL RISKS AND UNCERTAINTIES

There are a number of risks and uncertainties which could have a material impact on the execution of the company's strategy. Risks are reviewed by the board and appropriate processes and controls are put in place to monitor and mitigate them.

Technology risk

Although a certain level of technology risk is inherent in an early stage technology business, the group and directors have implemented best practice techniques and design principles, methodologies and technologies to mitigate this risk. Furthermore, to ensure the successful commercialisation and transition to scale manufacture of the products, the company has employed personnel with significant experience in design for volume manufacture.

Global economic and credit market risk

The impact of the current credit market conditions increases the risk of securing further investment. To date, the company's customers have fulfilled their contractual obligations, however, the directors recognise the increased exposure risk and will continue to monitor closely.

Supplier risk

The group remains conscious of the risk of suppliers with regard to pricing, quality, availability and consistency of supply.

Managing growth and capital requirements

The group has grown its customer base and anticipates further growth in demand. Investment in operational working capital and resources will be required, and there is a risk that growth will be constrained by lack of sufficient resources.

QUIET REVOLUTION LIMITED
DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2011

Research and development

The group continued its strategy of product development of its vertical axis wind turbine. During the year the group incurred expenditure of £1,446,309 (2010 - £1,126,476) all of which has been written off to the statement of comprehensive income. Continued development will achieve further cost reductions and product performance improvement for the QR5 product as well as providing the foundation for future products.

Key personnel dependence risk

The group recognises the need to recruit and retain a high calibre of employees with the requisite experience required to achieve its goals. There are risks inherent in relying on key employees and management. Stock options have been granted to key personnel as a retention tool. There are also restrictive covenants on employee contracts. These are aimed at reducing risk of disruption to operations and damage to the business due to loss of key personnel.

EVENTS AFTER THE REPORTING PERIOD

In April 2012 the group raised a total of £1,236,968 following the issue of new shares. These funds have changed the negative equity of the group into surplus and on that basis the directors consider that they have a reasonable expectation that the group has adequate resources to progress their established strategy for the foreseeable future, without the need for further funding. Accordingly, they continue to adopt the going concern basis in preparing these financial statements.

DIRECTORS

The directors who served during the year and subsequently were as follows:

Mr R Cochrane (resigned 23 November 2011)

Mr B Guest (resigned 26 January 2012)

Mr C Leick

Mr R Webb (resigned 19 October 2011)

Ms M Hurley (resigned 1 September 2011)

Mr P Ward (appointed 31 October 2011)

Mr P Summers (appointed 25 April 2012)

Ms I Schirmer (appointed 26 January 2012)

Directors qualifying third party indemnity provision

Qualifying third party indemnity provision is in place for the benefit of all directors of the company.

QUIET REVOLUTION LIMITED
DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2011

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

In so far as the directors are aware

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

AUDITORS

In accordance with section 485 of the Companies Act 2006, a resolution is to be proposed at the Annual General Meeting for reappointment of Evens & Co Ltd as auditors

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing 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 International Financial Reporting Standards for Small and Medium-sized Entities (IFRS for SMEs) as adopted by the European Union and applicable law.

International Financial Reporting Standards for Small and Medium-sized Entities requires that financial statements present fairly for each financial year the group's financial position, financial performance and cash flows. This requires faithful representation of the effect of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out on the International Accounting Standards Board's 'Framework for the Preparation and Presentation of Financial Statements'. In virtually all situations, a fair presentation will be achieved by complying with all applicable IFRS for SMEs. In preparing these financial statements, the directors are also required to

- select suitable accounting policies and then apply them consistently,
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information.
- provide additional disclosures when compliance with the specific requirements in IFRS for SMEs is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the group's financial position and financial performance, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The directors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the group and enable them to ensure that the financial statements comply with the Companies Act 2006 and Article 4 of the IAS Regulation. 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.

QUIET REVOLUTION LIMITED
DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2011

The directors have prepared this report in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies

Approved by the board on 21 August 2012
and signed on its behalf by



Mr P Summers
Director

QUIET REVOLUTION LIMITED
INDEPENDENT AUDITORS REPORT TO THE SHAREHOLDERS OF QUIET
REVOLUTION LIMITED
FOR THE YEAR ENDED 31 DECEMBER 2011

We have audited the consolidated financial statements of Quiet Revolution Limited and its subsidiary (the 'group') for the year ended 31 December 2011 which comprise the Consolidated Income Statement, Consolidated Statement of Changes in Equity, the Consolidated and Parent Company Statements of Financial Position, Consolidated Statement 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 for Small and Medium-sized Entities (IFRS for SMEs) as issued by the International Accounting Standards Board.

This report is made solely to the group's shareholders, as a body, in accordance with Section 495 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the group's shareholders 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 group and the group's shareholders as a body, for our audit work, for this report or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As explained more fully in the Statement of Directors' Responsibilities, set out on page 5, the directors are responsible for the preparation of the consolidated financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the consolidated 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 Boards' (APB's) Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL ACCOUNTS

An audit involves obtaining evidence about the amounts and disclosures in the consolidated financial statements sufficient to give reasonable assurance that the consolidated financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the group's and the 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 consolidated financial statements.

BASIS OF OPINION

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

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give a reasonable assurance that the consolidated financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the consolidated financial statements.

**QUIET REVOLUTION LIMITED
INDEPENDENT AUDITORS REPORT TO THE SHAREHOLDERS OF QUIET
REVOLUTION LIMITED (continued)
FOR THE YEAR ENDED 31 DECEMBER 2011**

OPINION ON FINANCIAL STATEMENTS

In our opinion the consolidated 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 its loss for the period then ended,
- have been properly prepared in accordance with IFRS for SMEs as adopted by the European Union, 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 consolidated financial statements, which is not qualified, we draw attention to the disclosure made in note 1 to the financial statements concerning the negative equity at the balance sheet date and its impact on the company's ability to continue as a going concern. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the group's ability to continue as a going concern. The consolidated financial statements do not include the adjustments that would result if the group was unable to continue as a going concern.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion

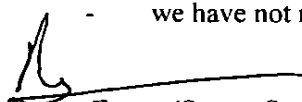
- the information given in the Directors' Report for the financial year for which the consolidated financial statements are prepared is consistent with the consolidated financial statements

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, or returns adequate for our audit have not been received from branches not visited by us, or
- the consolidated 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 of the information and explanations we require for our audit


Bruce Evens (Senior Statutory Auditor)
For and on behalf of

Evans & Co Ltd
Hamilton House
Hamilton Terrace
Milford Haven
Pembrokeshire
SA73 3JP

21 August 2012

QUIET REVOLUTION LIMITED
CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2011

	Notes	2011 £	2010 £
Revenue		1,042,193	1,080,446
Cost of sales		(1,729,380)	(1,496,960)
GROSS LOSS		(687,187)	(416,514)
Other operating income		124,074	38,723
Administrative and distribution expenses		(3,653,301)	(2,939,771)
OPERATING LOSS	3	(4,216,414)	(3,317,562)
Finance costs	4	(39,850)	(32,859)
Income from investments	5	4,985	11,054
LOSS BEFORE TAX		(4,251,279)	(3,339,367)
Income tax income	6	249,979	196,640
LOSS FOR THE YEAR		(4,001,300)	(3,142,727)

QUIET REVOLUTION LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2011

	Attributable to equity holders of the parent				
	Issued capital £	Share premium £	Other reserves £	Retained earnings £	Total equity £
Balance at 1 January 2011	904,592	12,991,088	101,674	(12,842,706)	1,154,648
Loss for the year	-	-	-	(4,001,300)	(4,001,300)
Issue of share capital	1,191,944	1,086,095	-	-	2,278,039
Share issue costs	-	(22,316)	-	-	(22,316)
Recognition of share-based payments	-	-	(55,388)	55,388	-
Balance at 31 December 2011	<u>2,096,536</u>	<u>14,054,867</u>	<u>46,286</u>	<u>(16,788,618)</u>	<u>(590,929)</u>

	Attributable to equity holders of the parent				
	Issued capital £	Share premium £	Other reserves £	Retained earnings £	Total equity £
Balance at 1 January 2010	766,661	10,138,154	116,843	(9,726,413)	1,295,245
Loss for the year	-	-	-	(3,142,727)	(3,142,727)
Issue of share capital	137,931	2,862,069	-	-	3,000,000
Share issue costs	-	(9,135)	-	-	(9,135)
Recognition of share-based payments	-	-	(15,169)	26,434	11,265
Balance at 31 December 2010	<u>904,592</u>	<u>12,991,088</u>	<u>101,674</u>	<u>(12,842,706)</u>	<u>1,154,648</u>

QUIET REVOLUTION LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 DECEMBER 2011

	Notes	2011 £	2010 £
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	7	357,926	336,737
CURRENT ASSETS			
Inventories	9	707,098	412,893
Trade and other receivables	10	553,362	557,580
Cash and cash equivalents	11	198,209	1,076,001
		<u>1,458,669</u>	<u>2,046,474</u>
TOTAL ASSETS		1,816,595	2,383,211
CURRENT LIABILITIES			
Interest bearing borrowings	12	(92,345)	(104,223)
Deferred income		(294,824)	(340,403)
Provisions	13	(83,500)	(166,000)
Trade and other payables	14	(600,242)	(394,219)
		<u>(1,070,911)</u>	<u>(1,004,845)</u>
NON CURRENT LIABILITIES			
Interest bearing borrowings	12	(1,336,613)	(223,718)
TOTAL LIABILITIES		(2,407,524)	(1,228,563)
NET (LIABILITIES)/ASSETS		<u>(590,929)</u>	<u>1,154,648</u>
EQUITY			
ISSUED CAPITAL AND RESERVES			
Issued share capital	15	2,096,536	904,592
Share premium		14,054,867	12,991,088
Reserves	17	46,286	101,674
Retained profits		(16,788,618)	(12,842,706)
TOTAL EQUITY		<u>(590,929)</u>	<u>1,154,648</u>

Approved by the Board on 21 August 2012 and signed on its behalf by



Mr P Summers, Director

Company registration number 5405104

QUIET REVOLUTION LIMITED
COMPANY STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 DECEMBER 2011

	Notes	2011 £	2010 £
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	7	273,062	162,641
CURRENT ASSETS			
Inventories	9	157,000	50,488
Trade and other receivables	10	536,484	1,619,127
Cash and cash equivalents	11	176,065	1,056,812
		<u>869,549</u>	<u>2,726,427</u>
TOTAL ASSETS		<u>1,142,611</u>	<u>2,889,068</u>
CURRENT LIABILITIES			
Interest bearing borrowings	12	-	(3,591)
Deferred income		(294,824)	(340,403)
Provisions	13	(76,500)	(159,000)
Trade and other payables	14	(921,118)	(235,144)
		<u>(1,292,442)</u>	<u>(738,138)</u>
NON CURRENT LIABILITIES			
Interest bearing borrowings	12	(1,200,000)	(497)
TOTAL LIABILITIES		<u>(2,492,442)</u>	<u>(738,635)</u>
NET (LIABILITIES)/ASSETS		<u>(1,349,831)</u>	<u>2,150,433</u>
EQUITY			
ISSUED CAPITAL AND RESERVES			
Issued share capital	15	2,096,536	904,592
Share premium		14,054,867	12,991,088
Options reserves	17	46,286	101,674
Retained profits		(17,547,520)	(11,846,921)
TOTAL EQUITY		<u>(1,349,831)</u>	<u>2,150,433</u>

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime

Approved by the Board on 21 August 2012 and signed on its behalf by



Mr P Summers, Director

Company registration number 5405104

QUIET REVOLUTION LIMITED
CONSOLIDATED STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 31 DECEMBER 2011

	2011 £	2010 £
CASH FLOWS FROM OPERATING ACTIVITIES		
Total operating Loss	(4,001,300)	(3,142,727)
ADJUSTMENTS TO RECONCILE TO LOSS FROM OPERATIONS		
Interest expense	34,865	21,826
Interest income	-	(21)
Income tax credit	(249,979)	(196,640)
Share based payment expense	-	11,265
ADJUSTMENTS TO RECONCILE LOSS FROM OPERATIONS	(215,114)	(163,570)
	(4,216,414)	(3,306,297)
NON-CASH ADJUSTMENTS		
Depreciation	229,857	252,694
Loss on derecognition of property, plant and equipment	84	28,124
Provisions used	(82,500)	(360,482)
NON-CASH ADJUSTMENTS	147,441	(79,664)
CASH FLOWS BEFORE CHANGES IN WORKING CAPITAL	(4,068,973)	(3,385,961)
INCREASE IN WORKING CAPITAL		
(Increase)/Decrease in inventories	(294,205)	3,550
Decrease in trade and other receivables	102,061	150,033
Increase/(Decrease) in trade and other payables	160,444	(23,455)
INCREASE IN WORKING CAPITAL	(31,700)	130,128
CASH FLOWS USED IN OPERATING ACTIVITIES	(4,100,673)	(3,255,833)
CASH FLOWS FROM OTHER OPERATING ACTIVITIES		
Income taxes refunded	166,137	-
NET CASH FLOWS USED IN OPERATING ACTIVITIES	(3,934,536)	(3,255,833)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments to acquire property, plant and equipment	(265,131)	(143,093)
NET CASH FLOWS USED IN INVESTING ACTIVITIES	(265,131)	(143,093)
NET CASH FLOWS AFTER INVESTING ACTIVITIES	(4,199,667)	(3,398,926)
CASH FLOWS FROM FINANCING ACTIVITIES		
Gross proceeds from issue of equity share capital	2,255,723	2,990,865
Gross proceeds from other borrowings	1,200,000	-
Repayment of bank loans	(92,346)	(81,054)
Repayment of obligations under finance leases	(6,637)	(6,908)
Payments of interest classified as financing	(39,850)	(32,859)

QUIET REVOLUTION LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2011

	2011	2010
	£	£
Other cash inflows from financing activities	4,985	11,054
NET CASH FLOWS FROM FINANCING ACTIVITIES	3,321,875	2,881,098
NET CASH FLOWS FROM FINANCING ACTIVITIES	(877,792)	(517,828)
Cash and cash equivalents as at 1 January 2011	1,076,001	1,593,829
CASH AND CASH EQUIVALENTS AS AT 31 DECEMBER 2011	198,209	1,076,001

The notes on pages 15 to 31 form part of these financial statements.

QUIET REVOLUTION LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

1. AUTHORISATION OF FINANCIAL STATEMENTS AND STATEMENT OF COMPLIANCE WITH IFRS'S

Quiet Revolution Limited (the company) is a limited company incorporated and domiciled in England and Wales. The address of its registered office and principal place of business is at Unit 23 B&C, Berghem Mews, Blythe Road, London W14 0HN.

The group consists of the company and its wholly-owned subsidiary Quiet Revolution Manufacturing Limited. Their principal activities are the manufacture and supply of wind turbines as described in the Directors' Report.

The group's financial statements for the year were authorised for issue on 21 August 2012 and the consolidated statement of financial position signed on the board's behalf by Mr P Summers.

The group's financial statements have been prepared in accordance with International Financial Reporting Standards for Small and Medium-sized Entities (IFRS for SMEs) as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006. The principal accounting policies adopted by the group are set out in note 2.

The group financial statements incorporate the financial statements of the company and entities controlled by the company (its subsidiary) made up to 31 December each year.

Separate financial statements for the parent entity have not been disclosed in these consolidated financial statements in accordance with International Financial Reporting Standards for Small and Medium-sized Entities (IFRS for SMEs) section 9.24.

FUNDAMENTAL ACCOUNTING CONCEPT

As at 31 December 2011 the group has negative equity of £590,929, however, as detailed in note 19 to the financial statements, the board has subsequently secured further funding to continue in operational existence for the foreseeable future and accordingly has presented their financial statements on a going concern basis. Cash forecasts identifying the group's liquidity requirements are produced regularly and reviewed by the Board. The Board seeks to ensure that sufficient financial headroom exists for at least a 12 month period to safeguard the group's ability to continue as a concern.

2. ACCOUNTING POLICIES

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and its wholly-owned subsidiary. All intra-group transactions, balances, income and expenses are eliminated.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided during the normal course of business net of discounts and VAT and other sales taxes.

Revenue for sales of goods is recognised when goods are delivered and/or when significant risks and rewards have passed.

2. ACCOUNTING POLICIES (continued)

Revenue from the rendering of maintenance services is recognised over the term of the contract on a straight line basis. Revenue from other services is recognised once the service has been delivered.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Interest expense recognition

Expense is recognised as interest accrues, using the effective interest method, to the net carrying amount of the financial liability.

Effective interest method

The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial asset or liability to that asset's or liability's net carrying amount.

Government grants

Government grants are recognised when it is reasonable to expect that the grants will be received and that all related conditions will be met, usually on submission of a valid claim for payment. Grants of a revenue nature are credited to income so as to match them with the expenditure to which they relate.

Foreign currency exchange

The financial statements are presented in the currency of the primary economic environment in which the group operates (its 'functional currency'). The financial statements, results and financial position of the group are expressed in Pounds Sterling, which is the functional currency of the group and the presentational currency of the financial statements.

Transactions in currencies other than the functional currency of the group are initially recorded at the exchange rate prevailing on the dates of the transaction. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the exchange rate prevailing at the reporting date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Gains and losses arising on retranslation are included in profit or loss for the period, except for exchange differences on non-monetary assets and liabilities, which are recognised directly in other comprehensive income when the changes in fair value are recognised directly in other comprehensive income.

Taxes

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised on all material temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, with the following exceptions:

QUIET REVOLUTION LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2011

2. ACCOUNTING POLICIES (continued)

- where the temporary difference arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss,
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future, and
- deferred income tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised

Deferred tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled, based on the tax rates and laws enacted or substantively enacted at the balance sheet date

The carrying amount of deferred income tax assets is reviewed at the balance sheet date. Deferred tax assets and liabilities are offset, only if a legally enforceable right exists to set off current tax assets against current tax liabilities, the deferred taxes relate to the same taxation authority and that authority permits the company to make a single net payment

Tax is charged or credited to other comprehensive income if it relates to items that are charged or credited to other comprehensive income. Similarly, tax is charged or credited directly to equity if it relates to items that are credited or charged directly to equity. Otherwise tax is recognised in the statement of comprehensive income

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any recognised impairment loss

Depreciation is provided on a straight line basis to write off each asset over its estimated useful life or, if held under finance lease, over the term of the lease, whichever is shorter

Plant and machinery - 20% - 33% on cost
Fixtures and equipment - 33% on cost

At each reporting date, the group reviews the carrying amount of its property, plant and equipment to determine the extent of the impairment loss (if any). The recoverable amount is the higher of the fair value less costs to sell and value in use

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease

Leased assets

Assets obtained under finance leases are capitalised in the statement of financial position

The interest element of these obligations is charged to the statement of comprehensive income over the relevant period. The capital element of the future payments is treated as a liability

2. ACCOUNTING POLICIES (continued)

Financial risk management objectives and policies

The objective of the group's capital management is to ensure that it maintains strong credit ratings and capital ratios. This will ensure that the business is correctly supported and shareholder value is maximised.

The group manages its capital structure through adjustments that are dependent on economic conditions. In order to maintain or adjust the capital structure, the group may choose to change or amend dividend payments to shareholders or issue new share capital to shareholders. There were no changes to the objectives, policies or processes during the years ended 31 December 2011 and 31 December 2010.

Financial instruments

Financial assets and financial liabilities are recognised when the group has become a party to the contractual provisions of the instrument.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost includes all costs incurred in bringing each product to its present location and condition, as follows:

Raw materials - purchase cost on a weighted average basis

Work in progress and finished goods - cost of raw materials used in production on a weighted average basis

Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion or disposal.

Trade and other receivables

Trade receivables are classified as loans and receivables and are initially recognised at fair value. They are subsequently measured at their amortised cost using the effective interest method less any provision for impairment. A provision for impairment is made where there is objective evidence, (including customers with financial difficulties or in default of payments), that amount will not be recovered in accordance with original terms of the agreement. A provision for impairment is established when the carrying value of the receivable exceeds the present value of the future cash flows discounted using the original effective interest rate. The carrying value of the receivable is reduced through the use of an allowance account and any impairment loss is recognised in profit or loss.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short term deposits. Short term deposits are defined as deposits with an initial maturity of three months or less.

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 company after deducting all of its liabilities.

2. ACCOUNTING POLICIES (continued)

Provisions

Provisions are recognised when the group has a present obligation as a result of a past event which it is probable will result in an outflow of economic benefits that can be reliably estimated. Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the balance sheet date.

Provisions are currently recognised by the group in respect of warranties granted to customers. Management estimates of expected future expenditure under these warranties are supported by the group's own failure mode data collected by the operations department.

Critical accounting estimates and assumptions

Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The group makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Warranty provisions

The group provides for future liabilities arising from contractual obligations in relation to warranties granted to customers. Estimates of the likely value of these obligations are made up using the group's own data collected by its operations department, historical costs incurred and forecasted costs based on estimated failure analysis. However, performance under specific warranty obligations cannot be anticipated so a level of uncertainty exists over the amount for warranty provisions included in the balance sheet.

Trade and other payables

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

QUIET REVOLUTION LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2011

2. ACCOUNTING POLICIES (continued)

Share based payments

The group has applied the requirements of IFRS for SMEs Section 26 'Share-Based Payments' in respect of its Employee Stock Options Plan

The group issues share based payments to certain employees. Share based payments are measured at fair value at the date of grant. This fair value is expensed over the vesting period, based on estimates of shares that will eventually vest. Judgement is required in determining the most appropriate valuation model for a grant of equity instruments, depending on the terms and conditions of the grant. Management are also required to use judgement in determining the most appropriate inputs to the valuation model including expected life of the option, volatility and dividend yield. The assumptions and models used are disclosed in note 17.

In assessing this fair value the directors have taken into account the economic value of the ordinary shares of the company, using management judgement based on the most recent company valuations done for fund raising.

Operating lease commitments

Capital and operating lease commitments payments are recognised as an expense in the consolidated income statement on a straight-line basis over the lease term.

3. OPERATING LOSS

Operating loss is stated after charging/(crediting) the following

	2011 £	2010 £
Cost of inventories recognised as an expense	1,100,701	781,337
Loss on disposal of property, plant and equipment	84	28,124
Depreciation of property, plant and equipment	229,857	252,694
Net foreign currency differences	964	(4,068)
Research and development costs	1,446,309	1,126,476
Rentals under operating leases	168,612	150,624
Auditor's remuneration - audit services	17,520	20,000
Auditor's remuneration - taxation services	980	2,500
	<hr/>	<hr/>

QUIET REVOLUTION LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2011

4. FINANCE COSTS

	2011	2010
	£	£
Interest expense Bank borrowings	7,384	8,014
Interest expense Finance leases	220	1,400
Interest expense Other loans	32,246	23,445
	<u>39,850</u>	<u>32,859</u>

5. INCOME FROM INVESTMENTS

	2011	2010
	£	£
Interest earned on loans and deposits	<u>4,985</u>	<u>11,054</u>

6. INCOME TAX

Components of income tax expense

	2011	2010
	£	£
Current income tax expense		
Current income tax (credit)/charge	<u>(249,979)</u>	<u>(196,640)</u>

Reconciliation of income tax charge to accounting profit

	% age	2011	% age	2010
		£		£
Tax at the domestic income tax rate of	20.25	(860,884)	21	(701,267)
Tax effect of capital allowances	20.25	(38,403)	21	(28,679)
Tax effect of non deductible expenses	20.25	45,419	21	62,430
Tax effect of utilisation of losses	20.25	392,156	21	294,959
Tax effect of unutilised losses carried forward	20.25	650,819	21	495,270
Tax effect of R&D enhanced deduction	20.25	(189,107)	21	(122,713)
Tax effect of R&D tax credit	20.25	(249,979)	21	(196,640)
Tax expense using effective rate		<u>(249,979)</u>		<u>(196,640)</u>

QUIET REVOLUTION LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2011

7. PROPERTY, PLANT AND EQUIPMENT
Group at 31 December 2011

	Leasehold improvements £	Plant and equipment £	Fixtures and fittings £	Total £
Cost				
At 1 January 2011	116,801	517,011	294,835	928,647
Additions	-	231,647	33,484	265,131
Disposals	-	(22,840)	(859)	(23,699)
At 31 December 2011	<u>116,801</u>	<u>725,818</u>	<u>327,460</u>	<u>1,170,079</u>
Depreciation				
At 1 January 2011	(72,164)	(310,360)	(209,386)	(591,910)
Disposals	-	8,755	859	9,614
Charge for year	(23,224)	(152,030)	(54,603)	(229,857)
At 31 December 2011	<u>(95,388)</u>	<u>(453,635)</u>	<u>(263,130)</u>	<u>(812,153)</u>
Net book value				
At 1 January 2011	<u>44,637</u>	<u>206,651</u>	<u>85,449</u>	<u>336,737</u>
At 31 December 2011	<u>21,413</u>	<u>272,183</u>	<u>64,330</u>	<u>357,926</u>

Group at 31 December 2010

	Leasehold improvements £	Plant and equipment £	Fixtures and fittings £	Total £
Cost				
At 1 January 2010	116,801	555,373	243,690	915,864
Additions	-	81,638	61,455	143,093
Disposals	-	(120,000)	(10,310)	(130,310)
At 31 December 2010	<u>116,801</u>	<u>517,011</u>	<u>294,835</u>	<u>928,647</u>
Depreciation				
At 1 January 2010	(48,972)	(243,844)	(148,586)	(441,402)
Disposals	-	93,250	8,936	102,186
Charge for year	(23,192)	(159,766)	(69,736)	(252,694)
At 31 December 2010	<u>(72,164)</u>	<u>(310,360)</u>	<u>(209,386)</u>	<u>(591,910)</u>
Net book value				
At 1 January 2010	<u>67,829</u>	<u>311,529</u>	<u>95,104</u>	<u>474,462</u>
At 31 December 2010	<u>44,637</u>	<u>206,651</u>	<u>85,449</u>	<u>336,737</u>

QUIET REVOLUTION LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2011

7. PROPERTY, PLANT AND EQUIPMENT (Continued)

Company at 31 December 2011

	Plant and equipment £	Fixtures and fittings £	Total £
Cost			
At 1 January 2011	203,765	215,597	419,362
Additions	197,341	30,055	227,396
Disposals	(22,840)	(859)	(23,699)
At 31 December 2011	<u>378,266</u>	<u>244,793</u>	<u>623,059</u>
Depreciation			
At 1 January 2011	(96,864)	(159,857)	(256,721)
Disposals	8,755	859	9,614
Charge for year	(66,258)	(36,632)	(102,890)
At 31 December 2011	<u>(154,367)</u>	<u>(195,630)</u>	<u>(349,997)</u>
Net book value			
At 1 January 2011	<u>106,901</u>	<u>55,740</u>	<u>162,641</u>
At 31 December 2011	<u>223,899</u>	<u>49,163</u>	<u>273,062</u>

Company at 31 December 2010

	Plant and equipment £	Fixtures and fittings £	Total £
Cost			
At 1 January 2010	252,281	181,125	433,406
Additions	71,484	44,782	116,266
Disposals	(120,000)	(10,310)	(130,310)
At 31 December 2010	<u>203,765</u>	<u>215,597</u>	<u>419,362</u>
Depreciation			
At 1 January 2010	(134,991)	(121,119)	(256,110)
Disposals	93,250	8,936	102,186
Charge for year	(55,123)	(47,674)	(102,797)
At 31 December 2010	<u>(96,864)</u>	<u>(159,857)</u>	<u>(256,721)</u>
Net book value			
At 1 January 2010	<u>117,290</u>	<u>60,006</u>	<u>177,296</u>
At 31 December 2010	<u>106,901</u>	<u>55,740</u>	<u>162,641</u>

QUIET REVOLUTION LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2011

8. RELATED PARTY TRANSACTIONS

Subsidiaries

The consolidated financial statements include the financial statements of Quiet Revolution Limited and the subsidiaries listed in the following table

Name	Principal activity	Country of incorporation	% Interest 2011	% Interest 2010
Quiet Revolution Manufacturing Limited	Manufacture of wind turbines	England & Wales	100%	100%

The value of the investment is stated as £nil (2010 - £nil) following an impairment review in 2010

Trading activities

During the year the Group made sales of £7,316 to RWE Innogy GmbH (2010 - £88,921) RWE Innogy GmbH, via its fully owned Innogy Renewables Technology Fund 1 GmbH & Co KG, holds 48.22% of the share capital of the company and is entitled to appoint a director of the company

Sales of goods to related parties were made at the Group's usual list prices

Key management compensation

Director's remuneration comprised

	2011 £	2010 £
Wages and salaries	<u>319,874</u>	<u>171,980</u>

Directors' interests in share options

The number of options over ordinary shares in the company held during the financial year by each director of the company, including their personally related parties are set out below

	<i>Balance at start of the year</i>	<i>Forfeited during the year</i>	<i>Balance at the end of the year</i>
M Hurley	310,000	(310,000)	-

QUIET REVOLUTION LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2011

9. INVENTORIES

	2011	Group 2010	2011	Company 2010
	£	£	£	£
Raw materials	429,121	276,313	-	-
Work in progress	3,659	51,423	-	-
Finished goods	274,318	85,157	157,000	50,488
	<u>707,098</u>	<u>412,893</u>	<u>157,000</u>	<u>50,488</u>

10. TRADE AND OTHER RECEIVABLES

	2011	Group 2010	2011	Company 2010
	£	£	£	£
Receivable from trade customers	1,544	77,179	1,544	77,179
Receivable from related parties	-	-	-	1,086,566
Other receivables	105,199	86,911	88,321	61,892
Tax receivables	446,619	362,777	446,619	362,777
Accrued income	-	30,713	-	30,713
	<u>553,362</u>	<u>557,580</u>	<u>536,484</u>	<u>1,619,127</u>

Amounts receivable from trade customers are non-interest bearing and are generally on 30 - 90 day terms

11. CASH AND CASH EQUIVALENTS

	2011	Group 2010	2011	Company 2010
	£	£	£	£
Cash at bank	<u>198,209</u>	<u>1,076,001</u>	<u>176,065</u>	<u>1,056,812</u>

For the purposes of the consolidated statement of cash flows, cash and cash equivalents comprise the following at 31 December 2011

	2011	Group 2010	2011	Company 2010
	£	£	£	£
Cash at bank	<u>198,209</u>	<u>1,076,001</u>	<u>176,065</u>	<u>1,056,812</u>

QUIET REVOLUTION LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2011

12. FINANCIAL LIABILITIES AND EQUITY

Group at 31 December 2011	2011 £	Group 2010 £	2011 £	Company 2010 £
Non-current				
Finance leases	-	566	-	497
Bank loans	125,000	150,000	-	-
Interest bearing other loans	1,211,613	73,152	1,200,000	-
	<u>1,336,613</u>	<u>223,718</u>	<u>1,200,000</u>	<u>497</u>
Current				
Finance leases	-	6,071	-	3591
Bank loans	25,000	25,000	-	-
Interest bearing other loans	67,345	73,152	-	-
	<u>92,345</u>	<u>104,223</u>	<u>-</u>	<u>3591</u>
Bank loans and other borrowings				
	2011 £	2010 £	2011 £	2010 £
Fixed rate bank loan	150,000	175,000	-	-
Other borrowings	1,278,958	146,304	1,200,000	497
	<u>1,428,958</u>	<u>321,304</u>	<u>1,200,000</u>	<u>497</u>
Less current instalments due on loans and borrowings	(92,345)	(98,152)	-	-
	<u>1,336,613</u>	<u>223,152</u>	<u>1,200,000</u>	<u>497</u>

Fixed rate bank loan

The bank loan is secured by a debenture including fixed charge over all present freehold and leasehold property, first fixed charge over book and other debts, chattels, goodwill and uncalled capital, both present and future, and first floating charge over all assets and undertaking both present and future dated 27 September 2007

Other borrowings

A loan of £1,200,000 was received during the year from venture capital trusts. The loan is repayable in full, together with interest accrued, by September 2013. The interest rate applied to the loan is 8%p a for the first 6 months and 10%p a thereafter payable quarterly in arrears until repayment of the loan. By way of an amendment dated 11 July 2012 the term of the loan was extended to April 2014, and the interest rate capped at 8%

The loan is secured by a fixed charge over the right, title and interest in and to Quiet Revolution Limited's wind turbine development prospects in the UK including any signed ELAs which have not been installed and all data relating to such projects

QUIET REVOLUTION LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2011

13. PROVISIONS

Group at 31 December 2011

	Warranty provision £	Repairs provision £	Dilapidations provision £	Total £
At 1 January 2010	256,500	262,982	7,000	526,482
Additional provision in the year	43,500	-	-	43,500
Release of provision during the year	(141,000)	(262,982)	-	(403,982)
At 31 December 2010	159,000	-	7,000	166,000
Release of provision during the year	(82,500)	-	-	(82,500)
At 31 December 2011	<u>76,500</u>	<u>-</u>	<u>7,000</u>	<u>83,500</u>

Company at 31 December 2011

	Warranty provision £	Repairs provision £	Dilapidations provision £	Total £
At 1 January 2010	256,500	262,982	-	519,482
Additional provision in the year	43,500	-	-	43,500
Release of provision during the year	(141,000)	(262,982)	-	(403,982)
At 31 December 2010	159,000	-	-	159,000
Release of provision during the year	(82,500)	-	-	(82,500)
At 31 December 2011	<u>76,500</u>	<u>-</u>	<u>-</u>	<u>76,500</u>

Warranty provision

A provision is recognised for expected warranty claims on products sold in the last two years, based on past experience of the levels of repairs and returns. Assumptions used to calculate the provision for warranties were based on current sales levels and the current information available about repairs based on the two-year warranty period for all products sold.

Repairs provision

A provision was recognised for all known repairs to be made including the replacement of a defective part. The part was redesigned, tested and put into production. The repairs were fully completed in 2010.

Dilapidations provision

A dilapidation provision has been recognised for the expected dilapidation cost associated with a factory rented by Quiet Revolution Manufacturing Limited.

QUIET REVOLUTION LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2011

14. TRADE AND OTHER PAYABLES

	2011	Group 2010	2011	Company 2010
	£	£	£	£
Payable to trade suppliers	431,337	211,468	318,003	103,159
Other payables	28,919	-	5,563	-
Accrued liabilities	85,149	139,174	85,149	95,580
Tax payable	54,837	43,577	47,803	36,405
Payable to related parties	-	-	464,600	-
	<u>600,242</u>	<u>394,219</u>	<u>921,118</u>	<u>235,144</u>

Trade and other payables principally comprise amounts outstanding for trade purchases and ongoing costs

The directors consider that the carrying amount of trade payables approximates to their fair value

15. SHARE CAPITAL

Group and Company Issued share capital

	No.	2011 £	No	2010 £
Issued and fully paid				
Ordinary share capital				
At 1 January	5,137,870	513,787	5,137,870	513,787
New issues of share capital	2,772,805	277,280	-	-
At 31 December	7,910,675	791,067	5,137,870	513,787
Ordinary A share capital				
At 1 January	3,908,045	390,805	2,528,735	252,874
New issues of share capital	9,146,635	914,664	1,379,310	137,931
At 31 December	13,054,680	1,305,469	3,908,045	390,805
Total share capital				
At 31 December	20,965,355	2,096,536	9,045,915	904,592

All issued share capital is classified as equity

16. GOVERNMENT GRANTS

On 28th August 2011 the Group received €75,103 from the European Commission as part of an FP7 research grant. The project will run for a further 2 years (3 years in total) and the total grant value is €235,048. Revenue of £113,722 has been recognised in other operating income in 2011.

17. SHARE BASED PAYMENTS

Equity-settled share based payments

The group operates a share option plan, under which certain directors and employees have been granted options to subscribe for ordinary shares, which are treated as equity settled share based payments in accordance with the requirements of IFRS for SMEs.

The fair value at the grant date of the option is expensed on a straight-line basis over the vesting period based on the group's estimate of shares that will eventually vest. The charge is then credited back to reserves as follows:

	Options reserve
	£
At 1 January 2011	101,674
Diminution of value	(55,388)
At 31 December 2011	<u>46,286</u>

	Options reserve
	£
At 1 January 2010	116,843
Diminution of value	(15,169)
At 31 December 2010	<u>101,674</u>

The share options plans vest on the earlier of IPO or trade sale and the following vesting periods:

<i>Grant Date</i>	<i>No of options</i>	<i>Vesting period (after grant date)</i>			
		<i>1 year</i>	<i>2 years</i>	<i>3 years</i>	<i>5 years</i>
01 Nov 06	132,650	-	-	-	100%
08 Jul 09	175,000	-	25%	25%	50%
Various	910,000	20%	-	-	80%

QUIET REVOLUTION LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2011

17. SHARE BASED PAYMENTS (continued)

Details of the number of share options and the weighted average exercise price (WAEP) outstanding during the year are as follows

	2011		2010	
	No.	WAEP £	No	WAEP £
Outstanding at the beginning of the year	900,510	2.02	837,650	2 18
Granted during the year	-	-	305,000	2 18
Forfeited during the year	662,860	2.78	242,500	2 77
Outstanding at the end of the year	<u>237,650</u>	<u>1.21</u>	<u>900,510</u>	<u>2 02</u>
Exercisable at the end of the year	<u>21,000</u>	<u>1.21</u>	<u>151,000</u>	<u>2 35</u>

The following table lists the inputs to the models used for the years ended 31 December 2011 and 31 December 2010, no options were granted during 2011 and no inputs were then used in the year ended 31 December 2011

	2011	2010
Dividend yield (%)	-	0 00
Expected share price volatility (%)	-	67 90
Risk-free interest rate (%)	-	4 97
Expected life of options (years)	-	2 3
Share price on date of grant (£)	-	2 175
Exercise price (£)	-	2 175

The options outstanding at 31 December 2011 had an exercise price between £0 10 and £2 90 (2010 - £0 10 and £2 90)

Volatility was calculated by taking the average of share price volatility of companies in the same industry whose shares are listed on various European stock exchanges

The Group recognised total expenses of £nil (2010 - £11,265) relating to equity-settled share-based payment transactions

QUIET REVOLUTION LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2011

18. OPERATING LEASE COMMITMENTS

The minimum lease payments under non-cancellable operating lease rentals are in aggregate as follows

As lessee

	2011	2010
	£	£
Less than one year	54,000	93,871
One to two years	-	54,000
	<u>54,000</u>	<u>147,871</u>

19. EVENTS AFTER THE REPORTING PERIOD

On 30 April 2012 the group raised funds from a rights issue for £1,236,968 from existing investors.