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Shellshock Limited

24 September 2009

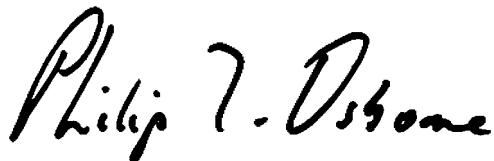
To: Shellshock Limited Shareholders

Dear Shareholder,

In October 2007, Shellshock was admitted to trading on AIM, a market operated by the London Stock Exchange plc (ticker symbol SHOK) following a dividend in specie declared by Carlisle Group Limited in September 2007. Further details are set out in Shellshock's AIM Admission Document dated 4 October 2007, a copy of which is included on the Company's website.

We attach for your information a copy of Shellshock's financial statements as at and for the period ended 31 March 2009.

Yours faithfully,

A handwritten signature in black ink that reads "Philip Osborne". The signature is written in a cursive, flowing style.

Philip Osborne
Company Secretary

Shellshock Limited

Financial Statements

Year ended 31 March 2009

Shellshock Limited

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Shellshock Limited

Income statement

Year ended 31 March 2009

	Notes	2009 UK£'000	2008* UK£'000
Administrative expenses		(258)	(27)
Operating loss	3	(258)	(27)
Financial income	4	124	66
(Loss) profit before taxation		(134)	39
Taxation		-	-
Net (loss) profit for the period	9	(134)	39
(Loss) earnings per ordinary share			
Basic (pence)	5	(2.23)	0.65

* Period 1 March 2006 (date of incorporation) to 31 March 2008.

See accompanying notes which form an integral part of these financial statements.

Shellshock Limited

Balance sheet at 31 March 2009

	Notes	2009 UK£'000	2008 UK£'000
Assets			
Current assets			
Cash and cash equivalents	4, 11	2,955	3,055
Other receivables	6	18	19
		2,973	3,074
Liabilities			
Current liabilities			
Other payables	7	(68)	(35)
		2,905	3,039
Net assets			
		2,905	3,039
Shareholders' equity			
Called up share capital	8, 9	3,000	3,000
Retained (deficit) earnings	9	(95)	39
		2,905	3,039

See accompanying notes which form an integral part of these financial statements.

The financial statements were approved by the Board of Directors on 27 August 2009 and were signed on its behalf by:

PMR Gaze - Director

Shellshock Limited

Statement of cash flows

Year ended 31 March 2009

	Notes	2009 UK£'000	2008* UK£'000
Cash flows from operating activities			
Cash used in operations	10	(224)	(11)
Interest received		124	66
Net cash (utilised by) generated from operating activities		(100)	55
Cash flows from financing activities			
Net proceeds from issue of ordinary share capital		-	3,000
Net cash generated from financing activities		-	3,000
Net (decrease) increase in cash and cash equivalents		(100)	3,055
Cash and cash equivalents at beginning of period		3,055	-
Cash and cash equivalents at end of period		2,955	3,055

* Period 1 March 2006 (date of incorporation) to 31 March 2008.

See accompanying notes which form an integral part of these financial statements.

Shellshock Limited

Notes to the financial statements

Year ended 31 March 2009

1 Principal accounting policies

Introduction

Shellshock Limited (the "Company") is a strategic investment company incorporated in Belize (number 50,447) on 1 March 2006. Its primary objective is to invest in either one or more than one quoted or unquoted businesses. The Company's issued share capital is traded on AIM, a market operated by the London Stock Exchange plc in the United Kingdom (ticker symbol SHOK). The Company is domiciled in Belize and its registered office address is: PO Box 1764, 60 Market Square, Belize City, Belize, Central America.

The principal accounting policies adopted in the preparation of the financial statements are set out below.

Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union, including interpretations from the International Financial Reporting Interpretations Committee (IFRIC) and Standing Interpretations Committee (SIC).

The financial statements have been prepared under the historical cost convention and presented in UK pounds sterling, the Company's presentation currency, for the year ended 31 March 2009 (comparative data - period 1 March 2006 (date of incorporation) to 31 March 2008).

The preparation of financial statements in conformity with IFRS requires the use of accounting estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates.

Interest income

Interest income is recognised on a time-proportion basis using the effective interest rate method.

Taxation

The Company's net (loss) profit is not subject to tax by virtue of its status under the International Business Companies Act 1990, of Belize.

Other receivables

Other receivables are recognised initially at fair value, and subsequently at amortised cost, less provision for impairment.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and other short-term deposits with original maturities of three months or less. As a result of the short-term maturity of these financial instruments their carrying value is approximately equal to their fair value.

Other payables

Other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method.

Shellshock Limited

Notes to the financial statements (continued)

Year ended 31 March 2009

1 Principal accounting policies (continued)

Measurement of fair values

The fair values of assets and liabilities are principally measured and calculated by reference to discounted expected future cash flows associated with the relevant group of assets and/or liabilities.

Share capital

Ordinary shares are classified as equity. Transactions costs directly attributable to the issue of new shares are reported, net of tax, in shareholders' equity.

Directors' responsibilities

The following, which should be read in conjunction with the Independent Auditors' Report regarding the respective responsibilities of directors and auditors, is made with a view to distinguishing for shareholders those respective responsibilities in relation to the financial statements. The directors are responsible for preparing the financial statements in accordance with applicable law and regulations. The directors have prepared the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union which give a true and fair view of the state of affairs of the Company and of the results for the period. The directors confirm that they have complied with the above requirements and in preparing the financial statements they have also (a) selected suitable accounting policies and then applied them consistently; (b) made judgements and estimates that are reasonable and prudent; (c) stated whether the financial statements comply with IFRSs as adopted by the European Union, subject to any material departures disclosed and explained in the financial statements; and (d) prepared the financial statements on the going concern basis as it is appropriate to presume that the Company will continue in business. The directors are responsible for ensuring that the Company keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company. They are also responsible for safeguarding the assets of the Company and for taking reasonable steps for the prevention and detection of fraud and other irregularities. The directors are also responsible for the maintenance and integrity of the Company's website: (www.shellshocklimited.com).

2 Financial risk and capital management

The overall objective of the financial risk management of the Company is to minimise risks that may have an adverse impact on the Company's results, cash flows and financial position. The Company is subject to risk from movements in interest rates on its cash and cash equivalents and also to market and credit risks related to those funds. These risks are mitigated by placing the deposits in highly liquid securities with short-term maturities, albeit with one financial institution (notes 4 and 11).

3 Operating loss

The directors who served during the period did not receive any remuneration in respect of their services to the Company. The auditors' remuneration was £10,000.

4 Financial income

	2009 UK£'000	2008 UK£'000
Interest income on short-term deposits	124	66

Cash and cash equivalents are denominated in UK pounds sterling and currently held on deposit at British Caribbean Bank International Limited (note 11). The effective interest rate for the period on the deposit was approximately 4.03% per annum (2008 – 3.56% pa). At 31 March 2009, the deposit had an average maturity of 28 days (2008 – 11 days).

Shellshock Limited

Notes to the financial statements (continued)

Year ended 31 March 2009

5 (Loss) earnings per ordinary share

Basic (loss) earnings per ordinary share is based on an equity loss of £134,000 (2008 – earnings of £39,000) and 6,000,000 ordinary shares of 50 pence each, being the weighted average number of shares in issue during 2009 and 2008. There is no adjustment to be made for the diluted earnings per ordinary share.

	(Loss) earnings UK£'000	Weighted average number of shares	(Loss) earnings per ordinary share - pence
Year ended 31 March 2009	(134)	6,000,000	(2.23)
Period ended 31 March 2008	39	6,000,000	0.65

6 Other receivables

	2009 UK£'000	2008 UK£'000
Prepayments and accrued income	18	19

The carrying amounts of other receivables are denominated in UK pounds sterling.
The fair values of other receivables approximate their book values.

7 Other payables

	2009 UK£'000	2008 UK£'000
Accruals and deferred income	68	35

The carrying amounts of other payables are denominated in UK pounds sterling.
The fair values of trade and other payables approximate their book values.

8 Called up share capital

The authorised and issued share capital of the Company at 31 March 2008 and 2009 was as follows:

Ordinary shares of 50 pence each:	UK£'000
Authorised (50,000,000)	
Issued and fully paid (6,000,000)	3,000

The Company was incorporated on 1 March 2006 with an authorised share capital of £25 million, comprising 50,000,000 ordinary shares of 50 pence each. On incorporation, one ordinary share was allotted for cash and fully paid. On 13 September 2007, the Company allotted a further 5,999,999 ordinary shares for cash and fully paid to Carlisle Group Limited ("CGL") – its then parent undertaking. CGL was, at that time, a listed company incorporated in Belize. Subsequently, in September 2007, by means of series of transactions, including a dividend in specie, CGL disposed of its entire shareholding in the Company, principally to its then non-US shareholders. Subsequently, in October 2007, the Company's shares were admitted to trading on AIM, further details of which are set out in the Company's AIM Admission Document dated 4 October 2007.

At 31 March 2009, Lord Ashcroft, KCMG owned and controlled approximately 74.7 percent of the issued ordinary shares of the Company.

Shellshock Limited

Notes to the financial statements (continued)

Year ended 31 March 2009

9 Statement of changes in shareholders' equity

	Called up share capital UK£'000	Retained earnings (deficit) UK£'000	Total equity UK£'000
Balance at 1 March 2006	-	-	-
Issue of ordinary shares	3,000	-	3,000
Net profit (total recognised income and expense) for the period	-	39	39
Balance at 31 March 2008	3,000	39	3,039
Net loss (total recognised income and expense) for the period	-	(134)	(134)
Balance at 31 March 2009	3,000	(95)	2,905

10 Cash used in operations

	2009 UK£'000	2008 UK£'000
(Loss) profit before taxation	(134)	39
Financial income	(124)	(66)
	(258)	(27)
Increase in receivables	1	(19)
Increase in payables	33	35
Cash used in operations	(224)	(11)

11 Related party transactions

Cash and cash equivalents are held on deposit at British Caribbean Bank International Limited ('BCBL') (formerly called Belize Bank international Limited), a related party. BCBL is a wholly owned subsidiary of BCB Holdings Limited ('BCBH') (formerly called BB Holdings Limited), a company whose shares are traded on AIM. Lord Ashcroft, KCMG, is a controlling shareholder in both the Company and BCBH. In addition, Messrs. P.M.R. Gaze, P.C. Johnson and P.T. Osborne, each a director of the Company, are also directors of BCBH.

Shellshock Limited

Independent Auditors' Report to the Shareholders of Shellshock Limited

We have audited the financial statements of Shellshock Limited for the year ended 31 March 2009, which comprise the income statement, the balance sheet, the cash flow statement, the statement of changes in shareholders' equity and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union 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). This report, including the opinion, has been prepared for and only for the company's shareholders as a body and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view.

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 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 March 2009 and of its loss and cash flows for the year then ended.

PricewaterhouseCoopers LLP
Chartered Accountants
London, United Kingdom
27 August 2009

Shellshock Limited

Corporate Information

Directors	Peter Michael Reeder Gaze Philip Charles Johnson Philip Thomas Osborne Andrew Stephen Wilson each of: of 60 Market Square Belize City Belize Central America	
Company Secretary and Registered Office	Philip Thomas Osborne 60 Market Square P.O. Box 1764 Belize City Belize Central America United Kingdom	
Nominated Adviser (for AIM in the UK)	Cenkos Securities plc 6. 7. 8. Tokenhouse Yard London EC2R 7AS United Kingdom	
Broker (for AIM in the UK)	Fyshe Horton Finney Limited Charles House 148-149 Great Charles Street Birmingham B3 3HT United Kingdom	
Registrars	The Belize Bank Limited 60 Market Square P.O. Box 364 Belize City Belize Central America	Capita (IRG) Offshore Limited Victoria Chambers Liberation Square 1/3 The Esplanade St Helier Jersey JE2 3QA Channel Islands

