

**Greener House Investments PLC**

**Annual Report**

**For the Year Ended 31 May 2010**

**Registered No. 06239171  
(England and Wales)**

# Greener House Investments PLC

## Company information

<b>Directors</b>	J.A. Metliss H.A. Hyman
<b>Secretary</b>	Nexus Structured Finance Limited
<b>Company Number</b>	06239171
<b>Registered Office</b>	2 <sup>nd</sup> Floor Griffin House West Street Woking Surrey GU21 6BS
<b>Registrar</b>	SLC Registrars Thames House Portsmouth Road Esher Surrey KT10 9AD
<b>Auditors</b>	SRLV 89 New Bond Street London W1S 1DA
<b>Brokers</b>	Daniel Stewart & Company Becket House 36 Old Jewry London EC2R 8DD

# Greener House Investments PLC

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# Greener House Investments PLC

## Chairman's and Director's Statement

Year Ended 31 May 2010

Greener House Investments PLC (PLUS: symbol GHIP) was established in 2007 by the Directors for the purpose of acquiring companies or key stakes in companies, or to acquire businesses or assets, in the healthcare sector. A suitable and substantial acquisition would be achieved by the issue of shares of the Company and result with the reverse take-over of the target company which would be provided with a listing for its shares and access to the Company's cash resources.

By 31 May 2009, numerous acquisition opportunities had been evaluated but none had satisfied our criteria of being an established business and be profitable, or have good prospects of achieving profitability within the next twelve months and offer good growth prospects for the future. At the Company's annual general meeting held on 11 September 2009, the Directors were authorised to continue the pursuit of the Company's investment strategy.

During the year the Company identified Fresh T Limited ("Fresh TL") as a suitable target for acquisition and on 29 March 2010, announced that it had made an initial investment of £300,000 for 39,209 "A" ordinary shares in Fresh TL pursuant to the terms of the Investment Agreement, matched by a similar simultaneous investment in Fresh TL by the North West Interim Venture Capital Fund ("NWVCF") managed by YFM Private Equity Ltd. This resulted in both the Company and NWVCF each owning 20% of Fresh TL share capital. The "A" ordinary shares of Fresh TL have certain preferential rights which are set out in note 7 to the accounts.

The Company is undertaking a placing to be carried out by Daniel Stewart & Co of a minimum of £100,000 and a maximum of £300,000 to be matched by further investment by NWVCF in Fresh TL.

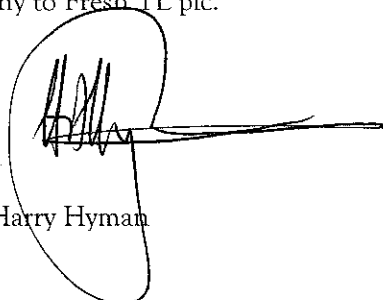
The Company has also entered into conditional agreements to acquire the balance of the entire issued ordinary share capital of Fresh TL not already owned by it for a consideration of £1,200,000 plus such amount as is invested in Fresh TL by NWVCF to match the placing amount. The consideration is to be satisfied by the issue of Ordinary shares of GHI.

Fresh TL, a privately owned company incorporated in the UK on 29 April 2009, is developing a global Software as a Service ("SaaS") business around its intellectual property and distribution rights. Fresh TL is headed by CEO John McGuire who has a wealth of experience in developing and exiting start up technology businesses in the private and public sectors. It is the intention of Fresh TL's management to grow the business both through the acquisition of complementary applications and distribution rights domestically and abroad.

Although Fresh TL does not operate principally in the healthcare sector, the proposed transaction enables Greener House to participate in a larger transaction than the resources of Greener House alone would justify, by virtue of the additional investment being made in the Enlarged Group by NWVCF managed by YFM and the Placing, which has been partly underwritten by Daniel Stewart & Co.

The acquisition of Fresh TL constitutes a reverse take-over of Fresh TL under the PLUS rules and, accordingly, the Company has requested a suspension of trading in its shares. The company will apply to PLUS for re-admission of its shares for trading upon completion of the acquisition of Fresh TL.

An Admission Document containing details of the acquisition and the placing and a notice of a general meeting to be held immediately following the Annual General Meeting on 29 September 2010 will be sent to Shareholders by the Company in due course. At the general meeting, Shareholders will be asked to approve the acquisition and other resolutions proposed for its implementation, and a change of name of the Company to Fresh TL plc.



Jonathan Metliss and Harry Hyman  
6 September 2010

# **Greener House Investments PLC**

## **Directors' Report Year Ended 31 May 2010**

The Directors present their report and the audited financial statements for the year ended 31 May 2010.

### **Business review and principal activity**

The Company was established as a special purpose acquisition company, and its principal activity is to seek a suitable acquisition of a company or business in the healthcare sector. The Company's ordinary shares were admitted for trading on the PLUS Market on 29 October 2007.

On 29 March 2010, the Company announced that it had identified a suitable target for acquisition and that it had made an initial investment of £300,000 for 39,209 "A" ordinary shares in Fresh T Limited ("Fresh TL") pursuant to the terms of an Investment Agreement, matched by a similar simultaneous investment in Fresh TL by the North West Interim Venture Capital Fund ("NWVCF") managed by YFM Private Equity Ltd. This resulted in both the Company and NWVCF each owning 20% of Fresh TL share capital. The acquisition of Fresh TL constitutes a reverse take-over of Fresh TL under the PLUS rules and following the Company's request trading in its shares has been suspended. The company will apply to PLUS for re-admission of its shares for trading upon completion of the acquisition of Fresh TL.

A review of the business and future developments is presented in the Chairman and Director's Statement.

### **Results and dividends**

The income statement for the year is set out on page 12.

The Company's loss for the year of £31,962 (2009: £21,383) has been transferred to retained earnings.

The Directors do not recommend the payment of a dividend for the period.

### **Key performance indicators**

The Directors are of the opinion that as the business of the Company is relatively straightforward, the provision of key performance indicators does not necessarily promote a better understanding of the development, position and performance of the business. Key performance indicators for the year have therefore not been provided. The Directors will look into the introduction of suitable key performance indicators on completion of the acquisition of Fresh T Limited.

### **Corporate Governance**

The Directors recognise the value of the combined code on corporate governance and have considered the recommendations and applicability to the Company in so far as it is practicable and appropriate for a public company of its size.

### **Directors' Remuneration**

The Directors did not receive any remuneration during the year (2009: £nil). Therefore the Company has not prepared a Directors' remuneration report.

# Greener House Investments PLC

## Directors' Report (continued) Year Ended 31 May 2010

### Directors and their interests

The following Directors have held office since 1 June 2009:

J.A. Metliss – Non Executive Chairman  
H.A. Hyman – Non Executive Director

Their beneficial interests in the shares of the company are as follows:

### Ordinary shares 0.1 pence each

	31 May 2010	31 May 2009
J.A. Metliss	2,750,000	2,750,000
H.A. Hyman	2,750,000	2,750,000

Nexus Group Holdings Limited, a company in which H.A. Hyman is a director and shareholder, holds 20,000,000 ordinary shares of 0.1 pence each.

The total number of ordinary shares under the warrants for which Directors may subscribe for as at 31 May 2010 are as follows:

Name	Date of grant	Exercise price per ordinary share (p)	Number of ordinary shares under warrant	Exercise year
J.A. Metliss	10 July 2007	1p	250,000	60 months
H.A. Hyman	10 July 2007	1p	250,000	60 months

Nexus Structured Finance Limited holds 5,000,000 warrants.

### Substantial shareholdings

In addition to the directors' interests disclosed above, the Company has been notified of the following holdings of 3% or more of the ordinary issued share capital at 31 May 2010:

	Number of ordinary shares	% held
Daniel Stewart Securities PLC	20,500,000	20.50%
Nexus Group Holdings Limited	20,000,000	20.00%
Bernard Kelly	13,750,000	13.75%
Leavesden Securities (Holdings) Limited	10,000,000	10.00%
Geoffrey Bowden	5,500,000	5.50%

### Share capital

The authorised and issued share capital of the Company is shown in note 10 to the financial statements. The Company aims to manage its overall capital so as to ensure that it continues to operate as a going concern.

# Greener House Investments PLC

## Directors' Report (continued) Year Ended 31 May 2010

### Related Party Transactions

Details of the transactions with related parties undertaken by the Company during the year are disclosed in note 16 to the financial statements.

### Creditors payment policy

It is the policy of the Company to establish payment terms with suppliers when agreeing terms of business with the view of meeting due dates of payment agreed so far as it is practicable.

The number of days' purchases outstanding at 31 May 2010 was nil (2009: 31).

### Post balance sheet events

The Company is currently raising between £100,000 and £300,000 before expenses through the issue and allotment of up to 60,000,000 Ordinary Shares at a Placing price of 0.5p per share by means of a placing being conducted by the Company's brokers Daniel Stewart & Co. The Placing is conditional on admission of the enlarged share capital to trading on the PLUS Market and completion of the acquisition of the majority of the shares of Fresh TL Limited from its founder shareholders. On Admission, the Company will have a minimum of 319,989,200 Ordinary Shares and a maximum of 359,989,200 Ordinary Shares in issue and a market capitalisation of approximately £1.6 million to £1.8 million at the Placing Price.

Following the Placing, a further subscription of an amount equivalent to the gross proceeds of the Placing will be made by North West Interim Venture Capital Fund ("NWVCF"), managed by YFM Private Equity Ltd, NWVCF into Fresh TL, pursuant to the Investment and Transfer Agreement. This is in addition to the £300,000 which has already been invested by NWVCF pursuant to the terms of the Investment Agreement. An aggregate amount of between £200,000 and £600,000 will be raised by the Group under the terms of the Placing and the subscription for shares in Fresh TL by NWVCF pursuant to the Investment Agreement and the Investment and Transfer Agreement.

On completion of the acquisition of the balance of the Fresh TL Limited shares from NWVCF, to be completed by 31 December 2010, the Company will have a minimum of 406,644,500 Ordinary Shares and a maximum of 446,644,500 Ordinary Shares in issue and a market capitalisation of approximately £2.03 million to £2.23 million at the Placing Price.

### Financial instruments

The Company's principal financial instruments comprise investments, cash, other receivables, trade and other payables. The main purpose of these financial assets is to fund the Company's operations as well as to manage working capital, liquidity and invest surplus funds.

The Directors consider that the carrying values of all the Company's financial assets and liabilities approximate to their fair values as at the balance sheet dates.

# Greener House Investments PLC

## Directors' Report (continued)

Year Ended 31 May 2010

### Internal controls

The Directors have reviewed the Company's system of internal control which is designed to safeguard the assets of the Company and ensure the reliability of financial information for both internal use of and external publication.

### Going Concern

As the Company has sufficient cash resources to meet its operational requirements the Directors expect that the Company will continue in operational existence for the foreseeable future. The going concern basis has therefore been used to prepare these financial statements.

### Management of risks

The Directors continue to assess the risks facing the Company. The acquisition of an appropriate business or company is key to the success of the Company, and is in turn the most significant risk facing the Company.

The other risks the Company is exposed to are as follows:

#### *Interest rate risk*

The Company continues to finance its operations from the original issue of equity. Surplus cash balances are held in a sterling money fund in the short term and returns are expected to fluctuate with the rates of interest. The benchmark rate which determines the interest rate received on interest bearing cash balances is the LIBOR.

#### *Liquidity risk*

The Company has sufficient cash to meet its operational requirements.

#### *Currency risk*

The Company's income and expenses are denominated in sterling. Accordingly the Company is not exposed to any significant currency risk.

#### *Credit risk*

The Company has no significant credit risk.

# Greener House Investments PLC

## Directors' Report (continued)

Year Ended 31 May 2010

### Statement of Directors' Responsibilities

Company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that 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 they have been prepared in accordance with International Financial reporting Standards ("IFRS") as adopted by the European Union; and
- 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 which disclose with reasonable accuracy at any time the financial position of the Company to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for the system of internal control, for safeguarding the assets of the Company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

### Auditors

The Company's auditors Sedley Richard Laurence Voulters have changed their name to SRLV. SRLV have expressed their willingness to remain in office and resolutions reappointing them as auditors and authorising the Directors to fix their remuneration will be put to the Annual General Meeting.

### Statement of disclosure to auditor

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

By order of the Board



For and on behalf of Nexus Structured Finance Limited  
Secretary

6 September 2010

# **Greener House Investments PLC**

## **Independent Auditors' Report to the Shareholders of Greener House Investments PLC**

We have audited the financial statements of Greener House Investments Plc for the year ended 31 May 2010 set out on pages 12 to 24. 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.

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

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

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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 May 2010 and its loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion

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

## Greener House Investments PLC

### Independent Auditors' Report to the Shareholders of Greener House Investments PLC (continued)

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

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements and the part of the Directors' Remuneration Report that is subject to audit 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.

Under the Listing Rules we are required to review:

- the directors' statement in relation to going concern; and
- the part of the Corporate Governance Statement relating to the company's compliance with the provisions of the 2006 Combined Code specified for our review.



**ALOK VERMA (Senior Statutory Auditor)**

For and on behalf of SRLV  
Statutory Auditor

6 September 2010

89 New Bond Street  
London  
W1S 1DA

# Greener House Investments PLC

## Statement of Comprehensive Income Year Ended 31 May 2010

		2010	2009
	Note	£	£
Revenue		<u>-</u>	<u>-</u>
Administrative expenses		<u>(32,536)</u>	<u>(31,506)</u>
<b>Operating loss</b>	2	<b>(32,536)</b>	<b>(31,506)</b>
Finance income	4	<u>574</u>	<u>10,123</u>
<b>Loss before tax</b>		<b>(31,962)</b>	<b>(21,383)</b>
Taxation	5	<u>-</u>	<u>-</u>
<b>Loss for the year</b>		<b><u>(31,962)</u></b>	<b><u>(21,383)</u></b>
<b>Loss per share expressed in pence per share</b>			
Basic	6	0.032	0.021
Diluted	6	0.027	0.018

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

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

The notes on pages 16 to 24 form part of these accounts.

# Greener House Investments PLC

## Statement of Financial Position at 31 May 2010

	Note	2010 £	2009 £
<b>ASSETS</b>			
<b>Non current assets</b>			
Investments	7	300,000	-
<b>Current assets</b>			
Other receivables	8	4,269	4,173
Current asset investment	9	796	366,209
Cash and cash equivalents		30,784	440
		<u>35,849</u>	<u>370,822</u>
<b>TOTAL ASSETS</b>		<u><u>335,849</u></u>	<u><u>370,822</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>			
Share capital	10	100,025	100,025
Share premium		298,279	298,279
Retained earnings		(72,550)	(40,588)
<b>Total shareholders' equity</b>		<u>325,754</u>	<u>357,716</u>
<b>Current liabilities</b>			
Trade and other payables	11	10,095	13,106
		<u>10,095</u>	<u>13,106</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>335,849</u></u>	<u><u>370,822</u></u>

Approved by the Board and authorised for issue on 6 September 2010



H.A. Hyman  
Director

Company Registration No. 06239171

The notes on pages 16 to 24 form part of these accounts.

## Greener House Investments PLC

### Statement of Cash Flows Year Ended 31 May 2010

	2010 £	2009 £
<b>Operating activities</b>		
Operating loss for the year	(32,536)	(31,506)
Adjustments for:		
Increase in other receivables	(96)	(109)
Increase in trade and other payables	(3,012)	4,881
<b>Net cash used for operating activities</b>	<u>(35,644)</u>	<u>(26,734)</u>
<b>Investing activities</b>		
Interest received	574	10,123
Proceeds from redemption of investment	365,414	15,538
<b>Net cash generated from/(used for) investing activities</b>	<u>365,988</u>	<u>25,661</u>
<b>Capital expenditure and financial investments</b>		
Payments to acquire fixed asset investment	(300,000)	-
<b>Net (decrease)/increase in cash and cash equivalents</b>	<u>30,344</u>	<u>(1,073)</u>
Cash and cash equivalents at beginning of the year	440	1,513
<b>Cash and cash equivalents at end of the year</b>	<u><u>30,784</u></u>	<u><u>440</u></u>

## Greener House Investments PLC

### Statement of Changes in Equity Year Ended 31 May 2010

	Share Capital £	Share Premium £	Retained Earnings £	Total £
Balance as at 1 June 2009	100,025	298,279	(40,588)	357,716
Loss for the year	-	-	(31,962)	(31,962)
Balance as at 31 May 2010	<u>100,025</u>	<u>298,279</u>	<u>(72,550)</u>	<u>325,754</u>

# Greener House Investments PLC

## Notes to the Financial Statements Year Ended 31 May 2010

### 1. Accounting policies

#### a) (i) General information

The Company is a public limited company incorporated on 8 May 2007 and domiciled in England and Wales. The Company was established as a special purpose acquisition company whose principal activity was to seek a suitable acquisition of a company or business in the healthcare sector. The Company's ordinary shares were admitted for trading on the PLUS Market on 29 October 2007.

On 29 March 2010, the Company announced that it had identified a suitable target for acquisition and that it had made an initial investment of £300,000 for 39,209 "A" ordinary shares in Fresh T Limited ("Fresh TL") pursuant to the terms of an Investment Agreement, matched by a similar simultaneous investment in Fresh TL by the North West Interim Venture Capital Fund ("NWVCF") managed by YFM Private Equity Ltd.

The Company has also entered into conditional agreements to acquire the balance of the entire issued ordinary share capital of Fresh TL not already owned by it for a consideration of £1,200,000 plus such amount as is invested in Fresh TL by NWVCF to match the placing amount. The consideration is to be satisfied by the issue of Ordinary shares of GHI.

The acquisition of Fresh TL constitutes a reverse take-over of Fresh TL under the PLUS rules and following the Company's request trading in its shares has been suspended. The company will apply to PLUS for re-admission of its shares for trading upon completion of the acquisition of Fresh TL.

The Company's financial statements for the year ended 31 May 2010 were approved by the Board of Directors on 6 September 2010 and its Statement of Financial Position at 31 May 2010 on page 13 was signed by H. A. Hyman, a director of the Company.

#### (ii) Accounting convention and basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs), and IFRIC interpretations as adopted by the European Union, and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention.

The preparation of the financial information requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the date of the financial information. If in the future such estimates and assumptions, which are based on management's best judgment at the date of the financial information, deviate from the actual circumstances, the original estimates and assumptions will be modified as appropriate in the year in which circumstances change.

#### (iii) Standards issued but not yet effective

The IASB and IFIC have issued a number of standards and the interpretations with an effective date after the date of these financial statements. The directors have set out below only those which may have a material impact on the financial statements in future periods.

# Greener House Investments PLC

## Notes to the Financial Statements (continued)

Year Ended 31 May 2010

### **Amendment to IAS 24: Related parties**

The amendment provides an exemption from disclosure requirements for transactions between entities controlled, jointly controlled or significantly influenced by the same state ('state-controlled entities'). It also amends the definitions of a related party and of a related party transaction to clarify the intended meaning and remove some inconsistencies. The amendment is expected to be effective for accounting periods beginning after 2011.

### **Amendment to IAS 39: Financial instruments: Recognition and measurement: Reclassification of Financial Assets**

This amendment clarifies the effective date of the reclassification of financial assets. The amendment is effective under IFRS but has not yet been endorsed by the European Union and has therefore not been adopted by the Company.

### **Amendments to IFRS 3R Business Combinations and IAS 27R Consolidated and Separate Financial Statements**

These revisited standards are effective for financial years beginning on or after 1 July 2009. IFRS 3R introduces a number of changes in the accounting for business combinations occurring after this date that will impact the amount of any goodwill recognised, the reporting results in the period that an acquisition occurs and future reported results. IAS 27R requires that a change in the ownership interest of a subsidiary (without loss of control) is accounted for as an equity transaction. Therefore, such transactions will no longer give rise to goodwill, nor will they give rise to a gain or loss. Furthermore, the amended standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary.

### **Improvements to IFRS 2009**

General improvements to various existing standards will be adopted by the Company which come into effect from 1 May 2010 subject to endorsement by the European Union.

#### **b) Non current investments**

Unlisted investments and investments in subsidiaries are stated at cost less any provision for permanent diminution in value.

Listed investments are stated at market value. Realised gains and losses are charged to the profit and loss account in the year in which they arise. Unrealised gains and losses are taken to the revaluation reserve. In the opinion of the directors, the adoption of alternative accounting rules for listed investments provides a more appropriate view of the state of affairs of the Company at the year end.

#### **c) Current asset investments, cash and cash equivalents**

Current asset investments, cash and cash equivalents comprise cash at bank and short term deposits with banks and similar financial institutions. These deposits are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

# Greener House Investments PLC

## Notes to the Financial Statements (continued) Year Ended 31 May 2010

### d) Taxes

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

Deferred tax is provided, using the liability method, on temporary differences between the tax bases of assets and liabilities and their carrying amounts, in the financial statements. Deferred tax assets relating to the carry-forward of unused tax losses are recognised to the extent that it is probable that future taxable profits will be available against which the unused tax losses can be utilised.

Current and deferred tax assets and liabilities are offset when the income taxes are levied by the same taxation authority and when there is a legally enforceable right to offset them.

### e) Share-based payments

Warrants issued to Directors and founder members are accounted for as share-based transactions in accordance with IFRS 2. Equity-settled share-based payments are measured at fair value at the date of the grant. The fair value at the date of the grant is determined using the Black-Scholes pricing model and expensed on a straight-line basis over the vesting period based on the Company's estimate of the shares that will eventually vest and where applicable, adjusted for the effect of non market-based vesting conditions.

### f) Foreign currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates. Pound sterling is the functional currency of Greener House Investments PLC.

### g) Revenue recognition

#### i) Turnover

Revenue is recognised when due and any amounts collected in advance or arrears are included in debtors or creditors, as applicable. Revenue is measured at the fair value of the consideration received excluding discounts, rebates, VAT and other sales taxes or duty.

#### ii) Interest income

Revenue 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 asset).

# Greener House Investments PLC

## Notes to the Financial Statements (continued) Year Ended 31 May 2010

### 2. Operating loss

The operating loss is stated after charging:

	2010 £	2009 £
Auditors' remuneration	<u>4,700</u>	<u>4,600</u>

### 3. Employee costs

Apart from the Directors there were no employees during the year. The Directors did not receive any remuneration from the Company.

### 4. Finance income

	2010 £	2009 £
Bank interest receivable	<u>574</u>	<u>10,123</u>

### 5. Taxation

	2010 £	2009 £
UK Corporation Tax	<u>-</u>	<u>-</u>
Loss on ordinary activities before taxation multiplied by standard rate of UK Corporation Tax of 21% (2009: 28%)	(6,712)	(5,987)
Effect of:		
Disallowable expenditure	-	-
Tax losses	6,712	5,987
Current tax charge	<u>-</u>	<u>-</u>

There is no corporation tax payable on the results for the year, the Company has unused tax losses of £72,550 (2009: £40,588) to carry forward.

# Greener House Investments PLC

## Notes to the Financial Statements (continued) Year Ended 31 May 2010

### 6. Earnings per share

Basic loss per share is based on the loss after taxation of £31,962 (2009: £21,383) and the weighted average number of ordinary shares of 0.1 pence each in issue during the year of 100,025,000 (2009: 100,025,000).

For diluted loss per share, the weighted average number of shares in issue is adjusted to assume conversion of all dilutive potential shares. The Company created 16,875,000 warrants by a warrant instrument dated 10 July 2007, constituting warrants to subscribe for 16,875,000 ordinary shares at a subscription price of 1p per warrant share. The maturity date of the warrant rights issue is 60 months after the date of issue of the warrant certificate. The adjusted weighted average number of ordinary shares in issue during the year was 116,900,000 (2009: 116,900,000).

# Greener House Investments PLC

## Notes to the Financial Statements (continued) Year Ended 31 May 2010

### 7. Investments

Fixed asset investments comprise the Company's investment in 39,209 "A" ordinary shares in Fresh T Limited representing 20% of the nominal value of the share capital of that company which the Company acquired on 26 March 2010 at a cost of £300,000. The investment represents an initial investment in Fresh T Limited made in accordance with conditional agreements entered into by the Company to acquire the entire issued share capital of Fresh T Limited. The transactions constitute a reverse take-over of Fresh T Limited under the PLUS rules and will, on completion, ultimately result with Fresh T Limited becoming a wholly-owned subsidiary of the Company.

Fresh T Ltd was incorporated on 29 April 2009 in England and Wales and operates wholly in the United Kingdom. Its principal activity is the development and distribution of computer software. Fresh T Limited has prepared accounts for the period from the date of its incorporation to 31 December 2009. The aggregate amount of capital and reserves at 31 December 2009 and the results of the company for the period are as follows:

	£
Aggregate capital and reserves as at 31 December 2009	(60,563)
Loss for the period ended 31 December 2009	(61,563)
	<u><u>          </u></u>

The "A" ordinary shares of Fresh T Limited have preferential rights over payment of dividends by Fresh T Limited and on return of assets by Fresh T Limited; and on the occurrence of certain Specified Events they carry 100,000 votes per A ordinary share.

In the opinion of the Directors, the Company does not, as at the yearend date, exercise significant influence over Fresh T Limited and therefore that company has not been accounted for as an associate.

### 8. Other receivables

	2010 £	2009 £
Prepayments	<u>4,269</u>	<u>4,173</u>

### 9. Current asset investments

	2010 £	2009 £
Sterling Money Fund	<u>796</u>	<u>366,209</u>

# Greener House Investments PLC

## Notes to the Financial Statements (continued) Year Ended 31 May 2010

### 10. Share capital

	2010 £	2009 £
<b>Authorised</b>		
250,000,000 ordinary shares of 0.1 pence each	<u>250,000</u>	<u>250,000</u>
	2010 £	2009 £
<b>Issued and fully paid</b>		
100,025,000 ordinary shares of 0.1 pence each	<u>100,025</u>	<u>100,025</u>

### 11. Trade and other payables

	2010 £	2009 £
Trade payables	-	447
Amounts due to related parties (note 16)	-	2,255
Accruals	<u>10,095</u>	<u>10,404</u>
	<u>10,095</u>	<u>13,106</u>

### 12. Financial risk factors

The Company's overall risk management programme focuses on the unreliability of financial markets and seeks to minimise potential adverse effects of the financial risks which it is exposed to as a result of its activities.

Risk management is carried out by the Company's Board of Directors. The Board identifies and evaluates financial risks and provides principles for overall risk management as well as policies covering specific areas such as credit risk, interest rate risk, liquidity risk and foreign currency risk.

As disclosed in the Director's Report, the acquisition of an appropriate business or company is key to the success of the Company, and is in turn the most significant risk facing the Company.

The other risks the Company is exposed to are as follows:

#### Interest rate risk

The Company continues to finance its operations from the original issue of equity. Surplus cash balances are held in a sterling money fund in the short term and returns are expected to fluctuate with the rates of interest. The benchmark rate which determines the interest rate received on interest bearing cash balances is the LIBOR.

#### Liquidity risk

The Company has sufficient cash to meet its operational requirements.

# Greener House Investments PLC

## Notes to the Financial Statements (continued) Year Ended 31 May 2010

### Currency risk

The Company's income and expenses are denominated in sterling. Accordingly the Company is not exposed to any significant currency risk.

### Credit risk

The Company has no significant credit risk.

### 13. Share-based payments

The Company created 16,875,000 warrants by a warrant instrument dated 10 July 2007, constituting warrants to subscribe for 16,875,000 ordinary shares at a subscription price of 1p per warrant share. The maturity date of the warrant rights issue is 60 months after the date of issue of the warrant certificate. The warrants were granted to its Directors and founder shareholders.

The warrants were valued using the Black-Scholes option-pricing model. No performance criteria were included in the fair value calculations. The fair value of each warrant granted and the assumptions used in the calculation is as follows:

Grant date	10 July 2007
Exercise price	£0.01
Current market price per share based on Placing price per share (see note 15)	£0.005
Expected volatility	15%
No. of years to maturity	5 years
Expected life	5 years
Vesting period	5 years
Risk free rate	3%
Fair value of warrants	£nil

The expected volatility is based on management's best estimate. The risk free rate is the yield on zero-coupon UK government bonds of a term consistent with the life of the warrants.

The total charge for the year relating to warrants granted amounted to £nil (2009: £nil).

A reconciliation of movement in warrants during the year ended 31 May 2010 is shown below:

	2010		2009	
	Number	Weighted average exercise price	Number	Weighted average exercise price
Outstanding at 1 June 2009	16,875,000	£0.01	16,875,000	£0.01
Granted	-	-	-	-
Exercised	-	-	-	-
Expired	-	-	-	-
Outstanding at 31 May 2010	16,875,000	£0.01	16,875,000	£0.01
Exercisable at 31 May 2010	16,875,000	£0.01	16,875,000	£0.01

# Greener House Investments PLC

## Notes to the Financial Statements (continued) Year Ended 31 May 2010

### 14. Future financial commitments

The Company has engaged Daniel Stewart & Co (Corporate Adviser and Broker), Nexus Corporate Finance LLP (Financial Adviser), Hazlewoods (Chartered Accountants) and Davenport Lyons (Solicitors) as its professional advisers in respect of the proposed acquisition of Fresh TL, share placing and admission of the enlarged share capital to the PLUS Market. The aggregate fees payable to these advisers on completion of the transaction is expected to amount to approximately £90,000 + VAT.

At 31 May 2010 the Company has commitments under conditional agreements it had entered into during the year to acquire the balance of the entire issued ordinary share capital of Fresh TL not already owned by it for a consideration of £1,200,000 plus such amount as is invested in Fresh TL by NWVCF to match the placing amount as referred to in note 15 below. The consideration is to be satisfied by the issue of Ordinary shares of GHI.

### 15. Events after the balance sheet date

The Company is currently raising between £100,000 and £300,000 before expenses through the issue and allotment of up to 60,000,000 Ordinary Shares at a Placing price of 0.5p per share by means of a placing being conducted by the Company's brokers Daniel Stewart & Co. The Placing is conditional on admission of the enlarged share capital to trading on the PLUS Market and completion of the acquisition of the majority of the shares of Fresh TL Limited from its founder shareholders. On Admission, the Company will have a minimum of 319,989,200 Ordinary Shares and a maximum of 359,989,200 Ordinary Shares in issue and a market capitalisation of approximately £1.6 million to £1.8 million at the Placing Price.

Following the Placing, a further subscription of an amount equivalent to the gross proceeds of the Placing will be made by North West Interim Venture Capital Fund ("NWVCF"), managed by YFM Private Equity Ltd, NWVCF into Fresh TL, pursuant to the Investment and Transfer Agreement. This is in addition to the £300,000 which has already been invested by NWVCF pursuant to the terms of the Investment Agreement. An aggregate amount of between £200,000 and £600,000 will be raised by the Group under the terms of the Placing and the subscription for shares in Fresh TL by NWVCF pursuant to the Investment Agreement and the Investment and Transfer Agreement.

On completion of the acquisition of the balance of the Fresh TL Limited shares from NWVCF, to be completed by 31 December 2010, the Company will have a minimum of 406,644,500 Ordinary Shares and a maximum of 446,644,500 Ordinary Shares in issue and a market capitalisation of approximately £2.03 million to £2.23 million at the Placing Price.

### 16. Related Party Transactions

Harry Hyman is the controlling party of Nexus Structured Finance Limited and Nexus Corporate Finance LLP. During the year fees and expenses of £1,664 and £7,024 (2009: £1,398 and £6,926) were payable to each company respectively. At 31 May 2010 no amounts were owed to Nexus Structured Finance Limited and Nexus Corporate Finance LLP (2009: £345 and £1,910 respectively).

### 17. Ultimate controlling party

There is no one controlling party.