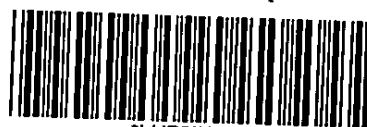


REGISTERED NUMBER: 06138814 (England and Wales)

AQUARIUS MEDIA PLC
REPORT OF THE DIRECTORS AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2010

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AQUARIUS MEDIA PLC

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2010**

	Page
Company Information	1
Chairman's Statement	2
Report of the Directors	3-4
Report of the Independent Auditors	5-6
Group Statement of Comprehensive Income	7
Consolidated Balance Sheet	8
Company Balance Sheet	9
Consolidated Cash Flow Statement	10
Company Cash Flow Statement	11
Consolidated Statement of Changes in Equity	12
Company Statement of Changes in Equity	13
Notes to the Financial Statements	14-28

AQUARIUS MEDIA PLC

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2010**

DIRECTORS:	T Maharajh (Chairman and Chief Executive Officer) A Ward (Finance Director)
SECRETARY:	A Ward
REGISTERED OFFICE:	Hilden Park House 79 Tonbridge Road Hildenborough Kent TN11 9BH
REGISTERED NUMBER:	06138814 (England and Wales)
AUDITORS:	Welbeck Associates Chartered Accountants and Registered Auditor 31 Harley Street London W1G 9QS
SOLICITORS:	Beachcroft LLP 100 Fetter Lane London EC4A 1BN
REGISTRARS:	Capita Registrars Northern House Woodsome Park Fenay Bridge Huddersfield West Yorkshire HD8 0LA

AQUARIUS MEDIA PLC

CHAIRMAN'S STATEMENT FOR THE YEAR ENDED 31 MARCH 2010

I am pleased to be able to make this report to you as Chairman of the Company and of the Group

Review of Activities

During the period under review the Company's business activities have been conducted through its trading subsidiary, Full Portion Media Limited ("Full Portion") a public relations business servicing the media sector

During this period, Full Portion continued to win new clients but was unable to achieve its targets in terms of overall revenue. This was due in part to the current economic crisis which led to many clients facing a greater degree of uncertainty and being less willing to commit funds to advertising campaigns without a guaranteed outcome

Post Balance Sheet Events

Up until June 2010, Full Portion was able to continue to trade as a going concern through a combination of attracting new clients, controlling costs and the continued support of Aquarius Media plc, whose directors agreed to defer their own salaries and fees as required. However, the business continued to suffer the effects of the economic climate and in June 2010, the loss of several monthly retainers and the inability to secure replacements by the end of the month led to the directors of Full Portion to prepare cash flow forecasts which showed that Full Portion was unable to meet its liabilities over the following months. On this basis, the decision was taken by the directors to consult an administrator over the future of Full Portion. Subsequently, Full Portion appointed a liquidator on 6 August 2010.

The Company's directors have been seeking alternative strategies since that date and expect to be able to make an announcement shortly as to the future direction of the Company.

Financial Overview

As at 31 March 2010 and after impairment provisions totalling £298,690, shareholders' liabilities were £279,341. The loss before tax and basic loss per share for the period amounted to £422,080 and 0.65p respectively. The Directors do not propose to declare a dividend (2009 - £Nil).

Key Performance Indicators

The directors consider that the results of the Group during the period under review were dependent upon the trading activity of its subsidiary company in the period under review.

The directors consider that the results of the Group going forward are dependent upon the strategy of the Group moving forward, which has not yet been finalised.



Teresa Maharajh
Chairman

AQUARIUS MEDIA PLC

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 MARCH 2010

The Directors present their report with the financial statements of the Group and Company for the year ended 31 March 2010

PRINCIPAL ACTIVITY

The principal activity of the Group and Company is that of making investments in the public relations and marketing sectors with the objective of producing long-term capital growth

REVIEW OF BUSINESS

The results for the period and financial position of the Group are as shown in the annexed financial statements. A detailed review of the business is included in the Chairman's Statement

PRINCIPAL RISKS AND UNCERTAINTIES

At present, Aquarius Media plc is dependent upon its ability to raise additional finance in order to continue as a going concern

POST BALANCE SHEET EVENTS

In July 2010 the directors of Full Portion prepared cash flow forecasts which showed that Full Portion was unable to meet its liabilities over the following months. On this basis, the decision was taken by the directors to consult an administrator over the future of Full Portion. Subsequently, Full Portion appointed a liquidator on 6 August 2010

DIRECTORS

The Directors during the period under review were

T Maharajh

A Ward

D Turnbull

- resigned 15 05 09

At 31 March 2010, T Maharajh had an interest in 27.77% of the issued share capital of the Company

DIVIDENDS

No dividends will be distributed for the period ended 31 March 2010 (2009 - £Nil)

DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

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 group and parent company financial statements in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union. The financial statements are required by law to give a true and fair view of the state of affairs and of the profit or loss of both the group and the company for the period.

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 the affairs of the group and the company and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether the financial statements comply with IFRSs as adopted by the European Union, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group or the company as applicable will continue in business

AQUARIUS MEDIA PLC

REPORT OF THE DIRECTORS - continued FOR THE YEAR ENDED 31 MARCH 2010

DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS - continued

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

CREDITORS PAYMENT POLICY

Group operating companies are responsible for agreeing the terms and conditions under which business transactions with their suppliers are conducted. It is Group policy that payments to suppliers are made in accordance with all relevant terms and conditions. Creditor days for the trading members of the Group have been calculated at 123 (2009 – 123) days.

DISCLOSURE OF INFORMATION TO AUDITORS

In the case of each person who was a director at the time this report was approved:

- so far as that director was aware there was no relevant available information of which the company's auditors were unaware, and
- that director had taken all steps that the director ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditors were aware of that information.

This information is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

AUDITORS

Welbeck Associates replaced HW Fisher & Company as auditors and have indicated their willingness to continue in office and in accordance with the provisions of the Companies Act it is proposed that they be re-appointed as auditors to the Company for the ensuing year.

ON BEHALF OF THE BOARD:



T Maharajh

Director

Date

28/04/10

REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF AQUARIUS MEDIA PLC

We have audited the Group and Parent Company financial statements of Aquarius Media Plc for the year ended 31 March 2010 which comprise the Consolidated Income Statement, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated Cash Flow Statement, the Company Cash Flow Statement, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity and the related notes. These financial statements have been prepared under the accounting policies set out therein.

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

Respective responsibilities of directors and auditors

As described in the statement of directors' responsibilities on page 5 the Company's Directors are responsible for the preparation of financial statements in accordance with applicable law and International Financial Reporting Standards ("IFRSs") as adopted by the European Union.

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

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether, in our opinion, the information given in the Report of the Directors is consistent with the financial statements. The information given in the Report of the Directors includes the information given in the Chairman's Statement that is cross referred from the Business Review Section of the Report of the Directors. In addition we report to you if, in our opinion, the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

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

Basis of audit opinion

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

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

**REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF
AQUARIUS MEDIA PLC - continued**

Opinion

In our opinion

- The financial statements give a true and fair view, in accordance with IFRSs as adopted by the European Union, of the state of the Group's and Company's affairs at 31 March 2010 and of the Group's and Company's loss for the year then ended,
- The financial statements have been properly prepared in accordance with the Companies Act 1985, and
- The information given in the Report of the Directors is consistent with the financial statements

Emphasis of matter – going concern

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosures in note 1(a) to the financial statements concerning the Group's ability to continue as a going concern. The Group made a net loss of £422,080 during the year ended 31 March 2010, and at that date had net current liabilities of £285,615. In addition, since the year end a liquidator has been appointed to the Company's sole operating subsidiary and the Group currently has no trading activities. As also described in Note 1, the directors are currently in negotiations to secure additional equity funds to enable the company to continue as a going concern. However, 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 financial statements do not include the adjustments that would result if the Group was unable to continue as a going concern.


Jonathan Bradley-Hoare, Senior statutory auditor

For and on behalf of Welbeck Associates
Chartered Accountants and Registered Auditors
31 Harley Street
London
W1G 9QS

Date 24th September 2010

AQUARIUS MEDIA PLC**GROUP STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2010**

	Notes	Year ended 31 03.10	Year ended 31.03.09
CONTINUING OPERATIONS			
REVENUE		360,390	599,281
Cost of sales		(9,158)	(106,087)
		<hr/>	<hr/>
GROSS PROFIT		351,232	493,194
Administrative expenses		(473,383)	(597,871)
Impairment provisions	9	(298,690)	(450,000)
		<hr/>	<hr/>
LOSS FROM OPERATIONS	4	(420,841)	(554,677)
Finance revenue	5	-	60
Finance costs	6	(1,239)	-
		<hr/>	<hr/>
LOSS BEFORE INCOME TAX		(422,080)	(554,617)
Income tax	7	-	-
		<hr/>	<hr/>
LOSS FOR THE PERIOD AND TOTAL COMPREHENSIVE INCOME		(422,080)	(554,617)
		<hr/>	<hr/>
ATTRIBUTABLE TO EQUITY HOLDERS		(422,080)	(554,617)
		<hr/>	<hr/>
Basic and diluted loss per share from continuing and total operations	8	(0.65)p	(0.85)p

AQUARIUS MEDIA PLC – COMPANY NUMBER 06138814

**CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2010**

	Notes	31.03.10 £	31.01.09 £
Non-current assets			
Goodwill	9	-	298,690
Property, plant and equipment	11	6,274	11,320
		<u>6,274</u>	<u>310,010</u>
Current assets			
Trade and other receivables	12	41,506	44,414
Cash and cash equivalents	15	11,060	5,015
		<u>52,566</u>	<u>49,429</u>
Current liabilities			
Trade and other payables	13	(338,181)	(216,700)
Net current liabilities		<u>(285,615)</u>	<u>(167,271)</u>
NET (LIABILITIES)ASSETS		<u>(279,341)</u>	<u>142,739</u>
Equity			
Issued share capital	14	212,917	212,917
Share premium account		289,360	289,360
Merger reserve		1,219,167	1,219,167
Reverse acquisition reverse		(561,210)	(561,210)
Accumulated losses		(1,439,575)	(1,017,495)
SHAREHOLDERS' (LIABILITIES)/FUNDS		<u>(279,341)</u>	<u>142,739</u>

The financial statements were approved by the Board of Directors and authorised for issue on 28/9/10

Teresa Maharajh

T Maharajh
Director

AQUARIUS MEDIA PLC**COMPANY BALANCE SHEET
AS AT 31 MARCH 2010**

	Notes	31.03.10 £	31.03.09 £
Non-current assets			
Investments in subsidiaries	10	-	360,000
Current assets			
Trade and other receivables	12	5,105	464,250
Cash and cash equivalents	15	7,614	45
		<u>12,719</u>	<u>464,295</u>
Current liabilities			
Trade and other payables	13	(160,091)	(123,757)
Net current (liabilities)/assets		<u>(147,372)</u>	<u>340,538</u>
NET (LIABILITIES)/ASSETS		<u>(147,372)</u>	<u>700,538</u>
Equity			
Issued share capital	14	212,917	212,917
Share premium account		289,360	289,360
Merger reserve		1,219,167	1,219,167
Accumulated losses		(1,868,816)	(1,020,906)
SHAREHOLDERS' (LIABILITIES)/FUNDS		<u>(147,372)</u>	<u>700,538</u>

The financial statements were approved by the Board of Directors and authorised for issue on 28/9/10



T Maharajh
Director

AQUARIUS MEDIA PLC

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2010**

	Notes	Year ended 31.03.10 £	Year ended 31 03.09 £
Cash flow from operating activities			
Loss before income tax		(422,080)	(554,617)
Adjusted for.			
Finance revenue		-	(60)
Finance costs		1,238	-
Depreciation		6,041	6,240
Impairment provisions		298,690	450,000
Decrease in trade and other receivables		2,908	4,935
Increase in trade and other payables		121,482	91,211
Net cash inflow/(outflow) from operating activities		<u>8,279</u>	<u>(2,291)</u>
Cash flows from investing activities			
Purchase of property, plant & equipment		(995)	(3,076)
Finance revenue		-	60
Finance costs		(1,239)	-
Net cash outflow from investing activities		<u>(2,234)</u>	<u>(3,016)</u>
Net increase/(decrease) in cash and cash equivalents		<u>6,045</u>	<u>(5,307)</u>
Cash and cash equivalents at 01.04.09		<u>5,015</u>	<u>10,322</u>
Cash and cash equivalents at 31.03.10	15	<u>11,060</u>	<u>5,015</u>

AQUARIUS MEDIA PLC**COMPANY CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2010**

	Notes	Year ended 31 03.10 £	Year ended 31.03.09 £
Cash flow from operating activities			
Loss before income tax		(847,910)	(993,415)
Adjusted for:			
Finance revenue		(35,955)	(33,260)
Finance costs		911	-
Impairment provisions		869,894	1,000,000
Increase in trade and other receivables		(14,794)	(24,017)
Increase in trade and other payables		36,334	49,851
Net cash inflow/(outflow) from operating activities		<u>8,480</u>	<u>(841)</u>
Cash flows from investing activities			
Finance revenue		-	60
Finance costs		(911)	-
Net cash (outflow)/inflow from investing activities		<u>(911)</u>	<u>60</u>
Net increase/(decrease) in cash and cash equivalents		7,569	(781)
Cash and cash equivalents at 01.04.09		<u>45</u>	<u>826</u>
Cash and cash equivalents at 31.03.10	15	<u>7,614</u>	<u>45</u>

AQUARIUS MEDIA PLC

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2010**

GROUP	Share Capital £	Share premium £	Merger reserve £	Reverse acquisition reserve £	Accumulated losses £	Total equity £
At 01 04 08	212,917	289,360	1,219,167	(561,210)	(462,878)	697,356
Total recognised income and expense for the period	-	-	-	-	(554,617)	(554,617)
At 31 03 09	<u>212,917</u>	<u>289,360</u>	<u>1,219,167</u>	<u>(561,210)</u>	<u>(1,017,495)</u>	<u>142,739</u>
Total recognised income and expense for the period	-	-	-	-	(422,080)	(422,080)
At 31 03 10	<u>212,917</u>	<u>289,360</u>	<u>1,219,167</u>	<u>(561,210)</u>	<u>(1,439,575)</u>	<u>(279,341)</u>

AQUARIUS MEDIA PLC

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2010**

COMPANY	Share Capital £	Share premium £	Merger reserve £	Accumulated losses £	Total equity £
At 01 04 08	212,917	289,360	1,219,167	(27,491)	1,693,953
Total recognised income and expense for the period	-	-	-	(993,415)	(993,415)
At 31 03 09	<u>212,917</u>	<u>289,360</u>	<u>1,219,167</u>	<u>(1,020,906)</u>	<u>700,538</u>
Total recognised income and expense for the period	-	-	-	(847,910)	(847,910)
At 31 03 10	<u>212,917</u>	<u>289,360</u>	<u>1,219,167</u>	<u>(1,868,816)</u>	<u>(147,372)</u>

1 GENERAL INFORMATION

Aquarius Media plc is a public limited company incorporated in the United Kingdom under the Companies Act 1985 (Registration Number 06138814). The address of the registered office is given on page 1.

As disclosed in the Report of the Directors, the principal activity of the Company is that of making investments in the public relations and marketing sectors with the objective of producing long-term capital growth.

GOING CONCERN

The Group made a net loss of £422,080 during the year ended 31 March 2010, and at that date had net current liabilities of £285,615. In addition, as referred to in Note 19, since the year end a liquidator has been appointed to the Company's sole operating subsidiary and the Group currently has no trading activities. However, after making enquiries, the Directors have formed a judgement at the time of approving the financial statements, that there is a reasonable expectation that they will be able to conclude their current negotiations with a third party for the introduction of additional equity funds which will provide the group with adequate resources to continue in operational existence for the foreseeable future. In addition, another third party has given an undertaking to underwrite the necessary expenses incurred by the Company for a period of at least twelve months from the date of these accounts.

For these reasons, the Directors continue to adopt the going concern basis in preparing the financial statements. However, the Directors have not yet concluded an agreement for further investment in the Company. While there can be no certainty that there will be a successful outcome to their negotiations the Directors consider that, based upon financial projections and dependent on the success of their efforts to conclude an agreement for the introduction of additional equity funds, the Company and the Group will be going concerns for twelve months from the date of approval of these financial statements.

If it is not possible for the Directors to realise their plans, over which there is significant uncertainty, the carrying value of the assets of the Group are likely to be impaired. In addition, other costs may arise in the course of realising assets of the Group.

STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with International Financial Reporting Standards, International Accounting Standards and their interpretations issued or adopted by the International Accounting Standards Board as adopted by the European Union ("IFRS")

Certain new standards, amendments and interpretations have been issued by the IASB that are not yet effective. The Group has not adopted any of these standards, amendments or interpretations early.

- IFRS 1 and IAS 27 First time adoption of International Financial Reporting Standards and IAS 27 (effective 1 January 2009)
- IFRS 2 (amendment) Share-based payments – Vesting conditions (effective 1 January 2009)
- IFRS 8 Operating segments (effective 1 January 2009)
- IAS 1 (amendment) Presentation of financial statements (effective 1 January 2009)
- IAS 23 Borrowing costs (effective 1 January 2009)
- IAS 36 (amendment) Impairment of assets (effective 1 January 2009)
- IAS 38 (amendment) Intangible assets (effective 1 January 2009)
- IAS 39 (amendment) Financial instruments Recognition and measurement (effective 1 January 2009)

1 GENERAL INFORMATION - continued

STATEMENT OF COMPLIANCE – continued

The Directors anticipate that the adoption of them in future periods will have little or no impact on the financial statements of the Group when the relevant Standards come into effect for periods commencing on or after 1 May 2010

ACCOUNTING POLICIES

(a) Basis of preparation of the financial statements

The financial statements have been prepared in accordance with International Financial Reporting Standards including standards and interpretations as issued by the International Accounting Standards Board and adopted by the EU, and have been prepared using the historical cost convention unless as otherwise stated below. The financial statements are prepared in Pounds Sterling, which is the functional currency of Aquarius Media plc, rounded to the nearest pound

(b) Basis of consolidation

The financial statements have been prepared using the reverse accounting provisions of International Financial Reporting Standard 3

Reverse accounting has been determined to be required in accounting for the business combination of the Company and Full Portion Media Limited because following the business combination, the Parent company is effectively controlled by the Board and the former shareholders of Full Portion Media Limited. In effect, the transaction is accounted for as though Full Portion Media Limited was the acquiring company rather than the acquired and Aquarius Media plc has been treated as a subsidiary. The reverse acquisition reserve consists of amounts arising from the adjustment made to the equity instruments of the legal acquiree in reverse acquisition accounting.

The Group has calculated the Goodwill arising on the business combination as being the fair value of the consideration deemed to have been paid by Full Portion Media Ltd, as calculated in accordance with IFRS 3 Appendix B, less the fair value of the Parent company's assets and liabilities at the date of the business combination.

The fair value of the consideration has been calculated based on the fair value of the shares in Full Portion Media Limited at the date of the business combination, as determined with reference to the fair value of the shares issued in the Placing that was linked to the acquisition.

The financial information of subsidiaries is included in the consolidated financial statements using the acquisition method of accounting. On the date of acquisition the assets and liabilities of the relevant subsidiaries are measured at their fair values. All intra-Group transactions, balances, income and expenses are eliminated on consolidation.

The merger reserve consists of amounts arising from the acquisition of subsidiaries where the acquisition satisfies the provision of section 131 to 134 of the Companies Act 1985 for merger relief.

(c) Revenue

Revenue consists of fees for public relations work undertaken and is recognised net of sales tax and any discounts given. Monthly retainer fees are recognised in the month to which they relate. Fees for specific work are recognised on completion of the project.

1 GENERAL INFORMATION - continued

(d) Goodwill & Impairment

Goodwill arising on the acquisition of a subsidiary represents the excess of the cost of acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the subsidiary recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses.

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

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

(e) Property, plant and equipment

Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. Depreciation is charged on a straight line basis over three to five years.

The gain or loss arising from disposal or retirement of an asset is determined as the difference between sales proceeds and the carrying amount of the asset and is recognised in the income statement.

(f) Financial assets

The Group classifies its financial assets as loans and receivables which are initially measured at fair value, plus transaction costs. Loans and receivables, which include trade and other receivables, loans and cash at bank, are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (trade receivables) and also incorporate other types of contractual monetary assets. The Group considers that there are no significant differences between the historical value and fair value of its financial assets.

(g) Trade receivables

Trade receivables are not interest-bearing and are stated at their historical value, reduced by appropriate allowances for estimated irrecoverable amounts.

(h) Cash and cash equivalents

Cash and cash equivalents comprise current and deposit account bank balances which are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value. This definition is also used for the cash flow statement.

1 GENERAL INFORMATION - continued

(i) Financial liabilities

The Group classifies its financial liabilities as other financial liabilities. Other financial liabilities, which include trade and other payables, are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

(j) Trade payables

Trade payables are not interest-bearing and are stated at their historical value.

(k) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

(l) Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

(ii) Deferred tax

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interest in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

1 GENERAL INFORMATION - continued

(ii) Deferred tax – continued

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period in which the liability is settled or the asset is realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

(iii) Current and deferred tax for the period

Current and deferred tax are recognised as an expense or income in the income statement, except when they relate to items credited or debited directly to equity, in which case tax is also recognised directly in equity, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or in determining the excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost of the business combination.

(m) Equity instruments

Equity instruments issued by the company are recorded at the proceeds received net of direct costs of issue.

(n) Share-based payments

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest. At each balance sheet date, the Group revises its estimate of the number of equity instruments expected to vest (no revision is considered necessary for the current period). The impact of the revision of the original estimates, if any, is recognised in profit or loss over the remaining vesting period, with a corresponding adjustment to the profit and loss reserve. Equity-settled share-based payment transactions with other parties are measured at the fair value of the goods or services received, except where the fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service. There are no non-market vesting conditions.

(o) The Group as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred. Rentals payable under an operating lease are charged to the Income Statement on a straight line basis over the lease term.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2010

1 GENERAL INFORMATION - continued

(p) Accounting estimates and judgements

The Group makes estimates and judgements concerning the future and the resulting estimates may, by definition, vary from the related actual results. The Directors considered the critical accounting estimates and judgements used in the financial statements and concluded that the main areas of judgement are

- Carrying value of the investment in the subsidiary (see note b), and
- Valuation of intangible assets (see note d)

These estimates are based on historical experience and various other assumptions that management and the Board of Directors believe are reasonable under the circumstances and are discussed, to the extent necessary, in more detail in their respective notes

2 EMPLOYEES AND DIRECTORS

	Year ended 31.03.10 £	Year ended 31.03.09 £
Staff costs	203,037	241,695
Social security costs	24,391	23,349
	<u>227,428</u>	<u>265,044</u>

The Directors have service agreements, which require not more than 12 months notice of termination. The remuneration packages consist of basic salary or fees

	Year ended 31.03.10 £	Year ended 31.03.09 £
The remuneration of the Directors was as follows		
T Maharajh	75,000	75,000
D Turnbull	-	16,500
A Maharajh	-	31,250
A Ward	-	-
	<u>75,000</u>	<u>122,750</u>

Fees of £60,000 were paid to Griffin Corporate Finance Limited for administrative and accounting services, including the services of A Ward as director

AQUARIUS MEDIA PLC

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2010

2 EMPLOYEES AND DIRECTORS - continued

	Year ended 31.03.10	Year ended 31.03.09
The average monthly number of employees was as follows		
Directors and employees	5	7

3 COMPANY PROFIT AND LOSS ACCOUNT

As permitted by section 230 of the Companies Act 1985 the income statement of the Parent Company is not presented as part of these financial statements. The Company made a loss for the period of £847,910 (2009 - £993,415) after impairment provisions of £869,894.

4 SEGMENT REVENUES AND RESULTS

The segmental analysis of revenues and results is determined by the Group having a single business segment and no discontinued operations in the period under review. This is considered to be the provision of public relations related services, being the services provided by Full Portion Media Limited, the Group's trading subsidiary. All of the Group's operations are carried out in the UK and therefore no primary or secondary segmental analysis is required to be presented.

The operating loss is stated after charging

	Year ended 31 03.10 £	Year ended 31 03 09 £
Auditors remuneration		
- fees payable to the Company's auditors for the audit of the Company's annual accounts	3,000	4,000
- fees payable to the Company's auditors for the audit of the subsidiary's annual accounts	3,500	3,500
Fees payable to the Company's auditors for other services		
- services related to corporate finance transactions	-	11,671
Depreciation	6,041	6,240
Bad debts	13,398	55,119
Impairment provisions	298,690	450,000

5 FINANCE REVENUE

	Year ended 31.03.10 £	Year ended 31.03.09 £
Bank interest	-	60

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2010
6 FINANCE COSTS

	Year ended 31.03 10 £	Year ended 31.03 09 £
Bank interest	327	-
Other interest	912	-
	<u>1,239</u>	<u>-</u>

7 INCOME TAXATION

	Year ended 31.03.10 £	Year ended 31.03.09 £
Tax expense comprises		
Current tax	-	-
	<u>-</u>	<u>-</u>
Loss from continuing operations	(422,079)	(554,617)
	<u>(422,079)</u>	<u>(554,617)</u>
Income tax expense calculated at 28% (2009 – 28%)	(118,182)	(155,293)
Effect of expenses that are not deductible in determining taxable profit	5,243	2,248
Effect of capital allowances	-	(1,361)
Effect of impairment provisions	83,633	126,000
Effect of unused tax losses and tax offsets	29,306	28,406
	<u>-</u>	<u>-</u>

The total amount of unused tax losses for which no deferred tax asset is recognised in the balance sheet is £480,071 (2009 - £622,119). This asset has not been recognised on the basis that it will only be recoverable when sufficient profits have accrued and this is not expected to happen for the foreseeable future.

8 LOSS PER SHARE

The basic loss per share is calculated by dividing the loss for the financial period attributable to shareholders by the weighted average number of shares in issue. The remaining securities in issue are not dilutive as at 31 March 2010.

	Year ended 31.03.10 Number	Year ended 31.03.09 Number
The weighted average number of shares were		
Weighted average number of ordinary shares	65,166,666	65,166,666
	<u>65,166,666</u>	<u>65,166,666</u>
Basic loss per share	(0.65)p	(0.89)p

Details of equity instruments which could potentially dilute basic earnings in future but which are not included because they are anti-dilutive for the period under review are stated in Note 14.

AQUARIUS MEDIA PLC**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2010****9 GOODWILL**

	Company £
Cost	
As at 01 04 08	748,690
Impairment provision for the year	(450,000)
As at 31 03 09	<u>298,690</u>
Impairment provision for the year	(298,690)
Net book value at 31 03 10	<u>-</u>

Goodwill arising on consolidation represents the excess of the cost of the reverse acquisition over the net assets of Aquarius Media plc at the date of the business combination, less impairment provisions. The amount has been written down to nil as a result of the liquidation of the Company's sole subsidiary.

10 INVESTMENTS IN SUBSIDIARIES

	Company £
Cost	
As at 01 04 08	1,360,000
Impairment provision for the year	(1,000,000)
As at 31 03 09	<u>360,000</u>
Impairment provision for the year	(360,000)
Net book value at 31 03 10	<u>-</u>

The Company owns 100% of the issued share capital of Full Portion Media Limited, a company registered in the UK. Full Portion Media Limited appointed a liquidator on 6 August 2010 and consequently this amount is not considered to be recoverable.

AQUARIUS MEDIA PLC

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2010**

11 PROPERTY, PLANT AND EQUIPMENT

GROUP – PERIOD ENDED 31 MARCH 2010	Office equipment £	Fixtures & fittings £	Total £
Cost			
As at 01 04 09	20,199	4,513	24,712
Additions	995	-	995
As at 31 03 10	<u>21,194</u>	<u>4,513</u>	<u>25,707</u>
Depreciation			
As at 01 04 09	11,209	2,183	13,392
Charge for the period	4,913	1,128	6,041
As at 31 03 10	<u>16,122</u>	<u>3,311</u>	<u>19,433</u>
Net book value at 31 03 10	<u>5,072</u>	<u>1,202</u>	<u>6,274</u>
Net book value at 31 03 09	<u>8,990</u>	<u>2,330</u>	<u>11,320</u>
GROUP – PERIOD ENDED 31 MARCH 2009	Office equipment £	Fixtures & fittings £	Total £
Cost			
As at 01 04 08	17,123	4,513	21,636
Additions	3,076	-	3,076
As at 31 03 09	<u>20,199</u>	<u>4,513</u>	<u>24,712</u>
Depreciation			
As at 01 04 08	6,097	1,055	7,152
Charge for the period	5,112	1,128	6,240
As at 31 03 09	<u>11,209</u>	<u>2,183</u>	<u>13,392</u>
Net book value at 31 03 09	<u>8,990</u>	<u>2,330</u>	<u>11,320</u>
Net book value at 31 03 08	<u>11,026</u>	<u>3,458</u>	<u>14,484</u>

The Company had no property, plant and equipment during either period

AQUARIUS MEDIA PLC

NOTES TO THE FINANCIAL STATEMENTS - continued **FOR THE YEAR ENDED 31 MARCH 2010**

12 TRADE AND OTHER RECEIVABLES

	Group 31.03.10 £	Group 31.03.09 £	Company 31.03.10 £	Company 31.03.09 £
Amounts falling due within one year				
Trade receivables	32,297	63,387	-	-
Bad debt provision	(5,012)	(39,619)	-	-
	<u>27,285</u>	<u>23,768</u>	<u>-</u>	<u>-</u>
Amounts owed from subsidiary undertakings	-	-	-	458,462
Other debtors	1,770	4,536	178	436
Prepayments	12,451	16,110	4,927	5,352
	<u>41,506</u>	<u>44,414</u>	<u>5,105</u>	<u>464,250</u>

Amounts owed from subsidiary undertakings include a £400,000 loan note to Full Portion Media Limited. The loan note is secured by a debenture over the assets of that company, carries interest at a rate of 8% and was repayable on 31 March 2010. This loan had been provided against in full as at 31 March 2010.

	Group 31.03.10 £	Group 31.03.09 £
The ageing analysis of trade receivables is given as follows		
Less than one month past due	7,552	15,139
One to three months past due	20,256	-
More than three months but less than 12 months past due	4,489	48,248
Amounts past due at balance sheet date but not impaired	-	-
	<u>32,297</u>	<u>63,387</u>
Movement in bad debt provision		
At beginning of the period	39,619	23,192
Amounts written-off in the period	(13,398)	(23,192)
(Decrease)/Increase in provision	(21,209)	39,619
At end of the period	<u>5,012</u>	<u>39,619</u>

The Group does not hold any collateral as security. At the year end, the carrying amounts of the Group's trade and other receivables were denominated in Pounds Sterling.

AQUARIUS MEDIA PLC

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2010

13 TRADE AND OTHER PAYABLES

	Group 31.03.10 £	Group 31.03.09 £	Company 31.03.10 £	Company 31.03.09 £
Trade payables	86,100	120,247	65,754	73,943
Other taxes and social security	51,053	30,137	587	9,404
Other payables	7,395	6,961	-	2,960
Accruals	193,633	59,355	93,750	37,450
	<u>338,181</u>	<u>216,700</u>	<u>160,091</u>	<u>123,757</u>

At the year end, the carrying amounts of the Company's trade and other payables were denominated in Pounds Sterling

14 CALLED UP SHARE CAPITAL

	Group 31.03.10 £	Group 31.03.09 £
Authorised 800,000,000 ordinary shares of 0.25p each	2,000,000	2,000,000
Allotted, called up & fully paid 85,166,666 ordinary shares of 0.25p each	212,917	212,917

The Company has issued warrants convertible into New Ordinary shares of 0.25 pence on exercise. The warrants carry neither rights to dividends nor voting rights. The warrants may be exercised at any time from the date of vesting to the date of their expiry.

The following warrants were in existence and exercisable at 1 April 2009 and 31 March 2010 (none having been exercised during the year)

Warrants	<u>Number</u>	<u>Period</u>	<u>Exercise price</u> (pence)	<u>Fair value at date of grant</u> (pence)
Issued 19 July 2007	12,500,000	19/07/2007-19/07/2010	1.00	0.1
Issued 19 July 2007	5,000,000	19/07/2007-19/07/2010	1.00	2.16

The 12,500,000 warrants with a fair value of 0.1 pence at date of grant have been priced using an estimate of the fair value of the services performed and for which they have been issued as part consideration.

The 5,000,000 warrants with a fair value of 2.16 pence at date of grant have been priced using the Black-Scholes method. Where relevant, the expected life used in the model has been adjusted based on management's best estimate for the effects of non-transferability, exercise restrictions (including the probability of meeting market conditions attached to the warrants), and behavioural considerations. Expected volatility is based on management's best estimate of the historic volatility of similar shares in the market.

AQUARIUS MEDIA PLC

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2010

15 CALLED UP SHARE CAPITAL - continued

At the year end the average exercise price was 1 pence (2009 – 1 pence) and the average remaining life of the warrants were 0.3 years (2009 – 1.3 years)

15 CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of balances with banks and comprise the following balance sheet amounts

	Group 31.03.10 £	Group 31.03.09 £	Company 31.03.10 £	Company 31.03.09 £
Cash and cash equivalents	11,060	5,015	7,614	45

The Company's cash and cash equivalents are all held at institutions rated by international credit agencies as at least A+ or equivalent. All cash and cash equivalents are stated at fair value.

16 RELATED PARTY TRANSACTIONS

At 31 March 2010, £469,155 (2009 - £433,200) was owed to the Company by its subsidiary, Full Portion Media Limited, in respect of loan notes secured over the assets of the subsidiary. Interest charged on these loan notes during the year was £35,955 (2009 - £33,200). £40,739 (2009 - £25,262 owed from) of other advances in relation to working capital were also owed. Full provision has been made against these amounts in the Company's accounts as Full Portion Media Limited appointed a liquidator on 6 August 2010.

Management charges of £84,000 (2009 - £210,000) were made by the Company to its subsidiary during the period. These amounts are eliminated on consolidation.

Key management compensation is disclosed in Note 2.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2010

17 FINANCIAL INSTRUMENTS

(a) Financial instruments by category

	31.03.10	31.03.09
	£	£
Financial assets – Group		
Loans and receivables		
Trade and other receivables, excluding prepayments	29,055	28,304
Cash and cash equivalents	11,060	5,015
	<u>40,115</u>	<u>33,319</u>
Financial assets – Company		
Loans and receivables		
Trade and other receivables, excluding prepayments	-	458,898
Cash and cash equivalents	7,614	45
	<u>7,614</u>	<u>458,943</u>
Financial liabilities at amortised cost – Group		
Trade and other payables, excluding statutory liabilities	<u>287,128</u>	<u>186,563</u>
Financial liabilities at amortised cost - Company		
Trade and other payables, excluding statutory liabilities	<u>159,504</u>	<u>114,353</u>

(b) Market risk

The main risk arising from the Group's financial instruments are liquidity risk and changes in market values. The Group has not entered into any derivative transactions.

(c) Currency risk

The Group is not subject to foreign exchange risk in respect of its normal trading activities.

(d) Price risk

The Directors do not consider price risk to be significant.

(e) Credit risk

Cash investments are allowed only with major financial institutions. At 31 March 2010, there was no significant credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset.

(f) Liquidity risk

The Group currently has no obligations or commitments associated with its financial instruments. The directors regularly review both short and medium term cash flow projections in order to manage the Company's cash flow.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2010

17 FINANCIAL INSTRUMENTS - continued

(g) Fair value interest rate risk

			<u>Floating Rate</u> <u>Financial</u> <u>Assets</u>	<u>Fixed rate</u> <u>Financial</u> <u>Assets</u>
	At	Total	£	£
	31 03 10	£	£	£
Currency – Pounds Sterling				
Cash and cash equivalents		11,060	11,060	-
Loan notes		-	-	-
Currency – Pounds Sterling	31 03 09			
Cash and cash equivalents		5,015	5,015	-
Loan notes		400,000	-	400,000

Floating rate financial assets comprise cash deposits on overnight deposit at variable short-term rates, ranging from 2.5% to 3.5%. The Company has no borrowing facilities agreed with its bankers.

(h) Cash flow interest rate risk

Interest rate changes may affect the Group's ability to raise funds for future projects by influencing the amount to which investors are willing to commit.

(i) Capital risk

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders. The directors regularly review both short and medium term forecasts to achieve this.

18 NON-CANCELLABLE OPERATING LEASING COMMITMENTS

	Group 31 03.10 £	Group 31.03.09 £
Less than one year	20,310	7,693
Longer than 1 and not longer than 5 years	28,773	-
	<u>49,083</u>	<u>7,693</u>

Operating lease payments represent future minimum lease payments payable by the Company's subsidiary for office property. The total operating lease payments incurred during the year were £20,984. The Company had no lease commitments in either period.

19 POST BALANCE SHEET EVENTS NOTE

On 6 August 2010, the Company's sole subsidiary, Full Portion Portion Media Limited, appointed a liquidator (as noted in Note 1 under Going Concern).