Company Registration No. 05865059 (England and Wales)

HILTON VENTURES PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2009

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HILTON VENTURES PLC

COMPANY INFORMATION

Directors	G P Alcock J S Cohen	*Non-Executive Director* *Non-Executive Director*
Company Secretary	M Silverman	
Company number	05865059	
Registered Office	Peel House 30 The Downs Altrincham Cheshire WA14 2PX	
Auditors	White & Company (UK) Limited 4th Floor, Blackfriars House Parsonage Manchester M3 2JA	
Principal Bankers	National Westminster Bank Plc 5th Floor 1 Spinningfields Square Deansgate Manchester M3 3AP	
Solicitors	Zatman & Co. 1 The Cottages Deva Centre Trinity Way Manchester M3 7BE	
PLUS Corporate Adviser	Capital Partners Europe Limited 33 St James's Square London SW1Y 4JS	

CHAIRMAN'S STATEMENT AND BUSINESS REVIEW

FOR THE YEAR ENDED 31 DECEMBER 2009

Hilton Ventures Plc is a property services and short term property finance Group.

On behalf of the Board of Directors of Hilton Ventures plc, I have pleasure in presenting the results of the company for the year ended 31 December 2009.

Share issue

On 25 August 2009, NLX Limited ("NLX") elected to exercise their share options in the Group in part by subscribing for 124,800,000 ordinary shares in the Company at a price of 0 25p per share ("the Conversion"). Following the Conversion, NLX is now interested in 240,800,000 ordinary shares in Hilton Ventures plc (representing 51.87% of the issued share capital)

Mr Andrew Lazare is currently interested in 47.02% of the issued share capital of NLX. Following the Conversion, Mr Lazare is now interested in 26.08% of the issued share capital of Hilton

Overview

Overall the year has been a difficult one for the Group as a result of the ongoing deterioration in the UK economy, and in particular the property market. As a result of these difficulties the Board took the decision to focus entirely on the managing of its loan book and to cease the property auction and estate agency activities previously undertaken by its subsidiary Empress Auctions Limited, and on 20 July 2010 this company was dissolved.

Results

The Group generated revenues of £352,532 during the year (2008: £374,015), earning a gross margin of 78% (£276,388) (2008: 66% - £247,107) and a loss before non-recurring expenses, interest, depreciation and taxation of £44,727 (2008: loss £81,417). The loss before tax was £37,786 (2008: £271,785), resulting in a loss per share of £0 01 (2008 loss per share £0.08).

The results for the first six months of 2009 were satisfactory and presented a maiden profit for the Group as announced in the interim statements for the period ended 30 June 2009 Unfortunately during the second half of the year, the Group was forced to repossess a number of properties and undertake their sale, which it completed successfully. These repossessions were necessary due to a number of clients being unable to refinance their loans due to the severe downturn in the availability of long term property funding from mainstream lenders

During the year we also commenced legal proceedings against certain professional advisors on a number of transactions where our legal team have subsequently advised that these professionals did not protect the interests of either the Group or our funders, Natwest Bank PLC These claims are being pursued with the full support of Natwest We fully anticipate that all ongoing claims will be settled without any loss to the Group.

As a consequence of the Board's focus on managing the loans taken out prior to the downturn, and the resultant time taken to pursue the aforementioned legal claims, no new loans have been drawn down in the second half of the year.

These results highlight the resilience of the Board to manage both the bank's and shareholders' money, and we believe the way in which we have conducted ourselves, in a difficult environment where a number of our competitors have failed, places us in a strong position to profit from a future recovery in the property finance markets.

As a result of the pressures and restrictions noted above the Group has responded to the economic downturn and the effect that this was having on the business by making significant overhead cost reductions and implementing a strict new lending criteria to new applicants. While this has resulted in a slight improvement in the 2009 operating loss presented the full effects of these actions will not be seen until 2010 and beyond.

Dividend

The Board is not recommending a dividend as all funds are required for the development of the business.

Future Outlook

The Board have considered the merits of maintaining the Company's securities on PLUS and have concluded that the costs, administrative requirements and management time being dedicated to maintaining the quote on PLUS outweigh the benefits in the short to medium term. Consequently the Company allowed its shares to be withdrawn from trading on PLUS on 25 October 2010. The Board are investigating alternative arrangements for the trading of the Company's securities following this withdrawal and the results of these enquiries will be communicated to shareholders in due course

The impact of the economic market conditions and other restrictions experienced in 2009 have continued to be felt in 2010, with no new loans issued to date. The Board believe that they will soon be in a position to commence lending again and continue to have the support of its bankers Natwest Bank PLC.

The legal proceedings against our previous legal advisers and surveyors are continuing, and initial settlement offers are currently being considered by the Board. In light of this the Directors' are confident that all ongoing claims will be settled without any loss to the Group.

Management and employees

The Board would like to thank all of the management and advisors who have reacted to the challenges of a difficult economic climate with enthusiasm and energy

Graham Alcock
Chairman

26 October 2010

The Directors present their annual report and the audited financial statements of the Group for the year ended 31 December 2009

Principal activity

The principal activity of Hilton Ventures plc and its subsidiary undertakings during the year continued to be that of the provision of short term lending solutions designed to meet the financial needs of individuals and small to medium sized enterprises in the UK by providing secured bridging loans of up to £2,000,000 with a maximum 12 month term.

The Group has continued to develop its business model during the period and established two new subsidiary undertakings during the year. Empress Auctions Limited was incorporated on 1 December 2008 as a property auction and estate agency business, and Hilton Ventures Management Limited was incorporated on 22 April 2009 as a management company.

As a consequence of the ongoing economic uncertainty in the UK property market the Directors have taken the decision to withdraw from the property auction and estate agency sector, and on 20 July 2010 Empress Auctions Limited was dissolved.

Results and dividends

The Group made a loss for the period of £37,786 (2008: £271,785) after incurring non-recurring charges of £nil (2008: £217,678).

The Directors do not recommend payment of a final dividend

Review of the business

A detailed review of the results for the year and the future prospects is contained within the Chairman's Report.

Financial key performance indicators (KPI's)

The following KPI's are part of the tools used by management to monitor the business performance:

	Short term lending	Property auction & estate agency	Total	
	31.12.09	31.12.09	31.12.09	
Turnover	322,532	30,000	352,532	
Gross profit margin	76 4%	100%	78.4%	Gross profit/turnover
Operating loss margin	(5.8%)	(98.4%)	(13.7%)	Operating profit/turnover
Creditor days	130 days	-	130 days	Trade creditors/credit purchases

Going concern

After making appropriate enquiries, the Directors consider that the Company and the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason they have adopted the going concern basis in preparing the financial statements.

Post Balance Sheet Events

On 20 July 2010 Empress Auctions Limited (a subsidiary undertaking) was dissolved.

On 25 October 2010, the Company's shares were withdrawn from trading from PLUS

Following the year end, the Company settled a claim against a third party professional amounting to £185,000 including costs. In addition, properties with values totalling £440,000 were repossessed following the year end are actively being marketed for sale.

Directors and their interests

The directors who served during the period and their interests in the Company as at the date of this document are as stated below:

Directors	As at 31.12.08 Number	Shareholding %	As at 31.12.09 Number	Shareholding %
G P Alcock	1,333,333	0.39%	1,333,333	0.29%
J S Cohen	-	-	-	-

There have been no changes in the above interests between 31 December 2009 and the date of this report.

Report on remuneration

Graham Alcock is currently chairman of the remuneration committee but the Group does not currently have any executive employees. The policy of the remuneration committee would be to review the remuneration of the executive directors at least twice a year to ensure that the Company can attract, retain and motivate directors capable of delivering the Group's objectives. Full details of directors' remuneration are given in note 18 to the financial statements.

Executive director packages comprise a basic salary and other benefits. The objective of the Group's remuneration policy is to ensure that members of the executive management are provided with appropriate incentives to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their individual contributions to the success of the Group.

Substantial shareholdings

Save for the directors' interests disclosed above and those holdings separately disclosed below, the directors are not aware of any other shareholdings representing 3% or more of the issued share capital of the Company at 3 July 2010

	Number of ordinary shares	Percentage of issued share capital
NLX Limited	240,800,000	51.87
Daniel Lopian	15,000,000	4.42
Fitel Nominees Limited	13,333,333	3.93

Issue of shares

On 25 August 2009, NLX Limited ("NLX") elected to exercise their share options in the Group in part by subscribing for 124,800,000 ordinary shares in the Company at a price of 0.25p per share ("the Conversion"). Following the Conversion, NLX is now interested in 240,800,000 ordinary shares in Hilton Ventures plc (representing 51.87% of the issued share capital)

Mr. Andrew Lazare is currently interested in 47.02% of the issued share capital of NLX. Following the Conversion, Mr Lazare is now interested in 26.08% of the issued share capital of Hilton

Financial instruments

Details of the Group's risk management objectives and policies together with its exposure to financial risk are set out below The purpose of the policies is to ensure that adequate cost effective funding is available to the company and exposure to financial risk, interest rate, liquidity and credit risk is minimised

Principal risks and uncertainties

The Group's activities expose it primarily to the following financial risks:

Credit risk
The Group's principal risk is the risk of a default on its lending book. The Directors address this risk by implementing a stringent application process that ensures loans are suitably secured on the customers' assets with prudent loan to value ("LTV") ratios in place backed by valuation satisfactory to its banker

Liquidity risk
The Group is dependent on a banking facility to fund its operations The Directors are confident that the facility will continue to remain in place for the foreseeable future.

Requirements for further funds
There may be a requirement for the Group to raise further funds in the future in order to fully exploit opportunities available, fund potential acquisitions and expansion, and fund ongoing working capital requirements Such a funding requirement may be by way of the issue of further ordinary shares on a pre emptive basis

Interest rate and cash flow risk
The Group has interest bearing assets and liabilities. Interest bearing assets include only cash balances which earn interest at a fixed rate. The Group monitors its interest rate risk primarily through cash flow forecasting and allocating funds to the most relevant accounts in light of forecast balances and outgoings

Dependence on senior management and employees
As with any company, the Group's results are dependent upon the performance and continued services of the Group's senior management and other key personnel.

Employee relations

The Group supports the employment of disabled people wherever possible, both in recruitment and by retention of those who become disabled during their employment

Appropriate steps are taken to inform and consult employees regarding matters affecting them and the Group

The Group's policy regarding health and safety is to ensure that, as far is practical there is a working environment which will minimise the risk to health and safety of employees and those persons who are authorised to be on its premises.

Payments of creditors

It is the Group's policy to agree and clearly communicate the terms of payment as part of the commercial arrangements negotiated with suppliers and then to pay according to those terms based upon the timely receipt of an accurate invoice.

The Group's trade creditor days for the year ended 31 December 2009 were 130 days, calculated in accordance with the requirements set down in the Companies Act 2006. This represents the ratio, expressed in days, between the amounts invoiced to the Company by its suppliers in the year and the amounts due, at the year end, to trade creditors within one year.

Political and charitable donations

Neither the Company nor its subsidiary undertakings made any political or charitable donations or incurred any political expenditure during the period.

Political and charitable donations

Neither the Company nor its subsidiary undertakings made any political or charitable donations or incurred any political expenditure during the period.

Directors' responsibilities
The directors are responsible for preparing the annual report and 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 they are required to prepare financial statements in accordance with United Kingdom Generally Accepted Accounting Practices (United Kingdom Accounting Standards and applicable law) The Company has elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union 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 year. In preparing those Financial Statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently.
- make judgements and estimates that are reasonable and prudent.
- state whether applicable 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

Auditors

During the year Lopian Gross Barnett & Co resigned as auditors, having confirmed that there were no circumstances connected with their resignation that they wished to bring the attention of the creditors or members. White & Company (UK) Limited, whom the Directors appointed to fill the casual vacancy, have indicated their willingness to be reappointed and a resolution to re-appoint them will be prepared at the annual general meeting in accordance with section 485 of the Companies Act 2006.

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware. Additionally, the directors have taken all necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the Company's auditors are aware of that information.

This report was approved by the Board on 26 October 2010 and signed on its behalf by

Graham Alcock
Director
26 October 2010

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF HILTON VENTURES PLC

YEAR ENDED 31 DECEMBER 2009

We have audited the Group and Company financial statements (the 'financial statements') of Hilton Ventures PLC for the year ended 31 December 2009, which comprise the consolidated income statement, consolidated and company's balance sheets, consolidated and company cash flow statements, consolidated statement of changes in equity and the related notes The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) 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 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 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, or for the opinions we have formed

Respective Responsibilities of the Directors and Auditors

As explained more fully in the Statement of Directors' Responsibilities set out on pages 7 and 8, 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 the Audit of the Financial Statements

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

Basis for Qualified Opinion arising from Disagreement about Accounting Treatment

Included in loans and advances to customers shown on the balance sheet are amounts totalling £1,300,158 in respect of amounts being claimed from third party professional advisors on a number of loan transactions where the Directors and current legal advisors believe the advice received when negotiating and providing the loan facilities was negligent Hilton Ventures plc has no security for these debts, and at the date of these financial statements no settlement has been reached.

Based upon the audit evidence obtained, we believe that an adjustment to receivables of £1,300,158 is required to recognise these balances as contingent assets in accordance with IAS 37 "Provisions, Contingent Liabilities and Contingent Assets". Accordingly, if the adjustment was made the loss for the year and the retained earnings would be reduced by the same amount.

Included in trade and other receivables shown on the balance sheet is an amount of £320,625 of prepaid share issue costs incurred by the Group, which the Directors propose to deduct from the share premium account upon the future issue of shares. Based upon the company's withdrawal from the PLUS market and the audit evidence obtained in our opinion it is unlikely that any share issue will be performed in the foreseeable future Accordingly, receivables should be reduced by £320,625 and the loss for the year and the retained earnings would be reduced by the same amount.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF HILTON VENTURES PLC

YEAR ENDED 31 DECEMBER 2009

Qualified opinion
In our opinion, except for the effects of the matters described in the Basis for Qualified Opinion paragraph, the financial statements

- give a true and fair view of the state of the Group and of the Parent Company's affairs as at 31 December 2009, and of the Group's loss and the Group's and Parent Company's cash flows for the year then ended,
- have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union,
- the Parent Company's financial statements have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and, as regards the Group financial statements, Article 4 of the IAS Regulation

Emphasis of Matter
In forming our opinion of the financial statements, we have considered the adequacy of the disclosure made in note 1 to the financial statements concerning the Group and Company's ability to continue as a Going Concern. As at 31 December 2009, the Company has recognised assets amounting to £1,300,158 in respect of amounts being claimed from third parties through litigation.

Also, as at 31 December 2009 the Group had breached one of the conditions of its bank loan facility, however the Directors do not consider that this will result in the removal of facilities by its lender, which have been extended until January 2011

These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group and Company's ability 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 period for which the financial statements are prepared is consistent with the financial statements.

Matters of 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 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.

ES White

Emma White ACA
Senior Statutory Auditor

for and on behalf of White and Company (UK) Limited
4th Floor Blackfriars House
Parsonage
Manchester
M3 2JA

Dated. 27/10/2010.

HILTON VENTURES PLC

BALANCE SHEETS

AS AT 31 DECEMBER 2009

	Notes	31 December 2009		31 December 2008	
		£ Group	£ Company	£ Group	£ Company
Assets					
Non-current assets					
Property, plant and equipment	6	-	-	3,477	-
Investment in subsidiary	7	-	4	-	2
Deferred tax asset	15	113,290	69,695	113,290	69,695
		113,290	69,699	116,767	69,697
Current assets					
Trade and other receivables	8	604,723	879,352	114,179	686,020
Loans and advances to customers	9	1,389,250	-	2,038,750	-
Cash and cash equivalents	10	158	2	1,455	430
		1,994,131	879,354	2,154,384	686,450
Total assets		2,107,421	949,053	2,271,151	756,147
Capital and reserves attributable to equity holders of the Company					
Ordinary shares	11	348,156	348,156	254,556	254,556
Share premium	11	1,066,595	1,066,595	848,195	848,195
Retained losses	12	(687,520)	(531,221)	(649,734)	(356,336)
Total equity		727,231	883,530	453,017	746,415
Liabilities					
Current liabilities					
Borrowings	14	581,681	-	1,246,255	-
Trade and other payables	13	798,509	65,523	571,879	9,732
Total liabilities		1,380,190	65,523	1,818,134	9,732
Total equity and liabilities		2,107,421	949,053	2,271,151	756,147

The notes on pages 16 to 37 are an integral part of these consolidated financial statements. The financial statements on pages 12 to 37 were approved by the Board on 26 October 2010 and were signed on its behalf by:

Graham Alcock
Director
26 October 2010

Company Registration Number: 05865059

HILTON VENTURES PLC

CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2009

	Notes	Year ended 31 December 2009 £	Year ended 31 December 2008 £
Continuing operations			
Revenue	4	322,532	374,015
Cost of sales		(76,144)	(126,908)
Gross profit		246,388	247,107
Administrative expenses		(265,052)	(330,658)
Operating loss	5 / 4	(18,664)	(83,551)
AIM prepayments written off		-	(217,678)
		(18,664)	(301,229)
Finance income	19	10,566	4,277
Finance costs	19	(150)	(63)
Loss on ordinary activities before taxation		(8,248)	(297,015)
Income tax	20	-	25,230
Loss for the period – continuing operations after income tax		(8,248)	(271,785)
Loss for the year from discontinued operations	4	(29,538)	-
Loss attributable to equity holders of the parent		(37,786)	(271,785)
Loss per share expressed in pence per share			
Loss per share in pence – basic	21	(0.0099)	(0.08)
Loss per share in pence – diluted	21	(0 0099)	(0 08)

The notes on pages 16 to 37 form part of these consolidated financial statements.
The Company has elected to take the exemption under section 408 of the Companies Act 2006 not to present the parent Company income statement.
The loss for the parent Company for the period was £174,885 (2008: £132,150).

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2009

	Attributable to equity holders			
	Issued capital £	Share premium £	Retained earnings £	Total £
At 1 January 2009	254,556	848,195	(649,734)	453,017
Issue of share capital	93,600	218,400	-	312,000
Loss for the period	-	-	(37,786)	(37,786)
At 31 December 2009	348,156	1,066,595	(687,520)	727,231
At 1 January 2008	254,556	848,195	(377,949)	724,802
Loss for the period	-	-	(271,785)	(271,785)
At 31 December 2008	254,556	848,195	(649,734)	453,017

Share capital is the amount subscribed for shares at nominal value.

Share premium represents the excess of the amount subscribed for share capital over the nominal value of the respective shares net of share issue expenses.

Retained earnings represent the cumulative earnings deficit of the Group attributable to equity shareholders

The notes on pages 16 to 35 form part of these financial statements.

HILTON VENTURES PLC

CASH FLOW STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2009

	Notes	Year ended 31 December 2009		Year ended 31 December 2008	
		Group	Company	Group	Company
		£	£	£	£
Cash flows from operating activities					
Cash generated/(used) in operating activities	**23**	234,699	(312,437)	(1,582,958)	(92)
Interest paid		(150)	-	(63)	-
Net cash generated/(used) in operating activities		234,549	(312,437)	(1,583,021)	(92)
Cash flows from investing activities					
Acquisition of subsidiary, net of cash acquired		-	(2)	-	(1)
Purchases of plant, property and equipment		-	-	-	-
Interest received		10,566	-	4,277	53
Net cash generated/(used) in investing activities		10,566	(2)	4,277	52
Cash flows from financing activities					
Net proceeds from the issuance of ordinary shares		312,000	312,000	-	-
(Repayments)/proceeds (of)/from borrowings		(561,060)	-	1,382,800	-
Net cash (used)/generated in financing activities		(249,060)	312,000	1,382,800	-
Net decrease in cash and cash equivalents		(3,945)	(439)	(195,944)	(40)
Cash and cash equivalents at the beginning of the period		(9,513)	430	186,431	470
Cash and cash equivalents as at 31 December 2009		(13,458)	(9)	(9,513)	430

The notes on pages 16 to 37 form part of these consolidated financial statements

1 General Information

Hilton Ventures plc was incorporated in the United Kingdom under the Companies Act 1985/2006 with a registration number of 05865059. The address of the registered office is Peel House, 30 The Downs, Altrincham, Cheshire WA14 2PX.

The company is a public limited company which is listed on the PLUS quoted Stock Exchange and is incorporated and domiciled in the UK.

2 Summary of significant accounting policies

This consolidated financial statements of Hilton Ventures plc have been prepared in accordance with International Financial Reporting Standards (IFRSs and IFRIC interpretations) issued by the International Accounting Standards Board (IASB), as adopted by the European Union, and as applied in accordance with the provisions of the Companies Act 2006 applicable to companies preparing their accounts under IFRS. The consolidated financial information has been prepared under the historical cost convention, as modified by the revaluation of available for sale financial assets, and financial assets and liabilities at a fair value through profit and loss.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates It also requires management to exercise its judgement in the process of applying the group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statement, are disclosed within the accounting policies note.

The Group has applied all accounting standards and interpretations issued by the International Accountancy Standards Board and International Accounting Interpretations Committee effective at the time of preparing the financial statements

The financial statements are presented in Sterling (£), rounded to the nearest pound

Issued International Financial Reporting Standards (IFRS's) and interpretations (IFRICS) not relevant to Company operations.

The following interpretations to published standards is mandatory for accounting periods beginning on or after 1 January 2009 but are not relevant to the Group's operations:

- IFRS 1, IAS 27 (Amendment) – Consolidated and separate financial statements (effective from 1 July 2009). The amendment allows first time adopters of IFRS to use a deemed cost of either fair value or the carrying amount under previous accounting practice to measure the initial cost of investments in, jointly controlled subsidiaries entities and associates in the separate financial statements of the investor This is not relevant for the Group as it is the first reporting period and there is no previous accounting practice.
- IFRS 7 'Financial instruments: Disclosures' and the complementary amendment to IAS 1 'Presentation of financial statements – Capital disclosures'. IFRS 7 introduces new disclosure relating to financial instruments. The standard does not have any impact on the classification and valuation of the Group's financial instruments
- IAS 32 'Financial instruments: Presentation' and IAS 1 'Presentation of financial statements. Puttable financial instruments and obligations arising on liquidation'. Amendments to the standards improve the accounting for particular types of financial instruments that have characteristics similar to ordinary shares but are at present classified as financial liabilities for accounting periods on or after 1 January 2009.

- IAS 39 'Financial instruments: Recognition and measurement' provide additional guidance on what can be designated as a hedge item for accounting periods beginning on or after 1 July 2009.
- IFRIC 9 'Reassement of embedded derivatives' and IAS 39 'Financial instruments Recognition and measurement'. Amendments clarify the accounting treatment of embedded derivatives for entities that make use of the reclassification amendment issued by the IASB in October 2008 for accounting periods beginning on or after 30 June 2009.
- IFRIC 11 'Group and treasury share transactions' (effective from annual periods beginning on or after March 2007). The interpretation provides guidance on whether share based transactions involving treasury shares or involving Group entities (for example, options over parent's shares) should be accounted for as equity-settled or cash-settled share based payment transactions in the parent and Group accounts.
- IFRIC 16 'Hedges of a net investment in a foreign operation'. This clarifies the following
  a) whether risk arises from foreign currency exposure to the functional currencies of a foreign operation, or from foreign currency exposure to functional currency of a foreign operation
  b) how an entity should determine the amounts to be reclassified from equity to profit and loss for both the hedging instrument and the hedged item when an entity disposes the investment.
- IFRIC 17 'Distributions of non cash assets to owners' Standardises practice in the measurement of distributions of non cash assets to owners for accounting periods beginning on or after 1 July 2009.
- IFRIC 18 'Transfers of assets from customers'. This clarifies the requirements of IFRS's for the agreements in which an entity receives from a customer an item of property, plant and equipment that the entity must then use either to connect the customer to network or to provide the customer with on going access to a supply of goods or services. This applies to transfers of assets from customers received on or after 1 July 2009

Issued International Financial Reporting Standards (IFRS's) and interpretations (IFRICS) that are not yet effective.

At the date of authorisation of these financial statements, the following Standards and Interpretations were in issue, mandatory for the Company's accounting periods beginning on or after 19 August 2009 but not early adopted:

- IFRS 2 (Amendment) 'Share based payments' (effective from 1 May 2009). The amendment considers vesting conditions and cancellations. It clarifies that vesting conditions are service conditions and performance conditions only
- IFRS 3 (Revised), 'Business combinations' (effective from 1 July 2009). The revised standard continues to apply the acquisition method to business combinations, with some significant changes. For example, all payments to purchase a business are to be recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently re-measured through the income statement There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. All acquisition-related costs should be expensed. The Group will apply IFRS 3 (Revised) prospectively to all business combinations from 1 January 2010.

- IFRS 5 (Amendment), 'Non-current assets held-for-sale and discontinued operations' (and consequential amendment to IFRS 1, 'First-time adoption') (effective from 1 July 2009). The amendment is part of the IASB's annual improvements project published in May 2008. The amendment clarifies that all of a subsidiary's assets and liabilities are classified as held for sale if a partial disposal sale plan results in loss of control. Relevant disclosure should be made for this subsidiary if the definition of a discontinued operation is met. A consequential amendment to IFRS 1 states that these amendments are applied prospectively from the date of transition to IFRSs The Group will apply the IFRS 5 (Amendment) prospectively to all partial disposals of subsidiaries from 1 January 2010.
- IFRIC 12 'Service concession arrangements' IFRS12 applies to contractual agreements whereby a private sector operator participates in the development, financing, operation and maintenance of infrastructure for public sector services for example under PFI contracts
- IFRIC 13 'Customer loyalty programmes'. This clarify that where goods are sold together with a customer loyalty incentive the arrangement is a multiple element arrangement and the consideration receivable from the customer should be allocated between the components of the arrangement in proportion to their fair values
- IFRIC 14, IAS 19 'the limit on defined asset, minimum funding requirements and their integration' This provides guidance on assessing the limit in IAS 19 'Employee benefits' on the amount of the defined benefit plan surplus that can be recognised as an asset It also explains how the pension asset or liability may be affected by a statutory or contractual minimum funding requirement.
- IFRIC 15 'Agreements for the construction of real estates'. The interpretation clarifies which standard should be applied to particular transactions pertaining to construction of real estates.
- IFRS 8 (Revised) 'Operating segments' (effective from 1 January 2009). IFRS 8 replaces IAS 14 and aligns segment reporting with the requirements of the US standard SFAS 131, "Disclosures about segments of an enterprise and related information". The new standard requires a "management approach", under which segment information is presented on the same basis as that used for internal reporting purposes. The expected impact is still being assessed in detail by management, but it appears likely that the number of reportable segments, as well as the manner in which segments are reported, will change in a manner that is consistent with the internal reporting provided to the chief operating decision-maker.
- IAS 23 (Revised) 'Borrowing costs' (effective 1 May 2009). The main change from the previous version is the removal of the option of immediately recognising as an expense borrowing costs that relate to assets that take a substantial period of time to get ready for use or sale.

Issued International Financial Reporting Standards (IFRS's) and interpretations (IFRICS) relevant to Company operations.

The following interpretations to published standards are mandatory for accounting periods beginning on or after 19 August 2008 but have been adopted early

- IAS 1 (Revised) 'Presentation of financial statements'. Key changes include, the requirement to aggregate information in the financial statements on the basis of shared characteristics, the introduction of a Statement of Comprehensive Income and changes in titles of some of the financial statements

  a) Preparers of financial statements will have the option of presenting income and expense and components of other comprehensive income either in a single statement or in two separate statements (a separate income statement followed by a statement of comprehensive income

b) The new titles for the financial statements (for example 'statement of financial position' instead of balance sheet) will be used in the accounting standards but are not mandatory for use in financial statements.

c) The expected impact is still being assessed in detail by management as the IASB is involved in discussions to examine more fundamental questions about the presentation of information in financial statements.

Basis of consolidation

The financial statements have been prepared under historical cost convention. The entities that have been consolidated within these financial statements are:

Entity name	Principal activity	Domicile	Address of registered Office	Ownership
Hilton Ventures Finance Limited	Provision of bridging loan finance	England	Peel House, 30 The Downs, Altrincham, Cheshire, WA14 2PX	100% owned by Hilton Ventures PLC
HVT (UK) Limited	Provision of group staff and overhead facilities	England	Peel House, 30 The Downs, Altrincham, Cheshire, WA14 2PX	100% owned by Hilton Ventures PLC
Empress Auctions Limited	Property auction and real estate agency (discontinued)	England	Peel House, 30 The Downs, Altrincham, Cheshire, WA14 2PX	100% owned by Hilton Ventures PLC
Hilton Ventures Management Limited	Dormant	England	Peel House, 30 The Downs, Altrincham, Cheshire, WA14 2PX	100% owned by Hilton Ventures PLC

Subsidiaries

Subsidiaries are entities that are directly or indirectly controlled by the Group. Control exists where the Group has the power to govern the financial and operating policies of the entity so as to obtain the benefits from its activities. In assessing control, potential voting rights that are currently exercisable or convertible are taken into account.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated but considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group

Segmental reporting
A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns that are different from those of segments operating in other economic segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the steering committee that makes the strategic decisions.

Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the provision of bridging loan finance the ordinary course of the Group's activities. Revenue is shown net of rebates, and after eliminating income within the Group.

The Group recognises revenue when the amount of revenue can be reliably measured and when it is probable that future economic benefits will flow to the entity. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved.

Interest Income is recognised as interest accrues (using the effective interest method that is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial assets)

Going concern

The annual report and financial statements have been prepared on a going concern basis. The Directors have prepared cash flow forecasts for the next 12 months, which assume bank facilities continuing on agreed terms. On the basis of these forecasts, and the provision of financial support from certain committed investors, the Group is expected to continue within its financial facilities for at least the next 12 months. For this reason, the Directors continue to adopt the going concern basis in preparing the annual report and financial statements

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Leases in which the Group assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. Where land and buildings are held under finance leases the accounting treatment of the land is considered separately from that of the buildings. Leased assets acquired by way of finance lease are stated at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and impairment losses. Lease payments are accounted for as described below.

Depreciation is charged to the income statement on the basis set out below over the estimated useful lives of each part of an item of property, plant and equipment. Land is not depreciated. The depreciation rates applied are as follows:

Computer equipment	3 years
Fixtures, fittings & equipment	5 years

Gains and losses on disposal are determined by comparing the proceeds with the carrying amount.

Impairment of non-financial assets

Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units) Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

Financial assets

The Group classifies its financial assets in the following categories: at fair value through the income statement, loans and receivables, and available-for-sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition

(a) Financial assets at fair value through income statement

Financial assets at fair value through the income statement are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are also categorised as held for trading unless they are designated as hedges Assets in this category are classified as current assets.

(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date These are classified as non-current assets. Loans and receivables are classified as 'trade and other receivables' in the balance sheet.

(c) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.

Regular purchases and sales of financial assets are recognised on the trade date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transactions costs for all financial assets not carried at fair value through the income statement.

Trade receivables

Trade receivables are recognised at fair value less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the 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 financial reorganisation, and default in payment terms 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 future cashflows Bad debt provisions are recognised within trade receivables and the loss is presented within 'bad debts' in the income statement When a trade receivable is uncollectable it is written off against the bad debt provision with subsequent recoveries credited against 'bad debts' in the income statement.

Loans and borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred 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 balance sheet date

Finance costs of borrowings relating to Group revenue are included as cost of sales

Cash and cash equivalents

Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose only of the statement of cash flows.

Trade payables

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

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Leases

Payments made under operating leases are charged to the income statement on a straight-line basis over the period of the lease.

Taxes

Current Corporation tax
Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the income statement

Deferred Corporation Tax
Deferred income tax is provided using the liabilities method on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences, except·

-Where the deferred income tax liabilities arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of transaction, affects neither the accounting profit nor taxable profit or loss; and

-In respect of taxable temporary differences associated with investments in subsidiaries, 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.

Net financing costs

Financial expenses comprise interest payable and finance charges on finance leases that are recognised in the income statement using the effective interest method

Interest income is recognised as income as it accrues, using the effective interest method Dividend income is recognised in the income statement on the date the entity's right to receive payments is established.

Financial instruments

Following the adoption of IAS 32, financial instruments issued by the Group are treated as equity (i.e. forming part of shareholders' funds) only to the extent that they meet the following two conditions:

(a) they include no contractual obligations upon the Group to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Group; and

(b) where the instrument will or may be settled in the Group's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Group's own equity instruments or is a derivative that the Group will settle by exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the company's own shares, the amounts presented in these financial statements for called up share capital exclude amounts in relation to those shares

Use of accounting estimates and judgments

The preparation of financial statements requires the directors to make use of certain estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. It also requires management to exercise its judgement in the process of applying the accounting policies. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised.

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are discussed below

i) *Estimated impairment of goodwill*
The Group is required to test, at least annually, whether goodwill has suffered any impairment. The recoverable amount is determined based on value in use calculations. The use of this method requires the estimation of future cash flows and the choice of a suitable discount rate in order to calculate the present value of these cash flows. Actual outcomes could vary. At the year end, the directors are of the opinion that there was no indication of impairment of the value of goodwill.

ii) *Impairment of property, plant and equipment*
Property, plant and equipment are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable. When a review for impairment is conducted, the recoverable amount is determined based on value in use calculations prepared on the basis of management's assumptions and estimates

Risk and sensitivity analysis

The Group's activities expose it to a variety of financial risks: interest rate risk, liquidity risk and capital risk. The Group's activities also expose it to technological risk, which is a non-financial risk The Group's overall risk management programme focuses on unpredictability and seeks to minimise the potential adverse effects on the Group's financial performance. The Board of the Group reviews key risks on a regular basis and, where appropriate, actions are taken to mitigate the key risks identified.

i) *Interest rate risk*
The Group's interest rate risk arises from interest charged on its short-term borrowings. It is the Group's policy to ensure that any rises in interest rate are passed on to its customers

ii) *Liquidity risk*
The Group prepares rolling working capital forecasts for the foreseeable future, allowing an assessment of the cash requirements of the Group, to manage liquidity risk. The Board has considered the risk posed by liquidity and are satisfied that there is sufficient growth and equity in the Group

iii) *Capital risk*
The Group's objectives when managing capital are to safeguard the ability to continue as a going concern in order to provide returns for shareholders and benefits to other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

iv) *Technological risk*
There is a risk that the Group's operation will be affected due to a technology failure at its office. The Board considers that sufficient safeguards are in place to ensure that the effect of any such failure would be minimal.

3 Discontinued operations

During the year the management and Board of Directors of Hilton Ventures plc took the decision to withdraw from the property auction and estate agency business as a result of the continued instability within the UK economic environment and particularly the property market. As a result of this decision Empress Auctions Limited was dissolved on 20 July 2010

In accordance with IFRS 5 "Non-current assets held-for-sale and discontinued operations" the property auction and estate agency division has been reclassified as a discontinued operation and its trading results are included in the income statement as a single line below profit after taxation from continuing operations.

The impact of the discontinued operations on the income statement is detailed below:

	Group Year ended 31 December 2009		
	Discontinued operations	**Continued operations**	**Total**
	£	**£**	**£**
Revenue	30,000	322,532	352,532
Cost of sales	-	(76,144)	(76,144)
Gross profit	30,000	246,388	276,388
Administrative expenses	(59,538)	(265,052)	(323,590)
Operating loss	(29,538)	(18,664)	(48,202)
Finance costs	-	(150)	(150)
Finance income	-	10,566	10,566
Loss before income tax	(29,538)	(8,248)	(37,786)
Income tax	-	-	-
Loss after income tax	(29,538)	(8,248)	(37,786)

4 Segmental information

The financial statements consolidate the trading activities of Hilton Ventures plc, Hilton Ventures Finance Limited, HVT (UK) Limited, Empress Auctions Limited and Hilton Ventures Management Limited whose principle activities are disclosed within note 2 above.

Segmental analysis by subsidiary has not been produced as the only trading companies are Hilton Ventures Finance Limited and Limited, Empress Auctions Limited.

(a) *Primary reporting format – business sectors*

During the year the Group was organised on a worldwide basis into two main segments

- provision of short term loan finance. and
- provision of property auction and estate agency services.

As disclosed in Note 3, the Group has reclassified the property auction and estate agency division as a discontinued operation during the period ended 31 December 2009 and the income statement therefore reflects the results of the short term loan finance division and head office only.

The segment results for the entire group for the period ended 31 December 2009 are as follows:

	Year ended 31 December 2009			
	Short term loan finance	**Property auction and estate agency**	**Unallocated**	**Total**
	£	**£**	**£**	**£**
Revenue	322,532	30,000	-	352,532
EDITDA	159,698	(29,538)	(174,885)	(44,725)
Depreciation of tangible assets	(3,477)	-	-	(3,477)
Operating profit/(loss)	156,221	(29,538)	(174,885)	(48,202)
Net finance costs				10,416
Loss before income tax				(37,786)
Income tax expense				-
Loss for the period				(37,786)

Unallocated costs consist of common administration and general group functions.

No single customer accounts for more than 10% of revenues.

Segment assets consist primarily of property, plant and equipment, inventories, trade and other receivables, trade related loan borrowings and cash and cash equivalents Unallocated assets comprise of deferred tax assets.

Segment liabilities comprise operating liabilities Unallocated liabilities comprise items such as taxation, borrowings, amounts owed to / from group and provisions

The segment assets and liabilities at 31 December 2009 are as follows:

	Short term loan finance	**Property auction and estate agency**	**Unallocated**	**Total**
	£	**£**	**£**	**£**
Assets	1,956,631	37,500	113,290	2,107,421
Liabilities	1,338,171	28,403	13,616	1,380,190

Segment assets and liabilities are reconciled to the Group's assets and liabilities as follows:

	Assets	**Liabilities**
	£	**£**
Segmental assets / liabilities - Allocated	1,994,131	1,366,574
Unallocated:		
Deferred tax	113,290	-
Current borrowings		13,616
	2,107,421	1,380,190

The results for the year ended 31 December 2008 comprise only one business activity, that of the provision of short term loan finance and the consolidated income statement and consolidated balance sheet therefore present the segmental information and no separate note is required.

All trading activities are conducted in the UK.

5 Operating loss

	Year ended 31 December 2009		
	Continuing	**Discontinued**	**Total**
Operating profit is stated after charging:	**£**	**£**	**£**
Depreciation of owned tangible fixed assets	3,477	-	3,477
Directors' remuneration	24,000	-	24,000
Operating lease rentals:			
- land and buildings	12,486	-	12,486
Auditors' remuneration			
- Fees payable to the Group's auditor for the audit of the Company's annual accounts	5,000	-	5,000
- Fees payable to the Group's auditor and its associates for other services:			
The audit of subsidiary companies	4,000	-	4,000
Tax services	1,000	-	1,000

6 Property, plant & equipment

Group

Cost or valuation	**Computer equipment** £	**Fixtures, fittings & equipment** £	**Total** £
At 1 January 2009	3,968	4,053	8,021
Additions	-	-	-
At 31 December 2009	3,968	4,053	8,021
Depreciation			
At 1 January 2009	2,793	1,751	4,544
Charge	1,175	2,302	3,477
At 31 December 2009	3,968	4,053	8,021
Net book amount			
At 1 January 2009	1,175	2,302	3,477
At 31 December 2009	-	-	-

Depreciation expense of £3,477 (2008: £2,134) has been charged in administrative expenses

7 Investments in subsidiary undertakings

Company Shares in Group undertakings	£
At 1 January 2009	2
Acquired during the period	2
At 31 December 2009	4

Investment additions comprise the founder shares of the two new subsidiaries incorporated during the year Empress Auctions Limited was incorporated on 1 December 2008 as a property auction and estate agency business, and Hilton Ventures Management Limited was incorporated on 22 April 2009 as a management company.

Investments in group undertakings are recorded at cost, which is the fair value of the consideration paid including directly attributable acquisition costs arising.

Investments in group undertakings are stated at cost.

Subsidiary undertakings	Country of incorporation	Principal activity	% of equity and votes held
Hilton Ventures Finance Limited	England	Provision of bridging loan finance	100
HVT (UK) Limited	England	Provision of staff and facilities	100
Empress Auctions Limited	England	Property auctions and estate agency (discontinued)	100
Hilton Ventures Management Limited	England	Dormant	100

All subsidiary undertakings had the same year end as Hilton Ventures PLC and have been included in the group consolidation

8 Trade and other receivables

	Group 2009 £	Company 2009 £	Group 2008 £	Company 2008 £
Other receivables	48,013	13,513	91,420	-
Receivable from subsidiary undertaking	-	541,381	-	682,074
Prepayments	556,710	324,458	22,759	3,946
	604,723	879,352	114,179	686,020

9 Loans and advances

	Group 2009 £	Company 2009 £	Group 2008 £	Company 2008 £
Loans and advances	1,389,250	-	2,038,750	-

Loans to customers comprise secured lending made by the Group in accordance with its principal activities.

10 Cash and cash equivalents

	Group 2009 £	Company 2009 £	Group 2008 £	Company 2008 £
Cash at bank and on hand	158	2	1,455	430
Bank overdrafts	(13,616)	(11)	(10,968)	-
	(13,458)	(9)	(9,513)	430

11 Share capital and share premium

Group and company	Number of ordinary shares	Share capital £	Share premium £	Total £
At 1 January 2009	339,408,332	254,556	848,195	1,102,751
Shares issued during the period	124,800,000	93,600	218,400	312,000
As at 31 December 2009	464,208,332	348,156	1,066,595	1,414,751

On 25 August 2009, NLX Limited ("NLX") elected to exercise their share options in the Group in part by subscribing for 124,800,000 ordinary shares in the Company at a price of 0.25p per share ("the Conversion").

The total authorised number of ordinary shares is 800,000,000 with a par value of 0 075 pence per share. All issued shares are fully paid.

As at 31 December 2009, the Company has share options available allowing for the subscription of 507,988,167 shares.

12 Retained earnings

	31.12.09 Group £	31.12.09 Company £
At 1 January 2009	(649,734)	(356,336)
Loss for the year	(37,786)	(174,885)
At 31 December 2009	**(687,520)**	**(531,221)**

13 Trade and other payables

	Group 2009 £	Company 2009 £	Group 2008 £	Company 2008 £
Bank overdraft	13,616	11	10,968	-
Trade payables	121,402	20,582	93,978	9,732
Amounts due to related parties	517,931	31,385	414,417	-
Social security and other taxes	75,618	1,763	8,154	-
Accrued expenses	69,942	11,782	44,362	-
	798,509	65,523	571,879	9,732

14 Loans & borrowings

	Group 2009 £	Company 2009 £	Group 2008 £	Company 2008 £
Current:				
Bank borrowings	581,681	-	1,246,255	-
	581,681	-	1,246,255	-

	Group 2009 £	Company 2009 £	Group 2008 £	Company 2008 £
Within one year	581,681	-	1,246,255	-
Between one to two years	-	-	-	-
Between two to five years	-	-	-	-
Over five years	-	-	-	-
	581,681	-	1,246,255	-

Bank borrowings are short-term and are secured by way of a fixed and floating charge over the assets of the Group

15 Deferred income tax

Deferred income tax at 31 December 2009 relates to the following

	Group balance sheet 2009 £	Group income statement 2009 £	Group balance sheet 2008 £	Group income statement 2008 £
Deferred income tax assets				
- Losses available for offset against future taxable income	574,275		539,496	

	Group 2009 £	Company 2009 £	Group 2008 £	Company 2008 £
Reflected in the balance sheet as follows:				
Deferred tax assets	113,290	69,695	113,290	69,695

No deferred tax has been provided in respect of losses incurred for the year ended 31 December 2009 as this was deemed immaterial to the accounts.

16 Financial instruments

At 31 December 2009 borrowings comprised:

- Inter group loans at an interest rate of 7.5% per annum
- Bank loans repayable on 8 August 2010, at an interest rate of 2% above Base As at the date of the financial statements, facilities have been extended at a rate of 2.5% above Base until 9 January 2011.

There is no difference between the fair value of the Group's financial assets and liabilities at the period end and their book value.

17 Expenses by nature

	2009 £	2008 £
Direct costs	76,144	126,908
Employee benefit expense	188,723	176,436
Operating lease costs	12,486	7,757
Professional costs	69,374	27,419
Stock market fees	5,865	23,459
Depreciation, amortisation and impairment charges	3,477	2,134
Other expenses	44,667	93,453
Total cost of sales, distribution costs and administrative expenses	400,736	457,566

18 Employees and directors

	2009	2008
	£	£
Wages and salaries	171,515	161,622
Social security costs	17,208	14,814
Pension costs	-	-
	188,723	176,436

The average number of employees (including directors) was		
Administration	7	6

The aggregate remuneration paid to or accrued to directors for services in all capacities during the year is as follows

	Year ended 31 December 2009		
	Continuing	Discontinued	Total
	£	£	£
Emoluments	24,000	-	24,000

19 Finance income and costs

	2009	2008
	£	£
Interest expense:		
- Bank borrowings	(150)	(63)
Finance costs	(150)	(63)
Finance income – interest income on short-term deposits	10,566	4,277
Net finance income	10,416	4,214

In accordance with the Group's accounting policies, interest payable on borrowings used to generate revenue are included as cost of sales. Cost of sales for the year ended 31 December 2009 included interest payable on borrowings amounting to £48,206 (2008: £58,478).

20 Income tax expense

	2009	2008
	£	£
Current tax	-	-
Deferred tax	-	25,230
	-	25,230

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the consolidated entities as follows

	2009	2008
	£	£
Loss before tax	37,788	297,015
Tax at 21%	7,935	62,374
Expenses not deductible for tax purposes	(730)	(1,573)
Capital allowances	102	125
Effects of change in tax rate	-	9,130
Deferred tax asset not recognised	(7,307)	-
AIM prepayments written off	-	(44,826)
Tax credit	-	25,230

The Company has estimated losses of £425,878 and the Group has estimated losses of £641,458 available for carry forward against future trading profits

The deferred tax asset arising in respect of the tax losses carried forward has been included within the financial statements as the Directors' are confident that sufficient profits will be made in the next 12 months to utilise the asset

Factors that may affect future tax charges

The deferred tax asset has been calculated at 21% in accordance with IAS 12

21 Loss per ordinary share

(a) Basic

The basic loss per share is calculated by dividing the loss attributable to equity holders of the Company by the weighted average number of Ordinary Shares in issue during the period.

	2009	2008
Loss attributable to equity holders of the Company	(37,788)	(£271,785)
Weighted average number of Ordinary Shares in issue	381,008,332	339,408,332
Basic loss per share (pence per share)	(0.0099)	(0.08)

(b) Diluted

Diluted loss per share is calculated by adjusting the weighted average number of Ordinary Shares outstanding to assume conversion of all dilutive potential Ordinary Shares. A calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

	2009	**2008**
Loss used to determine diluted loss per share	(37,788)	(£271,785)
Weighted average number of Ordinary Shares in issue	381,008,332	339,408,332
Adjustments for:		
- share options	-	600,000,000
Weighted average number of Ordinary Shares for diluted loss per share	381,008,332	939,408,332
Diluted loss per share (pence per share)	(0.0099)	(0.03p)

22 Dividends

No dividend is proposed in respect of the period

23 Cash generated from operations

	2009 Group £	2009 Company £	2008 Group £	2008 Company £
Operating loss	(48,202)	(174,885)	(301,229)	(149,347)
Adjustments for:				
Depreciation	3,477	-	2,134	-
Changes in working capital (excluding effects of acquisitions and disposal of subsidiaries)				
Changes in working capital:				
Trade and other receivables	158,956	(193,332)	(1,254,194)	213,548
Trade and other payables	120,468	55,780	(29,669)	(64,293)
Cash generated/(utilised) from operations	234,699	(312,437)	(1,582,958)	(92)

24 Commitments

Group

As at 31 December 2009 the Group was committed to making the following payments under non-cancellable operating leases in the year to 31 December 2010

	2009 £	2008 £
No later than 1 year	-	11,165
	-	11,165

25 Capital commitments

As at 31 December 2009, there were no capital commitments of the Group requiring disclosure.

26 Ultimate controlling party

At the period end the ultimate controlling party was NLX Limited by virtue of its 51.87% shareholding in the Company. Mr Andrew Lazare holds 47 2% of the shares of NLX Limited, otherwise its shares are widely held.

27 Related party transactions

The following transactions were carried out with related parties:

(a) Directors' emoluments

	2009	2008
	£	£
Salaries and other short-term employee benefits	24,000	71,304
Compensation for loss of office	-	-
Company contributions to money purchase pension schemes	-	-
	24,000	71,305

(b) Parent company

As at 31 December 2009 the Group owed NLX Limited £517,932 pursuant to a loan facility agreement entered in February 2008. Interest is payable on this balance at a rate of 7.5% per annum, however NLX Limited has waivered its right to this interest during the year ended 31 December 2009. The terms of this agreement ended in August 2009, however NLX Limited, as disclosed above, have now acquired control of the Group and have allowed the terms of this loan to continue. NLX Limited have waived its right to interest for the period to the date of approval of these financial statements, and for the twelve months following the date of approval.

Included in trade receivables is an amount of £34,500 receivable from NLX Limited in respect of consultancy services provided during the year. A further amount of £10,500 is also included in turnover in respect of management charges invoiced from NLX Limited.

During the year NLX Limited invoiced the Group £312,000 in respect of share issue and fund raise costs. This amount has been converted to shares pursuant to share options held by NLX Limited.

28 Post balance sheet events

In September 2010 the Group settled one of the ongoing claims against a third party professional amounting to £185,000 including costs.

In addition, following the year end, the Group repossessed properties with a total value amounting to £440,000 as a result of loan defaults. These properties are now being actively marketed for sale.

On 25 October 2010, the Company's securities were withdrawn from trading on PLUS.