NEOS Resources plc

Annual report and accounts for the 18 month period ended 30 June 2012

Company number 5212852

Index

Executive Chairman's statement

Introduction
This is the first Annual report and accounts to be issued by NEOS Resources plc (the "Company") and its subsidiaries (the "Group") since I was appointed as Executive Chairman in June 2011 and the first in relation to the changed year reporting to 30th June.

There have been a number of significant changes to both the Board and operational structure of the Group over the last sixteen months. As announced in the Interim report in December 2011, the Board has refocused the Group on non-edible oils seeds found in India. This strategy was initiated in order to develop a pathway for scalability and with a view to future financial stability for the Group. In order to reflect these changes the Company's name was changed from D1 Oils plc to NEOS Resources plc in March 2012.

The Board has also changed the focus of the Group from research and development towards commodity trading. Over the past sixteen months, the management team has developed its knowledge regarding the complexities of the Indian markets including the commodity market spread pressures and the operational activities. The Board`s principal objective is for the Group to achieve profitability and cashflow sustainability within a manageable time horizon.

Ravi Jose was appointed as an executive director in July 2012, to join Nicholas Myerson and myself who had joined in June 2011. The executive team conducted a business review which resulted in the closing down of the Group's operations in Indonesia and Zambia and the disposal of the remaining Science & Technology research unit with the sale of the Animal Feed project, as a result of which the Group now focuses on trading operations in India.

I am pleased to report that the Group has made progress in developing the business in the core region of India during the period with relatively significant amounts of non-edible vegetable oils being produced and sold there.

The Group has now produced initial volumes of crude oil from Castor, Pongamia and Neem, as well as Jatropha, and has sold its products into a number of industrial applications. This is the first step in the implementation of a diversification strategy away from over reliance on future biofuel legislation.

During the period since June 2011, the Group running costs have been reduced by 66% from a rate of over £220,000 to under £75,000 per month. These reductions have been achieved through the closure of non-scalable Jatropha plantations in Malawi, Zambia and Indonesia, the sale of the Animal Feed programme, and overhead efficiencies achieved within the UK and India.

The Group revenue, whilst still relatively small scale, has trebled from a monthly average in the first half of 2011 of £30,000 to a current average of circa £90,000 per month which has been generated from approximately £450,000 of committed working capital in India.

Indian operations
Since the commencement of the season in July 2011, the Group has purchased approximately 3,700 tonnes of a combination of non-edible seeds, expelled approximately 1,200 tonnes of oil, and produced over 2,600 tonnes of seedcake. 825 tonnes of oil and 2,600 tonnes of seedcake were sold for £863,000. 400 tonnes of oil and 300 tonnes of seedcake were held in inventory at the period end.

The overhead costs for India have been reduced since June 2011 from a monthly average of £35,000 per month to £17,000 per month.

Management is planning to commit increased working capital for larger storage facilities for the seed, oil and seedcake, as well as to enter into variable tolling contracts thereby enabling the Group to withdraw from fixed leased crushing plants. These measures should assist in opportunities to buy seed and to sell the requisite oil and seedcake at the lowest and highest points, respectively, of the seasonal market cycles.

The Group is currently in the process of trial sampling with two large European based companies for the export of its crude Jatropha oil for applications in the leather tanning and biofuel markets. The Group is additionally in discussions with a multinational trader for the export of the Group's crude castor oil.

In order to drive the scalability of the business, management is currently in the process of exploring other domestic or export opportunities for non-edible seed and oil products.

Quinvita sale
In April 2010, the Group sold substantially all of the Jatropha plant science and technology activities, excluding its animal feed programme, to Quinvita Limited ("Quinvita"), a company formed by three previous members of management.

In April 2012, the Group concluded the sale of the remainder of the Animal Feed intellectual property assets to Quinvita for cash consideration of £300,000 and converted its holding of preference shares in the capital of Quinvita to a senior loan of £372,000. The loan attracts interest and is repayable by Quinvita at any time before April 2017.

Executive Chairman's statement (continued)

Principal risks and uncertainties
The attention of shareholders is drawn to the Directors' Report, on pages 7 to 9, which sets out the principal risks and uncertainties faced by the Group.

Going concern
The financial statements have been prepared on a going concern basis which assumes that the Company and the Group will continue in operating existence for the foreseeable future and meet its liabilities as they fall due. There are material uncertainties that the Directors have had to consider in deciding to prepare the financial statements on the going concern basis, which are summarised below.

Business planning uncertainty
Following the appointment of Steven Rudofsky and Nicholas Myerson on 24 June 2011, the Board commenced a fundamental review of the business. The review concluded that a strategy of producing, procuring and trading oils from multiple non-edible oilseed types offered the most viable long term prospects for the Group. Whilst the Board is confident it can deliver a non-edible oilseeds based strategy that is viable and cash generative over the longer term, until the business plan is finalised and executed over a number of harvest cycles, the Board cannot assess with certainty the implications of pursuing the revised strategy.

Funding uncertainty
The Group concluded a successful fundraising exercise in November 2011. The Directors informed the market at the time that they expected an additional fundraising would need to be initiated during the latter half of 2012. The Directors now believe that trading in line with the business plan and forecasts show that the Group will require additional cash funding during the second quarter of 2013. The Board believes that it retains the support of major shareholders for its plans. However, if the Directors are unable to secure the appropriate level of support for the strategy and associated future fundraising, the Company and the Group will be unable to continue as a going concern.

Directors' view
After making enquiries and considering these uncertainties, the Directors conclude that the implications of the business plan review and whether funding can be secured before cash resources are depleted are material uncertainties which may cast significant doubt about the Group and Company's ability to continue as a going concern in their current form. The Directors believe that these uncertainties can be managed and mitigated and the Directors have a reasonable expectation that the Group and the Company have adequate resources to continue in operational existence for the foreseeable future. Consequently the Directors believe that it is appropriate to prepare the financial statements on a going concern basis.

Should the business strategy not fulfil expectations and not generate cash for the Group, then the resultant restrictive ability to implement or fund the Group's business plan would mean the going concern basis would be invalid and adjustments may have to be made to reduce the value of the assets to their recoverable amount, to provide for any further liabilities which might arise and to reclassify fixed assets and long term liabilities to current assets and current liabilities.

Financial statements for 18 month period ended 30 June 2012
In December 2011, the Board changed the accounting reference date from 31 December to 30 June to align the accounting year end of the Group to the Indian Jatropha harvest season.

The financial results for the 18 month period ended 30 June 2012 reflect the activities prior to, during, and following the business review conducted by the new Board. As part of the review, operations in Indonesia and Zambia were closed down, and the Animal Feed business within the remaining Science and Technology sector was disposed of. All Science and Technology activity was reclassified as discontinued.

Group revenue was £0.9m (2010: £0.1m) for the period. The increase was due to an increased tonnage of vegetable oils sold, to 825 tonnes in the 18 month period.

The business achieved a positive throughput margin on all varieties of oil. Average processing costs were, however, in excess of throughput margin. This was due to two onerous fixed lease mills contracts which will have been terminated by the end of 2012, historical committed costs from previous management, and an adverse movement in castor prices, resulting in an impairment charge to cost of sales from inventory during the period. The knowledge gained from this season's expelling has resulted in improved practices amongst staff and the sourcing of favourable tolling contracts on a per kilogram of grain basis. The Directors are confident that concepts learned and changes applied to the business will generate gross profits.

Administration expenses were £3.0m for the 18 month period compared with £3.4m for the 12 month period in 2010 as a result primarily of withdrawing from the Indonesian and Zambian operations, and reducing the numbers of staff in the UK and India.

Executive Chairman's statement (continued)

Financial statements for 18 month period ended 30 June 2012 (continued)
Interest received of £26,000 (2010: £35,000) relates to cash held on deposit in the UK (£13,400) and India (£6,000) plus £6,200 of accrued interest from the Quinvita receivable.

Group policy is to charge foreign exchange fluctuations on long term loans and equity in foreign subsidiaries with continuing operations to a foreign exchange equity reserve. Once an overseas subsidiary becomes discontinued, the foreign exchange reserve is released to the income statement. As a result of withdrawing from Indonesia and Zambia, finance costs include £0.3m in foreign exchange costs from impairment of loans in local currency and in foreign exchange equity reserves being charged to the income statement.

The loss on continuing activities before taxation was £3.7m (2010: £3.3m) and the loss per ordinary share was 2.3p (2010: 4.8p).

The Board
Barclay Forrest and Martin Jarvis left the Board on 14 July 2011 and 22 December 2011, respectively. The Board would like to thank them for their contribution to the business.

Nicholas Myerson and I joined the board as Executive Directors on 24 June 2011.

Ravi Jose joined the Board as an Executive Director on 26 July 2012. Graham Woolfman and Michael Moquette joined the Board as Non-Executive Directors on 14 July 2011 and 4 May 2012, respectively.

Staff
The period since June 2011 has been a time of very significant change for the Group. Operationally things remain challenging as the Group finalises the business model which the Board expects will enable profitability to be achieved. The Board would like to thank all of the staff for the capability, commitment and hard work that they have shown in what has been a challenging and fast-moving corporate environment.

Conclusion
The Board believes the Group is progressing towards achieving financial stability. This is dependent on developing and implementing a business plan that can result in scalability of the Group`s operations and a pathway to profitability.

There has been a significant shift in the focus of the Group and it is no longer dependent on biofuel legislation and the successful planting of one oilseed crop.

However, the business plan will require further funding in order for the Group to ultimately achieve profitability. The Board remains confident regarding procuring future funding based in part on the progress achieved by the Group over the last sixteen months.

I would like to thank our shareholders for their interest and support through a difficult, challenging and exciting time for the business.

Steven Rudofsky
Executive Chairman
25 October 2012

Directors and advisors

Steven Rudofsky

Executive Director, 50

Steven began his career working for Marc Rich & Co. AG and Glencore AG where he traded both soft commodities and Ferro Alloys in Rotterdam and Zug. Thereafter he held senior management positions in London at Aletri Limited (Motor Oil Hellas), TransCanada Pipeline Ltd, Credit Agricole CIB and Crown Resources (Alfa Group of Russia). Since 2003, Steven has been focused on property development in Poland through Huntington Polska whilst also consulting on various commodity projects in Europe, North America, Middle East and Asia. Steven holds a BA cum laude in History and International Relations from Clark University and a JD from Emory University. He has been a member of the New York Bar since 1988.

Nicholas Myerson

Executive Director, 27

Nicholas began his career as part of the corporate finance team at Dubai World, focusing on real estate and infrastructure investments in the Chinese, Indian, and Polish markets. Nicholas was until recently head analyst for Salamanca Capital, a London based private equity group, where he was responsible for the firm's infrastructure, commodity and mining investment portfolios. Nicholas holds a MA in Law from Cambridge University. Nicholas is the son of former NEOS Resources plc Chairman, Brian Myerson, who is Executive Chairman of Principle Capital Group whose managed funds hold 25.4% of NEOS's ordinary shares. However, Nicholas confirms he is not a representative of the Principle Capital Group or its managed funds.

Ravi Jose

Executive Director, 32

Ravi was engaged by NEOS as a consultant in September 2011 with a mandate to assist the Board of Directors in assessing the strategic options of its Indian operations. He is a Swiss national of Indian origin and is fluent in several languages including Hindi and Malayalm. Prior to joining NEOS, he worked in Corporate Treasury at McCain Foods and Specsavers, and in various Corporate Strategy roles at SICPA and Siegwerk. He is a Chartered Financial Analyst (CFA) charter holder.

Graham Woolfman

Non-executive Director, 55

Graham is a Fellow of the Institute of Chartered Accountants in England and Wales, and previously a partner and head of Corporate Finance at a major medium size UK firm. His investment management and Board activities have included companies across a range of sectors, including technology related, clean tech recycling and renewables, general service based, and financial services sectors. He is a director of a number of unquoted companies, and has served as a director of publicly quoted and listed companies. Graham is currently Managing Director of Intrust Corporate Finance Limited, a corporate finance advisory and consulting company.

Michael Moquette

Non-executive Director, 60

Michael Moquette has over 20 years experience in commercial and investment banking in Europe and North America, including, most recently, CIBC. He is currently Trustee and Chairman of the Investment Committee of two major family trusts and Managing Partner for Equinoxe Investments SA, a family office active in private wealth management and real-estate development. He is a director of Equinoxe Real Estate Partners SA, Trois Perles S.A., CSTS Sarl, GC Chart Ltd and Domaine d'Orsay S.A. In addition, he has acted as a specialist investment advisor to IRR Capital, Universal Management Services and Dombes S.A.

Directors and advisors continued

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Directors' report

The Directors present their report and the audited financial statements for NEOS Resources plc for the 18 month period ended 30 June 2012.

Principal activity
The Company's principal activity is that of a holding company. The Company is the parent company of a group of companies engaged in the procurement, production and trading of non-edible oilseed grains and oils.

Review of business
A review of the year's activities, financial performance and future prospects are contained in the Executive Chairman's Statement on pages 2 to 4 which forms part of this Directors' Report

During the period, the ongoing business consisted principally of one business group – Operations. During the period, the remaining Science & Technology Animal Feed project was sold.

In the 18 months ending 30 June 2012, the Group made significant progress towards establishing itself as a producer, supplier and trader of non-edible oilseed oils and the seedcake by-product. The Group, now concentrating in India, collected 3,706 tonnes of grain, produced 1,198 tonnes of non-edible vegetable oil and 2,666 tonnes of seedcake.

The remaining Animal Feed section of the Science & Technology business group was sold in April 2012 to Quinvita Limited. Quinvita Limited had bought the original Science & Technology business, the approval given by shareholders at a general meeting held in December 2010.

The decision to focus solely on production of oil and its co-products means the business still retains the primary activities to deliver shareholder value. Further details of the ongoing business and the disposal are in the Chairman's Statement and the Report of the Chief Executive Officer.

Principal risks and uncertainties
The principal risks and uncertainties facing the Group are assessed as funding risk, commercial risk, biological risk, contractual risk, lease reversion risk, political and legislative risk, and financial risk.

Funding risk
The Group will continue to have a cash requirement until it becomes cash generating. The Group has restructured its activities to concentrate on non-edible oilseed operations that are likely to generate short to medium term revenue. The Group anticipates that this activity will position the business more attractively for investors to raise new funds during 2012-13. However, there is a risk that future funding will not materialise, in which case the activities of the Group may no longer be sustainable. The directors are currently working on fundraising plans, and communicating with shareholders and investors. This process is ongoing and under review.

Commercial risk
Business volumes are anticipated to increase as a result of increasing working capital turnover. New technical, operational and commercial challenges may arise as a result of this increase in scale. There is a substantial challenge to put in place or access further the infrastructure needed to collect, process, ship and distribute the products in viable quantities. The Group manages these risks by employing staff and engaging third parties with relevant skills to address these issues when they arise.

The Group has seen large fluctuations in market prices for its feedstock products (non-edible oilseed grains) and for its output products (non-edible oils and the by-product seedcake). The Group is developing strategies to mitigate the risk of excessive price movements and to take advantage of price movements which work in favour of the Group.

Biological risk
There are inherent biological risks associated with any agricultural dependant activity, including pests, disease, drought, excessive rainfall and other stress factors. The Group continues to learn from experience and apply the lessons to manage biological risk.

Contractual risk
There are inherent uncertainties and risks associated with entering into contracts with suppliers, customers, financial institutions, landowners and employees. It is possible that such contracts may become unenforceable and financial commitments may become onerous if circumstances change. The Group attempts to manage this risk through establishing good working relationships and dialogue with contracted parties.

Lease reversion risk
The Group has disclosed a contingent liability related to the Bromborough refining site sold in July 2010. Specifically, the group will be liable for lease costs on two sites adjacent to the Bromborough property if the purchaser of the Bromborough sites defaults on the leases. If lease reversion occurs, any liability could be mitigated by sub-letting the leased sites.

Political and legislative risk
The Group operates on a global basis and must comply with a range of local legislative requirements and regulations that include: legal, regulatory and taxation requirements; trade standards; trade and transportation restrictions; and tariffs. Furthermore, the Group depends on the position and continued support of various third parties, including national governments. Any of these factors may be subject to changes which could adversely affect the Group's ability to do business, or the performance of its business.

A significant number of the world's key economies either have or are in the process of implementing mandatory biodiesel blends and other policies to encourage the use of greener road transport fuel. In addition, many countries have incentives for renewable electricity generation, including generation using vegetable oil as a feedstock. However, these policies continue to be opposed by environmental pressure groups concerned about the sustainability of biofuels. The policies that encourage the adoption of vegetable oil-based biofuels in national markets may be subject to policy change. The Group has expanded its outlet portfolio to encompass different uses of non-edible oilseed products to mitigate against the over reliance of sales into the biofuel industry.

Financial risk
The Group's results from its operations overseas could be adversely affected by currency fluctuations and dividend and exchange controls. The Group looks to limit undue counterparty exposure, ensure sufficient working capital exists and monitor the management of risk at a country level. This is achieved by negotiating contracts in our regions of operation using local currencies and regulations.

Operation key performance indicators (KPI's)
The Group manage the business by monitoring key performance indicators. The key performance indicators are quantity of grain collected, percentage oil yield from the grain, quantity of oil produced, grain price achieved, oil price achieved, and unit cost of production of oil.

Safety, health and environment (SHE)
The Board considers managing the safety and health of our people and protecting the environment as a corporate governance priority.

Nicholas Myerson, Chief Operating Officer, is ultimately responsible for SHE performance in the Group and also has functional responsibility. Fundamental to our management of SHE is the recognition that it is a line management responsibility and should not be delegated to a function. It is a responsibility of all managers and employees and this is regularly communicated and reinforced. We aim to continually test and improve SHE performance across our business.

During 2011-12 there were two incidents. Communications and instructions were forwarded to staff to ensure repeat incidents do not occur.

The key features of SHE include: a formal regime for reporting all incidents, including "near hits"; local investigation and measurement of performance to international standards; and assessment of key risks for each locality, in particular travel issues, field work and wildlife.

Corporate and social responsibility
The Group is committed to acting ethically and to contributing to the economic development of the regions where we operate. We believe strongly in the need to improve the quality of life of farmers and farming communities in the developing world.

Disabled employees
Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the Group continues and that appropriate training is arranged. It is the policy of the Group that the training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees.

Directors
The current Directors are listed on page 5 of this report. Barclay Forrest and Martin Jarvis left the Board on 14 July 2011 and 22 December 2011, respectively. Steven Rudofsky and Nicholas Myerson joined the board as Executive Directors on 24 June 2011 with Steven Rudofsky replacing Barclay Forrest as Chairman on 14 July 2011. Ravi Jose joined the Board as Executive Director on 26 July 2012. Graham Woolfman and Michael Moquette joined the Board as Non-Executive Directors on 14 July 2011 and 4 May 2012 respectively.

Directors' report (continued)

Dividends and transfers to reserves
No dividend has been paid or proposed for the period (2010 - £nil).

Corporate governance
As an AIM-listed company, there is no requirement to comply with the revised UK Corporate Governance Code, issued by the Financial Reporting Council in 2010 (the "Code"). However, the Directors recognise the value of the provisions set out in the Code and have decided to provide limited corporate governance disclosures based on certain of the disclosures required of a fully listed company.

The Board has established an Audit Committee, a Remuneration Committee, and a Nominations Committee, each with formally delegated duties and responsibilities. Each committee comprises Graham Woolfman (Chairman), Steven Rudofsky and Michael Moquette. Barclay Forrest and Martin Jarvis stepped down from the three committees when they left the Board. Nicholas Myerson stepped down from the three committees upon the appointment of Michael Moquette in May 2012.

The Audit Committee receives and reviews reports from management and the Group's auditors relating to the interim and annual financial statements and the accounting and internal control systems in use throughout the Group. The Audit Committee has unrestricted access to the Group's auditors.

The Remuneration Committee reviews the scale and structure of the Executive Directors' remuneration and the terms of their service contracts. The remuneration and terms and conditions of appointment of the Non-Executive Directors are set by the Board. The Remuneration Committee also administers the Group's share option scheme.

Supplier payment policy
It is Group policy to agree and clearly communicate the terms of payment as part of the commercial arrangements negotiated with suppliers and then to pay in accordance with those terms based upon the timely receipt of an accurate invoice. The holding company does not trade. The trade creditors' days of the Group for the 18 month period ended 30 June 2012 were 7 days calculated in accordance with the requirements set down in the Companies Act 2006.

Political and charitable donations
During the period the Group has made no political or charitable donations (2010: £nil)

Serious loss of capital requirement
Under the Companies Act 2006, where the Group's net assets are half or less of its called-up share capital, the Directors are required to convene a general meeting to consider whether any, and if so what, steps should be taken to deal with the situation. Accordingly, a general meeting was held on 29 June 2010 to discuss this matter. The Board presented its ongoing plans for the business. No resolutions were proposed at the meeting.

Auditors
Grant Thornton UK LLP was appointed during the year to fill a casual vacancy and will be proposed for reappointment at the forthcoming Annual General Meeting in accordance with Section 489(4) of the Companies Act 2006.

Approved by the Board of Directors and signed on behalf of the Board.

Steven Rudofsky
Executive Chairman
25 October 2012

Company number 5212852

Statement of Directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and profit or loss of the company and group for that period. In preparing these financial statements, the directors are required to:

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

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

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- 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 auditors are aware of that information.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Cautionary statement regarding forward-looking statements
This Annual Report has been prepared for the members of the Company and no one else. The Company, its Directors, employees or agents do not accept or assume responsibility to any other person in connection with this document and any such responsibility or liability is expressly disclaimed.

This Annual Report contains certain forward-looking statements with respect to the principal risks and uncertainties facing NEOS Resources plc. By their nature, these statements and forecasts involve risk and uncertainty because they relate to events and depend on circumstances that may or may not occur in the future. There are a number of factors that could cause actual results or developments to differ materially from those expressed or implied by these forward-looking statements and forecasts. The forward-looking statements reflect the knowledge and information available at the date of preparation of this Annual Report, and will not be updated during the year. Nothing in this Annual Report should be construed as a profit forecast.

Independent auditor's report
to the members of NEOS Resources plc

We have audited the financial statements of NEOS Resources plc for the period ended 30 June 2012 which comprise the consolidated income statement, the consolidated statement of comprehensive income, the consolidated and parent company balance sheets, the consolidated and parent company statements of changes in equity, the consolidated and parent company statements of cash flow and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

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

Respective responsibilities of directors and auditor
As explained more fully in the Statement of Directors' Responsibilities set out on page 10, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements
A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements
In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 30 June 2012 and of the group's and the parent company's loss for the period then ended;
- the financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Emphasis of matter - Going concern
In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements concerning the group and parent company's ability to continue as a going concern. The group and parent company incurred net losses of £3.7m and £5.6m respectively, during the period ended 30 June 2012**.** As explained in note 1, the company intends to initiate additional fund raising before the second quarter of 2013 in pursuance of, among other matters, a revised strategy of producing, procuring and trading oils from non-edible oilseed types. These conditions, along with the other matters explained in note 1 to the financial statements, 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 company was unable to continue as a going concern.

Opinion on other matter prescribed by the Companies Act 2006
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Grant Thornton UK LLP

Paul Creasey

Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Reading

25 October 2012

Consolidated income statement
for the 18 month period ended 30 June 2012

	Note	**18 month period ended 30 June 2012 £000**	Year ended 31 December 2010 Restated £000
Revenue	3, 4	**862.9**	105.2
Cost of sales		**(1,048.1)**	(85.4)
Gross (loss) / profit		**(185.2)**	19.8
Administrative expenses		**(3,003.5)**	(3,353.2)
Trading loss		**(3,188.7)**	(3,333.4)
Share of post tax losses of joint ventures accounted for using the equity method	12	**—**	(306.1)
Impairment of investments	12	**(100.0)**	—
Loss from continuing operations		**(3,288.7)**	(3,639.5)
Finance income	4,7	**26.3**	373.5
Finance costs	7	**(428.3)**	(57.8)
Loss for the period from continuing operations before taxation		**(3,690.7)**	(3,323.8)
Tax (expense) / credit	8	**(7.1)**	235.9
Loss for the period from continuing operations after taxation		**(3,697.8)**	(3,087.9)
Discontinued operations			
Profit/(loss) for the period from discontinued operations	13	**345.6**	(3,000.5)
Total loss for the period and loss attributable to the equity holders of the parent		**(3,352.2)**	(6,088.4)
Loss per ordinary share			
Basic and diluted loss per ordinary share (pence)	9	**(2.28)**	(4.81)
Basic and diluted loss per ordinary share from continuing operations (pence)	9	**(2.51)**	(2.62)

No profit and loss account is presented by the Company as permitted by Section 408 of the Companies Act 2006. The Company's loss for the period was £5,580,400 (2010: £9,070,800).

The accompanying notes from an integral part of these financial statements.

Consolidated statement of comprehensive income
for the 18 month period ended 30 June 2012

	18 month period ended 30 June 2012	Year ended 31 December 2010
	£000	£000
Loss for the period / year	**(3,352.2)**	(6,088.4)
Exchange difference on retranslation of foreign operations	**(48.1)**	(302.2)
Exchange differences on disposed operations recognised in income statement	**315.6**	(12.5)
Total comprehensive income for the period / year attributable to the equity holders of the parent	**(3,084.7)**	(6,403,1)

The accompanying notes from an integral part of these financial statements.

Consolidated balance sheet
at 30 June 2012

	Note	At 30 June 2012 £000	At 31 December 2010 £000 Restated
Assets			
Non-current assets			
Property, plant and equipment	10	**20.9**	143.1
Intangible assets	11	**—**	—
Investments accounted for using the equity method	12	**—**	—
		20.9	143.1
Current assets			
Inventories	14	**353.5**	211.4
Trade and other receivables	15	**494.4**	498.2
Other financial assets	16	**—**	90.0
Cash and short-term deposits	17	**1,533.8**	3,440.5
		2,381.7	4,240.1
Assets held for sale		**—**	427.6
Total assets		**2,402.6**	4,810.8
Equities and liabilities			
Current liabilities			
Trade and other payables	18	**(92.4)**	(280.5)
Accruals and deferred income		**(140.1)**	(393.2)
Payments due to vendors	19	**—**	(4.1)
Provisions	20	**(250.0)**	(274.0)
		(482.5)	(951.8)
Liabilities held for sale		**—**	(161.5)
Non-current liabilities			
Payments due to vendors	19	**(561.5)**	(476.5)
		(561.5)	(476.5)
Total liabilities		**(1,044.0)**	(1,589.8)
Net assets		**1,358.6**	3,221.0
Capital and reserves			
Equity share capital	22	**1,783.2**	1,266.8
Share premium		**99,956.5**	99,290.3
Own shares held		**(484.0)**	(484.0)
Other reserves		**437.7**	437.7
Revenue reserves		**(101,279.5)**	(97,967.0)
Share option reserve		**1,025.0**	1,025.0
Currency translation reserve		**(80.3)**	(347.8)
Equity shareholders' funds		**1,358.6**	3,221.0

These financial statements were approved by the Board of Directors on 25 October 2012.

Steven Rudofsky

Executive Chairman

The accompanying notes from an integral part of these financial statements.

Consolidated statement of changes in equity
for the 18 month period ended 30 June 2012

	Share capital £000	Share premium £000	Own shares held £000	Merger reserve £000	Revenue reserve £000	Share option reserve £000	Currency translation reserve £000	Total £000
Group								
At 1 January 2010	1,266.8	99,290.3	(484.0)	437.7	(91,919.6)	1,025.0	(33.1)	9,583.1
Share based payments	—	—	—	—	41.0	—	—	41.0
Transactions with owners	—	—	—	—	41.0	—	—	41.0
Loss for the period	—	—	—	—	(6,088.4)	—	—	(6,088.4)
Total comprehensive income	—	—	—	—	—	—	(314.7)	(314.7)
At 1 January 2011	1,266.8	99,290.3	(484.0)	437.7	(97,967.0)	1,025.0	(347.8)	3,221.0
Equity issue	516.4	666.2	—	—	—	—	—	1,182.6
Share based payments	—	—	—	—	39.7	—	—	39.7
Transactions with owners	516.4	666.2	—	—	39.7	—	—	1,222.3
Loss for the period	—	—	—	—	(3,352.2)	—	—	(3,352.2)
Total comprehensive income	—	—	—	—	—	—	267.5	267.5
At 30 June 2012	**1,783.2**	**99,956.5**	**(484.0)**	**437.7**	**(101,279.5)**	**1,025.0**	**(80.3)**	**1,358.6**

The accompanying notes from an integral part of these financial statements.

Consolidated cash flow statement
for the 18 month period ended 30 June 2012

	18 month period ended 30 June 2012 £000	Year ended 31 December 2010 Restated £000
Operating activities		
Loss for the period / year	**(3,352.2)**	(6,088.4)
Adjustments to reconcile loss for the period to net cash flow from operating activities:		
Depreciation of property, plant and equipment, and amortisation of intangible assets	**57.0**	135.6
Impairment of assets held for sale	**24.2**	48.1
Impairment of net current assets	**34.4**	—
Impairment of investments	**100.0**	—
Share-based payments	**39.7**	41.0
Net (profit) / loss on disposal of science and technology activities	**(750.6)**	865.8
Loss on disposal of property, plant and equipment	**32.7**	55.1
Share of post tax losses of joint ventures accounted for using the equity method	**—**	306.1
Finance income	**(26.3)**	(386.1)
Finance expense	**421.1**	59.4
Income tax credit	**—**	(235.9)
Tax paid	**(7.1)**	4.2
Increase in inventories	**(203.6)**	(110.5)
Decrease in trade and other receivables	**748.4**	843.9
Decrease in trade and other payables	**(523.5)**	(319.6)
Decrease in provisions	**(24.0)**	(1,461.9)
Exchange released to Income Statement upon impairment of Group loans	**(109.1)**	—
Retranslation of revenue reserves	**(34.7)**	(334.0)
Net cash flow from operating activities	**(3,573.6)**	(6,577.2)
Investing activities		
Interest received	**26.3**	34.8
Payments to acquire property, plant and equipment, and intangible assets	**(11.9)**	(66.9)
Funds transferred from deposits	**90.0**	4,457.6
Purchase of joint venture investments	**(100.0)**	(100.0)
Net cash inflow / (outflow) on disposal of science and technology activities	**300.0**	(800.0)
Proceeds from disposal of assets	**103.0**	1,696.1
Net cash flow from investing activities	**407.4**	5,221.6
Financing activities		
Proceeds of share issues (net of expenses)	**1,182.6**	—
Net cash flow from financing activities	**1,182.6**	—
Net decrease in cash and cash equivalents	**(1,983.6)**	(1,355.6)
Cash and cash equivalents at the start of the period / year	**3,440.5**	4,425.5
Effects of exchange rates on cash at the start of the period	**(13.4)**	19.3
Exchange effects on operating costs	**90.3**	351.3
Cash and cash equivalents at the end of the period / year	**1,533.8**	3,440.5

The accompanying notes from an integral part of these financial statements.

Company balance sheet
as at 30 June 2012

	Note	As at 30 June 2012 £000	As at 31 December 2010 £000
Assets			
Non-current assets			
Property, plant and equipment	10	0.6	26.1
Amounts receivable from group undertakings	15	—	2,879.6
Investments in subsidiaries	12	125.0	125.9
		125.6	3,031.6
Current assets			
Trade and other receivables	15	428.2	353.1
Other financial assets	16	—	90.0
Cash and short-term deposits	17	1,088.1	2,983.0
		1,516.3	3,426.1
Total assets		1,641.9	6,457.7
Equity and liabilities			
Current liabilities			
Trade and other payables	18	(73.9)	(315.9)
Accruals and deferred income		(112.8)	(304.4)
Provisions	20	(250.0)	(274.0)
Total liabilities		(436.7)	(894.3)
Net assets		1,205.2	5,563.4
Capital and reserves			
Equity share capital	22	1,783.2	1,266.8
Share premium		99,956.5	99,290.3
Own shares held		(484.0)	(484.0)
Revenue reserves		(101,075.5)	(95,534.7)
Share option reserve		1,025.0	1,025.0
Equity shareholders' funds		1,205.2	5,563.4

These financial statements were approved by the Board of Directors on 25 October 2012.

Steven Rudofsky
Executive Chairman

The accompanying notes from an integral part of these financial statements.

Company statement of changes in equity
for the 18 month period ended 30 June 2012

	Share capital £000	Share premium £000	Own shares held £000	Revenue reserve £000	Share option reserve £000	Total £000
Company						
At 1 January 2010	1,266.8	99,290.3	(484.0)	(86,504.9)	1,025.0	14,593.2
Share based payments	—	—	—	41.0	—	41.0
Transactions with owners	—	—	—	41.0	—	41.0
Loss for the financial period and total comprehensive income	—	—	—	(9,070.8)	—	(9,070.8)
At 1 January 2011	1,266.8	99,290.3	(484.0)	(95,534.7)	1,025.0	5,563.4
Equity issue	516.4	666.2	—	—	—	1,182.6
Share based payments	—	—	—	39.7	—	39.7
Transactions with owners	516.4	666.2	—	39.7	—	1,222.3
Loss for the financial period and total comprehensive income	—	—	—	(5,580.5)	—	(5,580.5)
At 30 June 2012	**1,783.2**	**99,956.5**	**(484.0)**	**(101,075.5)**	**1,025.0**	**1,205.2**

The accompanying notes from an integral part of these financial statements.

Company cash flow statement
for the 18 month period ended 30 June 2012

	18 month period ended 30 June 2012 £000	Year ended 31 December 2010 £000
Operating activities		
Loss for the period / year	**(5,580.5)**	(9,070.8)
Adjustments to reconcile loss for the year to net cash flow from operating activities:		
Depreciation of property, plant and equipment	**13.6**	7.5
Share-based payments	**39.7**	41.0
(Profit) / loss on disposal of property, plant and equipment	**(36.7)**	6.9
Impairment of amounts owed by Group undertakings	**3,991.7**	661.5
Write-off of amounts owed by Group undertakings	**—**	412.9
Impairment of investments	**0.9**	**—**
Finance income	**—**	(32.4)
Increase in trade and other receivables	**(75.1)**	(191.7)
(Decrease) / increase in trade and other payments	**(433.6)**	152.3
Decrease in provisions	**(24.0)**	(130.0)
Net cash flow from operating activities	**(2,104.0)**	(8,142.8)
Investing activities		
Interest received	**—**	32.4
Payments to acquire property, plant and equipment	**(0.9)**	**—**
Proceeds from disposal of assets	**49.5**	**—**
Funds transferred from deposits	**90.0**	4,457.8
Investment in Group companies	**—**	(0.8)
Net repayments (from) / loans to Group companies	**(1,112.1)**	4,035.6
Net cash flow from investing activities	**(973.5)**	8,525.0
Financing activities		
Proceeds of share issue	**1,182.6**	**—**
Net cash flow from financing activities	**1,182.6**	—
Net (decrease) / increase in cash and cash equivalents	**(1,894.9)**	382.2
Cash and cash equivalents at the start of the period / year	**2,983.0**	2,600.8
Cash and cash equivalents at the end of the period / year	**1,088.1**	2,983.0

The accompanying notes from an integral part of these financial statements.

Notes to the financial statements (continued)
for the 18 month period ended 30 June 2012

1. Authorisation of financial statements

Fundamental accounting concept

The financial statements have been prepared on a going concern basis which assumes that the Company and the Group will continue in operating existence for the foreseeable future and meet its liabilities as they fall due. There are material uncertainties that the Directors have had to consider in deciding to prepare the financial statements on the going concern basis, which are summarised below.

Business planning uncertainty

The Executive Chairman's Report on pages 2 to 4 sets out the strategy of the business and what it is seeking to achieve. Following the appointment of Steven Rudofsky and Nicholas Myerson on 24 June 2011, the Board commenced a fundamental review of the business. The review concluded that a strategy of producing, procuring and trading oils from multiple non-edible oilseed types offered the most viable long term prospects for the Group. Whilst the Board is confident it can deliver a non-edible oilseeds based strategy that is viable and cash generative over the longer term, until the business plan is finalised and executed over number of harvest cycles, the Board cannot assess with certainty the implications of pursuing the revised strategy.

Funding uncertainty

The Group concluded a successful fund-raising exercise in November 2011. The Directors informed the market at the time that an additional fund raising would need to be initiated during the latter half of 2012. Whilst the Directors believe there are sufficient funds to cover overheads until the end of 2013, in order to expand the business, final follow on funding for capital investment ahead of the business becoming cash generative will need to be concluded prior to then. The Board is encouraged by the feedback it has received to date on the willingness of some existing shareholders to participate in a future fund raising. However, if the Directors are unable to secure the appropriate level of shareholder support for the strategy and associated future fund raising, the Company and the Group will be unable to continue as a going concern.

Directors' view

After making enquiries and considering these uncertainties, the Directors conclude that the implications of the business plan review and whether funding can be secured before cash resources are depleted are material uncertainties which may cast significant doubt about the Group and Company's ability to continue as a going concern in its current form. The Directors believe that these uncertainties can be managed and mitigated and the Directors have a reasonable expectation that the Group and the Company have adequate resources to continue in operational existence for the foreseeable future. Consequently the Directors believe that it is appropriate to prepare the financial statements on a going concern basis.

Should the business strategy not fulfil expectations and not generate cash for the Group, then the resultant restrictive ability to implement or fund the Groups business plan would mean the going concern basis be invalid and adjustments may have to be made to reduce the value of the assets to their recoverable amount, to provide for any further liabilities which might arise and to reclassify fixed assets and long term liabilities to current assets and current liabilities.

Prior year restatement

The prior period balance sheet has been restated to reflect assets and liabilities held for sale. The Directors do not consider it appropriate to include a third balance sheet as the numbers stated would not alter from those previously reported.

Authorisation of financial statements

The financial statements of the Company and its subsidiaries for the 18 month period ending 30 June 2012 were authorised by the Board of Directors on 25 October 2012 and the balance sheet was signed on the Board's behalf by Steven Rudofsky, Executive Chairman. The Company is a public limited company registered in England and Wales. The Company's ordinary shares are traded on AIM.

2. Summary of significant accounting policies

Basis of preparation

The Group's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union as they apply to the financial statements of the Group for the 18 month period ended 30 June 2012 and applied in accordance with the Companies Act 2006.

The Group financial statements are presented in Sterling and all values are rounded to the nearest thousand pounds (£000) except where otherwise indicated.

2. Summary of significant accounting policies (continued)

Key sources of estimation uncertainty

The preparation of financial statements requires management to make estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. The nature of estimation means that actual outcomes could differ from those estimates. The key sources of estimation uncertainty that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Impairment of non-financial assets

The Group assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. Goodwill and other indefinite life tangible and intangible assets are tested for impairment annually and at other times when there are indicators that the carrying amounts may not be recoverable. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows. Where realisable value is used as the basis of valuation, management must estimate the net income realisable from the sale of the asset and apply an appropriate discount rate to the cash flows arising.

Basis of consolidation

The Group financial statements consolidate the financial statements the Company and the entities it controls drawn up to 30 June each year. Prior to December 2011, the accounting reference date was 31 December.

Subsidiaries are consolidated from the date of their acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. Control comprises the power to govern the financial and operating polices of the investee so as to obtain benefit from its activities and is achieved through direct or indirect ownership of voting rights, currently exercisable or convertible voting rights, or by way of contractual agreement.

The financial statements of subsidiaries are prepared for the same reporting date as the parent company and are based on consistent accounting policies. All inter-company balances and transactions, including unrealised profits arising from intra-group transactions, are eliminated. Non-controlling interests represent the portion of profit or loss and net assets in subsidiaries that is not held by the Group and is presented within equity in the consolidated balance sheet, separately from the parent company's shareholders' equity. When a subsidiary is not wholly owned by the Group and it incurs losses, amounts allocated to the minority are recognised even if this results in the non-controlling interests having a deficit balance.

Interests in joint ventures

A joint venture is defined in IAS 31 as a 'contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control'.

Where the joint venture is established through an interest in a company, partnership or other entity (a jointly controlled entity), the Group recognises its interest in the entity's assets and liabilities using the equity method of accounting. Under the equity method, the interest in the joint venture is carried in the balance sheet at cost plus post-acquisition changes in the Group's share of its net assets, less distributions received and less any impairment in value of individual investments. The Group income statement reflects the share of the jointly controlled entity's results after tax. The Group statement of recognised income and expense reflects the Group's share of any income and expense recognised by the jointly controlled entity outside profit and loss.

Any goodwill arising on the acquisition of a jointly controlled entity, representing the excess of the cost of the investment compared to the Group's share of the net fair value of the entity's identifiable assets, liabilities and contingent liabilities, is included in the carrying amount of the jointly controlled entity and is not amortised. To the extent that the net fair value of the entity's identifiable assets, liabilities and contingent liabilities is greater than the cost of the investment, a gain is recognised and added to the Group's share of the entity's profit or loss in the period in which the investment is acquired.

Financial statements of jointly controlled entities are prepared for the same reporting period as the Group. Where necessary, adjustments are made to bring the accounting policies into line with those of the Group to take into account fair values assigned at the date of acquisition and to reflect impairment losses where appropriate. Adjustments are also made in the Group's financial statements to eliminate the Group's share of unrealised gains and losses on transactions between the Group and its jointly controlled entities.

The Group ceases to use the equity method on the date from which it no longer has joint control over, or significant influence in, the joint venture.

Where the financial statements of a jointly controlled entity used in the preparation of the financial statements are prepared as of a reporting date that is different from that of the Group, interim accounts are drawn up as at the Group reporting date and adjustments are made for the effects of significant transactions or events falling within the Group reporting period.

2. Summary of significant accounting policies (continued)

Financial assets

Financial assets are recognised when the Group becomes party to the contracts that give rise to them and are classified as loans and receivables, held-to-maturity investments or fair value through the income statement as appropriate. Financial assets also include cash and cash equivalents, trade and other receivables, other investments and derivative financial instruments. The Group determines the classification of its financial assets at initial recognition. When financial assets are recognised initially, they are measured at fair value, being the transaction price plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

The subsequent measurement of financial assets classified as fair value financial assets is as follows:

The fair value of quoted investments is determined by reference to bid prices at the close of business on the balance sheet date. When there is no active market, fair value is determined using valuation techniques. These include using recent arm's length market transactions, reference to the current market value of another instrument which is substantially the same discounted cash flow analysis and pricing models. Where fair value cannot be reliably estimated, assets are carried at cost.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, do not qualify as trading assets and have not been designated as either fair value through profit and loss or available for sale. Such assets are carried at amortised cost using the effective interest method if the time value of money is significant. Gains and losses are recognised in income when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

Derecognition of financial assets and liabilities

A financial asset or liability is generally derecognised when the contract that gives rise to it is settled, sold, cancelled or expires.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, such that the difference in the respective carrying amounts together with any costs or fees incurred are recognised in profit or loss.

Impairment of financial assets

The Group assesses at each balance sheet date whether a financial asset or group of assets is impaired.

Assets carried at amortised cost

If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced with the amount of the loss recognised in administration costs.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. Any subsequent reversal of an impairment loss is recognised in the income statement, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date.

Intangible assets

Research and development expenditure

The animal feed programme investigates alternative uses for and the removal of anti-nutritional substances from the seedcake (meal) co-product created when oil is extracted from the Jatropha kernel. Any costs incurred in the design and construction of prototype processes and equipment are capitalised as intangible assets and charged against income over the useful economic life of the process. Otherwise costs are expensed to the income statement as incurred.

2. Summary of significant accounting policies (continued)

Software

Software is initially carried at cost and thereafter stated at cost less accumulated amortisation and accumulated impairment losses. Intangible assets with a finite life have no residual value and are amortised on a straight-line basis over their expected useful economic lives of 3-5 years.

The carrying value of intangible assets is reviewed for impairment whenever events or changes in circumstances indicate the carrying value may not be recoverable. In addition, the carrying value of capitalised development expenditure is reviewed for impairment annually before being brought into use.

Leases

Assets held under finance leases, which transfer to the Group substantially all of the risks and benefits incidental of ownership of the leased item, are capitalised at the inception of the lease, with a corresponding liability being recognised for the lower of the fair value of the leased asset and the present value of minimum lease payments. Lease payments are apportioned between reduction of the lease liability and finance charges in the income statement so as to achieve a constant rate of interest on the remaining balance of the liability. Assets held under finance leases are depreciated over the shorter of the estimated useful life of the asset and the lease term.

Leases where the lessor retains a significant portion of the risks and benefits of ownership of the asset are classified as operating leases and rentals payable are charged in the income statement on a straight-line basis over the lease term.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less. Restricted deposits held as security are classified as financial assets rather than cash where the terms of the deposit mean that the balance cannot be readily converted to finance the day-to-day operations of the Group.

For the purpose of the consolidated cash flow statement, cash and cash equivalents are as defined above, net of outstanding bank overdrafts.

The Group endeavours to maintain sufficient cash at bank and in hand to fund operations in the short-term and invests surplus funds in term deposits to maximise interest revenue.

Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and impairment losses. Cost comprises the aggregate amount paid and the fair value of any other consideration given to acquire the asset and includes costs directly attributable to making the asset capable of operating as intended. Borrowing costs attributable to assets under construction are recognised as an expense as incurred.

Depreciation is provided on all property, plant and equipment, other than land, on a straight-line basis over the expected useful life as follows:

Buildings	over 20 years
Plant and machinery	over 3-10 years
Motor vehicles	over 3-10 years
Fixtures, fittings and equipment	over 3-5 years

The carrying value of property, plant and equipment is reviewed for impairment and are written down immediately to their recoverable amount if events or changes in circumstance indicate the carrying value may not be recoverable. Useful lives and residual values are reviewed annually and where adjustments are required these are made prospectively.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the derecognition of the asset is included in the income statement in the period of derecognition.

Where assets are held under finance leases and there is reasonable certainty that the Group will obtain ownership of the asset by the end of the lease term (based on best estimates as at the balance sheet date), the asset is depreciated over its expected useful economic life. Otherwise, assets held under finance lease are depreciated over the shorter of the lease term and its useful economic life.

2. Summary of significant accounting policies (continued)

Employee benefits

Defined contribution plans

The Group's funding of the defined contribution plans is charged to the income statement in the same year as the related service is provided.

Leave benefits

Annual leave is provided for over the period that the leave accrues.

Foreign currency translation

The individual financial statements of each Group company are presented in the currency of the primary economic environment in which it operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each Group company are expressed in Pounds Sterling, which is the functional currency of the Company, and the presentation currency for the Group consolidated financial statements.

In preparing the financial statements of the individual companies, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the period in which they arise except for:

- exchange differences on transactions entered into to hedge certain foreign currency risks; and
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on discontinuation of activities in the foreign operation or partial disposal of the net investment.

For the purposes of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity.

Business combinations and goodwill

Business combinations on or after 1 January 2006 are accounted for under IFRS 3 using the purchase method. Any excess of the cost of the business combination over the Group’s interest in the net fair value of the identifiable assets, liabilities and contingent liabilities is recognised in the balance sheet as goodwill and is not amortised. To the extent that the net fair value of the acquired entity’s identifiable assets, liabilities and contingent liabilities is greater than the cost of the investment, a gain is recognised immediately in the income statement. Any goodwill asset arising on the acquisition of equity accounted entities is included within the cost of those entities. The Group elected to adopt the revised IFRS 3 issued in January 2008 for the 2009 financial statements. The only material impact of the adoption on the Group's 2009 acquisition was that the revised IFRS 3 required the costs of acquisition to be recognised as an expense. Other changes include altering the treatment of non-controlling interests (formerly minority interests) with an option to recognise these at full fair value as at the acquisition date and a requirement for previously held non-controlling interests to be fair valued as at the date control is obtained, with gains and losses recognised in the income statement.

After initial recognition, goodwill is stated at cost less any accumulated impairment losses, with the carrying value being reviewed for impairment, at least annually and whenever events or changes in circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill is allocated to the related cash-generating units expected to benefit from the combination’s synergies and monitored by management. Where the recoverable amount of the cash-generating unit is less than its carrying amount, including goodwill, an impairment loss is recognised in the income statement. On disposal of a cash-generating unit, the allocated goodwill is taken into account when determining the gain or loss on disposal to be recognised in the income statement.

2. Summary of significant accounting policies (continued)

Inventories

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

Raw materials, consumables and goods held for resale	– purchase cost on a first-in, first-out basis
Work in progress and finished goods	– cost of direct materials and labour plus attributable overheads based on a normal level of activity, excluding borrowing costs

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

Trade and other receivables

Trade receivables, which generally have 30 day terms, are recognised and carried at the lower of their original invoiced value and recoverable amount. Provision is made where there is objective evidence that the Group will not be able to recover balances in full. Balances are written off when the probability of recovery is assessed as being remote.

Interest bearing loans and borrowings

Loans and borrowings are recognised when the Group becomes party to the related contracts and are measured initially at fair value, being the proceeds received less directly attributable transaction costs.

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method and taking into account any issue costs and any discount or premium on settlement. Gains and losses arising on the repurchase, settlement or other cancellation of liabilities are recognised respectively in finance revenue and finance cost.

Provisions

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that the Group can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

In those cases where the possible outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognised.

Income taxes

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

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

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

2. Summary of significant accounting policies (continued)

Income taxes (continued)

Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled, based on tax rates and laws enacted or substantively enacted at the balance sheet date.
Tax is charged or credited directly to equity if it relates to items that are credited or charged to equity. Otherwise tax is recognised in the income statement.

Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, VAT and other sales taxes or duty. The following criteria must also be met before revenue is recognised:

Sale of goods
Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on dispatch of the goods.

Interest income
Finance revenue is recognised as interest accrued using the effective interest method, that is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instruments to its net carrying amount.

Borrowing costs
Borrowing costs on eligible capital projects are capitalised. Other borrowing costs are recognised as an expense when incurred.

Share-based payments

Equity-settled transactions
The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted and is recognised as an expense over the vesting period, which ends on the date on which the relevant employees become entitled to the award. Fair value is determined by an external valuer using the Black-Scholes Option Pricing model. In valuing equity-settled transactions, no account is taken of any vesting conditions, other than conditions linked to the price of the shares of the Company (market conditions).

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied, provided that all other performance conditions are satisfied.

At each balance sheet date before vesting, the cumulative expense is calculated, representing the extent to which the vesting period has expired and management's best estimate of the achievement or otherwise of non-market conditions and of the number of equity instruments that will ultimately vest or, in the case of an instrument subject to a market condition, be treated as vesting as described above. The movement in cumulative expense since the previous balance sheet date is recognised in the income statement, with a corresponding entry in equity.

Where the terms of an equity-settled award are modified or a new award is designated as replacing a cancelled or settled award, the cost based on the original award terms continues to be recognised over the original vesting period. In addition, an expense is recognised over the remainder of the new vesting period for the incremental fair value of any modification, based on the difference between the fair value of the original award and the fair value of the modified award, both as measured on the date of the modification. No reduction is recognised if this difference is negative.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any cost not yet recognised in the income statement for the award is expensed immediately. Any compensation paid up to the fair value of the award at the cancellation is deducted from equity, with any excess over fair value being treated as an expense in the income statement.

Assets held for sale

When an asset or disposal group's carrying value will be recovered principally through a sale transaction rather than through continuing use, it is classified as held for sale and stated at the lower of carrying value and fair value less costs to sell. No depreciation is charged in respect of non-current assets classified as held for sale.

2. Summary of significant accounting policies (continued)

New standards and interpretations

The accounting policies adopted in the preparation of the Group's annual financial statements are consistent with those followed in the preparation of the annual financial statements for the year ended 31 December 2010.

The amendments to the following standards did not have any impact on the accounting policies, financial position or performance of the Group:

- Various - Annual improvements to IFRS - effective various dates but most 1 January 2011.
- IFRS 1 - Amendment - First time adoption of IFRS - effective 1 July 2010.
- IAS 24 - Amendment - Related party disclosures - effective 1 January 2011.
- IAS 32 - Amendment - Financial instruments: presentation - effective 1 February 2010.
- IFRIC 14 - Amendment - IAS 19 limit on a defined benefit asset - effective 1 January 2011.
- IFRIC 19 - Extinguishing financial liabilities with equity instruments - effective 1 July 2010.

The Directors do not anticipate that the adoption of these standards will have a material impact on the Group's financial statements in the period of initial application.

The IASB and IFRIC have issued the following standards and interpretations with an effective date after the date of these financial statements that have not yet been endorsed by the European Union:

- IFRS 9 Financial Instruments (effective 1 January 2015)
- IFRS 10 Consolidated Financial Statements (effective 1 January 2013)
- IFRS 11 Joint Arrangements (effective 1 January 2013)
- IFRS 12 Disclosure of Interests in Other Entities (effective 1 January 2013)
- IFRS 13 Fair Value Measurement (effective 1 January 2013)
- IAS 19 Employee Benefits (Revised June 2011) (effective 1 January 2013)
- IAS 27 (Revised), Separate Financial Statements (effective 1 January 2013)
- IAS 28 (Revised), Investments in Associates and Joint Ventures (effective 1 January 2013)
- Deferred Tax: Recovery of Underlying Assets - Amendments to IAS 12 Income Taxes (IASB effective date 1 January 2012, not yet adopted by the EU)
- Disclosures - Offsetting Financial Assets and Financial Liabilities - Amendments to IFRS 7 (effective 1 January 2013)
- Offsetting Financial Assets and Financial Liabilities - Amendments to IAS 32 (effective 1 January 2014)
- Mandatory Effective Date and Transition Disclosures - Amendments to IFRS 9 and IFRS 7 (effective 1 January 2015)
- Government Loans - Amendments to IFRS 1 (effective 1 January 2013)
- IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine (effective 1 January 2013)
- Annual Improvements 2009-2011 Cycle (effective 1 January 2013)
- Transition Guidance - Amendments to IFRS 10, IFRS 11 and IFRS 12 (effective 1 January 2013)

The Directors do not anticipate that the adoption of amendments or revisions to the above standards will have a material impact on the Group's financial statements in the period of initial application.

3. Segmental information

For management purposes, the Group is organised into business units according to the nature of the products and services and has the following operating segments:

- The Operations segment is managing the outgrower network, collecting grain and selling crude castor, Jatropha and other non-edible oilseeds.
- The Science & Technology segment provided Jatropha plant science and associated technical consulting services to third-parties, breeds seeds and seedlings for commercial planting and undertook research and development activities on Jatropha and its co-products. In December 2010, the disposal of a substantial portion of this segment was effected, with the exception of the animal feed activity. The effective financial date of disposal was 1 November 2010. For the purposes of segmental reporting, the agronomy and breeding activities that were disposed of in 2010 are classified as discontinued. As a result of a business review conducted during the period, the Board took the view to place the Animal Feed programme on hold. In April 2012, the Animal Feed programme was sold to Quinvita, the purchaser of the original Science & Technology segment. The Animal Feed activity has been reclassified as discontinuing and the comparative has been restated on that basis.
- The Refining & Trading segment is an operation that was discontinued in 2008. In 2011-12, activity in this segment related to remaining refining and trading sites situated in the UK.

No operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss which in certain respects, as explained in the table below, is measured differently from profit or loss in the consolidated financial statements. Group financing (including finance costs and finance revenue), taxation and central administration are managed on a group basis and are not allocated to operating segments.

The following tables present revenue and profit and certain asset and liability information regarding the Group's business segments for the 18 month period ended 30 June 2012 and the year ended 31 December 2010.

Segment revenue and results

18 month period ended 30 June 2012	Operations £000	Total Continuing operations £000	Refining & Trading (discontinued) £000	Science & Technology (discontinued) £000	Total Discontinued operations £000	Group £000
Revenue						
Sales to external customers	862.9	862.9	—	13.7	13.7	876.6
Segment revenue	**862.9**	**862.9**	**—**	**13.7**	**13.7**	**876.6**
Results						
Depreciation and amortisation	(23.4)	(23.4)	—	(33.6)	(33.6)	(57.0)
Gain on disposal of Science & Technology business	—	—	—	750.5	750.5	750.5
Legal settlement gain	—	—	51.2	—	51.2	51.2
Other costs	(2,355.9)	(2,355.9)	41.4	(477.6)	(436.2)	(2,792.1)
Segment profit/(loss) before central costs	**(1,516.4)**	**(1,516.4)**	**92.6**	**253.0**	**345.6**	**(1,170.8)**
Central administration costs	(1,772.3)	(1,772.3)	—	—	—	(1,772.3)
Unallocated finance revenue	26.3	26.3	—	—	—	26.3
Unallocated finance costs	(428.3)	(428.3)	—	—	—	(428.3)
Taxation	(7.1)	(7.1)	—	—	—	(7.1)
Total loss for the year	**(3,697.8)**	**(3,697.8)**	**92.6**	**253.0**	**345.6**	**(3,352.2)**

3. Segmental information continued

Segment revenue and results continued

Year ended 31 December 2010	Operations Restated £000	Total Continuing operations Restated £000	Refining & Trading (discontinued) Restated £000	Science & Technology (discontinued) Restated £000	Total Discontinued operations Restated £000	Group Restated £000
Revenue						
Sales to external customers	105.2	105.2	—	228.9	228.9	334.1
Segment revenue	**105.2**	**105.2**	**—**	**228.9**	**228.9**	**334.1**
Results						
Depreciation and amortisation	(67.1)	(67.1)	—	(46.7)	(46.7)	(113.8)
Share of loss of joint ventures	(306.1)	(306.1)	—	—	—	(306.1)
Loss on disposal of Science & Technology	—	—	—	(865.8)	(865.8)	(865.8)
Legal settlement gain	—	—	21.7	—	21.7	21.7
Interest expense	—	—	—	(1.6)	(1.6)	(1.6)
Impairment of assets held for sale	—	—	(0.7)	—	(0.7)	(0.7)
Other costs	(1,434.6)	(1,434.6)	902.0	(3,238.3)	(2,336.3)	(3,770.9)
Segment loss before central costs	**(1,702.6)**	**(1,702.6)**	**923.0**	**(3,923.5)**	**(3,000.5)**	**(4,703.1)**
Central administration costs	(1,959.7)	(1,959.7)	—	—	—	(1,959.7)
Unallocated finance revenue	386.1	386.1	—	—	—	386.1
Unallocated finance costs	(57.8)	(57.8)	—	—	—	(57.8)
Taxation	246.1	246.1	—	—	—	246.1
Total loss for the year	**(3,087.9)**	**(3,087.9)**	**923.0**	**(3,923.5)**	**(3,000.5)**	**(6,088.4)**

The accounting policies of the reportable segments are the same as the Group's accounting policies described in note 2. Segment profit represents the profit earned by each segment without allocation of central administration costs, investment gains or losses, unallocated finance revenue, unallocated finance costs and taxation. This is the measure used for reporting to the Group's chief operating decision makers for the purpose of allocation and assessment of segment performance.

Loss before tax on continuing operations

	18 month period ended 30 June 2012	Year ended 31 December 2010
	£000	£000
Operations	**(1,516.4)**	(1,702.6)
Central administration costs	**(2,174.3)**	(1,621.2)
Total loss before tax on continuing operations	**(3,690.7)**	(3,323.8)

Notes to the financial statements (continued)
for the 18 month period ended 30 June 2012

3. Segmental information continued

Segment assets

At 30 June 2012	Operations	Total Continuing operations £000	Group £000
Assets			
Operating assets	2,402.6	2,402.6	2,402.6
Segment assets	**2,402.6**	**2,402.6**	**2,402.6**

At 31 December 2010	Operations	Total Continuing operations £000	Science & Technology (discontinued)	Refining & Trading (discontinued) £000	Total Discontinued operations £000	Group £000
Assets						
Operating assets	4,383.2	4,383.2	26.1	401.5	427.6	4,810.8
Segment assets	**4,383.2**	**4,383.2**	**26.1**	**401.5**	**427.6**	**4,810.8**

For the purposes of monitoring segment performance and allocating resources between segments, the Group's chief operating decision makers monitor the tangible, intangible and financial assets attributable to each segment. All assets are allocated to reportable segments except assets relating to central administration.

Segment liabilities

At 30 June 2012	Operations	Total Continuing operations £000	Group £000
Liabilities			
Operating liabilities	(1,044.0)	(1,044.0)	(1,044.0)
Segment liabilities	**(1,044.0)**	**(1,044.0)**	**(1,044.0)**

At 31 December 2010	Operations	Total Continuing operations £000	Refining & Trading (discontinued) £000	Science & Technology (discontinued) £000	Total Discontinued operations £000	Group £000
Liabilities						
Operating liabilities	(1,428.3)	(1,428.3)	(105.3)	(56.2)	(161.5)	(1,589.8)
Segment liabilities	**(1,428.3)**	**(1,428.3)**	**(105.3)**	**(56.2)**	**(161.5)**	**(1,589.8)**

For the purposes of monitoring segment performance and allocating resources between segments, the Group's chief operating decision makers monitor the operating and financial liabilities attributable to each segment. All liabilities are allocated to reportable segments except liabilities relating to central administration.

Notes to the financial statements (continued)
for the 18 month period ended 30 June 2012

3. Segmental information continued

Capital expenditure

18 month period ended 30 June 2012	Operations	Total Continuing operations £000	Science & Technology (discontinued) £000	Total Discontinued operations £000	Group £000
Capital expenditure	**10.1**	**10.1**	**1.8**	**1.8**	**11.9**

Year ended 31 December 2010	Operations	Total Continuing operations £000	Science & Technology (discontinued) £000	Total Discontinued operations £000	Group £000
Capital expenditure	**48.6**	**48.6**	**13.3**	**13.3**	**61.9**

Geographical information

The Group's revenue from external customers and information (including discontinued operations) about its segment assets (non-current assets excluding financial instruments, deferred tax assets, post-employment benefit assets, and rights arising under insurance contracts) by geographical location are detailed below:

	18 month period ended 30 June 2012 £000	Year ended 31 December 2010 £000
Revenue from external customers		
United Kingdom	37.7	103.8
India	798.5	82.4
Belgium	—	46.5
Netherlands	—	26.5
Cape Verde	—	44.1
Other	40.4	30.8
Total revenue from external customers	**876.6**	**334.1**
Non-current assets		
United Kingdom	0.6	8.7
India	20.3	84.9
Indonesia	—	20.8
Zambia	—	28.7
Total non-current assets	**20.9**	143.1

Notes to the financial statements (continued)
for the 18 month period ended 30 June 2012

4. Revenue and administrative costs

Revenue recognised in the income statement is analysed as follows:

	18 month period ended 30 June 2012 £000	Year ended 31 December 2010 Restated £000
Continuing operations		
Sales of goods	**862.9**	105.2
Finance revenue	**26.3**	373.5
	889.2	478.7
Discontinued operations		
Sales of goods	**13.7**	228.8
Finance revenue	**—**	12.6
	13.7	241.4

Group operating loss is stated after charging / (crediting):

	18 month period ended 30 June 2012 £000	Year ended 31 December 2010 £000
Depreciation of plant, property and equipment	**57.0**	134.9
Amortisation of intangible assets	**—**	0.7
Impairment of assets held for sale	**—**	48.1
Net foreign currency differences	**—**	36.7
Net expenditure on research and development after tax credits	**—**	(20.1)
Current auditors' remuneration		
– audit fees in respect of the Company	**30.0**	—
– interim audit	**10.0**	—
– audit fees in respect of subsidiaries	**14.8**	—
– taxation services	**5.2**	—
Previous auditors' remuneration		
– audit fees	**—**	73.0
– overseas audit	**—**	60.0
– taxation services	**23.7**	35.4
– consulting services	**5.5**	2.4
Total auditors remuneration	**89.2**	170.8
Payment under operating leases		
– property	**98.0**	345.7
– plant and machinery	**2.2**	3.2

As part of the Business Review, the Board withdrew from Indonesia and Zambia. The contribution to the Group's loss from these regions for the period was a loss of £900,600. The Board did not consider either Indonesia or Zambia to represent major geographical business locations.

Notes to the financial statements (continued)
for the 18 month period ended 30 June 2012

5. Staff numbers and costs

The average number of persons employed by the Group (including Directors) during the year, analysed by category was as follows:

	18 month period ended 30 June 2012 Number	Year ended 31 December 2010 Number
Executive Directors	**2**	1
Technical	**23**	45
Administration and operational staff	**39**	66
Total	**64**	112

The costs incurred in respect of these employees (including Directors) were:

	18 month period ended 30 June 2012 £000	Year ended 31 December 2010 £000
Wages and salaries	**1,237.4**	2,000.8
Social security costs	**119.3**	193.3
Other pension costs	**38.4**	50.6
Total	**1,395.1**	2,244.7

Other pension costs consist of contributions to defined contribution pension plans.

6. Key management remuneration

	Short-term employee benefits £000	Employers national insurance £000	Post-employment benefits £000	Termination benefits £000	Fees paid to third parties for director services £000	**18 month period ended 30 June 2012 £000**	Year ended 31 December 2010 £000
Executive Directors							
Steven Zachariah Rudofsky	51.0	5.2	—	—	—	**56.2**	—
Nicholas Paul Myerson	51.0	4.7	—	—	—	**55.7**	—
Martin John Jarvis [(a)]	223.4	29.0	17.3	—	—	**269.7**	167.4
Benjamin Richard Good [(b)]	—	—	—	—	—	**—**	139.5
Henk Jean Pierre Joos	—	—	—	—	—	**—**	154.1
Non-Executive Directors							
John Barclay Forrest	24.1	2.1	—	10.0	—	**36.2**	64.6
Graham Woolfman	19.3	1.3	—	—	22.8	**43.4**	—
Michael Moquette	—	—	—	—	1.7	**1.7**	
Moira Elizabeth Black	—	—	—	—	—	**—**	3.8
Charles John Nicholas Ward	—	—	—	—	—	**—**	52.1
Brain Myerson [(c)]	—	—	—	—	—	**—**	7.2
	368.8	42.3	17.3	10.0	24.5	**462.9**	588.7

(a) In 2010, post employment benefits for Martin Jarvis consisted of £12,600 in contributions to the defined contribution pension scheme operated by the Group.

(b) In 2010, in addition to remuneration of £139,500, Ben Good received £158,800 in termination benefits. In 2010, post employment benefits for Ben Good consisted of £10,300 in contributions to the defined contribution pension scheme operated by the Group.

(c) Fees paid to third parties in respect of the non-executive directorship in 2010 of Brian Myerson.

The people identified as key management in the table above were also the directors of the Company.

Notes to the financial statements (continued)
for the 18 month period ended 30 June 2012

6. Key management remuneration (continued)

	Options 1 January 2011[(a)]	Granted 2011-12	Exercised 2011-12	Lapsed in 2011-12	Options 30 June 2012	Exercise price	Exercisable date	Expiry date
John Barclay Forrest [(e)]	78,125	—	—	(78,125)	—	£1.28	n/a	n/a
Martin John Jarvis	—	2,730,000	—	—	2,730,000	£0.01	(b)	March-21
Martin John Jarvis	412,500	2,500,000	—	(412,500)	2,500,000	£0.02	(c)	June-15
	490,625	5,230,00	—	(490,625)	5,230,000			

a) Options in issue at 1 January 2011 or the date of appointment if later.

b) These options have been granted as one third exercisable on the first anniversary of their date of grant. Thereafter a further 1/36 vests each month over the next 24 months so that the full amount is capable of being exercised after three years.

c) These options have been granted as one third exercisable on the first anniversary of their date of grant. Thereafter a further 1/36 vests each month over the next 24 months so that the full amount is capable of being exercised after three years. A performance criteria is attached to the exercise of the options. No part of the option shall become exercisable until the Company's reported consolidated results for a six-month period demonstrate that a pre-tax profit in excess of £250,000 for such six months has been achieved, excluding the effects to the profit and loss account relating to the grant vesting or exercise of any options granted to the company.

d) The aggregate amounts of gains made by former Directors on the exercise of share options during the year amounted to £nil (2010: £nil). This represents the market price of the shares in excess of the exercise price on the date the options were exercised.

e) The Share option for John Barclay Forrest lapsed upon cessation of employment or engagement with the Group.

7. Finance revenue and costs

Continuing operations	**18 month period ended 30 June 2012**	Year ended 31 December 2010
	£000	£000
Interest received on bank deposits	**26.3**	34.6
Net foreign exchange movements	**—**	338.9
Finance revenue	**26.3**	373.5
Interest accretion on deferred consideration payable	**(7.2)**	(47.7)
Net foreign exchange movements	**(340.2)**	—
Other finance charges	**(80.9)**	(10.1)
Finance costs	**(428.3)**	(57.8)

8. Taxation

Tax recognised in the income statement

	Continuing operations		Discontinued operations		Total	
	18 month period ended 30 June 2012	Year ended 31 December 2010	**18 month period ended 30 June 2012**	Year ended 31 December 2010	**18 month period ended 30 June 2012**	Year ended 31 December 2010
	£000	£000	**£000**	£000	**£000**	£000
Current tax credit – UK	**—**	(250.0)	**—**	—	**—**	(250.0)
Current tax expense/ (credit) – overseas	**7.1**	14.1	**—**	(10.2)	**7.1**	3.9
Tax reported in consolidated income statement	**7.1**	(235.9)	**—**	(10.2)	**7.1**	(246.1)

8. Taxation (continued)

Reconciliation

A reconciliation of total tax applicable to accounting profit before tax at the Group's effective tax rate for the 18 month period ended 30 June 2012 and the year ended 31 December 2010 is as follows:

	18 month period ended 30 June 2012 £000	Year ended 31 December 2010 £000
Loss on continuing activities before taxation	**(3,690.7)**	(3,323.8)
Profit / (loss) on discontinued activities before taxation	**345.6**	(3,010.7)
Total loss on ordinary activities before taxation	**(3,345.1)**	(6,334.5)
At United Kingdom tax rate of 26% (2010 – 28%)	**(869.8)**	(1,773.7)
Expenditure not allowable for tax purposes	**(73.2)**	(173.8)
Share option charge	**10.3**	11.5
Share of loss of joint venture	**—**	85.7
Effect of different tax rates of subsidiaries in other jurisdictions	**(0.3)**	(1.3)
Unrecognised tax losses	**940.1**	1,883.5
Utilisation of prior year losses	**—**	(5.7)
Research and development tax credits	**—**	(263.9)
Disallowed loss on disposal of investments	**—**	(8.4)
Total tax income reported in consolidated income statement	**7.1**	(246.1)

The Group has trading tax losses of £52.1m (2010: £57.2m) that are available indefinitely for offset against future taxable profits of the same trade in the companies in which they arose. The reduction reflects the fact that the Group no longer have the rights to losses in respect of certain discontinued operations. The value of the unrecognised trading tax losses at the current tax rate is £14.1m (2010: £15.4m). Deferred tax assets have not been recognised in respect of these trading losses as the companies with losses are not forecast to generate taxable profits for several years and the losses are not transferrable. In addition, the Group has capital tax losses of £0.6m (2010: £13.4m) available for offset against future capital gains. Deferred tax assets have not been recognised in respect of these capital losses as they are not expected to be utilised in the foreseeable future. The UK Government has announced that the future rate of Corporation Tax will fall to 23% by 2014. If enacted, this would have no material effect as no deferred tax asset is recognised.

Notes to the financial statements (continued)
for the 18 month period ended 30 June 2012

9. Loss per ordinary share

For Group	18 month period ended 30 June 2012 Number	Year ended 31 December 2010 Number
Weighted average number of shares in issue	**149,233,084**	126,481,574

	Pence	Pence
Loss per ordinary share – basic and diluted	**(2.28)**	(4.81)

For Group from continuing operations	18 month period ended 30 June 2012 Number	Year ended 31 December 2010 Number
Weighted average number of shares in issue	**149,233,084**	126,481,574

	Pence	Pence
Loss per ordinary share – basic and diluted	**(2.51)**	(2.62)

The number of shares in issue at 30 June 2012 was 178,315,219 (31 December 2010: 126,675,219). For the purposes of calculating the loss per ordinary share the weighted average number of shares excludes 193,645 shares (2010: 193,645 shares) held by the D1 Oils plc Employee Benefit Trust. No diluted loss per share has been disclosed as the share options are anti-dilutive. For the purposes of calculating earnings per share, the following profit figures were used:

	18 month period ended 30 June 2012 £000	Year ended 31 December 2010 Restated £000
Loss for the period attributable to equity holders of the parent from continuing operations	(3,697.8)	**(3,087.9)**
Profit / (loss) for the period attributable to equity holders of the parent from discontinued operations	345.6	**(3,000.5)**
Total loss for the period attributable to equity holders of the parent	(3,352.2)	**(6,088.4)**

10. Property, plant and equipment

Group	Motor vehicles £000	Plant and machinery £000	Fixtures and fittings £000	Total £000
Cost				
At 1 January 2010	75.4	474.8	74.8	625.0
Additions	25.5	41.2	0.2	66.9
Disposal	(42.2)	(221.4)	(48.9)	(312.5)
Foreign exchange movements	3.5	12.4	0.6	16.5
At 31 December 2010	62.2	307.0	26.7	395.9
Additions	6.3	5.3	0.3	11.9
Disposal	(52.7)	(197.4)	(18.9)	(269.0)
Foreign exchange movements	(3.8)	(30.5)	(3.6)	(37.9)
At 30 June 2012	**12.0**	**84.4**	**4.5**	**100.9**
Accumulated depreciation				
At 1 January 2010	28.0	157.0	40.8	225.8
Charge for the year	22.8	101.3	10.8	134.9
Elimination on disposal	(27.3)	(79.5)	(36.9)	(143.7)
Foreign exchange movements	1.2	7.3	1.2	9.7
At 31 December 2010	24.7	186.1	15.9	226.7
Charge for the year	12.9	40.7	3.4	57.0
Elimination on disposal	(27.9)	(139.7)	(13.8)	(181.4)
Foreign exchange movements	(2.6)	(17.5)	(2.2)	(22.3)
At 30 June 2012	**7.1**	**69.6**	**3.3**	**80.0**
Net book value				
At 30 June 2012	**4.9**	**14.8**	**1.2**	**20.9**
At 31 December 2010	37.5	120.9	10.8	169.2
At 1 January 2010	47.4	317.8	34.0	399.2

10. Property, plant and equipment (continued)

Company	Plant and machinery £000	Fixtures and fittings £000	Total £000
Cost			
At 1 January 2010	5.8	18.0	23.8
Additions	28.3	—	28.3
Disposals	(5.8)	(18.0)	(23.8)
At 31 December 2010	**28.3**	**—**	**28.3**
Additions	**0.9**	—	**0.9**
Disposals	**(28.3)**	—	**(28.3)**
At 30 June 2012	**0.9**	**—**	**0.9**
Accumulated depreciation			
At 1 January 2010	2.9	8.7	11.6
Charge for the year	3.5	4.0	7.5
Elimination on disposal	(4.2)	(12.7)	(16.9)
At 31 December 2010	2.2	—	2.2
Charge for the year	13.6	—	13.6
Disposals	(15.5)	—	(15.5)
At 30 June 2012	**0.3**	**—**	**0.3**
Net book value			
At 30 June 2012	**0.6**	**—**	**0.6**
At 31 December 2010	26.1	—	26.1
At 1 January 2010	2.9	9.3	12.2

11. Intangible assets

Group	Software licences £000	Goodwill £000	Total £000
Cost			
At 1 January 2010	34.6	64.1	98.7
Disposals	(7.5)	(64.1)	(71.6)
Foreign exchange movements	(0.7)	—	(0.7)
At 31 December 2010	26.4	—	26.4
Disposals	—	—	—
Foreign exchange movements	—	—	—
At 30 June 2012	**26.4**	**—**	**26.4**
Accumulated amortisation			
At 1 January 2010	32.1	64.1	96.2
Charge for the year	0.7	—	0.7
Disposals	(6.0)	(64.1)	(70.1)
Foreign exchange movements	(0.4)	—	(0.4)
At 31 December 2010	26.4	—	26.4
Charge for the year	—	—	—
Disposals	—	—	—
Foreign exchange movements	—	—	—
At 30 June 2012	**26.4**	**—**	**26.4**
Net book value			
At 30 June 2012	**—**	**—**	**—**
At 31 December 2010	—	—	—
At 1 January 2010	2.5	—	2.5

12. Investments in subsidiaries and jointly controlled entities

The Company ultimately owns more than 10% of the share capital of the following companies:

Name	Nature of business	Country of incorporation	Shareholder class	Holding by NEOS Resources plc	Percentage
D1 (UK) Limited	Dormant	UK	Ordinary	Indirect	100%
NEOS Resources Subsidiary Limited	Dormant	UK	Ordinary	Direct	100%
D1 Oils Africa (Pty) Limited	Dormant	Swaziland	Ordinary	Indirect	100%
D1 Oils India Private Limited	Dormant	India	Ordinary	Indirect	100%
D1 Oils Plant Science (Zambia) Limited	Dormant	Zambia	Ordinary	Indirect	100%
D1 Oils South Africa (Pty) Limited	Dormant	South Africa	Ordinary	Indirect	95%
D1 Oils Trading Limited	Non-edible oils trading	UK	Ordinary	Direct	100%
D1 Oils Fuel Crops Limited	Non-edible oils investment	UK	Ordinary	Indirect	100%
Fuel Crops Limited	Dormant	UK	Ordinary	Indirect	100%
Middlesbrough Oils UK Limited	Dormant	UK	Ordinary	Indirect	100%
D1 Mohan Bio Oils Limited	Dormant	India	Ordinary	Indirect	50%
D1 Williamson Magor Bio Fuel Limited	Dormant	India	Ordinary	Indirect	50%
D1-BP Fuel Crops South Africa (Pty) Limited	Dormant	South Africa	Ordinary	Indirect	95%
D1-BP Fuel Crops Zambia Limited	Dormant	Zambia	Ordinary	Indirect	100%
D1 Oils Fuel Crops India Private Limited	Non-edible oils trading	India	Ordinary	Indirect	100%
D1-BP Fuel Crops Asia Pacific Pte Limited	Dormant	Singapore	Ordinary	Indirect	100%
PT D1 Oils Indonesia	Dormant	Indonesia	Ordinary	Indirect	100%
D1-BP Fuel Crops Philippines, Inc	Dormant	Philippines	Ordinary	Indirect	100%

Investments in the Group comprise interests in joint ventures and trade investments. Investments in the Company comprise interests in subsidiary undertakings and trade investments.

Group	Joint ventures £000
Cost	
1 January 2010	206.1
Additional investment	100.0
Share of joint ventures' results	(306.1)
31 December 2010	—
Additional investment	100.0
Impairment	(100.0)
30 June 2012	—

The joint venture is a 50:50 partnership with Williamson Magor Group, India. The business operates through a joint venture company called D1 Williamson Magor Biofuel Ltd ("D1WM"), and undertakes plantation activities in North East India. In June 2011, £100,000 was invested in D1WM by the Group. Under a strategic business review by the new Board, it was concluded in October 2011 to withdraw from the D1WM joint venture. As such, the Group no longer reports joint venture activity and is finalising formal closure of the joint venture. The Group equity accounts for joint ventures.

12. Investments in subsidiaries and jointly controlled entities continued

Company	Subsidiary undertakings £000
Cost	
1 January 2010	125.1
Additional investment	0.8
31 December 2010	125.9
Impairment of investment	(0.9)
At 30 June 2012	**125.0**

13. Discontinued operations

Within the 18 month period to 30 June 2012, the Group had two discontinued operations: i) Refining & Trading; and ii) Science & Technology.

Refining & Trading

On 9 April 2008, the Group announced the decision of its Board to cease biodiesel refining and trading operations. The two refining sites at Middlesbrough and Bromborough in the UK were closed. Closure of these businesses resulted in the sites and refining equipment being reclassified from plant, property and equipment to assets held for sale. The Middlesbrough site and associated assets were sold in June 2009. On 2 July 2010, the Group sold the Bromborough site and associated prepaid insurance for £2.2m. At 30 June 2012, the refining and trading operation remained classified as discontinued operations.

The results of the refining and trading activities of the Group for the period are presented below:

	18 month period ended 30 June 2012 £000	Year ended 31 December 2010 £000
Other income [(a) / (b)]	**92.6**	971.1
Asset impairment	**—**	(48.1)
Operating profit	**92.6**	923.0
Profit before tax from discontinued operation	**92.6**	923.0
Profit from discontinued operation	**92.6**	923.0

a) Settlement received in respect of a legal case.

b) Administrative expenses in 2012 include the settlement of an outstanding liability plus the release of a contracts provision in relation to the Bromborough site.

The net cash flows incurred by the refining and trading operations are as follows:

	18 month period ended 30 June 2012 £000	Year ended 31 December 2010 £000
Operating	**355.6**	1,451.4
Net cash inflow	**355.6**	1,451.4

13. Discontinued operations (continued)

Science & Technology

In December 2010, the Group completed the disposal of the agronomy and breeding activities within the Science & Technology division with an effective financial date of 1 November 2010. The disposed entities are known as 'Quinvita'. The disposal was made on, inter alia, the following terms:

1. Retention by the Company of all agronomy and breeding intellectual property developed to 1 November 2010;
2. The Company provided Quinvita with £0.8m working capital;
3. Issue of £0.8m in redeemable preference shares by Quinvita to the Company with a 5% coupon plus future royalties on Jatropha related sales on a sliding scale over 10 years (15% to year 5; 10% years 6 – 8; 5% years 9 – 10); and
4. The Group became a member of Quinvita's agronomy and breeding platforms for a minimum of three years (subject to certain conditions) giving the Group access to ongoing jatropha developments.

In April 2012, the Group disposed of the germplasm and intellectual property relating to the Animal Feed programme previously retained, and the Preference Shares to Quinvita. The germplasm and intellectual property were sold for cash consideration of £300,000 and the Preference Shares for a secured loan of £372,000 accruing interest at 10% per annum. The loan is secured over the germplasm and intellectual property and is repayable within five years. All other rights between the parties of the December 2010 agreement have been waived, subject to compliance with the Sales Agreement.

The results of the Science & Technology division for the period are presented below:

	18 month period ended 30 June 2012 £000	Year ended 31 December 2010 £000
Revenue	**13.7**	228.8
Expenses	**(511.2)**	(3,307.7)
Operating loss	**(497.5)**	(3,078.9)
Finance income	**—**	12.6
Finance costs	**—**	(1.6)
Trading loss before tax from discontinued operation	**(497.5)**	(3,067.9)
Tax income / (expense)	**—**	10.2
Trading loss from discontinued operation	**(497.5)**	(3,057.7)
Profit / (loss) on disposal of Science & Technology division	**750.5**	(865.8)
Profit / (loss) from discontinued operation	**253.0**	(3,923.5)

The net cash flows incurred by the discontinued portion of the Science & Technology division are as follows:

	18 month period ended 30 June 2012 £000	Year ended 31 December 2010 £000
Operating	**(497.5)**	(1,756.5)
Investing	**352.3**	(800.0)
Financing	**—**	—
Net cash outflow	**(145.2)**	(2,556.5)

13. Discontinued operations (continued)

Profits / (losses) and profit / (loss) per share for the discontinued operations

The losses from discontinued operations are as follows:

	18 month period ended 30 June 2012 £000	Year ended 31 December 2010 £000
Profit from discontinued Refining & Trading operations	**92.6**	923.0
Profit / (loss) from discontinued Science & Technology operations	**253.0**	(3,693.6)
Total profit / (loss) from discontinued operations	**345.6**	(2,770.6)

The losses per share for the discontinued operations are as follows:

	18 month period ended 30 June 2012 pence	Year ended 31 December 2010 pence
Basic and diluted from discontinued operations	**0.23**	**(2.37)**

14. Inventories

	Group 2012 £000	Group 2010 £000	**Company 2012 £000**	Company 2010 £000
Raw material stock	**7.5**	163.0	**—**	—
Finished product	**346.0**	48.4	**—**	—
Total	**353.5**	211.4	**—**	—

15. Trade and other receivables

	Group 2012 £000	Group 2010 £000	**Company 2012 £000**	Company 2010 £000
Non-current				
Amounts owed by Group undertakings	**—**	—	**—**	2,879.6
	—	—	**—**	2,879.6
Current				
Trade receivables	**12.8**	0.9	**—**	—
Other receivables	**464.1**	788.4	413.6	301.6
Prepayments and accrued income	**16.1**	62.9	**13.2**	28.5
Taxation and social security	**1.4**	47.5	**1.4**	23.0
	494.4	899.7	**428.2**	353.1

As at 30 June 2012, there were no impairments of trade receivables (2010: nil). There were no movements in provision for the impairment of receivables in 2011-12.

	Individually impaired £000	Collectively impaired £000	Total £000
At 1 January 2010	—	—	—
At 1 January 2011	—	—	—
At 30 June 2012	—	—	—

The Company had no impairment provisions at any time during 2011-12 or 2010.

As at 30 June 2012, the ageing of receivables is as follows:

Group at 30 June 2012

	Not yet due £000	Overdue <30 days £000	Overdue 31–60 days £000	Overdue >60 days £000	Total £000
Gross trade receivables as at 30 June 2012	12.1	—	0.1	0.6	12.8
Other receivables	464.1	—	—	—	464.1
Impairment	—	—	—	—	—
Net trade receivables as at 30 June 2012	**476.2**	**—**	**0.1**	**0.6**	**476.9**

Group at 31 December 2010

	Not yet due £000	Overdue <30 days £000	Overdue 31–60 days £000	Overdue >60 days £000	Total £000
Gross trade receivables as at 31 December 2010	0.9	—	—	—	0.9
Other receivables	408.6	—	—	379.8	788.4
Impairment	—	—	—	—	—
Net trade receivables as at 31 December 2010	**409.5**	**—**	**—**	**379.8**	**789.3**

15. Trade and other receivables continued

Company at 30 June 2012

	Not yet due £000	Overdue <30 days £000	Overdue 31-60 days £000	Overdue >60 days £000	Total £000
Amounts owed by Group undertakings	—	—	—	—	—
Other receivables	413.6	—	—	—	413.6
Net trade receivables as at 30 June 2012	**413.6**	**—**	**—**	**—**	**413.6**

Company at 31 December 2010

	Not yet due £000	Overdue <30 days £000	Overdue 31-60 days £000	Overdue >60 days £000	Total £000
Amounts owed by Group undertakings	2,879.6	—	—	—	2,879.6
Other receivables	353.1	—	—	—	353.1
Net trade receivables as at 31 December 2010	**3,232.7**	**—**	**—**	**—**	**3,232.7**

The Company advanced funds to subsidiary companies to meet their working capital and capital expenditure funding requirements. Amounts owed by Group companies have no fixed repayment date but are repayable on demand. The Directors believe that until the business plan is proven it is prudent to impair amounts to the Company from subsidiary companies, to £nil. At such time the business plan shows a flow of economic benefit, appropriate reversals of previous impairments will be made.

The Group has no concerns over the credit quality of amounts which are overdue and not impaired. No receivables have been impaired. Trade receivables are non-interest bearing and on 30 day terms. The Group does not hold any collateral or other credit enhancements over these balances nor does it have a legal right to offset against any amounts owed by the Group to the counterparty. Given the small number of debtors, the Group assesses the credit risk from each debtor through scrutiny of the debtor's finances in a manner commensurate with the level of credit exposure. The Group has no specific concerns about its receivables that are neither past due nor impaired.

16. Other financial assets

	Group 2012 £000	Group 2010 £000	**Company 2012 £000**	Company 2010 £000
Euro forward deposit[(a)]	**—**	90.0	**—**	90.0
	—	90.0	**—**	90.0

a) In 2010, the Company deposited £90,000 with its foreign exchange supplier as part of an arrangement to purchase Euros at a fixed price. The position was closed out in March 2011.

17. Cash and short-term deposits

	Group 2012 £000	Group 2010 £000	**Company 2012 £000**	Company 2010 £000
Cash at bank and in hand	**1,533.8**	2,439.4	**1,088.1**	1,981.9
Short-term deposits	**—**	1,001.1	**—**	1,001.1
	1,533.8	3,440.5	**1,088.1**	2,983.0

Cash at bank earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods up to three months depending on the immediate cash requirements of the Group and earn interest at varying short-term deposit rates. In practice these deposits are returnable on an at call basis.

18. Trade and other payables

	Group 2012 £000	Group 2010 £000	**Company 2012 £000**	Company 2010 £000
Current				
Trade payables	**54.0**	96.1	**34.1**	87.4
Other payables	**28.5**	214.4	**25.4**	198.9
Taxation and social security	**9.9**	26.2	**14.4**	29.6
	92.4	336.7	**73.9**	315.9

Trade payables are non-interest bearing and the average creditor days is 7.

19. Payments due to vendors

	Group 2012 £000	Group 2010 £000	**Company 2012 £000**	Company 2010 £000
Non-current				
Deferred consideration	**—**	4.1	**—**	4.1
Current				
Deferred consideration	**561.5**	476.5	**561.5**	476.5
	561.5	480.6	**561.5**	480.6

The deferred consideration is a payment, up to a maximum of £600,000, due to a vendor as part of a previous transaction. The calculation is based upon the sale of crude Jatropha oil to third parties. To the extent not already paid, the £600,000 consideration is payable by 31 December 2014.

20. Provisions

Group

	Redundancy provision [(a)] £000	Contract settlement provision [(b)] £000	Group contractual commitments £000
Current			
At 1 January 2011	24.0	250.0	274.0
Released in the period	(24.0)	—	(24.0)
At 30 June 2012	**—**	**250.0**	**250.0**

(a) The redundancy provision covered redundancy plans previously announced. Group restructuring has been largely complete and no further redundancies are planned.

(b) The contract settlement provision covers possible settlement of various contracts. The details are not disclosed as they are commercially sensitive and may influence the outcome of the matters.

Company

	Redundancy provision [(a)] £000	Contract settlement Provision[(b)] £000	Company contractual commitments £000
Current			
At 1 January 2011	24.0	250.0	274.0
Released in the period	(24.0)	—	(24.0)
At 30 June 2012	**—**	**250.0**	**250.0**

(a) The redundancy provision covered redundancy plans previously announced. Group restructuring has been largely complete and no further redundancies are planned.

(b) The contract settlement provision covers possible settlement of various contracts. The details are not disclosed as they are commercially sensitive and may influence the outcome of the matters

21. Operating lease commitments

Future minimum rentals payable under non-cancellable operating leases as at 30 June 2012 are as follows:

	Group Land and buildings 2012 £000	**Group Plant and equipment 2012 £000**	Group Land and buildings 2010 £000	Group Plant and equipment 2010 £000
Within one year	**69.2**	**30.9**	158.4	1.1
After one year but not more than five years	**12.1**	**4.1**	102.5	0.3
After more than five years	**—**	**—**	15.7	—
	81.3	**35.0**	276.6	1.4

The Group had entered into commercial leases on certain property and items of equipment. The equipment leases have an average duration of between one and four years. There are no restrictions placed upon the lessee by entering into these leases.

	Company Land and buildings 2012 £000	Company Land and buildings 2010 £000
Within one year	**17.2**	21.8
After one year but not more than five years	**—**	—
After more than five years	**—**	—
	17.2	21.8

22. Issued share capital

	Group and Company 2012 No. of shares	Group and Company 2010 No. of shares	**Group and Company 2012 £000**	Group and Company 2010 £000
Called up, allotted and fully paid				
At 1 January 2011	**126,675,219**	126,675,219	**1,266.8**	1,266.8
Issued on placing of new shares	**51,640,000**		**516.4**	
At 30 June 2012	**178,315,219**	126,675,219	**1,783.2**	1,266.8

The Company has one class of ordinary shares which carry no rights to fixed income.

On 2 November 2011, the Company completed the placing of 51,640,000 new ordinary shares. The Company received cash consideration of £1,291,000 for this placing prior to expenses of £92,245.

23. Equity

Share capital

Share capital represents the nominal value of shares issued by the Company.

Share premium

Share premium represents the premium over the nominal value raised on the issue of shares by the Company.

Own shares held

D1 Oils Employee Benefit Trust holds 193,645 shares in the Company which were acquired at a total cost of £484,000. Shares held by the trust can be purchased by employees exercising options under the Group's option scheme. At 30 June 2012, the shares had a market value of £6,788.

23. Equity (continued)

Other reserve

The merger reserve arose when the Company acquired 100% of the issued share capital of D1 Oils Trading Limited in consideration for ordinary shares in the Company. The acquisition was accounted for under the rules of merger accounting as a group reorganisation with the share premium being adjusted through the merger reserve.

Share option reserve

The share option reserve arose on the Group's acquisition of BP International Limited's 50% of the D1-BP Joint Venture in July 2009. Existing share options were replaced with 24,119,088 share options with exercise prices of between 13p and 18.5p as part of the consideration for the acquisition.

Currency translation reserve

The currency translation reserve captures currency movements between the presentation currency of the Group, Pound Sterling, and the functional currencies used by the Group.

24. Related party disclosures and principal subsidiary undertakings

Intra-group loans with subsidiary companies

During the 18 month period, the Company provided net funding to subsidiary companies or received net funding from subsidiary companies within the Group as follows:

	2012 £000	2010 £000
D1 Oils Trading Limited	**(24.8)**	(1,352.3)
D1 Oils Plant Science Limited	**—**	2,704.6
D1 (UK) Limited	**—**	(144.0)
D1 Oil Subsidiary Limited	**(379.8)**	(1,256.7)
Middlesbrough Oils UK Ltd	**1,151.2**	—
PT D1 Oils Indonesia	**131.7**	28.6
D1 Oils Plant Science (Zambia) Limited	**236.8**	605.2
Fuel Crops Limited	**(3.0)**	(165.0)
Total	**1,112.1**	420.4

During 2010, Quinvita Plant Science Limited (formally D1 Oils Plant Science Limited) repaid £5,095,098 of its loan to the Company, primarily through the sale of animal feed assets to the Company. Prior to the disposal of the agronomy and breeding business, the remaining intra-group loans to D1 Oils Plant Science Limited totalling £412,880 were written off. D1 Oils Plant Science Limited was one of the companies sold.

At 30 June, at the period / year end, the net funding balances due to the Company from subsidiary undertakings or by the Company to subsidiary undertakings were as follows:

	2012 £000	2010 £000
D1 Oils Trading Limited	**55,420.9**	55,445.7
D1 Oils Plant Science Limited	**—**	—
D1 (UK) Limited	**15,809.9**	15,809.9
D1 Oil Subsidiary Limited	**9,286.8**	9,666.5
Middlesbrough Oils UK Limited	**(1,348.8)**	(2,500.0)
PT Oils Indonesia	**160.3**	28.6
D1 Oils Plant Science (Zambia) Limited	**842.0**	605.2
Fuel Crops Limited	**(168.0)**	(165.0)
Impairment of receivables	**(80,003.1)**	(72,326.1)
Total	**—**	6,564.8

24. Related party disclosures and principal subsidiary undertakings

Intra-group loans with subsidiary companies (continued)

The Company does not anticipate any repayments being made within one year. Balances in excess of expected repayments have been impaired. The funding is not subject to any interest charge. The impairment charge in 2011-12 was £nil (2010: £nil).

Disposal of Science & Technology

Background

In December 2010, the Group disposed of its agronomy and breeding research business following the conclusion by the Board that the Group was unable to afford the ongoing costs of approximately £1.5m per annum in the absence of substantial revenue generation.

The agronomy and breeding business was acquired by entities controlled by three key management personnel, including Henk Joos, a director of the Company at the time, and Vincent Volckaert, a director of a subsidiary of the Company. Post disposal, the agronomy and breeding business was renamed “Quinvita”.

Along with the disposal of the assets relating to the agronomy and breeding business, this business was sold with cash or an entitlement to receive cash of £0.8m in exchange for Redeemable Preference Shares in the head entity of the Quinvita Group. The Board estimated that an orderly wind up of these activities would cost at least £1.1m and create substantial challenges to access to comparable know-how.

Transfer of animal feed activities from D1 Oils Plant Science Limited to the Company

One of the entities disposed of to Quinvita, D1 Oils Plant Science Limited, owned and operated the Group’s animal feed research activity. Prior to the disposal, all assets and agreements relating to the animal feed activity were sold by D1 Oils Plant Science Limited to the Company in exchange for a reduction in the loan owed by D1 Oils Plant Science Limited to the Company as consideration.

Disposal of animal feed activity and Redeemable Preference Shares to Quinvita

In April 2012, the Company sold the remaining animal feed business, associated intellectual property, and the Redeemable Preference Shares to Quinvita.

The animal feed business and intellectual property was sold for cash consideration of £300,000 and the Redeemable Preference Shares in return for a secured loan of £372,000 accruing interest at 10% per annum. The loan is secured over the germplasm and the animal feed business intellectual property and is repayable at any time within 5 years.

All other rights and obligations between the parties and respective Groups of the December 2010 transaction between the Company and Quinvita were (subject to various terms of the Agreement) waived.

Director remuneration

Any other related party transaction involving Directors related to remuneration and is shown in note 6.

25. Share-based payments – Group and Company

All employees share option plan

Awards are made to staff at the discretion of the Board of Directors either on appointment, at salary review time, or any other time that the Directors deem appropriate. There are specific performance criteria attached to some of the options. The criteria is defined as no part of the option shall first become exercisable until the Group's reported consolidated results for a six month period demonstrate that a pre-tax profit in excess of £250,000 for such six months has been achieved.

Options vest in one of two ways:

1. Options granted vest 1/3 after 12 months, 1/3 after 24 months and the remaining 1/3 after 36 months.
2. Options granted vest 1/3 after 12 months with the remaining 2/3 vesting in equal monthly instalments over the next 24 months.

Equity settlement is applied to all options, there is no cash alternative.

The expected life of the options has been assessed at 2.5 years for options which vest 1 year from grant and 4 years for options which vest after 1 year. The contractual life of the options is 10 years.

The fair value of the awards are calculated using the Black-Scholes model and subsequently adjusted for gain dependency, assessed at 15%, and forfeitures, assessed at 10% over the life of the award. A volatility adjustment considered appropriate for the sector and the age of the Group is included in the calculation. In forming the volatility assumption, the Directors have considered the volatility of the share price since the date of listing. The volatility of companies operating in the same sector has also been reviewed. Based on these factors, volatility has been assessed at 65% for awards granted before 1 March 2007, 60% for awards granted after 1 March 2007 but before 1 January 2008, 70% for awards granted after 1 January 2008 but before 1 January 2009 and 95% for awards granted after 1 January 2009. Appropriate risk free rates (as defined by the Bank of England) between 2.1% and 5.6% have been applied to individual awards. A zero dividend yield has been assumed.

The expenditure recognised in the income statement of the Group and the Company for share-based payments in respect of employee services received during the 18 month period to 30 June 2012 is £39,700 (2010: £41,200). This expense all relates to equity-settled, share-based payment transactions.

The following table illustrates the number and weighted average exercise price (WAEP) of, and movements in, share options during the period.

	2012 Number	**2012 WAEP**	2010 Number	2010 WAEP
Outstanding at 1 January 2011	**5,833,178**	**0.79**	11,419,985	0.57
Granted during the period	**5,620,000**	**0.01**	—	—
Forfeited during the period	**(5,833,178)**	**0.79**	(5,586,807)	0.34
Outstanding at 30 June 2012	**5,620,000**	**0.01**	5,833,178	0.79
Exercisable at 30 June 2012	**1,791,610**	**0.01**	5,060,151	0.88

The range of exercise prices for options outstanding at the end of the year was 1p – 2p. The weighted average remaining contractual life of the options in issue at 30 June 2012 is 5.7 years.

25. Share-based payments – Group and Company (continued)

BP International Limited share options

As part of the agreement to acquire the remaining of D1 Oils Fuel Crops Limited (formerly D1-BP Fuel Crops Limited) from BP International Limited on 27 July 2009, the Company brought BP up to the 16 per cent entitlement of the issued share capital of the Company. The options are exercisable at the following prices:

Options	Exercise price
6,029,772 ordinary shares	13p per share
6,029,772 ordinary shares	14p per share
6,029,772 ordinary shares	16p per share
6,029,772 ordinary shares	18.5p per share

These options are exercisable at any time between 27 July 2009 and 27 July 2019.

The fair value of the awards was calculated using the Black-Scholes model. A volatility assumption of 87% was included in the calculation and considered appropriate for the sector and age of the Group. In forming the volatility assumption the Directors considered the volatility of the share price over the three years to the date of grant. An appropriate risk free rate as defined by the Bank of England of 3.75% and a zero dividend yield are applied to the calculation.

The total fair value of these options for the Group and the Company was £1.0m and was all recognised in equity in the year to 31 December 2009.The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, these options during the year.

	2012 Number	**2012 WAEP**	2010 Number	2010 WAEP
Outstanding at 1 January 2011	**24,119,088**	**0.15**	24,119,088	0.15
Outstanding at 30 June 2012	**24,119,088**	**0.15**	24,119,088	0.15
Exercisable at 30 June 2012	**24,119,088**	**0.15**	24,119,088	0.15

The weighted average fair value per option of options granted to BP International Limited during the year was 15p. The range of exercise prices for options outstanding at the end of the year was 13p – 18.5p. The weighted average remaining contractual life of the options in issue at 30 June 2012 is 7.1 years.

26. Financial risk management objectives and policies

The main risks arising from the Group's 2011-12 operations were interest rate risk, liquidity risk, foreign currency translation risk and certain commodity price risks. The main risk arising from the Company's 2011-12 operations is interest rate risk.

Interest rate risk

'At call' cash

The Group and Company retain cash in 'at call' bank accounts to cover working capital requirements. Funds held 'at call' on floating interest rates at 30 June 2012 totalled £1,533,800 (31 December 2010: £2,439,400) in the Group and £1,088,100 (31 December 2010: £1,981,900) in the Company.

The following table demonstrates the sensitivity of the Group and Company's profit before tax and equity to a reasonably possible change in floating interest rates, with all other variables held constant, that may impact interest on 'at call' cash.

	Increase/ decrease in floating interest rate	Group Effect on loss before tax £000	Group Effect on equity £000	Company Effect on loss before tax £000	Company Effect on equity £000
2012	**+0.5%**	**7.7**	**7.7**	**5.4**	**5.4**
	-0.5%	**(7.7)**	**(7.7)**	**(5.4)**	**(5.4)**
2010	+0.5%	12.1	12.1	9.9	9.9
	-0.5%	(12.1)	(12.1)	(9.9)	(9.9)

26. Financial risk management objectives and policies (continued)

Fixed term deposits

The Company invests surplus funds on behalf of the Group in fixed rate term deposits. Funds held on fixed rate term deposits at 30 June 2012 totalled £nil (31 December 2010: £1,001,100).

The following table demonstrates the sensitivity of the Group's profit before tax and equity to a reasonably possible change in interest rates on term deposits, with all other variables held constant that may impact the Company and the Group following the maturity of the deposits and subsequent reinvestment of the funds.

	Increase/ decrease in term deposit interest rate	Effect on loss before tax £000	Effect on equity £000
2012	**+1%**	**—**	**—**
	-1%	**—**	**—**
2010	+1%	10.0	10.0
	-1%	(10.0)	(10.0)

Foreign exchange risk

The Group seeks to manage foreign exchange risk by obtaining the most favourable rates at the time sums are converted to a foreign currency.
During 2010, the Group entered into a forward contract for Euros to cover the expenditure of its Belgian and Netherlands operations. The forward contract was to purchase €1.0m at €1.1075/£1.00 during the year to 29 March 2011. In 2010, an expense of £31,800 was recognised to reflect the impact of the strengthened British Pound against the Euro in relation to the outstanding forward contract at 31 December 2010.

Liquidity risk

The Group seeks to manage financial risk to ensure sufficient liquid funds are available to meet foreseeable needs while investing cash assets safely and profitably.

The Group is almost solely financed by equity. The Group manages liquidity risk by maintaining adequate reserves to meet short-term funding requirements while investing excess funds in bank term deposits. If required, these deposits can be recalled immediately.

The table below summarises the maturity profile of the Group's financial liabilities at 30 June 2012 and 31 December 2010 based on contractual undiscounted payments. Interest rates on variable rate loans are based on the rate prevailing at the balance sheet date.

Period ended 30 June 2012	On demand £000	Less than 3 months £000	3 to 12 months £000	1 to 5 years £000	> 5 years £000	Total £000
Trade and other payables	**—**	**54.0**	**—**	**—**	**—**	**54.0**
Payments due to vendors	**—**	**—**	**—**	**561.5**	**—**	**561.5**

Year ended 31 December 2010	On demand £000	Less than 3 months £000	3 to 12 months £000	1 to 5 years £000	> 5 years £000	Total £000
Trade and other payables	—	96.1	—	—	—	96.1
Payments due to vendors	—	—	4.1	476.5	—	480.6

26. Financial risk management objectives and policies (continued)

Managing capital

The Group aims to optimise its capital structure by holding an appropriate level of debt relative to equity in order to maximise shareholder value. The appropriate level of debt is set with reference to a number of factors and financial ratios including expected operating and capital expenditure cash flows, contingent liabilities and the level of restricted cash as well as the general economic environment. The Group aims to control its capital structure by issuing new shares and raising debt finance to the extent that it is possible on commercially acceptable terms. The economic conditions currently prevailing and the Groups relatively recent entry into the non-edible vegetable oils industry have restricted the Group's ability to raise debt finance and exert any significant degree of control over its gearing ratio. As a consequence, the Group is currently financed primarily from equity.

	18 month period ended 30 June 2012 £000	Year ended 31 December 2010 £000
Loans and borrowings		
Obligations under finance leases	**—**	—
Instalments due on mortgage	**—**	—
Total loans and borrowings	**—**	—
Equity	**460.2**	2,590.1
Total equity and loans and borrowings	**460.2**	2,590.1

Equity includes all capital and reserves of the Group attributable to the equity holders of the parent. The Group is primarily financed through equity and it should be noted that the equity component in the gearing ratio calculation includes the impact of retained losses.

Fair values of financial assets and financial liabilities

Set out below is a comparison by category of carrying amounts and fair values of all of the Group and Company's financial instruments that are carried in the financial statements. All of the balances included below are classified as loans and receivables in accordance with IFRS 7.8.

Group	**Book value 2012 £000**	**Fair value 2012 £000**	Book value 2010 £000	Fair value 2010 £000
Financial assets				
Cash and short-term deposits	**1,533.8**	**1,533.8**	3,440.5	3,440.5
Trade and other receivables	**494.4**	**494.4**	899.7	899.7
Long-term deposits and cash collateral	**—**	**—**	90.0	90.0
Financial liabilities				
Trade and other payables	**92.4**	**92.4**	336.7	336.7
Payments due to vendors	**561.5**	**561.5**	480.6	480.6

Company	**Book value 2012 £000**	**Fair value 2012 £000**	Book value 2010 £000	Fair value 2010 £000
Financial assets				
Cash and short-term deposits	**1,088.1**	**1,088.1**	2,983.0	2,983.0
Trade and other receivables	**428.2**	**428.2**	353.1	353.1
Long-term deposits and cash collateral	**—**	**—**	90.0	90.0

The fair value of the financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices. The fair value of all the financial assets and financial liabilities above were determined on this basis.

27. Contingent assets

At 30 June 2012, the Group had no contingent assets:

28. Contingent liabilities

At 30 June 2012, the Group had one contingent liability:

As part of the sale of the Bromborough site, the lease obligations for two parcels of land adjacent to the Bromborough site were passed to the buyers. The two leases are first cancellable in 2021. If the buyer defaults on these lease obligations, the obligation may fall to the Company. The maximum exposure is £1.7m but various mitigations, such as sub-lets, are available. This obligation remains contingent on the buyer defaulting and the Board does not consider the risk sufficiently likely to recognise a liability.

29. Capital commitments

At the end of the period there were no capital commitments (2010: none)

30. Disposal of intellectual property relating to the Animal Feed business, and Cumulative Redeemable Preference Share to Quinvita

On 24 November 2010, the Group announced the disposal of its subsidiaries Quinvita Limited ("Quinvita") and Quinvita Plant Science Limited (formally D1 Oils Plant Science Limited) which owned and conducted substantially all of the Company's Jatropha plant science and technology activities, excluding its animal feed programme. The Group received as consideration 800,000 5 per cent. Cumulative redeemable preference shares of £1.00 each in Quinvita (the "Preference Shares"), which are redeemable by 1 November 2015, and an entitlement to various royalties on Jatropha revenues generated by the Quinvita group.

In April 2012, the Group entered into a conditional agreement to sell to Quinvita N.V. the germplasm and intellectual property relating to the animal feed programme previously retained by the Company for a cash consideration of £300,000 and the Preference Shares in return for a secured loan of £372,000, accruing interest at 10 per cent. per annum (the "Agreement"). The loan is to be secured over the germplasm and the animal feed programme intellectual property and is repayable within 5 years.

All other rights and obligations between the parties and members of their respective groups and associated parties, including approximately £60,000 of royalties due to the Group, have (subject to compliance by Quinvita with various terms of the Agreement) been waived.

The Company has retained the right to exploit in perpetuity at nil cost the current Animal Feed programme intellectual property and, at a preferential rate, any future improvements or modifications to the current animal feed programme intellectual property.

Completion of the Agreement is conditional upon Quinvita N.V., a subsidiary of Quinvita, concluding a share issue to raise €1,000,000 by no later than 1 June 2012.

The balance of the loan (capital plus interest) due at 30 June 2012 was:

	2012 £000	2010 £000
Other receivable	378.2	—

NEOS RESOURCES PLC
(the "Company")

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of the members of the Company (the "AGM") will be held at the offices of Fladgate LLP, 16 Great Queen Street, London WC2B 5DG on 28 November 2012 at 11.30 a.m. to transact the following business:

Ordinary business

1. To receive and consider the annual accounts of the Company for the financial period ended 30 June 2012 together with the Directors' report for that financial period and the auditors' report on those accounts (the "Annual Accounts and Report").

2. To re-appoint Grant Thornton LLP, who were appointed during the year to fill a casual vacancy, as auditors of the Company from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company at which accounts are laid before the shareholders in accordance with the provisions of the Companies Act 2006 (the "Act") and to authorise the Directors to fix the auditors' remuneration.

3. To re-appoint as a Director of the Company, Ravi Jose, who was appointed since the last Annual General Meeting and retires under Article 92 of the Company's articles of association.

4. To re-appoint as a Director of the Company, Michael Moquette, who was appointed since the last Annual General Meeting and retires under Article 92 of the Company's articles of association.

Special business

To consider and, if thought fit, pass the following resolutions of which resolutions 5 and 6 will be proposed as ordinary resolutions and resolution 7 will be proposed as a special resolution:

Ordinary resolutions

5. THAT, in accordance with section 366 of the Act, the Company and its subsidiaries are hereby authorised to:

   5.1 make political donations to political organisations or independent election candidates, as defined in sections 363 and 364 of the Act, not exceeding £30,000 in total; and

   5.2 incur political expenditure, as defined in section 365 of the Act, not exceeding £30,000 in total, during the period commencing on the date of this resolution and ending on 31 December 2013 or, if sooner, the conclusion of the next Annual General Meeting of the Company.

6. THAT, in substitution for all existing authorities (save for that contained in resolution 7 passed at the Annual General Meeting held on 23 July 2009, which shall continue to apply in relation to the Option Agreement (as defined below)), the Directors be and they are hereby generally and unconditionally authorised, in accordance with section 551 of the Act to:

   6.1 exercise all powers of the Company to allot shares in the Company or to grant rights to subscribe for or to convert any security into shares in the Company up to a maximum aggregate nominal amount of £674,781.02 (67,478,102 Ordinary Shares) save that the Directors shall not exercise this authority in respect of an aggregate nominal amount which exceeds £v:

   where £v (rounding down to the nearest £1)

   $$= 1/3 \times \frac{(178{,}315{,}219+w)}{100}$$

   where w = the number of Ordinary Shares that have been issued from time to time pursuant to the option agreement dated 16 July 2009 between the Company and BP International Limited (as amended and restated from time to time) (the "Option Agreement");

   and provided that this authority will expire 15 months after the date on which this resolution is passed or the expiration of the period from the date this resolution is passed to the date that the next Annual General Meeting of the Company is concluded (whichever occurs first), but the Company may, before this authority expires, make an offer or agreement which would or might require relevant shares or rights to be allotted or granted after this authority expires and the Directors may allot shares or grant rights pursuant to such offer or agreement as if the authority conferred by this resolution had not expired;

6.2 exercise all powers of the company to allot shares in the Company or to grant rights to subscribe for to convert any security into shares of the Company in connection with a rights issue or other offer in favour of shareholders where the shares or rights respectively attributable to the interests of all shareholders are proportionate (as nearly as may be) to their respective holdings of such shares (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient to deal with fractional entitlements, directions from any holders of shares to deal in some other manner with their respective entitlements, legal or practical problems arising in any overseas territory or the requirements of any regulatory body or stock exchange) up to a maximum aggregate nominal amount of an additional £674,781.02 (67,478,102 Ordinary Shares) save that the Directors shall not exercise this authority in respect of an aggregate nominal amount which exceeds £v:

where £v (rounding down to the nearest £1)

$$= 1/3 \times \frac{(178{,}315{,}219+w)}{100}$$

where w = the number of Ordinary Shares that have been issued from time to time pursuant to the Option Agreement;

and provided that this authority will expire 15 months after the date on which this resolution is passed or the expiration of the period from the date of this resolution to the date that the next Annual General Meeting of the Company is concluded (whichever occurs first), but the Company may, before this authority expires, make an offer or agreement which would or might require relevant securities to be allotted after this authority expires and the Directors may allot relevant securities pursuant to such offer or agreement as if the authority conferred by this resolution had not expired.

Special resolution

7. THAT, subject to and conditional upon the passing of resolution 6, the Directors be and they are hereby given power, in substitution for all existing authorities (save for that contained in resolution 9 passed at the Annual General Meeting held on 23 July 2009 which shall continue to apply in relation to the Option Agreement), in accordance with section 571(1) of the Act to allot equity securities for cash (within the meaning of section 560 of the Act) pursuant to the authority conferred by resolution 6 above as if section 561 of the Act did not apply to the allotment provided that such power shall be limited to:

7.1 the allotment of equity securities in connection with an offer of equity securities open for acceptance for a period fixed by the Directors to holders of equity securities on the register of members of the Company on a date fixed by the Directors in proportion (as nearly as may be) to their respective holdings of such securities or in accordance with the rights attached thereto but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient to deal with:

7.1.1 fractional entitlements; or

7.1.2 directions from any holders of shares to deal in some other manner with their respective entitlements; or

7.1.3 legal or practical problems arising in any overseas territory; or

7.1.4 the requirements of any regulatory body or stock exchange; and

7.2 the allotment (otherwise than pursuant to the said resolution 9 and sub-paragraph 7.1 above) of equity securities up to an aggregate nominal amount of £101,217 (10,121,715 Ordinary Shares) save that the Directors shall not exercise this authority in respect of an aggregate total amount which exceeds £x:

where £x (rounding down to the nearest £1)

$$=5/100 \times \frac{(178{,}315{,}219+y)}{100}$$

where y = the number of Ordinary Shares that have been issued pursuant to the Option Agreement from time to time;

7.3 the allotment (otherwise than pursuant to Resolution 6 above, the said resolution 9 and sub-paragraphs 7.1 and 7.2 above) of equity securities in respect of the share options granted by the Company pursuant to the Share Option Plan adopted by the Directors on 8 October 2004, as varied from time to time;

and the power hereby conferred shall expire 15 months after the date of passing of this resolution or on the expiration of the period from the date this resolution is passed to the date that the next Annual General Meeting of the Company is concluded (whichever first occurs) but may be previously revoked or varied by special resolution and so that the Company may before such expiry make an offer or agreement which will or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of any such offer or agreement as if such power had not expired.

Recommendation

Your Directors consider that all the resolutions in this Notice are in the best interests of the Company and its shareholders as a whole and we recommend that you vote in favour of them.

By Order of the Board

Marie Edwards

Marie Edwards
Company Secretary

Registered Office:
16 Great Queen Street
London
WC2B 5DG

25 October 2012

Explanatory notes – Special Business

Resolution 5 – Authority to make donations to political organisations and to incur political expenditure
Part 14 of the Act, amongst other things, prohibits the Company and its subsidiaries from making donations to an EU political party or other EU political organisation or to an independent election candidate in the EU of more than £5,000 in any 12 month period unless they have been authorised to make donations by the Company's shareholders. The Act defines 'political organisations', 'political donations' and 'political expenditure' widely. It includes organisations which carry on activities which are capable of being reasonably regarded as intended to affect public support for a political party or an independent election candidate in any EU Member State or to influence voters in relation to any referendum in any EU Member State. As a result, it is possible that the definition may include bodies, such as those concerned with policy review and law reform, which the Company and/or its subsidiaries may see benefit in supporting. For example, the Company may support organisations involved in the development and promotion of renewable energy or biofuels policy which may be caught by the definitions within the Act. Accordingly, the Company wishes to ensure that neither it nor its subsidiaries inadvertently commits any breaches of the 2006 Act through the undertaking of routine activities, which would not normally be considered to result in the making of political donations and political expenditure being incurred. This resolution renews the authority given to the Company at the 2010 and 2011 Annual General Meetings. The Company does not intend to make political donations or incur political expenditure as such terms would ordinarily be understood.

Resolution 6 – Authority to allot securities
Section 549 of the Companies Act 2006 provides, in relation to all companies, that the directors may not allot shares in the Company, or grant rights to subscribe for, or to convert any security into, shares in the Company unless authorised to do so by the Company in general meeting or by its articles of association. Accordingly, this resolution seeks renewal of the authority previously granted to the directors at the last Annual General Meeting of the Company. This authority will relate to ordinary shares representing approximately one third of the Company's issued share capital as at the date of this Notice (and as enlarged from time to time by any shares issued pursuant to the Option Agreement), with an additional one third for rights issues and other proportional offers.

Resolution 7 – Disapplication of pre-emption rights
If the directors wish to allot any shares of the Company for cash, the provisions of the Act require that the new shares must generally be offered first to shareholders in proportion to their existing shareholdings.

In certain circumstances, it may be in the interests of the Company for the directors to be able to allot some shares for cash without having to offer them first to existing shareholders. In addition, there are legal, regulatory and practical reasons why it may not always be possible to issue new shares under a rights issue or other proportionate offer to some shareholders, particularly those resident overseas. To cater for this, the resolution also permits the directors to make appropriate exclusions or arrangements to deal with such difficulties.

In line with normal practice, this resolution, which will be proposed as a special resolution, seeks approval to renew the current authority to exclude the statutory pre-emption rights for issues of shares other than under paragraph 7.1, representing up to 5% of the Company's issued share capital as at the date of this Notice (and as enlarged from time to time by any shares issued pursuant to the Option Agreement).

Notes

1. Members are entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and vote on their behalf at the Annual General Meeting. A Shareholder may appoint more than one proxy in relation to the Annual General Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that Shareholder. A proxy need not be a Shareholder of the Company. If you do not have a proxy form and believe that you should have one, or if you require additional forms, please contact the Registrars helpline on 0871 664 0300 (calls cost 10p per minute) or (from overseas) +44 208 639 3399.

2. To be valid any proxy form or other instrument appointing a proxy must be received by post or (during normal business hours only) by hand at the Company's registrars, Capita Registrars, Freepost RSBH-UXKS-LRBC, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU not less than 48 hours (excluding non-working days) before the time for holding the meeting (namely by 11.30 a.m on 26 November 2012) or any adjournment thereof.

3. The return of a completed proxy form, other such instrument or any CREST Proxy Instruction (as described in paragraph 7 below) will not prevent a Shareholder attending the Annual General Meeting and voting in person if he/she wishes to do so.

4. To be entitled to attend and vote at the Annual General Meeting (and for the purpose of the determination by the Company of the votes they may cast), Shareholders must be registered in the Register of Members of the Company at 5.30 p.m on 26 November 2012 (or, in the event of any adjournment, 5.30 p.m. on the date which is two days before the time of the adjourned meeting). Changes to the Register of Members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.

5. As at 24 October 2012 (being the last business day prior to the publication of this Notice) the Company's issued share capital consists of 178,315,219 ordinary shares, carrying one vote each. Therefore, the total voting rights in the Company as at that time were 178,315,219.

6. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

7. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "**CREST Proxy Instruction**") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications, and must contain the information required for such instruction, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID RA10) by 11.30 a.m. 26 November 2012 or, if the meeting is adjourned, 48 hours before the time fixed for the adjourned meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Application Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

8. CREST members and, where applicable, their CREST sponsors, or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

9. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

10. In order to facilitate voting by corporate representatives at the meeting, arrangements will be put in place at the meeting so that (i) if a corporate Shareholder has appointed the chairman of the meeting as its corporate representative with instructions to vote on a poll in accordance with the directions of all of the other corporate representatives for that Shareholder at the meeting, then on a poll those corporate representatives will give voting directions to the chairman and the chairman will vote (or withhold a vote) as corporate representative in accordance with those directions; and (ii) if more than one corporate representative for the same corporate Shareholder attends the meeting but the corporate Shareholder has not appointed the chairman of the meeting as its corporate representative, a designated corporate representative will be nominated, from those corporate representatives who attend, who will vote on a poll and the other corporate representatives will give voting directions to that designated corporate representative. Corporate Shareholders are referred to the guidance issued by the Institute of Chartered Secretaries and Administrators on proxies and corporate representatives

(www.icsa.org.uk) for further details of this procedure. The guidance includes a sample form of representation letter if the chairman is being appointed as described above.

11. Copies of the articles of association and Directors' service contracts are available for inspection at the Company's registered office during normal business hours on any weekday (except Saturdays, Sundays and public holidays) and at the place of the Annual General Meeting for 15 minutes prior to and during the Annual General Meeting.

NEOS RESOURCES PLC
(the "Company")

Form of Proxy

I/We (block capitals) .....
of..... .....
being a member(s) of the above named Company hereby appoint the Chairman of the AGM or (note 1)
.....

as my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the Company (the "AGM") to be held at Fladgate LLP, 16 Great Queen Street, London WC2B 5DG on 28 November 2012 at 11.30 a.m., and at any adjournment thereof.

I/we direct my/our proxy to vote as indicated by an X in the appropriate column (note 2).

Ordinary business	For	Against	Vote Withheld
1. Ordinary Resolution – to adopt the Annual Report and Accounts.			
2. Ordinary Resolution – to re-appoint Grant Thornton LLP as auditors and to authorise the Directors to fix their remuneration.			
3. Ordinary Resolution to re-appoint as a Director of the Company, Ravi Jose, who was appointed since the last Annual General Meeting and retires under Article 92 of the Company's articles of association.			
4. Ordinary Resolution to re-appoint as a Director of the Company, Michael Moquette, who was appointed since the last Annual General Meeting and retires under Article 92 of the Company's articles of association.			
Special business	For	Against	Vote Withheld
5. Ordinary Resolution – to authorise the making of certain political donations and incurring of expenditure in connection therewith, in either case not to exceed £30,000 in total.			
6. Ordinary Resolution – to authorise the Directors (by way of updated general authority pursuant to section 551 of the Act) to allot relevant shares and grant relevant rights up to an aggregate nominal amount representing approximately one third from time to time of the total issued share capital of the Company and an additional one third for proportionate offers.			
7. Special Resolution – to authorise the Directors (by way of updated general authority pursuant to section 571 of the Act) to allot equity securities (as defined for the purposes of that section) for cash up to an aggregate nominal amount representing approximately 5 per cent from time to time of the total issued share capital of the Company, and in addition, equity securities in respect of the share options granted by the Company pursuant to the Share Option Plan as if section 561 of the Act did not apply to such allotment.			

Date.....2012

.....
Signature(s) and/or common seal (notes 4 and 5)

1. A proxy need not be a member of the Company. Completion and return of this form of proxy does not preclude a member from subsequently attending and voting at the Meeting. If you wish to appoint a proxy other than the Chairman of the Meeting, please cross out the words "the Chairman of the AGM or" and write the full name and address of your proxy in the space provided. The change should be initialled.
2. To direct your proxy how to vote on the resolutions mark the appropriate box with an "X". To abstain from voting on a resolution, select the relevant "vote withheld" box. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution.
3. If you do not indicate how you wish your proxy to vote on the specified resolutions or on any other matters (including any amendments to the resolutions), the proxy will exercise his/her discretion as to how he/she votes and as to whether or not he/she abstains from voting. On any motion to amend any resolution or to propose a new resolution or to adjourn the Meeting or any other motion put to the Meeting the proxy may vote or abstain at his/her discretion.
4.To appoint more than one proxy, (an) additional proxy form(s) may be obtained by contacting the Registrars helpline on 0871 664 0300 (calls cost 10p per minute) or (from overseas) +44 208 639 3399 or you may photocopy this form. Please mark (and initial) each proxy form clearly with the number of Ordinary Shares held by you in relation to which each proxy is appointed.
5. You may appoint more than one person provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share.
6. This form must be signed and dated by the shareholder or his/her attorney (if duly authorised in writing). In the case of a corporation this form of proxy must be executed under its common seal or under the hand of an officer or attorney (if duly authorised in writing). Any power of attorney or any other authority under which this proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.

7. To be effective, the instrument appointing a proxy and any authority under which it is executed (or a duly certified copy of such authority) must be deposited at the Company's registrars, Capita Registrars, Freepost RSBH-UXKS-LRBC, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU not less than 48 hours (excluding non-working days) before the time for holding the meeting (namely by 11.30 a.m. on 26 November 2012) or any adjournment thereof. You may also deliver it by hand to The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU.

8. In the case of joint holders, the signature of any one of them will suffice but the names of all joint holders should be stated. The vote of the senior who tenders a vote (whether in person or by proxy) will be accepted to the exclusion of the votes of the other holders. For this purpose, seniority is determined by the order in which the names stand in the register of members in respect of the joint holding.

9. Any alteration to this form must be initialed.

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