Fieldbury Plc

ANNUAL REPORT AND ACCOUNTS

for the year ended 31 December 2009

Registration number 04220065

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CHAIRMAN'S STATEMENT

I am pleased to present the results for Fieldbury plc for the year ended 31 December 2009. During the year the Company disposed of its remaining trading activities, Dixie Sales Company Inc. ('Dixie Sales'), to a group of Shareholders which included three directors of the Company who subsequently resigned from the Board.

That disposal was completed on 3 August 2009 for a principal consideration comprising of the conversion of approximately 40 per cent. of the Company's ordinary shares of 5p each into Deferred B Shares of 5p each and a cash consideration of $500,000.

Following the sale, Fieldbury became an Investing Company under the AIM rules with the strategy to acquire or take a controlling interest in a company or business involved primarily in the following sectors: renewables, alternative energy, environmental or consumer and financial services markets.

The Board has explored a number of options and opportunities but, as yet, a suitable investment that meets our criteria has not been found. We continue to consider further opportunities and, in the meantime, the directors are ensuring that the Company's ongoing costs are limited.

Financial Review

The results for the year to 31 December 2009 reflect the ongoing costs of the Investing Company until the end of the financial year.

At the end of the period the Company had a net cash position of $2.1 million. In addition, a further US$1.5 million was due on or before 31 March 2010 from the disposal of the Freeplay Division. This was sold to Devinder Raj Narang for a total consideration of $14.5 million. Part of this consideration included a final deferred cash payment of US$1.5 million due on 31 December 2009.

It was originally announced on 4 January 2010 that Mr Narang had approached the Company seeking an extension to the final payment due to a delay in his own funding. The Company agreed a repayment schedule with Mr Narang whereby the payment was to be made in full on or before 31 March 2010 and interest accrued on the sum outstanding at the rate of 1 per cent. per month for the calendar months of January and February and at a rate of 2 per cent. for March.

Further to this announcement and one on 1 April 2010 the Board has received a further request from Mr Narang for the final payment to be delayed until 30 May 2010. Mr Narang has been in the process of refinancing the acquired Freeplay Division which has resulted in his inability to make the final payment on the previously scheduled due date. Mr Narang has assured the Board that good progress has been made with regard to the refinancing and that he is confident of completing by 30 May 2010.

Whilst the Board has reserved all rights in relation to Fieldbury's ability to seek legal redress, it has agreed to grant an extension for payment on the basis of representations made by Mr Narang to the Board. All other terms associated with this repayment remain as announced on 4 January 2010.

Capital Reorganisation

At the time of the interim statement I confirmed that, following approval by shareholders at the general meeting, it was the Company's intention to apply to the Court in connection with a capital reorganisation that would have eliminated the deficit on the profit and loss account, which had arisen as a result of past losses and to create distributable reserves. However, as a result of the disposal of Dixie Sales, the deficit on the profit and loss accounts has increased significantly. The planned capital reorganisation is now insufficient to eliminate the accumulated losses. Accordingly, the directors are giving further consideration to a mechanism that would achieve this elimination and create distributable reserves. A further announcement will be made as soon as significant progress has been made.

Remaining Business

Following the disposal of Dixie Sales, the Company has no remaining trading business and its only assets (other than the retained shareholding equivalent to 10 per cent. of the issued share capital of Freeplay Market Development which the Company is obliged to transfer in consideration for the payment of the deferred cash consideration) is cash and its right to receive the remaining deferred cash consideration of US$1.5 million mentioned above.

The Board

Mr Roddick is retiring from the Board with effect from the conclusion of the Annual General Meeting. Mr Roddick was appointed to the Board on 8 July 2002. I am sure you will join me in thanking Mr Roddick for his contribution as a non-executive director of the company and for his unstinting support over many years.

Outlook

The Board is continuing to consider a number of opportunities and options available to it whilst assessing the future direction of the business. Suitable options which match the investment criteria of the business have not yet materialised but the Board is currently examining a number of potential options and will make a further announcement as soon as significant progress has been achieved.

R Stear
Chairman

DIRECTORS AND ADVISERS

DIRECTORS
T G Roddick
A Polansky
R M Stear

SECRETARY
R C Shear

COMPANY NUMBER
04220065

REGISTERED OFFICE
2 Stone Buildings
Lincoln's Inn
London WC2A 3TH

AUDITORS
Baker Tilly UK Audit LLP
Chartered Accountants and
Registered Auditors
3 Hardman Street
Manchester M3 3HF

BANKERS
HSBC
Poultry and Princes
27-32 Poultry
London EC2P 2BX

SOLICITORS
Edwin Coe LLP
2 Stone Buildings
Lincoln's Inn
London WC2A 3TH

NOMINATED ADVISER AND BROKER
Charles Stanley Securities Limited
25 Luke Street
London EC2A 4AR

REGISTRARS
Capita Registrars
The Registry
34 Beckenham Road
Beckenham
Kent BR3 4TU

DIRECTORS' REPORT
For the year ended 31 December 2009

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

Principal Activities and Review of the Business

For the period to 31 July 2009 Fieldbury Plc was the parent company of a company engaged in the wholesale distribution of outdoor power equipment parts and accessories to customers located in the United States and Canada.

The company operated as a holding company during the year until the disposal of Dixie Sales Inc.

The Company agreed to dispose of its Dixie Sales division following approval by its shareholders at a General Meeting on 24 July 2009. Following the disposal of Dixie Sales Inc, the Company has no remaining trading business and its only assets (other than the retained shareholding equivalent to 10 per cent. of the issued share capital of Freeplay Market Development Limited which the Company is obliged to transfer in consideration for the payment of the deferred cash consideration) is cash and its right to receive the remaining deferred cash consideration of US$1.5 million due to it on 31 December 2009 under the terms of the sale of the Freeplay Division which completed on 4 August 2008.

At present, Fieldbury has a net cash position of $1.6 million, and its right to receive the remaining deferred cash consideration of US$1.5 million, and has now become an Investing Company under the AIM rules with the proposed strategy to acquire or take a controlling interest in a company or business involved primarily in the following sectors: renewables, alternative energy, environmental or consumer and financial services markets.

The Board continues to explore a number of strategic options concerning the Company's future development and a further update will be made in due course once a proposed course of action has been selected.

The profit and loss account for the year ended 31 December 2009 is set out on page 12. The Company's local and reporting currency is US dollars.

The result for the year is in line with the directors' expectations.

A review of the Company's activities and its future prospects is detailed in the Chairman's Statement on page 3 and 4.

Results and Dividends

The operating results for the year and the Company's financial position at the end of the year are set out in the attached financial statements.

The Directors do not recommend payment of a final dividend.

Directors who held office during the year

The Directors of the Company who held office during the year, and are in office at the date of this report, are as follows:

R M Stear	*Executive Chairman*
E Barrett (resigned 31 July 2009)	*Non-Executive Director*
W Barrett (resigned 31 July 2009)	*Executive Director*
A Polansky	*Non-Executive Director*
T G Roddick	*Non-Executive Director*
H Reiter (resigned 31 July 2009)	*Executive Director*

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

The Directors and Their Interests

The directors at 31 December 2009 together with their beneficial interests, including family holdings, in the shares of the Company were as follows:

	5p ordinary shares		*45p deferred shares*	
	2009	*2008*	*2009*	*2008*
	No	*No*	*No*	*No*
R M Stear[(a)]	14,651,097	8,363,471	205,519	205,519
T G Roddick	8,829,962	8,829,962	371,704	371,704
A Polansky	608,493	608,493	—	—

(a) The beneficial interests of R M Stear shown above are held by the Flambard Settlement of which he is a beneficiary; Flambard Holdings Limited in which he has an interest and as nominee by BBHISL Nominees Limited.

Directors' Share Options

The directors at 31 December 2009 have been granted options over the Company's shares:

	At 1 January 2009	*Number granted in year*	*Number Exercised/ lapsed in year*	*At 31 December 2009*	*Exercise price*	*Date exercisable*
R M Stear	996,037	—	—	996,037	29p	22-06-07 – 22-06-16
	500,000	—	—	500,000	4.5p	31-12-08 – 31-12-10
	500,000	—	—	500,000	4.5p	22-09-09 – 22-09-18
T G Roddick	500,000	—	—	500,000	4.5p	22-09-09 – 22-09-18

Payment of Creditors

The Company's policy is generally to agree terms of payment with suppliers and to settle invoices accordingly. The practice on payment of creditors has been quantified under the terms of the Statement of Payment Practice Regulations. The number of days' supplier invoices included in trade creditors at 31 December 2009 represented 41 days (2008: 54 days) of annual purchases for the company. A breakdown of company creditors is provided in note 9.

Charitable & Political Contributions

There were no charitable and political contributions for 2009 or 2008.

Going Concern

The financial statements are prepared on a going concern basis, which assumes the Company will continue in operational existence for the foreseeable future. The Company's ability to meet its future working capital requirements and therefore continue as a going concern is dependent upon its current cash position. The Directors have prepared projections which they consider to be prudent and demonstrate that the business can operate within its existing cash resources, and have identified a series of realistically achievable actions that they are committed to taking to mitigate the rate of cash outflow whilst pursuing a number of strategic investment opportunities to secure the Company's future.

Financial Instruments

The Company's activities expose the Company to a number of risks including market risk (foreign currency risk and interest rate risk), credit risk and liquidity risk. The Company manages these risks through an effective risk management program.

Exposures to financial risks are monitored by management and they are required to produce a regular risk report comprising of an assessment of the risks and an indication of their impact on the business.

The risk reports are provided to the Board of Directors in advance of board meetings and are discussed by the Board to ensure that the risk mitigation procedures are compliant with the Company policy and that any new risks are appropriately managed.

Statement as to Disclosure of Information to Auditors

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant financial information and to establish that it has been communicated to the auditor.

Auditors

A resolution to reappoint Baker Tilly UK Audit LLP, Chartered Accountants, as auditors will be put to the members at the annual general meeting.

By order of the Board

R Shear
Company Secretary

26 May 2010

CORPORATE GOVERNANCE

Principles of Corporate Governance

The Company's Board appreciates the value of good corporate governance not only in the areas of accountability and risk management but also as a positive contribution to business prosperity. It believes that corporate governance involves more than a simple "box ticking" approach to establish whether a company has met the principles (including those set out in the corporate governance guidelines for AIM companies published by the Quoted Companies Alliance in July 2005) of a number of specific rules and regulations. Rather the issue is one of applying corporate governance in a sensible and pragmatic fashion having regard to the individual circumstances of a particular company's business. The key objective is to enhance and protect shareholder value.

Board Structure

Following the sale of Dixie Sales Inc., which completed on 4 August 2009, the directors who remain in office at the year end comprise one executive director (R M Stear, chairman) and two non-executive directors (A Polansky and T G Roddick).

The board is responsible to shareholders for the proper management of the Company. A statement of directors' responsibilities in respect of the accounts is set out on page 11. To enable the board to discharge its duties, all directors have full and timely access to all relevant information and there is a procedure for the directors, in furtherance of their duties, to take independent professional advice, if necessary, at the expense of the Company. The board has a formal schedule of matters reserved to it and meets when necessary. It is responsible for overall Company strategy and approval of investments.

Professional Development

On appointment, the directors take part in an induction programme when they receive information about the group, the role of the board and the matters reserved for its decision, the terms of reference and membership of the principal board and management committees, and the powers delegated to those committees, the Company's corporate governance practices and procedures, including the powers reserved for the Company's most senior executives, and the latest financial information about the Company. This is supplemented by visits to key locations and meetings with other key senior executives. Throughout their year in office the directors are continually updated on the Company's business, the competitive and regulatory environments in which it operates, corporate social responsibility matters and other changes affecting the Company and the industry in which it operates as a whole, by written briefings and meetings with senior executives.

The Company Secretary

The Company Secretary is responsible for advising the board through the Chairman on all governance matters. The directors have access to the advice and services of the Company Secretary.

Information

Regular reports and papers are circulated to the directors in a timely manner in preparation for board and Committee meetings. These papers are supplemented by information specifically requested by the directors from time to time. The board periodically holds meetings and reviews the operations first hand.

Relations with Shareholders

The Chairman gives feedback to the board on issues raised with him by major shareholders as suggested by the Combined Code. Effective two-way communication with fund managers, institutional investors and analysts is actively pursued and this encompasses issues such as performance, policy and strategy. During the year the Directors have had meetings with analysts and institutions and will continue to do so.

The Company maintains a corporate website (www.fieldbury.com) containing a wide range of information of interest to institutional and private investors. The Company has frequent discussions with institutional shareholders on a range of issues affecting its performance. These include meetings following the announcement of the annual results with the Company's largest institutional shareholders on an individual basis. In addition, the Company responds to individual ad hoc requests for discussions from institutional shareholders.

There is also an opportunity, at the Company's Annual General Meeting for individual shareholders to raise general business matters with the full Board and notice of the Company's Annual General Meeting is circulated to all shareholders at least 20 working days before such meeting. The Chairman will be available at the Annual General Meeting to answer questions.

Internal Control

The directors are responsible for the Company's system of internal control and reviewing its effectiveness. The board has designed the Company's system of internal control in order to provide the directors with reasonable assurance that its assets are safeguarded, that transactions are authorised and properly recorded and that material errors and irregularities are either prevented or would be detected within a timely period. However, no system of internal control can eliminate the risk of failure to achieve business objectives or provide absolute assurance against material misstatement or loss.

In view of the limited activities undertaken during the year, the directors are satisfied that the level of financial and other controls operating in the Company are appropriate and sufficient to safeguard the Company's assets.

In light of the Company's present position and the number of directors, the remuneration, audit and nomination committees have been temporarily suspended. They will be reactivated when the Company's circumstances make it appropriate.

Going Concern

The directors confirm that they are satisfied that the Company has adequate resources to continue in business for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Auditor's Independence and Objectivity

The board reviews all services being provided by the external auditor to review the independence and objectivity of the external auditor, taking into consideration relevant professional and regulatory requirements, so that these are not impaired by the provision of permissible non-audit services.

Details of the amounts paid to the external auditors during the year for audit and other services are set out in note 1 to the financial statements.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Directors' 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

a. select suitable accounting policies and then apply them consistently;

b. make judgements and estimates that are reasonable and prudent;

c. state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;

d. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

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

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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FIELDBURY PLC

We have audited the financial statements which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 auditors

As more fully explained in the Directors' Responsibilities Statement set out on page 11, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit

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/UKNP.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2009 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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

Baker Tilly UK Audit LLP

GRAHAM BOND FCA *(Senior Statutory Auditor)*
For and on behalf of BAKER TILLY UK AUDIT LLP, *Statutory Auditor*
Chartered Accountants
3 Hardman Street, Manchester, M3 3HF

27 May 2010

Profit and Loss Account
For the year ended 31 December 2009

	Notes	*2009 US$000*	*2008 US$000*
Administration expenses		(1,085)	(1,201)
Impairment of investment		—	(800)
Operating loss	1	(1,085)	(2,001)
(Loss)/profit on disposal of fixed asset investments	13	(9,122)	6,481
(Loss)/profit on ordinary activities before investment income		(10,207)	4,480
Investment income		—	33
(Loss)/profit on ordinary activities before tax		(10,207)	4,513
Taxation	3	—	—
(Loss)/profit for the period		(10,207)	4,513
(Loss)/earnings per share			
Basic ($ per share)	4	(0.13)	0.04
Fully diluted ($ per share)	4	(0.13)	0.04

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the profit and loss account.

Balance Sheet
As at 31 December 2009

	Notes	*2009* *US$000*	*2008* *US$000*
Fixed assets			
Tangible fixed assets	5	2	6
Investments	6	—	9,705
		2	9,711
Current assets			
Debtors: amounts falling due within one year	7	1,573	3,108
Cash at bank and in hand	8	2,079	2,649
		3,652	5,757
Creditors: amounts falling due within one year	9	(215)	(379)
Net current assets		3,437	5,378
Net assets		3,439	15,089
Capital and reserves			
Called up share capital	10	13,373	11,426
Share premium account	12	28,761	28,761
Merger reserve	12	—	1,947
Other reserve	12	60	60
Share based compensation reserve	12	1,479	1,727
Profit and loss account	12	(40,234)	(28,832)
Equity shareholders' funds		3,439	15,089

The financial statements were approved by the Board of Directors and authorised for issue on 26 May 2010 and are signed on its behalf by:

R STEAR
Director

Cash Flow Statement
As at 31 December 2009

	2009 US$000	2008 US$000
Net cash flow from operating activities	(938)	(1,229)
Returns on investments and servicing of finance		
Interest received	—	33
Taxation		
Corporation tax	—	—
Capital expenditure and financial investment:		
Payments to acquire tangible fixed assets	—	(7)
Loan to subsidiary	—	(1,000)
Net cash flow from disposal of subsidiary undertakings	368	5,126
Cash outflow before financing	(570)	2,923
Financing		
Repayment of loan	—	(274)
(Decrease)/increase in cash for the period	(570)	2,649
Reconciliation of net cash flow to movement in net funds		
(Decrease)/increase in cash for the period	(570)	2,649
Net funds at start of period	2,649	—
Net funds at end of period	2,079	2,649

Reconciliation of operating loss to net cash outflow from operating activities

	2009 US$000	2008 US$000
Operating loss	(1,085)	(2,001)
Depreciation	1	2
Amortisation of goodwill	—	800
Share based compensation	102	265
Loss on disposal of tangible fixed assets	3	2
Increase/(decrease) in debtors	205	(417)
(Decrease)/increase in creditors	(164)	120
Net cash outflow from operating activities	(938)	(1,229)

Accounting Policies
For the year ended 31 December 2009

Basis of Accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

Going Concern

The financial statements are prepared on a going concern basis, which assumes the Company will continue in operational existence for the foreseeable future. The Company's ability to meet its future working capital requirements and therefore continue as a going concern is dependent upon its current cash position. The Directors have prepared projections which they consider to be prudent and demonstrate that the business can operate within its existing cash resources, and have identified a series of realistically achievable actions that they are committed to taking to mitigate the rate of cash outflow whilst pursuing a number of strategic investment opportunities to secure the Company's future.

Reporting Currency

The financial statements are presented in United States of America Dollars, denoted by the symbol "US$", as this is considered to be the Company's local currency. Sterling denominated balances have been retranslated into US Dollars using the following exchange rates: 31 December 2009 £1/US$1.6226 (31 December 2008 £1/US$1.941).

Reason for Non Consolidation of Subsidiary Undertakings

The accounts present information about the company as an individual undertaking and not about its group, as the company has taken advantage of the exemption provided by section 402 of the Companies Act 2006 not to prepare consolidated financial statements as the directors consider that all the Company's subsidiaries may be excluded from consolidation as they are immaterial for purpose of giving a true and fair view (individually and collectively).

Fixed Asset Investments

Fixed asset investments are stated at cost, less any provision for permanent diminution in value.

Tangible Fixed Assets

Tangible fixed assets are stated at cost. The cost is the purchase cost, together with any directly attributable costs of acquisition. Depreciation is calculated so as to write off the cost of fixed assets, less their estimated residual values, over the expected useful economic lives of the assets concerned.

The principal annual rates for this purpose are:

Computer equipment	—	10% – 20% straight line

Fixed assets are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable or as otherwise required by relevant accounting standards.

Share-based Compensation

The Company operates an equity-settled, share based compensation plan. The fair value of the employee services received in exchange for the grant of options is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions (for example, profitability and growth targets). Non-market vesting conditions are included in the assumptions about the number of options that are expected to become exercisable. At each balance sheet date, the Company revises its estimates of the number of options that are expected to become exercisable. It recognises the impact of the revision of original estimates, if any, in the profit and loss account, and a corresponding adjustment to reserves over the remaining vesting period.

The proceeds received net of any attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

Deferred Taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are difference between the Company taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax arrangements in periods different from those in which they are recognised in the financial statements.

Deferred tax assets are recognised only to the extent that the Directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is calculated at the rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date. Deferred tax is measured on a non-discounted basis.

Foreign Currencies

Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the profit and loss account.

Financial Instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

1 Loss from Operations

	2009 *US$000*	*2008* *US$000*
Loss from operations is stated after charging/(crediting):		
Depreciation of owned assets	1	2
Impairment	—	800
Auditor's remuneration		
– audit services	22	44
– non audit services	27	62
Share based compensation	102	265
Foreign exchange losses	18	90

Amounts payable to Baker Tilly UK Audit LLP and their associates in respect of both audit and non audit services:

	2009 *US$000*	*2008* *US$000*
Auditors remuneration		
– Statutory audit	22	44
– Other services	27	62
	49	106

2 Employees

Number of Employees

The average monthly numbers of employees (including the Directors) during the period were:

	2009 *Number*	*2008* *Number*
Administration and executive	1	1

Employment Costs

	2009 *US$000*	*2008* *US$000*
Wages and salaries	22	26
Social security costs	—	—
Share based compensation	102	265
	124	291

Directors' Emoluments

	2009 *US$000*	*2008* *US$000*
Remuneration and other emoluments	22	26
Share based compensation	27	16
	49	42

	US$000	*US$000*
Highest paid Director amounts included above:		
Remuneration and other emoluments	12	14
Share based compensation	16	12
	28	26

No retirement benefits are accruing to any directors under money purchase or defined benefit schemes.

3 Taxation

	2009 US$000	2008 US$000
ANALYSIS OF CHARGE IN YEAR		
Current tax		
UK corporation tax	—	—
Total current tax charge	—	—
Foreign tax	—	—
Foreign tax credit	—	—
Total current tax charge	—	—

No provision for deferred tax asset has been recognised as there is insufficient certainty that future taxable profits will arise. Losses carried forward are $14,952,847 (2008: $13,928,847).

Factors affecting tax charge for year

The tax assessed for the period is higher than the standard rate of corporation tax in the UK 28.5 per cent. The differences are explained below:

	2009 US$000	2008 US$000
(Loss)/profit before taxation	(10,207)	4,513
(Loss)/profit multiplied by standard rate of corporation tax in the UK of 28.5% (2008: 28.5%)	(2,896)	1,286
EFFECTS OF:		
Tax effect of expenses that are not deductible in determining taxable profit	2,896	(1,286)
Current tax charge for year	—	—

4 Loss per Share

	2009 US$000	2008 US$000
(Loss)/profit for the financial year	(10,207)	4,513
Average number of ordinary shares in issue	80,539	96,865
Dilutive potential of share options	—	—
	80,539	96,865
EPS:		
Basic (loss)/earnings per 5p (2007: 5p) ordinary share (in US$)	(0.13)	0.04
Diluted (loss)/earnings per 5p (2007: 5p) ordinary share (in US$)	(0.13)	0.04

The calculation of the basic and diluted (loss)/earnings per ordinary share of 5p (2008: 5p) each has been based on the (loss)/profit for the relevant financial year and on 80,539,433 shares (2008: 96,865,559). This represents the weighted average number of ordinary shares in issue. The loss for the year ended 31 December 2009 and the weighted average number of ordinary shares for the purposes of calculating the diluted loss per share are the same as for the basic loss per share calculation. This is because the outstanding share options would have the effect of reducing the loss per ordinary share and therefore not dilute under the terms of FRS 22.

5 Tangible Fixed Assets

	Computer equipment US$000	*Total US$000*
Cost		
At 1 January 2009	8	8
Disposals	(5)	(5)
At 31 December 2009	3	3
Depreciation		
At 1 January 2009	2	2
Charge for the year	1	1
Disposals	(2)	(2)
At 31 December 2009	1	1
Net book values		
At 31 December 2009	2	2
At 31 December 2008	6	6

6 Fixed Asset Investments

	Shares in subsidiary undertakings US$000
Cost	
As at 1 January 2009	12,292
Disposals	(12,292)
At 31 December 2009	—
Provision	
As at 1 January 2009	2,587
Disposal	(2,587)
At 31 December 2009	—
Net book values	
At 31 December 2009	—
At 31 December 2008	9,705

Details of subsidiary undertakings at the end of the year, which are wholly owned by the company except where noted, are as follows:

Company	*Country of registration or incorporation*	*Shares held class*	*Proportion of shares held*	*Nature of business*
Freeplay Asia Limited(**)	Hong Kong	2 ordinary shares of HK $1 each	100%	Dormant
Summerspark Limited	United Kingdom	2 ordinary shares of £1 each	100%	Dormant

(**) denotes 50% held directly and 50% held indirectly.

The companies noted above are not consolidated as, in the opinion of the directors, the figures would be of no value to the members. The capital and reserves for Summerspark Limited is £2.00 (2008: £2.00) and the capital and reserves of Freeplay Asia Limited is HK$2.00 (2008: HK$2.00).

Details of subsidiaries disposed of during the year may be found in note 13.

7 Debtors

	2009 US$000	2008 US$000
Amounts due from group undertakings	—	1,437
Other debtors	1,500	1,570
Prepayments	73	101
	1,573	3,108

8 Cash at bank and in hand

	2009 US$000	2008 US$000
Cash at bank	2,079	2,649

9 Creditors: amounts falling due within one year

	2009 US$000	2008 US$000
Trade creditors	127	173
Other shareholders' loans	29	29
Promissory note	—	107
Accruals	59	70
	215	379

10 Share Capital

	2009 Number of shares	2009 US$000	2008 Number of shares	2008 US$000
Authorised:				
Ordinary shares of 5p each	110,819,639	11,820	150,000,000	14,884
Deferred shares of 45p each	4,496,508	3,902	4,110,650	3,671
Deferred shares of 5p each	39,180,361	3,064	—	—
		18,786		18,555
Allotted, called up and fully paid:				
Ordinary shares of 5p each				
At the beginning of the year	96,864,559	9,471	96,864,559	9,471
Transfer to deferred 5p	(39,180,361)	(3,064)	—	—
At the end of the year	57,684,198	6,407	96,864,559	9,471
Deferred shares of 45p each				
At the beginning of the year	1,730,098	1,955	1,730,098	1,955
Allotments in the year	2,766,410	1,947	—	—
At the end of the year	4,496,508	3,902	1,730,098	1,955
Deferred B shares of 5p each				
Allotments in the year	39,180,361	3,064	—	—
	39,180,361	3,064	—	—
Total				
At the beginning of the year		11,426		11,426
Allotments in the year		5,011		—
Transfers in the year		(3,064)		—
At the end of the year		13,373		11,426

On 24 July 2009, following approval of a shareholders' resolution, the authorised and issued share capital was amended by the conversion of 39,180,361 ordinary shares of 5p each to a new class of deferred B shares of 5p each.

The shareholders also resolved on 24 July 2009 to capitalise a merger reserve of US$1,947,000 by issuing and paying up in full 2,766,410 deferred shares of 45p each.

The company's deferred shares have no rights to dividends or voting rights.

Share options

At 31 December 2009 the Company had 8,705,613 ordinary shares under option of 5p each (2008: 12,652,641) under the Company's share option schemes, details of which are included below:

Grant date	*Subscription price per share*	*Number of shares for which rights exercisable*	*Period over which options are exercisable*
24 February 2005	52p	1,036,062	24 February 2005 to 24 February 2012
19 October 2005	52p	100,000	1 July 2006 to 1 July 2011
5 May 2005	52p	100,000	31 March 2006 to 31 March 2011
22 June 2006	29p	1,369,551	22 June 2007 to 22 June 2016
1 January 2007	31p	33,333	1 July 2008 to 1 January 2017
I January 2007	31p	66,667	31 December 2010 to 1 January 2017
17 December 2007	6.5p	500,000	1 July 2009 to 17 December 2012
31 December 2007	6.5p	1,750,000	31 December 2008 to 31 December 2017
31 December 2007	6.5p	750,000	31 December 2010 to 31 December 2017
22 September 2008	4.5p	2,850,000	31 December 2008 to 22 September 2018
22 September 2008	4.5p	150,000	31 December 2010 to 22 September 2018
Total share options in issue		8,705,613	

A reconciliation of option movements over the year to 31 December 2009 is shown below:

	2009		*2008*	
	Number	*Weighted average exercise price*	*Number*	*Weighted average exercise price*
Outstanding at 1 January	12,652,641	14.7p	11,146,697	19.4p
Granted	—	—	3,000,000	4.5p
Forfeited/Lapsed	(3,947,028)	11.7p	(1,494,056)	29p
Outstanding at 31 December	8,705,613	17.5p	12,652,641	14.7p
Exercisable at 31 December	7,738,946	18.7p	7,785,974	20.3p

The Company charged $101,491 (2008: $265,000) to the profit and loss account in relation to share based payments.

The options outstanding at 31 December 2009 had a weighted average exercise price of 17.5p and a weighted average remaining contractual life of 7.5 years.

Expected volatility was based upon the historical volatility over the expected life of the schemes. The expected life is based upon historical data and has been adjusted based on management's best estimates for the effects of non-transferability, exercise restrictions and behavioural considerations.

11 Financial Instruments

The Company's financial instruments comprise cash, other debtors and trade creditors, which arise directly from its operations. The main purpose of these financial instruments is to raise finance for the Company's working capital.

The Company does not enter into derivative transactions (such as interest rate swaps and forward foreign currency contracts), and it is, and has been throughout the year under review, the Company's policy that no trading in financial instruments shall be undertaken.

The main risks arising from the Company's financial instruments are interest rate risk, liquidity risk, foreign currency risk and credit risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below.

Interest rate risk

The Company finances its operations through its cash and debtor balances. There have been no borrowings during the financial year.

Liquidity risk

The Company's policy is to achieve continuity of funding by ensuring that adequate cash and debtor balances are in place appropriate to meet its forecast requirements. The Board receives regular cash flow forecasts to ensure that sufficient funding is in place as it is required.

Foreign currency risk

The Company's operational and reporting currency is US dollars, and where possible revenues, costs and financing of the Company's UK operations are denominated in this currency. Sterling denominated amounts have been retranslated into US dollars using the following rates of exchange: 31 December 2009 £1/US$1.6226 (2008: £1/US$1.941).

Interest rate risk profile of financial liabilities and financial assets

The interest rate profile of the financial liabilities of the Company as at 31 December 2009 is as follows:

	Fixed rate financial liabilities US$000	*Floating rate financial liabilities US$000*	*Financial liabilities on which no interest is paid US$000*	*Total US$000*
2009				
US dollars				
Other borrowings	—	—	29	29
At 31 December 2009	—	—	29	29
2008				
US dollars				
Other borrowings	—	—	29	29
At 31 December 2008	—	—	29	29

Other borrowings on which no interest is paid represents a US dollar loan from shareholders of US$29,000 (2008: US$29,000).

The above disclosures exclude short term debtors and creditors arising directly from the Company's operations.

At 31 December 2009 the Company had a debtor of $1.5m in relation to the deferred cash payment from Mr Narang which is non interest bearing.

Fair values of financial assets and financial liabilities

The following table provides a comparison by category of the carrying amounts and the fair values of the Company's financial assets and financial liabilities at 31 December 2009 and 31 December 2008. Fair value is the amount at which a financial instrument could be exchanged in an arm's length transaction between informed and willing parties, other than a forced or liquidation sale and excludes accrued interest.

	At 31 December 2009		At 31 December 2008	
	Book value US$000	Fair value US$000	Book value US$000	Fair value US$000
Primary financial instruments held or issued to finance the group's operations:				
Other shareholders' loans	(29)	(29)	(29)	(29)
Other debtors	1,500	1,500	1,500	1,500
Cash at bank and in hand	2,079	2,079	2,649	2,649

Short term receivables and payables whose carrying amount is a reasonable approximation to fair value have been excluded from the tables above.

Summary of methods and assumptions

Borrowings and other financial liabilities

The fair value of other financial liabilities has been calculated by discounting expected cash flows at prevailing rates.

Foreign currency profile of financial assets

The foreign currency profile of the financial assets of the Company as at 31 December 2009 is as follows:

Currency	*2009 US$000*	*2008 US$000*
Sterling	22	199
US Dollars	3,557	3,950
	3,579	4,149

Hedges

The Company has no financial instruments used as hedges during the year or prior year covered by the financial statements.

12 Reconciliation of Shareholders' Funds

	Share capital US$000	*Share premium US$000*	*Merger reserve US$000*	*Share based compensation US$000*	*Other reserve US$000*	*Profit and loss account US$000*	*Total Equity US$000*
At 1 January 2009	11,426	28,761	1,947	1,727	60	(28,832)	15,089
Share based compensation	—	—	—	102	—	—	102
Transfer due to lapsed share options	—	—	—	(350)	—	350	—
Capitalisation of reserves	1,947	—	(1,947)	—	—	—	—
Deemed value of shares	—	—	—	—	—	(1,545)	(1,545)
Loss for the period		—	—	—	—	(10,207)	(10,207)
At 31 December 2009	13,373	28,761	—	1,479	60	(40,234)	3,439

13 Loss on Disposal of Fixed Asset Investments

	2009
	US$000
Total consideration	
Cash consideration	525
Deemed share value surrendered	1,545
	2,070
Less cost of investment	(9,705)
Less Dixie Sales Inc related party debtor	(1,330)
Less costs of disposal	(157)
Loss on disposal	(9,122)
Cash consideration	525
Less costs of disposal	(157)
Net cashflows from disposal of subsidiary	368

Disposal of Dixie Sales Inc

At a general meeting held on 24 July 2009 the shareholders approved the resolution for the disposal of Dixie Sales Company Inc and the sale of a promissory note.

The disposal was effected by the sale of the entire issued share capital of Fieldbury Holdings Inc, which is the immediate parent company of Dixie Sales Inc. The consideration in relation to the disposal of Dixie Sales consisted of the following:

- the conversion by the Consortium of a total of 39,180,361 Ordinary Shares into Deferred B Shares having the restricted rights. The Deferred Shares have no practical economic value, are not listed, are non-voting, carry no right to a dividend and are subject to eventual cancellation by the Company for a nominal amount. The Ordinary Shares owned by the Consortium amounted to approximately 40 per cent. of the total issued Ordinary Shares.
- cash consideration of US$500,000 for a promissory note which, on completion of the Disposal, had a face value of US$1 million due to the Company from Dixie Sales Inc (in respect of intercompany indebtedness due from Dixie Sales Inc to the Company after set-off of amounts owed by the Company to Dixie Sales Inc and a contribution of a proportion of the Note as a capital contribution to Fieldbury Holdings Inc.). The Note was sold, *inter alia*, to certain Shareholders of the Company.
- the release of Fieldbury's guarantee of up to US$1 million which the Company provided to Dixie Sales Inc's bankers.
- the release of the promissory note issued by the Company in 2006 at the time of the acquisition of Dixie Sales Inc pursuant to which the Company owed Barrett Marketing Group Limited approximately US$25,000 as at 30 June 2009.

14 Related Party Transactions

In the ordinary course of business supply and purchases of services take place with related parties, Dixie Sales Inc and Flambard Holdings Limited. Dixie Sales Inc was a subsidiary of Fieldbury Holdings Inc and was disposed of in July 2009. Flambard Holdings Limited is a company controlled by R Stear. The purchase of these services are approved in advance by the Board on an annual basis. The value of the transactions were:

	2009 *US$000*	*2008* *US$000*
Included in administration expense		
Flambard Holdings Limited	250	404
Included in Debtors		
Dixie Sales Inc	—	1,437
Included in trade creditors		
Flambard Holdings Limited	67	61
Promissory Notes	—	107

During the year promissory notes of US$106,909 were paid through the intercompany account with Dixie Sales Inc.

FIELDBURY PLC
(the **"Company"**)

NOTICE IS HEREBY given that the annual general meeting of the Company will be held at 2 Stone Buildings, Lincoln's Inn, London WC2A 3TH at 2.00 p.m. on 23 June 2010 for the following purposes:

Ordinary Business

To consider and if thought fit, to pass the following resolutions which will be proposed as ordinary resolutions:

1 To receive and adopt the Company's annual accounts for the period ended 31 December 2009, together with the last directors' report and auditors' report on those accounts.

2 To reappoint Andy Polansky, who retires by rotation, as a director of the Company.

3 To appoint Baker Tilly as auditors, to hold office from the conclusion of the meeting to the conclusion of the next meeting at which the accounts are laid before the Company, at a remuneration to be determined by the directors.

Special Business

To consider and, if thought fit, pass the following resolutions, resolution 4 being an ordinary resolution and resolution 5 being a special resolution.

4 THAT the directors be and they are generally and unconditionally authorised for the purposes of section 551 of the Companies Act 2006 (the "**Act**") to exercise all the powers of the Company to allot relevant securities (within the meaning of that section) up to an aggregate nominal amount of £2,000,000 provided that this authority is for a period expiring at the Company's next Annual General Meeting but the Company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the directors may allot relevant securities in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired. This authority is in substitution for all subsisting authorities, to the extent unused.

5 THAT subject to the passing of the previous resolution, the directors be and they are empowered pursuant to section 570 of the Act to allot equity securities (within the meaning of section 560 of the Act) wholly for cash pursuant to the authority conferred by the previous resolution as if section 561(1) of the Act did not apply to any such allotment, provided that this power shall be limited to the allotment of equity securities:

(a) in connection with an offer of such securities by way of rights to holder of ordinary shares in proportion (as nearly as may be practicable) to their respective holdings of such shares, but subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to fractional entitlements or any legal or practical problems under the laws of any territory, or the requirements of any regulatory body or stock exchange; and

(b) other than pursuant to sub-paragraph (a) above to an aggregate nominal amount of £2,000,000;

and shall expire on the conclusion of the next Annual General Meeting of the Company after the passing of this resolution save that the Company may, before such expiry make an offer or agreement which would 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 notwithstanding that the power conferred by this resolution has expired.

BY ORDER OF THE BOARD

R C Shear
Secretary

Dated 1 June 2010

Registered Office:
2 Stone Buildings
Lincoln's Inn
London
WC2A 3TH

Notes:

Eligibility to attend and vote

1 In accordance with Regulation 41 of the Uncertificated Securities Regulations 2001, to be entitled to attend and vote at the Annual General Meeting (and for the purpose of determining the number of votes a member may cast), members must be entered on the Register of Members of the Company by 6.00 p.m. on 21 June 2010. If the meeting is adjourned, members entered into the Register of Members of the Company not later than 48 hours before the time appointed for the adjourned meeting shall be entitled to attend and vote at the meeting.

Appointment of proxies

2 As a member of the Company, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the Meeting using the procedures set out in these notes and the notes to the proxy form.

3 A proxy does not need to be a member of the Company but must attend the Meeting to represent you. If you wish your proxy to speak on your behalf at the Meeting you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them.

4 The Form of Proxy, accompanied by any Power of Attorney under which it is executed (if applicable), must be received by the Company's registrars, during normal business hours, no later than 48 hours before the time appointed for the holding of the Annual General Meeting. Shares held in uncertificated forms (i.e. in CREST) may be voted through the CREST Proxy Voting Service (Issuer's agent ID: RA10) in accordance with the procedures set out in the CREST manual.

5 To appoint as a proxy a person other than the Chairman of the meeting, insert the full name in the space provided. A proxy need not be a member of the Company. You can also appoint more than one proxy provided that each proxy is appointed to exercise the rights attached to a different share or shares held by you. The following options are available:

5.1 To appoint the **Chairman** as your **sole proxy** in respect of all your shares, simply fill in any voting instruction in the appropriate box and sign and date the Form of Proxy.

5.2 To appoint a **person other than the Chairman as your sole proxy** in respect of all your shares, delete the words "the Chairman of the meeting" and insert the name and address of your proxy in the spaces provided. Then fill in any voting instructions in the appropriate box and sign and date the Form of Proxy.

5.3 To appoint **more than one proxy**, please sign and date the Form of Proxy and attach a schedule listing the names and addresses (in block letters) of all of your proxies, the number of shares in respect of which each proxy is appointed (which, in aggregate, should not exceed the numbers of share held by you) and indicating how you wish each proxy to vote of abstain from voting. If you with to appoint the Chairman as one of your multiple proxies, simply write "the Chairman of the meeting".

6 A corporation must execute the Form of Proxy under either its common seal or the hand of a duly authorised officer of attorney.

7 Appointment of a proxy does not preclude you from attending the Meeting and voting in person. If you have appointed a proxy and attend the Meeting in person, your proxy appointment will automatically be terminated.

Appointment of proxy by joint members

8 In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's Register of Members in respect of the joint holding (the first-named being the most senior).

Communication

9 Except as provided above, members who have general queries about the Meeting should contact the Company's registrars.

10 You may not use any electronic address provided either in this notice of annual general meeting or any related documents (including the proxy form) to communicate with the Company for any purposes other than those expressly stated.

Documents available for inspection

11 The following documents will be available for inspection during normal business hours at the Company's registered office from the date of this notice up until the date of the Annual General Meeting:

11.1 the audited consolidated accounts of the Company for the financial period ended 31 December 2009; and

11.2 the Register of Directors' interests in the capital of the Company and copies of the service contracts of the Directors of the Company.