

VISURAY PLC

**Annual Report
and
Consolidated Financial Statements**

31 December 2011

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VISURAY PLC
Annual Consolidated Financial Statements for the year ended 31 December 2011

GENERAL INFORMATION

Registration

Visuray plc, (“the company”) was registered in Malta as a limited liability company under the Companies Act, Cap. 386 of the Laws of Malta on 17 February 2011. The company’s registration number is C 52031.

Directors

Mr. Kambiz Ali Safinya	(appointed 14 June 2011, resigned 14 September 2011)
Mr. Jean-Philippe Stork Flament	
Mr. Thor Kristian Haugnaess	
Mr. Tore Hansen Tangen	(appointed 14 June 2011)
Mr. Geir Aune	(appointed 14 June 2011)
Mr. Franck Biancheri	(appointed 8 November 2011)

Company secretary

Mr. Thomas Jacobsen

Registered Office

Apartment 1
Advance House, 375
Manuel Dimech Street
Sliema
MALTA

Bankers

Bank of Valletta
45, Republic Street
Valletta, VLT 1113
MALTA

DNB Nor Bank ASA
Straden 21
0021 Oslo
NORWAY

Auditors

Ernst & Young Malta Limited
Certified Public Accountants
Regional Business Centre
Achille Ferris Street
Msida MSD 1751
MALTA

DIRECTORS' REPORT

The directors submit their annual report and the audited financial statements of the group for the year ended 31 December 2011.

Principal activity of the group

Visuray plc is the holding company for all activities related to the development, marketing, operations and intellectual property of the Visuray Group of companies. The Group also makes strategic investments in suppliers and key technology developers to ensure the success of the Group. The Group is currently in its start up phase, developing the first prototypes of the Visuwell, the Group's first product to market and anticipates full commercial introduction in 2015.

Review of the business

The statement of comprehensive income is set out on page 7.

The group's consolidated financial statements show a total comprehensive loss of EUR7,798,063 for the financial year ended 31 December 2011.

Future developments

The net cash flows for the Group will continue to be negative through the Visuwell development phase and the field trial in 2013. The Group anticipates generating positive net cash flows in 2015 as commercial tools are introduced into the market.

Directors

During the year ended 31 December 2011 the directors were as listed on page 2.

DIRECTORS' REPORT - continued

Statement of directors' responsibilities

The Companies Act, Cap. 386 of the Laws of Malta requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the group as at the end of the financial year and of the profit or loss for that year.

The directors are responsible for ensuring that:

- appropriate accounting policies have been consistently applied and supported by reasonable and prudent judgements and estimates;
- the financial statements have been drawn up in accordance with International Financial Reporting Standards as adopted by the European Union;
- the financial statements are prepared on the basis that the group must be presumed to be carrying on its business as a going concern; and
- account has been taken of income and charges relating to the accounting period, irrespective of the date of receipt or payment.

The directors are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the group and to enable them to ensure that the financial statements comply with the Companies Act, Cap. 386 of the Laws of Malta. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

Ernst & Young Malta Limited have expressed their willingness to continue in office and a resolution for their re-appointment will be proposed at the Annual General Meeting.

The directors' report was approved by the board of directors and was signed on its behalf by:



Thor Kristian Haugnaess
Director



Franck Biancheri
Director

11 June 2012

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF VISURAY PLC

We have audited the consolidated financial statements of Visuray PLC and its subsidiaries ("the group") set out on pages 7 to 30 which comprise the consolidated statement of financial position as at 31 December 2011 and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Consolidated Financial Statements

As described in the statement of directors' responsibilities on page 4, the directors are responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of the Companies Act, Cap. 386 of the Laws of Malta and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate for the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for qualified opinion

The group is not presenting comparative financial information. Management has not prepared a consolidation in accordance with International Financial Reporting Standards for the year ended 31 December 2010. Non-disclosure of comparative information constitutes a departure from International Accounting Standard 1 – Presentation of Financial Statements.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF VISURAY PLC - continued

Qualified Opinion

In our opinion, except for the matter described in the basis for qualified opinion paragraph, the consolidated financial statements:

- give a true and fair view of the financial position of the group as at 31 December 2011, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union; and
- have been properly prepared in accordance with the requirements of the Companies Act, Cap. 386 of the Laws of Malta.

Report on other Legal and Regulatory Requirements

We also have responsibilities under the Companies Act, Cap. 386 of the Laws of Malta to report to you if in our opinion:

- The information given in the directors' report is not consistent with the consolidated financial statements.
- Adequate accounting records have not been kept.
- The consolidated financial statements are not in agreement with the accounting records.
- We have not received all the information and explanations we require for our audit.
- If certain disclosures of directors' remuneration specified by law are not made in the consolidated financial statements, giving the required particulars in our report.

We have nothing to report to you in respect of these responsibilities.

*This copy of the audit report has been signed by
Anthony Doublet for and on behalf of*

Ernst & Young Malta Limited
Certified Public Accountants

11 June 2012

VISURAY PLC
Annual Consolidated Financial Statements for the year ended 31 December 2011

STATEMENT OF COMPREHENSIVE INCOME

	Notes	2011 EUR
Revenue	4	11,015
Direct expenditure		(113,372)
Gross loss		(102,357)
Share of losses in associate	13	(917,270)
Other income		59,370
Administrative expenses	5	(4,829,705)
Write-off of intangible assets		(1,652,010)
Operating loss		(7,441,972)
Finance costs	8	(200,932)
Finance income	7	4,949
Decrease in fair value derivatives	12	(37,807)
Loss before tax		(7,675,762)
Income tax expense	9	(105,777)
Loss for the year		(7,781,539)
Other comprehensive income		
Exchange difference on translation of foreign operations		(16,524)
Total comprehensive loss for the year		(7,798,063)
Attributable to:		
Owners of the parent		(7,709,756)
Non-controlling interests		(88,307)

The accounting policies and explanatory notes on pages 11 to 30 form an integral part of the financial statements.

STATEMENT OF FINANCIAL POSITION
as at 31 December 2011

	Notes	2011 EUR
ASSETS AND LIABILITIES		
Non-current assets		
Property, plant & equipment	10	483,188
Intangible assets	11	4,396,834
Investment in associate	13	2,673,648
Other non-current financial assets	15	916,579
		<u>8,470,249</u>
Current assets		
Trade and other receivables	14	373,530
Derivative financial instruments	12	67,025
Cash and cash equivalents	16	510,952
		<u>951,507</u>
TOTAL ASSETS		<u>9,421,756</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	17	3,058,467
Retained earnings	17	(12,911,823)
Capital Contribution reserve	17	1,593,827
Share premium account	17	12,151,905
Foreign currency translation reserve	17	(3,298)
Restructuring reserve	17	(12,572)
Equity attributable to owners of the parent		<u>3,876,506</u>
Non-current liabilities		
Deferred taxation	18	105,777
		<u>105,777</u>
Current liabilities		
Trade and other payables	19	1,360,416
Interest-bearing loans and borrowings	20	4,079,057
		<u>5,439,473</u>
Total liabilities		<u>5,545,250</u>
TOTAL EQUITY AND LIABILITIES		<u>9,421,756</u>

The accounting policies and explanatory notes on pages 11 to 30 form an integral part of the financial statements.

The financial statements on pages 7 to 30 have been authorised for issue by the Board of Directors, and were signed on its behalf by:



Thor Kristian Haugnaess
Director



Franck Biancheri
Director

11 June 2012

VISURAY PLC
Annual Consolidated Financial Statements for the year ended 31 December 2011

STATEMENT OF CHANGES IN EQUITY

FINANCIAL YEAR ENDED 31 DECEMBER 2011

	Issued capital EUR	Share premium EUR	Capital contribution reserve EUR	Re- structuring reserve EUR	Foreign currency translation EUR	Retained earnings EUR	Total EUR	Non- controlling interest EUR	Total equity EUR
As at 1 January 2011	2,161,260	6,864,162	-	(11,190)	13,226	(5,328,334)	3,699,124	328,877	4,028,001
Loss for the year	-	-	-	-	-	(7,693,232)	(7,693,232)	(88,307)	(7,781,539)
Other comprehensive income	-	-	-	-	(16,524)	-	(16,524)	-	(16,524)
Total comprehensive income	-	-	-	-	(16,524)	(7,693,232)	(7,709,756)	(88,307)	(7,798,063)
Issue of share capital	947,207	5,287,743	-	(1,382)	-	-	6,233,568	40,605	6,274,173
Reduction of share capital	(50,000)	-	-	-	-	-	(50,000)	-	(50,000)
Contribution by shareholders	-	-	1,593,827	-	-	-	1,593,827	-	1,593,827
Acquisition of non-controlling interests	-	-	-	-	-	109,743	109,743	(281,175)	(171,432)
Balance at 31 December 2011	3,058,467	12,151,905	1,593,827	(12,572)	(3,298)	(12,911,823)	3,876,506	-	3,876,506

The accounting policies and explanatory notes on pages 11 to 30 form an integral part of the financial statements.

STATEMENT OF CASH FLOWS

	Notes	2011 EUR
Operating activities		
Loss before tax		(7,675,762)
<i>Non-cash adjustment to reconcile profit before tax to net cash flows:</i>		
Depreciation of property, plant and equipment	10	141,939
Write-off of intangible assets	11	1,652,010
Share of losses in associate	13	(917,270)
Increase in re-structuring reserve		(1,382)
Unrealised difference on exchange	5	532
Decrease in fair value of derivatives		37,807
Finance revenue	7	(4,949)
Finance expense	8	200,932
Reduction in share capital waived by shareholders		(50,000)
<i>Working capital adjustments:</i>		
Decrease in trade and other receivables		229,332
Increase in trade and other payables		567,050
Net cash flows generated from operating activities		(5,819,761)
Investing activities		
Interest received		2,370
Purchase of property, plant and equipment	10	(308,397)
Development expenditures	11	(753,672)
Acquisition of share in associate		216,631
Purchase of derivatives		(104,832)
Loans advanced		(914,000)
Net cash flows used in investing activities		(1,861,900)
Financing activities		
Issue of share capital		3,049,950
Acquisition of non-controlling interest		(171,435)
Proceeds from borrowings		5,030,468
Net cash flows generated from financing activities		7,908,983
NET MOVEMENT IN CASH AND CASH EQUIVALENTS		227,322
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		283,630
CASH AND CASH EQUIVALENTS AT END OF YEAR	16	510,952

The accounting policies and explanatory notes on pages 11 to 30 form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The “Company” Visuray plc was incorporated on 17 February 2011. The Company’s main activity is management of directly and indirectly owned subsidiaries.

Up to 28 June 2011 the “Group” comprised of Visuray Holdings AS and its subsidiaries, Visuray AS, Latent AS and XR Invest AS. Following incorporation of Visuray plc, there was a reorganisation of the Group, whereby Visuray plc acquired Visuray Holdings AS from the previous shareholders by issuing shares in exchange for the existing shares in Visuray Holdings AS. As a result, Visuray plc directly or indirectly controlled a number of subsidiaries as disclosed in note 22.

2.1 BASIS OF PREPARATION

These consolidated financial statements have been prepared under the historical cost convention. The Group is not presenting comparative financial information due to the fact that no consolidation in accordance with International Financial Reporting Standards was prepared as at 31 December 2010. Except for the non-presentation of comparative figures, these consolidated financial statements are in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and comply with the Companies Act, Cap. 386 of the Laws of Malta.

These consolidated financial statements are presented in Euro, which is the group’s functional and presentation currency.

Basis of consolidation

The consolidated financial statements of the Group comprise the financial statements of Visuray plc and its subsidiary companies disclosed in note 22. The reorganisation of the Group in 2011 does not represent a business combination within the scope of IFRS 3, ‘Business Combinations’, but a continuation of the previous Group existing as of 31 December 2010. Accordingly, the consolidated financial statements of the Group are being presented for the period from 1 January 2011 to 31 December 2011. These consolidated financial statements have been prepared on the basis that the Group reorganisation is a transaction of entities under common control and the pooling of interest method of accounting has been used in the presentation of the accompanying Consolidated Financial Statements. For periods prior to the legal formation of the Company, under the pooling of interest method of accounting, the assets, liabilities, revenue and expenses of the Visuray AS Group were consolidated, and the Consolidated Financial Statements present the results and changes in equity as if the Group had been in existence throughout the year presented.

The subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continues to be consolidated until the date that such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. All intra-group balances, transactions, unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Going concern

The Group incurred a loss before tax of EUR7,675,762 during the year ended 31 December 2011 and as of that date, the Group’s current liabilities exceeded its current assets by EUR4,487,966. Furthermore, significant investment will be required before the Group is able to start generating revenue. In such circumstances, there is a material uncertainty that may cast significant doubt on the entity’s ability to continue as a going concern and, therefore, that it may be unable to realize its assets and discharge its liabilities in the normal course of business. These financial statements have been prepared on a going concern basis which assumes that the Group will continue in existence for the foreseeable future. The validity of this assumption is dependent on the shareholders’ commitment to continue to provide financial support to the Group. Such support is forthcoming through a further Shareholder injection of share capital.

NOTES TO THE FINANCIAL STATEMENTS - continued

2.2 CHANGES IN ACCOUNTING POLICIES

Standards, interpretations and amendments to published standards as endorsed by the EU effective in the current year

The Group has adopted the following new and amended IFRS and IFRIC interpretations:

- IFRS 1 (Amendments) – Limited exemption from comparative IFRS 7 disclosures effective 1 July 2010
- IAS 24 (Amendment) Related party disclosures effective 1 January 2011
- IAS 32 (Amendment) Classification of rights issue effective 1 February 2010
- Improvements to IFRSs issued May 2010 (various effective dates)
- IFRIC 14 – Amendment – Prepayments of a Minimum Funding Requirement effective 1 January 2011
- IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments effective 1 July 2010

The adoption of the standards or interpretations above did not have an impact on the financial statements or performance of the Group.

Standards, interpretations and amendments to published standards as endorsed by the EU that are not yet effective

Up to date of approval of these financial statements, certain new standards, amendments and interpretations to existing standards have been published but which are not yet effective for the current reporting year and which the Group has not early adopted, but plans to adopt upon their effective date. The changes resulting from these standards are not expected to have a material effect on the financial statements of the group. The new and amended standards are as follows:

- IFRS 7 Amendment – Transfer of financial assets disclosures (effective for financial years beginning on or after 1 July 2011)

Standards, interpretations and amendments to published standards that are not yet endorsed by the EU

- IFRS 1 Amendment – Severe Hyperinflation and removal of fixed dates for first-time adopters (effective for financial years beginning on or after 1 January 2013)
- IFRS 7 Amendment – Offsetting of financial assets and financial liabilities (effective for financial years beginning on or after 1 January 2013)
- IFRS 7 Amendment – Disclosure for initial application of IFRS 9 (effective for financial years beginning on or after 1 January 2015)
- IFRS 9 – Financial Instruments (effective for financial years beginning on or after 1 January 2015)
- IFRS 10 – Consolidated financial statements (effective for financial years beginning on or after 1 January 2013)
- IFRS 11 – Joint Arrangements (effective for financial years beginning on or after 1 January 2013)
- IFRS 12 – Disclosures of interests in other entities (effective for financial years beginning on or after 1 January 2013)
- IFRS 13- Fair Value Measurement (effective for financial years beginning on or after 1 January 2013)
- IAS 1 Amendments – Presentation of items of other comprehensive income (effective for financial years beginning on or after 1 July 2012)
- IAS 12 Amendments – Recovery of underlying assets (effective for financial years beginning on or after 1 January 2012)
- IAS 19 Amendments – Employee Benefits (effective for financial years beginning on or after 1 January 2013)

NOTES TO THE FINANCIAL STATEMENTS - continued

2.2 CHANGES IN ACCOUNTING POLICIES

Standards, interpretations and amendments to published standards that are not yet endorsed by the EU

- IAS 27 Revised – Separate financial statements (effective for financial years beginning on or after 1 January 2013)
- IAS 28 Revised – Investments in associates and joint ventures (effective for financial years beginning on or after 1 January 2013)
- IAS 32 Amendments – Offsetting of financial assets and financial liabilities presentation (effective for financial years beginning on or after 1 January 2014)
- IFRIC 20 – Stripping costs in the production phase of a surface mine (effective for financial years beginning on or after 1 January 2013)

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies used in the preparation of these consolidated financial statements are set out below:

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 or receivable for services provided in the normal course of business, net of value added tax and discounts, where applicable. The following specific recognition criteria must also be met before revenue is recognised:

Provision of services

Revenue from the provision of services is recognised in the year in which the service is rendered.

Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Dividend income

Dividend income is recognised when the right to receive payment is established.

Taxes

Current income tax

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

Deferred income tax

Deferred income tax is provided using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes.

Deferred income tax assets are recognised for all deductible temporary differences, carry forward of unused tax losses, to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

NOTES TO THE FINANCIAL STATEMENTS - continued

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Taxes - continued

Deferred income tax - continued

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred income tax assets and deferred income tax liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set-off current income tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Value added tax

Revenues, expenses and assets are recognised net of the amount of value added tax except:

- where the value added tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the value added tax is recognised as part of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of value added tax included.

The net amount of value added tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Currency translation

The consolidated financial statements of the group are presented in its functional currency, the EUR, being the currency of the primary economic environment in which the group operates. Transactions denominated in currencies other than the functional currency are translated at the exchange rates ruling on the date of the transaction. Monetary assets and liabilities denominated in currencies other than the functional currency are re-translated to the functional currency at the exchange rate ruling at the year end. Exchange differences arising on the settlement and on the re-translation of monetary items are dealt with in the profit or loss.

Foreign exchange gains or losses are included with other operating income and expenses, respectively.

Trade and other receivables

Other receivables are recognised and carried at original invoice amount less an allowance for any uncollectible amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written-off as incurred.

Amounts due from related parties are recognised and carried at cost.

Cash and cash equivalents

Cash and cash equivalents consist of cash at bank and deposits at bank.

NOTES TO THE FINANCIAL STATEMENTS - continued

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Trade and other payables

Liabilities for trade and other accounts payable are carried at cost which is the fair value of the consideration to be paid, in the future for goods and services received, whether or not billed to the Group.

Investment in an associate

The group's investment in its associate is accounted for using the equity method of accounting. An associate is an entity in which the group has significant influence and which is neither a subsidiary nor a joint venture.

Under the equity method, the investment in the associate is carried in the statement of financial position at cost plus post-acquisition changes in the company's share of net assets of the associate, less any impairment in value. The income statement reflects the company's share of the results of operation in the associated company. Where there has been a change recognised directly in the equity of the associate, the company recognises its share of any changes and discloses this, when applicable, in the statement of changes in equity. Profits and losses resulting from transactions between the company and the associate are eliminated to the extent of the interest in the associate.

The reporting dates of the associate and the company are identical and the associate's accounting policies conform to those used by the company for like transactions and events in similar circumstances.

Financial assets

Initial recognition and measurement

Financial assets within the scope of IAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Group determines the classification of its financial assets at initial recognition.

All financial assets are recognised initially at fair value plus transaction costs, except in the case of financial assets recorded at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

The Group's financial assets include cash and short-term deposits, trade and other receivables, loans and derivative financial instruments.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as described below:

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the EIR method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the income statement. The losses arising from impairment are recognised in the income statement in finance costs for loans and in cost of sales or other operating expenses for receivables.

NOTES TO THE FINANCIAL STATEMENTS - continued**2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued****Financial assets - continued***Derivative financial instruments*

Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into, and are subsequently re-measured at their fair value. Fair values are obtained from valuation techniques including discounted cash flow models and option pricing models as appropriate. All derivatives are carried as assets when value is positive and as liabilities when fair value is negative. Changes in fair value of derivatives are recognised in the income statement.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- The rights to receive cash flows from the asset have expired
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group assesses, at each reporting date, whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and when observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

NOTES TO THE FINANCIAL STATEMENTS - continued

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Group determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value plus, in the case of loans and borrowings, directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, bank overdrafts, loans and borrowings, financial guarantee contracts, and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification as described below:

Loans and borrowings

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the income statement when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the income statement.

Property, plant and equipment

The group's property, plant and equipment are classified into the following classes – Buildings, Plant and Equipment, Furniture and Fittings, and Computer equipment.

Property, plant and equipment are initially measured at cost. Subsequent costs are included in the asset's carrying amount when it is probable that future economic benefits associated with item will flow to the group and the cost of the item can be measured reliably. Expenditure on repairs and maintenance of the property, plant and equipment is recognised as an expense when incurred.

Other tangible assets are stated at cost less any accumulated depreciation and any accumulated impairment losses.

Property, plant and equipment are derecognised on disposal or when no future economic benefits are expected from their use or disposal. Gains or losses arising from derecognition represent the difference between the net disposal proceeds, if any, and the carrying amount, and are included in the profit or loss in the period of derecognition.

Depreciation

Depreciation commences when the depreciable assets are available for use and is charged to profit or loss so as to write off the cost less any estimated residual value, over their estimated useful lives, using the straight-line method, on the following basis:

Buildings	25% per annum
Plant and equipment	10% per annum
Furniture & fittings	15-20% per annum
Computer equipment	20% per annum

NOTES TO THE FINANCIAL STATEMENTS - continued

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Property, plant and equipment - continued

The depreciation method applied, the residual value and the useful life are reviewed and adjusted if appropriate, at each balance sheet date.

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, development expenditure are carried out at cost less any accumulated amortisation and accumulated impairment losses.

Intangible assets with finite lives are amortised over the useful economic life. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of future consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in the accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of comprehensive income in the expense category consistent with the function of the intangible asset.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it related. All other expenditure is recognised in the statement of comprehensive income when incurred.

Research and development

Research costs, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, are expensed as incurred.

Development expenditure on an individual project is recognised as an intangible asset when the Company can demonstrate:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- its intention to complete and its ability to use or sell the asset;
- how the asset will generate future economic benefits;
- the availability of resources to complete the asset; and
- the ability to measure reliably the expenditure during development.

No amortization is charged on in-process developments until they are available for use.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

In preparing the consolidated financial statements, the directors are required to make judgements, estimates and assumptions that affect reported income, expenses, assets, liabilities and disclosure of contingent assets and liabilities. Use of available information and application of judgement are inherent in the formation of estimates. Actual results in the future could differ from such estimates and the differences may be material to the financial statements. These estimates are reviewed on a regular basis and if a change is needed, it is accounted in the year the changes become known.

In the opinion of the directors, the accounting estimates, assumptions and judgements made in the course of preparing these consolidated financial statements are not difficult, subjective or complex to a degree which would warrant their description as critical in terms of the requirements of IAS 1 (Revised)- 'Presentation of Financial Statements'.

NOTES TO THE FINANCIAL STATEMENTS - continued

4. REVENUE

Revenue represents income generated from transactions with third parties.

5. EXPENSES BY NATURE

	2011
	EUR
Auditor's remuneration	131,655
Salaries, wages and social security contribution (note 6)	1,511,509
Rent	224,345
Legal fees	181,769
Professional fees	1,519,620
Pension defined contribution schemes	82,298
Marketing and advertising	105,700
Depreciation	141,939
Travelling expenses	397,199
Unrealised difference on exchange	532
Realised difference on exchange	(44,035)
Other expenses	577,174
	<hr/>
Total administrative expenses	4,829,705
	<hr/> <hr/>

Auditor's remuneration includes EUR41,968 in respect of services provided other than the audit of financial statements.

During 2011 the Group obtained a subsidy of EUR141,145 from the Norwegian Government as refund for research and development costs incurred. This amount is being offset against the respective expense; EUR98,802 from salaries and wages and EUR42,343 from other expenses.

6. EMPLOYEE INFORMATION

a. Staff costs

	2011
	EUR
Wages and salaries	1,297,061
Social security costs	214,448
	<hr/>
Total administrative expenses	1,511,509
	<hr/> <hr/>

b. Staff numbers

The average number of employees employed by the group during the year excluding directors was 20.

NOTES TO THE FINANCIAL STATEMENTS - continued

7. FINANCE INCOME

	2011 EUR
Interest receivable on bank balances	1,156
Interest on loan to shareholder	2,579
Other interest income	1,214
	<u>4,949</u>

8. FINANCE COSTS

	2011 EUR
Interest paid on loans	166,518
Fees paid on loans	34,414
	<u>200,932</u>

9. INCOME TAX EXPENSE

The tax charge for the year is comprised of the following:

	2011 EUR
Deferred tax charge (note 18)	<u>105,777</u>

The taxation on profit on ordinary activities differs from the theoretical taxation expense that would apply on the group's profit on ordinary activities before taxation using the applicable tax rate in Malta of 35% as follows:

	2011 EUR
Accounting loss before tax	(7,675,762)
Theoretical taxation expense at 35%	(2,686,517)
Tax effect of	
- Non-allowable expenses	(599,332)
- Deferred tax asset not recognised	3,397,213
- Income not subject to tax	(5,587)
Tax charge	<u>105,777</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

10. PROPERTY, PLANT AND EQUIPMENT

	Buildings EUR	Plant and equipment EUR	Furniture & Fittings EUR	Computer equipment EUR	Total EUR
Cost					
At 1 January 2011	38,719	363,979	153,826	161,294	717,818
Additions	39,866	140,169	2,307	126,055	308,397
At 31 December 2011	78,585	504,148	156,133	287,349	1,026,215
Depreciation and impairment losses					
At 1 January 2011	19,167	228,745	65,306	87,173	400,391
Depreciation charge for the year	19,450	58,595	30,710	33,184	141,939
Exchange differences	99	298	156	144	697
At 31 December 2011	38,716	287,638	96,172	120,501	543,027
Net book value					
At 31 December 2011	39,869	216,510	59,961	166,848	483,188

11. INTANGIBLE ASSETS

	Development costs EUR	Patent and royalties EUR	Total EUR
Cost			
At 1 January 2011	5,123,130	180,436	5,303,566
Additions	694,403	59,269	753,672
Write-off	(1,652,010)	-	(1,652,010)
Exchange difference	(8,394)	-	(8,394)
At 31 December 2011	4,157,129	239,705	4,396,834
Net book value			
At 31 December 2011	4,157,129	239,705	4,396,834

Intangible assets are made up of patents and royalties and development costs. Development costs are stated net of a subsidy received from the Norwegian Government amounting to EUR141,145. The Group's development concentrates on the development of next-generation multi-purpose well diagnostics and logging devices.

No amortization of intangible assets has been charged to date as these assets are still under development.

NOTES TO THE FINANCIAL STATEMENTS - continued

12. DERIVATIVE FINANCIAL INSTRUMENTS

The table below shows the fair values of derivative financial instruments, recorded as assets. The notional amount recorded gross is the amount of the derivative's underlying assets and is the basis upon which changes in the value of derivatives are measured. The notional amounts indicate the volume of transactions outstanding at the year end and are indicative of neither the market risk nor the credit risk.

	Notional Amount EUR	Assets EUR
Derivatives		
Share options	104,832	67,025
At 31 December 2011	104,832	67,025

Derivatives often involve at their inception only a mutual exchange of promises with little or no transfer of consideration. However, these instruments frequently involve a high degree of leverage and are very volatile. A relatively small movement in the value of the asset or rate underlying a derivative contract may have a significant impact on the profit or loss of the group.

Derivatives held by the Group, are contractual agreements under which the seller grants the purchaser (the group) the right, but not the obligation, to buy (a call option) at a set date, a specific amount of a shares in a company. The Group is exposed to credit risk on purchased options, only to the extent of their carrying amount, which is their fair value. The option held by the Group as at 31 December 2011 was in respect the acquisition of a further 1% holding in an associate (note 13). This option was exercised subsequent to year end.

Fair value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair values are observable, either directly or indirectly

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

	Level 1 EUR
Fair value as at 31 December 2011	67,025

NOTES TO THE FINANCIAL STATEMENTS - continued

13. INVESTMENT IN AN ASSOCIATE

The group has 45% interest in X Counter AB, which is a technology leader in direct conversion digital x-ray imaging for medical, dental and industrial markets. X Counter AB was founded in 1997 and is listed on the Nasdaq OMX First North. The Group also has call options (note 12), amounting to another 1% shareholding in X Counter AB. These options were exercised in 2012.

The following illustrates summarised financial information of the group's investment in X Counter AB:

	2011
	EUR
<i>Share of the associate's statement of financial position:</i>	
Non-current assets	4,707,496
Current assets	1,387,298
Non-current liabilities	(1,493,088)
Current liabilities	(989,946)
Net assets	3,611,760
<i>Share of the associate's revenue and profit:</i>	
Revenue	2,560,411
Losses	(825,125)
<i>The amount at which the investment is carried in the statement of financial position is arrived at as follows:</i>	
Investment at cost	3,902,501
Post acquisition losses brought forward	(311,583)
Share of current year post acquisition losses (net of dividends received)	(917,270)
Carrying amount of the investment	2,673,648
Negative goodwill	938,112
Share of associate in net assets	3,611,760

14. TRADE AND OTHER RECEIVABLES

	2011
	EUR
Other receivables (note i)	201,044
VAT recoverable	9,705
Prepayments	162,781
	373,530

- i. Other receivables include EUR141,862 receivable from the Norwegian Government in respect of research and development subsidies.

NOTES TO THE FINANCIAL STATEMENTS - continued

15. OTHER CURRENT FINANCIAL ASSETS

	2011 EUR
Loans and receivables	
Loan to shareholder (note i)	<u><u>916,579</u></u>

- i. This loan is unsecured, bears interest at a rate of 1% and is repayable at the earliest by 2016 unless shareholding in Visuray plc ceases before that date.

16. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the statement of cash flows comprise the following amounts included in the statement of financial position:

	2011 EUR
Cash at banks and in hand	<u><u>510,952</u></u>

Included in cash at bank and in hand is restricted cash of EUR198,179 as explained in note 23.

17. ISSUED CAPITAL AND RESERVES

	2011 EUR
Authorised	
100,000,000 ordinary shares of EUR0.05c each	<u><u>5,000,000</u></u>
Issued and fully paid	
61,169,343 ordinary shares of EUR0.05c each	<u><u>3,058,467</u></u>

Visuray plc was incorporated on 17 February 2011. Following incorporation of Visuray plc there was a re-organisation of the Group whereby, Visuray plc acquired Visuray Holding AS from the previous shareholders by issuing shares in Visuray plc. Financial information is being re-stated from the beginning of the earliest period presented in the financial statements, regardless of the actual date of the combination. As a result, the difference between the share capital of Visuray Holding AS and that issued by Visuray plc in exchange was recorded as a re-structuring reserve. The exchange involved the issue of EUR2,428,100 share capital and EUR7,711,648 premium in Visuray plc. From the total exchange EUR266,841 share capital and EUR847,486 premium were recorded as an issue of share capital in 2011, representing capital issued by Visuray Holding AS in 2011 before the exchange of shares, with the remaining capital being re-stated to the earliest comparative period in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS - continued

17. ISSUED CAPITAL AND RESERVES - continued

The movement in the issued share capital was as follows:

	Issued capital EUR	Share premium EUR	Total EUR
<u>Ordinary shares</u>			
48,562,013 Ordinary A shares of EUR0.05 each issued on 28 June 2011 in exchange of issued share capital of Visuray Holding AS	2,428,100	7,711,648	10,139,748
200,000 Ordinary A and 1,000,000 Ordinary B share of EUR0.05 each issued on 17 February 2011 upon incorporation of the company	60,000	-	60,000
1,830,058 Ordinary A shares of EUR0.05 each issued on 27 June 2011 in respect of loan capitalisations	91,503	616,730	708,233
Reduction in share capital of 1,000,000 Ordinary B shares of EUR0.05	(50,000)	-	(50,000)
3,166,816 Ordinary A shares of EUR0.05 each issued on 30 June 2011 in respect of loan capitalisations	158,341	1,065,633	1,223,974
2,285,714 Ordinary A shares of EUR0.05 each issued on 1 July 2011 for cash	114,286	685,714	800,000
2,500,000 Ordinary A shares of EUR0.05 each issued on 14 July 2011 in respect of loan capitalisations	125,000	1,020,500	1,145,500
277,242 Ordinary A shares of EUR0.05 each issued on 14 July 2011 in respect of loan capitalisations	13,862	93,430	107,292
2,347,500 Ordinary A shares of EUR0.05 each issued on 22 September 2011 for cash	117,375	958,250	1,075,625
As at 31 December 2011	3,058,467	12,151,905	15,210,372

The holders of Ordinary A shares shall have the right to receive notice of and vote on all Ordinary and Extraordinary resolutions. Ordinary A shareholders shall also have the right to receive dividends and to participate in the profits of the company.

On 5 January 2012, Visuray plc issued 1,875,090 Ordinary 'A' shares of EUR0.05 each at a premium of EUR0.08 per share in exchange of issued share capital in X Counter AB. On 7 March 2012, 30,000 Ordinary 'A' shares of EUR0.05 each at a premium of EUR0.4082 per share were issued for cash.

NOTES TO THE FINANCIAL STATEMENTS - continued

17. ISSUED CAPITAL AND RESERVES - continued

Retained earnings

The reserve represents accumulated losses to date.

Capital contribution reserve

On 14 October 2011 Visuray plc acquired 37,501,813 shares in X Counter AB in exchange for share capital in Visuray plc for a value of EUR1,593,827. This amount was placed into this reserve until being recorded as share capital on 5 January 2012.

Share premium

In terms of the Companies Act, Cap.386 of the Laws of Malta, this reserve is non distributable by way of dividends. It may be applied by the Company in paying up unissued shares of the Company as fully paid bonus shares to the shareholders of the Company or to provide for the premium payable on redemption of any redeemable preference shares or of any debentures of the company.

Foreign currency translation reserve

Foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries.

Restructuring reserve

During the reorganisation of the Group the share capital and the share premium of Visuray Holding AS, was eliminated whilst the share capital and share premium of Visuray Plc was accounted for. The difference between the share capital and share premium of Visuray Plc and Visuray Holding AS was accounted for as a restructuring reserve.

18. DEFERRED TAX

Deferred income taxes are calculated on all temporary differences under the liability method using a principle tax rate of 35%.

The total deferred tax liability arises as follows:

	2011
	EUR
Finance revenue	105,777

The movement for the year of EUR105,777, has been debited to the statement of comprehensive income (note 9).

At 31 December 2011, the Group also had cumulative net deductible temporary differences arising from different tax jurisdictions of EUR3,397,213. However the directors opted not to recognise the deferred tax asset in view of the fact that the company is still in its start up phase.

NOTES TO THE FINANCIAL STATEMENTS - continued

18. DEFERRED TAX - continued

The total deferred tax asset arises as follows:

	2011 EUR
Temporary differences on:	
Unutilised tax losses	3,396,719
Unutilised capital allowance	6,724
Property, plant and equipment	(5,043)
Unrealised exchange difference	(1,187)
	<u>3,397,213</u>

19. TRADE AND OTHER PAYABLES

	2011 EUR
Current payables	
Trade payables (note i)	401,146
Amounts due to shareholders (note ii)	75,956
Other payables	700,213
Accruals	62,672
Amounts due to ex-minority (note iii)	120,429
	<u>1,360,416</u>

- i. Trade payables are non-interest bearing and are normally on 30 day term.
- ii. Amounts due to shareholders are unsecured, non-interest bearing and repayable on demand.
- ii. Under the Norwegian Public Liability Companies Act (section 4-25), the company can force the purchase of minority shares in a subsidiary. When a company decides to take over shares according to these provisions, the combined offer price is paid into a special bank account and can only be retrieved by the previous minority shareholder. A payable for the same purpose is also recorded in the books of the company (note 23).

20. INTEREST-BEARING LOANS AND BORROWINGS

At 31 December, interest-bearing loans and borrowings were as follows:

	2011 EUR
Current	
Loans from Shareholders	2,863,147
Loans from third parties	1,215,910
	<u>4,079,057</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

20. INTEREST-BEARING LOANS AND BORROWINGS - continued

Loans from shareholders

The company has loans facilities from shareholders amounting in total to EUR2,863,147 for the purposes of financing the ordinary business of Visuray plc and its subsidiaries. These loan facilities are unsecured and bear interest at the rate of 7% per annum.

The shareholder loans are convertible into Ordinary 'A' shares of Visuray plc at the option of the lender. Every EUR1 of loan entitles the lender to 1 share at a price of EUR1.15 per share.

Loans from third parties

The company has loans facilities from third parties amounting in total to EUR1,215,910 for the purposes of financing the ordinary business of Visuray plc and its subsidiaries.

EUR583,978 of these loan facilities are unsecured and bear interest at the rate of 7% per annum. These loans are convertible into Ordinary 'A' shares of Visuray plc at the option of the lender. Every EUR1 of loan entitles the lender to 1 share at a price of EUR1.15 or EUR1 per share respectively.

EUR631,932 is secured by first priority over the operating equipment of the Group and bears interest at the rate of 5.84% per annum.

21. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The group's principal financial liabilities comprise loans and borrowings and trade and other payables. The main purpose of these financial liabilities is to raise finances for the group's operations. The Group has financial assets and other receivables and cash and short-term deposits that derive directly from its operations.

a. Timing of cash flows

The presentation of the financial assets and liabilities listed above under the current and non-current headings within the statement of financial position is intended to indicate the timing in which cash flows will arise.

b. Interest rate risk

The group's exposure to market risk for changes in interest rates relates primarily to the company's short term debt obligations. Interest rates are however fixed by contract in place with the lenders and have a short maturity. Details of interest rates charged are disclosed in note 20.

c. Credit risk

Financial assets which potentially might subject the group to concentration of credit risk consist principally of cash at bank and loans and receivables. The group's cash equivalents are placed with quality financial institutions and all loan receivables are due from related parties. The directors consider the risk of default by related parties to be highly remote.

d. Liquidity risk

Liquidity risk principally relates to the company's payment obligations for repayments on loans and borrowings. The timing of cash flows received on the group's operating activities matches the timing of these payment obligations. All loan payables held by the company are of a short-term nature.

NOTES TO THE FINANCIAL STATEMENTS - continued

21. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES - continued

e. Fair values

At 31 December 2011 the carrying amounts of cash and cash equivalents, receivables, payables and accrued expenses and short-term borrowings approximated their fair values due to the short-term maturities of these assets and liabilities. The fair values of long-term borrowings are not materially different from their carrying amounts.

f. Capital management

The primary objective of the group's capital management is to ensure that it maintains a healthy capital ratio to support its business and maximise shareholder value.

The group manages its capital structure and makes adjustments to it, in light of economic conditions. To maintain or adjust the capital structure, the group may adjust the dividend payments to shareholders, return capital to shareholders or issue new shares.

22. RELATED PARTIES

The consolidated financial statements include the financial statements of Visuray plc and the subsidiaries listed in the following table:

Name	Country of incorporation	% equity interest 2011
Direct subsidiaries		
Visuray International (Malta) Limited	Malta	100
Visuray Holding AS	Norway	100
Indirect subsidiaries		
Visuray AS	Norway	100
Latent AS	Norway	100
XR Invest AS	Norway	100
Visuray LLC	United States of America	100
Visuray Technology Limited	Malta	100

NOTES TO THE FINANCIAL STATEMENTS - continued

22. RELATED PARTIES - continued

Details of transactions carried out during the financial period with related parties are as follows:

	Related party activity EUR	Total activity EUR	% EUR
Other income			
Shareholders	59,370	59,370	100
Finance income			
Shareholder	2,579	4,949	52
Finance costs			
Shareholders	98,397	200,932	49

Outstanding balances with related parties at the statement of financial position date and respective terms are disclosed in notes 15, 19 and 20.

Professional fees include EUR366,894 which were paid to directors..

Wages and salaries include EUR206,489 which were paid to the general manager. Furthermore EUR8,298 were paid as pension expenses on his name.

23. COMMITMENTS AND CONTINGENCIES

Restricted cash

As disclosed in note 19, during the year the company has forced the acquisition of minority stakeholdings in a subsidiary. In this regards, it has an account of EUR120,429 which is set aside for this purpose. Further to this the group also had EUR77,750 in cash restricted for specific purposes.

Contingent liability

As part of the minority acquisition procedures, two stakeholders have objected to the price offered by the company. The outcome of such objections is still unknown to date.