

# **Kanyon Plc**

**Report and Accounts  
for the period ended  
31 January 2007**

## **DIRECTORS AND OFFICERS**

### **DIRECTORS**

Matthew Leslie Sutcliffe (Non-Executive Director)

Michael Anthony Bretherton (Executive Director)

Byron David Lloyd (Non-Executive Director)

### **COMPANY SECRETARY**

Nigel Raymond Gordon

### **COMPANY NUMBER**

5845469 (England & Wales)

### **REGISTERED OFFICE**

Fifth Floor

17 Hanover Square

London

W1S 1HU

### **REGISTRARS**

Capita Registrars

Northern House

Woodsome Park

Fenay Bridge

Huddersfield HD8 0LA

### **NOMINATED ADVISER**

Zimmerman Adams International Limited

New Broad Street House

35 New Broad Street

London EC2M 1NH

### **BROKER**

Hichens, Harrison & Co. plc

Bell Court House

11 Blomfield Street

London EC2M 1LB

### **AUDITORS**

Baker Tilly UK Audit LLP

Chartered Accountants

2 Bloomsbury Street

London WC1B 3ST

### **LEGAL ADVISERS**

Fasken Martineau Stringer Saul LLP

17 Hanover Square

London

W1S 1HU

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## CHAIRMAN'S STATEMENT

Your company was established in June 2006 and was admitted to trading on AIM in October of that year with a net £3.32 million raised in cash and a stated strategy of seeking investments in or acquiring assets, businesses or companies in the resources sectors.

The Company reported a loss before tax for the period from incorporation on 13 June 2006 to 31 January 2007 of £2,000 and total equity shareholders funds at the period end amounted to £3.39 million including cash balances of £3.38 million.

I am delighted to inform you that your Board announced on 28 March 2007 that, subject to your approval, the Company is proposing to acquire the entire issued share capital of Solar Labs Plc ("Solar Labs"). Solar Labs is currently a start up business with the objective of harnessing a diverse range of technologies to support the development of complete and economically viable solar energy solutions.

The total consideration payable for Solar Labs of approximately £4.34 million will be satisfied by the issue of 433,841,307 new Ordinary Shares. The new Ordinary Shares will be issued at 1 pence per share at a 3.75 pence discount to the mid market closing price of 4.75 pence per Ordinary share on 27 March 2007. The consideration shares will rank *pari passu* with the existing Ordinary Shares.

On completion of the acquisition, it is proposed that two of Solar Labs' directors, David Norwood and Alan Aubrey, will join your Board. At that time, I will change my role from that of non-executive Chairman to that of non-executive director and David will take on the role of non-executive Chairman.

Solar energy has the theoretical potential to meet global energy requirements many times over. The energy reaching the earth's surface from the sun exceeds human power consumption by over five thousand times. In maximising the capture of solar energy for human exploitation, the Directors see the potential for many parallel solar-based energy industries to co-exist, each meeting different energy needs using tailored methods of capture, transition, delivery and consumption.

Solar Labs aims to become a leading developer and provider of technology solutions to the solar energy industries and may use a combination of research collaborations, organic development and acquisitions to develop a portfolio of intellectual property rights within solar energy. As part of this process, Solar Labs will leverage its considerable experience in the development of collaborations with academic research intuitions to commercialise intellectual property and also expects to benefit significantly from the experience and expertise of its chief scientific adviser, Prof. Peter Dobson.

Your company had audited net assets of £3.39 million as at 31 January 2007 represented almost entirely by cash balances and Solar Labs had unaudited net assets of £0.6 million at 31 January 2007 also represented almost entirely by cash balances. The enlarged Group will therefore have net assets of approximately £3.90 million after costs of the deal to meet its ongoing investment strategy which your Board will pursue whilst continuing to maintain a low cost structure for the Company.

Following completion of the acquisition your Directors will continue to identify opportunities they believe fulfill the Company's original objectives of investing in the energy and resources sectors but the focus will be in the field of renewable energies and solar energy solutions which are complementary to the Company's enlarged business.

I am confident that your Company will make considerable progress in its development during 2007.

**Matthew Sutcliffe**

*Non-Executive Chairman*

## DIRECTORS' REPORT

The directors submit their report and the financial statements of Kanyon Plc for the period from incorporation on 13 June 2006 to 31 January 2007.

### PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

Kanyon Plc is an investment company the principal activity of which is to invest in or acquire assets, businesses or companies in the energy and resources sectors.

A review of the Company's activities and future strategy is included in the Chairman's Statement on page 2.

### RESULTS

The trading loss for the period after taxation was £2,000 which deficit has been transferred to reserves.

### SHARE CAPITAL AND FUNDING

Full details of the Company's share capital movements during the period from incorporation on 13 June 2006 to 31 January 2007 are given in note 10 of the financial statements.

The Company has an authorised share capital of £1,000,000 divided into 1,000,000,000 ordinary shares of 0.1p each of which 450,000,000 had been issued at the balance sheet date at prices resulting in total share subscription proceeds of £3,600,000 before issue expenses of £213,000.

### DIRECTORS AND THEIR INTERESTS

The following directors have held office since incorporation on 13 June 2006:

Matthew Leslie Sutcliffe (*appointed 26 September 2006*) (*Non-Executive Director*)

Michael Anthony Bretherton (*appointed 13 June 2006*) (*Executive Director*)

Byron David Lloyd (*appointed 13 June 2006*) (*Non-Executive Director*)

#### Directors' interests

Directors' interests in the shares of the company, including family interests at 31 January 2007, were as follows:

	Ordinary shares of 0.1p each 2007
Matthew L Sutcliffe*	nil
Michael A Bretherton	1,500,000
Byron D Lloyd	500,000

\* By an option agreement dated 3 October 2006 the Company granted Matthew Sutcliffe an option to subscribe for up to 5,000,000 Ordinary Shares at 1p per share at any time before 10th October 2011. The option may only be exercised if the Company has acquired shares or assets in accordance with the Company's investment strategy where the aggregate consideration paid (including any liability for debt assumed) exceeds £3 million. The option agreement was amended subsequent to 31 January 2007 under a deed dated 28 March 2007 as set out in note 13 of the financial statements.

#### Directors' remuneration

The remuneration of the individual Directors' who served in the period to 31 January 2007 was:

	Total 2007 £
Matthew L Sutcliffe	3,333
Michael A Bretherton	3,333
Byron D Lloyd	3,333
Total	<u>9,999</u>

All of the Directors are employed on letters of appointment for an initial period of 12 months which may be terminated on not less than 3 months notice thereafter. The basic fee payable to each of the Directors is £10,000 per annum.

In addition, the Company entered into a consultancy agreement on 3 October 2006 with Ora Capital Partners Plc and Michael Bretherton pursuant to which Michael Bretherton was appointed as a consultant finance director. The agreement is terminable on 3 months' written notice from either side. Mr Bretherton's fee under the agreement, payable to Ora, is £12,000 plus VAT per annum.

### **Profile of the Directors**

#### *Matthew Leslie Sutcliffe, Aged 40, Non-Executive Chairman*

Matthew Sutcliffe is currently chairman and chief executive officer of Alexander Mining Plc, which floated on AIM in April 2005. He graduated from the University of Nottingham in 1990 with a Ph.D in mining engineering. Dr Sutcliffe is also a chartered engineer and has mining experience working with Inco Limited, Gencor and British Coal. In total Matthew Sutcliffe has 20 years' experience in the mining industry, including 10 years in the City of London as a mining analyst and corporate financier specializing in the resources sector.

#### *Michael Anthony Bretherton, BA, ACA, Aged 51, Executive Director*

Michael Bretherton graduated in Economics from University of Leeds and then worked as an accountant and manager with PriceWaterhouse for 7 years in both London and the Middle East. He subsequently worked for The Plessey Company Plc before being appointed finance director of the fully listed Bridgend Group Plc in 1988 where he held the position for 12 years. More recently, he has worked at the property and services company, Mapeley Limited, as financial operations director and then at the entertainment software games developer, Lionhead Studios Limited, where he helped to complete a trade sale of the business to Microsoft in March 2006. Also, Michael is currently finance director of Ora Capital Partners Plc.

#### *Byron David Lloyd, BA, Aged 38, Non-Executive*

Byron Lloyd graduated in Human Movement Studies from University of Cardiff in 1992 before joining the agricultural and pharmaceuticals group Monsanto Company, where he worked for seven years as a brand development manager in new drug launches within G.D. Searle Limited. He left Monsanto in 2000 to join Pinkkeys Limited, which is a property development and trading company, as a business development manager and director. He is also chief operating officer of an associated restaurant and public house trading operation. In addition, Byron is a director of Redeyes Leisure Limited which he set up in 2002 to launch the Eden Park retail outlet in Cardiff which holds the Eden Park franchise for Wales and South West of England.

### **SUBSTANTIAL SHAREHOLDERS**

The Company is aware that, in addition to the holdings disclosed under Directors' interests in shares above, the following persons have an interest in three per cent. or more of the issued Ordinary Share capital of the Company as at 30 March 2007:

Name	Number of Ordinary Shares	Percentage of the issued share capital
Ora Capital Partners Plc	237,000,000	52.3%
Dolven Holdings Plc	100,000,000	22.2%
Bainunah Trading Limited	60,000,000	13.3%
Stephen James	30,000,000	6.7%

### **CONTROLLING SHAREHOLDER**

Ora Capital Partners Plc holds, as at 31 January 2007, shares representing approximately 52.3 per cent. of the Company's issued share capital. The Directors are satisfied that the Company is capable of carrying on its business independently of Ora and that all transactions and relationships between Ora and the Company are and will continue to be at arm's length and on normal commercial terms.

To ensure that Shareholders are adequately protected in this regard, the Company has entered into a relationship agreement with Ora pursuant to which it has given certain undertakings to the Company to the effect that the Board can amongst other things operate on an independent basis.

## **CORPORATE GOVERNANCE**

The Directors recognise the importance of sound corporate governance and intend that the Company will comply with the main provisions of the QCA Guidelines insofar as they are appropriate given the Company's size and stage of development. The Directors intend to review the Company's corporate governance procedures and board committee terms of reference and membership when the Company's first acquisition or investment is put to Shareholders for their approval.

The Board is responsible for formulating, reviewing and approving the Company's strategy, budgets and corporate actions. The Directors hold Board meetings quarterly and at other times as and when required.

The Company has established audit and remuneration committees of the Board with formally delegated duties and responsibilities.

Matthew Sutcliffe is considered to be able to act as an independent non-executive director by the Board, notwithstanding his share options and his 0.14% shareholding in Ora Capital Partners Plc. Byron Lloyd is considered to be able to act as an independent non-executive director by the Board, notwithstanding his 0.07% shareholding in Ora.

### **The Board**

The Board currently comprises one executive and two non-executive directors.

### **Audit Committee**

The Board has established an audit committee with formally delegated duties and responsibilities. The audit committee comprises the two non-executive directors Matthew Sutcliffe and Byron Lloyd with Matthew as Chairman.

### **Remuneration Committee**

The remuneration committee comprises the two non-executive directors Matthew Sutcliffe and Byron Lloyd with Matthew as Chairman. It meets as required and at least annually to consider all aspects of the remuneration of the executive directors of the Company.

### **Internal Control**

The Board is responsible for maintaining a sound system of internal control. The Board's measures are designed to manage, not eliminate risk and such a system provides reasonable but not absolute assurance against material misstatement or loss.

Some key features of the internal control system are:

- (i) Management accounts information and business risk issues are regularly reviewed by the Board who meet at least 4 times per year.
- (ii) The Company has operational, accounting and employment policies in place.
- (iii) There is a clearly defined organizational structure and there are well-established financial reporting and control systems.
- (iv) Accounting systems and procedures will be reviewed at least annually as the business grows in order to ensure that they are appropriate to the size and complexity of the business.
- (v) The precise accounting controls and procedures to be adopted by the Company following an acquisition of a subsidiary business will be determined at the time an acquisition is made.

### **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.

## **RISK MANAGEMENT**

Details of the Company's financial risk management objectives and policies are disclosed in note 9 to the financial statements.

## **EMPLOYMENT POLICIES**

The Company does not currently have any employees other than for the 3 directors.

## **DONATIONS**

No charitable or political donations were made in the period.

## **POLICY ON PAYMENT OF CREDITORS**

It is company policy to agree and clearly communicate the terms of payment as part of the commercial arrangements negotiated with suppliers and then to pay according to those terms based on the timely receipt of an accurate invoice.

Trade creditor days, based on creditors, at 31 January 2007 were 30 days.

## **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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

UK Company law requires the directors to prepare financial Statements for each financial year. Under that law the Directors have elected to prepare financial statements for the Company in accordance with International Financial Reporting Standards ("IFRS") as adopted by the EU.

The financial statements are required by law and IFRS adopted by the EU to present fairly the financial position and performance of the Company; the Companies Act 1985 provides in relation to such financial statements that references in the relevant part of that Act to financial statements giving a true and fair view are references to their achieving a fair presentation.

In preparing the 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 they have been prepared in accordance with IFRSs adopted by the EU;
- (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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the requirements of the Companies Act 1985. 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.

## **STATEMENT AS TO DISCLOSURE OF INFORMATION TO THE 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 audit information and to establish that it has been communicated to the auditor.

## **AUDITORS**

Baker Tilly UK Audit LLP, Chartered Accountants, were appointed auditors to the Company and in accordance with section 385 of the Companies Act 1985, a resolution to reappoint them will be put to the members at the Annual General Meeting.

By order of the board

**Nigel Gordon**

*Company Secretary*

4 April 2007

## INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF KANYON PLC

We have audited the group and parent company financial statements on pages 10 to 17.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union ("EU") are set out in the Statement of Directors' Responsibilities.

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

We report to you our opinion as to whether the financial statements give a true and fair view and whether the financial statements have been properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

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

### BASIS OF AUDIT OPINION

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

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

### OPINION

In our opinion:

- (a) the financial statements give a true and fair view, in accordance with IFRSs as adopted by the European Union, of the state of the Company's affairs as at 31 January 2007 and of its loss for the period then ended;
- (b) the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- (c) the information given in the Directors' Report is consistent with the financial statements.

### BAKER TILLY UK AUDIT LLP

*Registered Auditor*  
*Chartered Accountants*

2 Bloomsbury Street  
London WC1B 3ST

4 April 2007

## Kanyon plc

### INCOME STATEMENT

For the period from incorporation on 13 June 2006 to 31 January 2007

	Notes	2007 £'000
Administrative expenses	3	(52)
<b>Operating loss</b>		(52)
Interest receivable	2	50
		(2)
<b>Loss before taxation</b>		
Taxation	5	–
<b>Retained loss for the period</b>		(2)
<b>Loss per share</b>		
Basic and diluted	6	0.00p

### STATEMENT OF CHANGES IN EQUITY

For the period from incorporation on 13 June 2006 to 31 January 2007

	Share Capital £'000	Share Premium £'000	Retained Earnings £'000	Total Equity £'000
<b>At 13 June 2006</b>	–	–	–	–
Issue of shares	450	3,150	–	3,600
Expenses of issue of shares	–	(213)	–	(213)
Net loss for the year	–	–	(2)	(2)
<b>At 31 January 2007</b>	450	2,937	(2)	3,385

## **Kanyon plc**

### **BALANCE SHEET**

*31 January 2007*

	<b>Notes</b>	<b>2007 £'000</b>
<b>Assets</b>		
Current assets		
Trade and other receivables	7	21
Cash and cash equivalents	9	3,381
<b>Total assets</b>		<u>3,402</u>
<b>Liabilities</b>		
Current liabilities		
Trade and other payables	8	(17)
Tax liabilities	5	–
<b>Total liabilities</b>		<u>(17)</u>
<b>Net assets</b>		<u>3,385</u>
<b>Equity</b>		
Issued capital	10	450
Share premium	11	2,937
Revenue reserve		(2)
<b>Total equity shareholders' funds</b>		<u>3,385</u>

Approved by the board and authorised for issue on 4 April 2007.

**Michael Bretherton**

*Director*

## Kanyon plc

### CASH FLOW STATEMENT

*For the period from incorporation on 13 June 2006 to 31 January 2007*

	<b>2007</b> <b>£'000</b>
<b>Operating activities</b>	
Operating loss	(52)
(Increase) in trade and other receivables	(7)
Increase in trade and other payables	17
<b>Net cash outflow from operations</b>	<u>(42)</u>
<b>Financing activities</b>	
Proceeds from issue of share capital	3,600
Expenses of issue of share capital	(213)
Interest received	36
<b>Net cash inflow from financing activities</b>	<u>3,423</u>
<b>Increase in cash and cash equivalents</b>	3,381
<b>Cash and cash equivalents at 13 June 2006</b>	<u>–</u>
<b>Cash and cash equivalents at 31 January 2007</b>	<u>3,381</u>

# Kanyon plc

## NOTES TO THE FINANCIAL STATEMENTS

### 1. Accounting policies

#### *Basis of accounting*

The financial statements have been prepared under the historical cost convention in accordance with International Financial Reporting Standards (“IFRS”).

#### *Financial assets and liabilities*

##### *Trade and other receivables*

Trade and other receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts.

##### *Trade and other payables*

Trade and other payables are not interest bearing and are stated at their nominal value.

##### *Cash and cash equivalents*

Cash and cash equivalents comprise cash at hand and deposits on a term of not greater than 3 months.

#### *Taxation*

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

The tax currently payable is based on taxable profit for the period. The Company’s liability for current tax is calculated by using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled. Deferred tax is charged or credited in the income statement, except when it relates to items credited or charged directly to equity, in which case the deferred tax is also dealt with in equity.

### 2. Interest receivable

	2007 £'000
Interest receivable:	
Bank interest receivable	50

### 3. Loss from operations

	2007 £'000
Loss from operations is stated after charging:	
Staff costs (see note 4)	11
Auditors remuneration:	
audit fees	6
non-audit fees	30

#### 4. Staff costs

The average monthly number of persons (including directors) employed by the Company during the period was:

	2007 Number
Administration and management	3

The aggregate remuneration comprised:

	2007 £'000
Wages and Salaries	10
Social Security costs	1
	<u>11</u>

**Directors remuneration included in the aggregate remuneration above comprised:**

	2007 £'000
Emoluments for qualifying services	10

Directors emoluments disclosed above include £3,333 paid to the highest paid director.

#### 5. Taxation

	2007 £'000
<b>Current tax:</b>	
UK corporation tax on losses of period	–
<b>Deferred tax:</b>	
Origination and reversal of timing differences	–
<b>Tax on loss on ordinary activities</b>	<u>–</u>

**Factors affecting tax charge for the year**

The tax assessed for the period varies from the standard rate of corporation tax as explained below:

	2007 £'000
Loss on ordinary activities before tax	(2)
Loss on ordinary activities multiplied by the standard rate of corporation tax (30%)	(1)
Effects of:	
Unutilised tax losses	1
<b>Tax charge for the year</b>	<u>–</u>

The Company has estimated losses of £2,000 available for carry forward against future trading profit.

#### 6. Loss per share

Basic loss per share is based on the net loss for the period of £2,000 attributable to equity shareholders related to the weighted average number of ordinary shares in issue during the period of 248,491,380.

**7. Trade and other receivables**

	2007 £'000
Prepayments and accrued income	21

The directors consider that the carrying amount of trade and other receivables approximates to their fair value.

**8. Trade and other payables**

	2007 £'000
Trade creditors	1
Other taxes and social security	1
Accruals	15
	<u>17</u>

The directors consider that the carrying amount of trade and other payables approximates to their fair value.

**9. Risk management of financial assets and liabilities**

The Company is exposed to a number of risks through its normal operations, the most significant of which at its present state of development are credit risk and liquidity risk. The management of these risks is vested in the Board of directors.

***Management of credit risk***

The Company's principal financial assets are bank balances and cash. The credit risk on these funds is limited because because the counterparties are banks that have high credit ratings.

***Management of liquidity risk***

The Company seeks to manage liquidity risk to ensure that sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. The Company deems there is sufficient liquidity for the foreseeable future.

The Company had cash and cash equivalents at 31 January 2007 as set out below.

***Cash and cash equivalents***

	2007 £'000
Cash at banks	<u>3,381</u>

## 10. Share capital

	2007 Number	2007 £'000
<b>Authorised:</b>		
Ordinary shares of 0.1p	<u>1,000,000,000</u>	<u>1,000,000</u>
<b>Allotted, issued and fully paid:</b>		
Ordinary shares of 0.1p	<u>450,000,000</u>	<u>450</u>

The Company was incorporated on 13 June 2006, on which date the authorised share capital was £1,000,000 divided into 1,000,000,000 shares of 0.1p each, 2 of which were issued at par value.

On 3 August 2006 the Company allotted and issued 99,999,998 shares of 0.1p each for cash at par value.

On 10 October 2006 the Company placed 350,000,000 shares of 0.1p each on the AIM Market each at a price of 1p, resulting in a share premium of £3,150,000.

## 11. Share premium account

	2007 £'000
<b>At 13 June 2006</b>	–
Premium on issue of shares in the period	3,150
Expenses of issue of shares	<u>(213)</u>
<b>At 31 January 2007</b>	<u>2,937</u>

See note 10 to the financial statements for details of shares issued in the period.

## 12. Related party transactions

### *Trading transactions*

During the period the Company entered into the following transactions with Ora Capital Partners Plc which as at 31 January 2007 holds 52.3 per cent. of the Company's issued share capital:

	2007 £'000
Management consultancy fees charged by Ora Capital Partners Plc in the period	5
Amounts owed to Ora Capital Partners Plc at the period end	<u>1</u>

### *Directors' transactions*

Directors' remuneration. The remuneration of the individual directors is provided in the Directors' Report.

Directors' interests in Ora Capital Partners Plc. The directors had investments in Ora as follows as at 31 January 2007:

Director	% of issued share capital of Ora held
Matthew L Sutcliffe	0.14%
Michael A Bretherton	0.08%
Byron D Lloyd	0.07%

Michael Bretherton is also a director of Ora Capital Partners Plc.

Ora Capital Partners Plc is the ultimate parent of the Company and, as at 31 January 2007, held shares representing approximately 52.3 per cent. of the Company's issued share capital.

### 13. Subsequent events

The Board announced on 28 March 2007 that, subject to shareholder approval, the Company is proposing to acquire the entire issued share capital of Solar Labs Plc. Solar Labs is currently a start up business with the objective of harnessing a diverse range of technologies to support the development of complete and economically viable solar energy solutions.

The total consideration payable for Solar Labs of approximately £4.3 million will be satisfied by the issue of 433,841,307 new Ordinary Shares. The new Ordinary Shares will be issued at 1 pence per share at a 3.75 pence discount to the mid market closing price of 4.75 pence per Ordinary share on 27 March 2007. The consideration shares will rank *pari passu* with the existing Ordinary Shares.

Under the terms of a deed of amendment dated 28 March 2007, Matthew Sutcliffe agreed that the option granted to him on 3 October 2006 be amended so that it is an option to subscribe for 1,250,000 Ordinary Shares (not 5,000,000 Ordinary Shares) and that it now is exercisable when the Company, or any subsidiary, has acquired shares or other assets in accordance with the Company's ongoing investment strategy in the energy and resources sectors (where the focus will now be in the field of renewable energies and solar energy solutions) and where the aggregate consideration paid by the Company exceeds £3,000,000.

## NOTICE OF ANNUAL GENERAL MEETING

# Kanyon Plc

*(Incorporated in England and Wales under registered number 5845469)*

Notice is hereby given that the Annual General Meeting of Kanyon Plc will be held at the offices of Fasken Martineau Stringer Saul LLP, 17 Hanover Square, London W1S 1HU on 27 April 2007 at 10.00 am to transact the following business:

### ORDINARY BUSINESS

1. To receive and adopt the Directors' Report, the Audited Statement of Accounts and Auditors' report for the period that commenced on incorporation and ended 31 January 2007.
2. To re-elect Matthew Sutcliffe as a director of the Company.
3. To re-elect Michael Bretherton as a director of the Company.
4. To re-elect Byron Lloyd as a director of the Company.
5. To re-appoint Baker Tilly UK Audit LLP as the successor firm to Baker Tilly as auditors of the Company and to authorise the Directors to determine their remuneration.

### SPECIAL BUSINESS

As special business to consider and, if thought fit, pass the following resolutions, of which Resolution 6 will be proposed as an ordinary resolution and Resolutions 7 will be proposed as a special resolution

6. THAT the directors be and they hereby are generally and unconditionally (in substitution for all previous powers granted thereunder) to allot relevant securities (within the meaning of section 80 of the Companies Act 1985) (the "Act") up to an aggregate nominal amount of £350,000 provided that this authority shall expire at the conclusion of the annual general meeting of the Company to be held in 2008 or 15 months from the date of the passing of this resolution (whichever is the earlier), unless and to the extent that such authority is renewed or extended prior to such date, that 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 as if the authority conferred hereby has not expired.
7. THAT the Directors be and they hereby are authorised and empowered pursuant to section 95 of the Companies Act 1985 (the "Act") (in substitution for all previous powers granted thereunder) to allot equity securities (within the meaning of section 94 of the Act) for cash pursuant to the authority conferred by the ordinary resolution at Resolution 6 above as if section 89(1) of the Act did not apply to such allotment provided that this power shall be limited to:
  - a. the allotment of equity securities where the equity securities respectively attributable to the interests of such shareholders are proportionate (as nearly as maybe) to the respective number of ordinary shares of 1p in the Company ("Ordinary Shares") held by them but subject to such exclusions or other arrangements as the directors may deem necessary or expedient to deal with legal or practical problems in respect of overseas holders, fractional entitlements or otherwise including (but not limited to) the allotment of equity securities to the renounces of the holders of Ordinary Shares;
  - b. the allotment of equity securities up to an aggregate nominal amount of £1,250 in connection with the exercise of an option granted to Matthew Sutcliffe;
  - c. the allotment (other than pursuant to sub-paragraphs (a) and (b) above) of equity securities up to an aggregate nominal amount of £97,500;

provided that the Company may, before expiry of this power, make any offer or agreement which would or might require equity securities to be allotted after the expiry of this power and the directors may allot equity securities in pursuance of such offer or agreement as if the power had not expired.

By order of the Board

**Nigel Gordon**

*Secretary*

4 April 2007

Registered office:  
17 Hanover Square  
London  
W1S 1HU

**Notes**

1. A member of the Company who is entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and (on a poll) to vote in his or her place. A proxy need not be a member of the Company.
2. The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such a power of authority must be posted to Capita Registrars, Proxy Processing Centre, Telford Road, Bicester OX26 4LD or delivered by hand to Capita Registrars, Proxy Department, The Registry, PO Box 25, Beckenham, Kent BR3 4BR, not later than 48 hours before the time appointed for the Meeting. A form of proxy is enclosed.
3. There will be available for inspection at the registered office of the Company, during usual business hours on any weekday from the date of this notice until the date of the Meeting, and at the place of the Meeting for 15 minutes prior to and during the Meeting, and particulars for the period up to 4 April 2007 of the transactions of each director and, so far as he can reasonably ascertain, of persons connected to him (within the meaning of section 346 of the Act) in the share capital of the Company and copies of their service contracts with the Company.
4. Pursuant to regulation 41 of the Uncertificated Securities Regulations 2001, only those persons whose names are entered on the register of members of the Company at the close of business on 25 April 2007 shall be entitled to attend the meeting and to vote in respect of the number of shares registered in their name at that time. Changes to the register of members after that time shall be disregarded in determining the right of any person to attend and/or vote at that meeting.

