United States
Securities and Exchange Commission

Washington, D.C. 20549

Form 10-K

☒ ANNUAL REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2011

OR

☐ TRANSITIONAL REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from ______________ to ________________

Commission File Number 000-52289

Power of the Dream Ventures, Inc.

(Name of Small Business Issuer in its charter)

Delaware	**51-0597895**
(State or other jurisdiction of incorporation or organization)	(I.R.S Employer Identification No.)

1095 Budapest, Soroksari ut 94-96, Hungary
(Address of principal executive offices) (Zip Code)
+36-1-456-6061
(Issuer's telephone number)

Securities registered under Section 12(g) of the Exchange Act: None.

Securities registered under Section 12(g) of the Exchange Act: Common Stock, par value $0.0001 per share

Indicate by a check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Check whether the issuer is not required to file reports pursuant to Section 13 or 15 (d) of the Exchange Act.

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirement for the past 90 days. Yes ☒No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its Web site, if any, every Interactive Data File required to be submitted or posted pursuant to rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and to post such files. Yes X No ☐

Check if there is no disclosure of delinquent filers in response to Item 405 of Regulation S-B contained in this form, and no disclosure will be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Securities Exchange Act of 1934. (Check one)

Large accelerated filer ☐ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☒

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Issuer had revenues of $0 for the year ended December 31, 2011. As of March 31, 2012, 38,428,044 shares of Common Stock were outstanding of which approximately 28,218,189 were held by non-affiliates of the Company. The aggregate market value of the Common Stock held by non-affiliates of the Company as of March 31, 2012 was $5,217,000.

Documents Incorporated by Reference: 0

Transitional Small Business Disclosure Format (check one): Yes ☐ No ☒

POWER OF THE DREAM VENTURES, INC. (formerly TIA V, Inc.)

(A Development Stage Company)

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December 31, 2011

PART I

ITEM 1. *Description of Business*

This report contains forward-looking statements within the meaning of the federal securities laws. These include statements about our expectations, beliefs, intentions or strategies for the future, which we indicate by words or phrases such as “anticipate,” “expect,” “intend,” “plan,” “will,” “we believe,” “Company believes,” “management believes” and similar language. The forward-looking statements are based on the current expectations of the Company and are subject to certain risks, uncertainties and assumptions, including those set forth in the discussion under “Description of Business” and “Management’s Discussion and Analysis or Plan of Operation”. The actual results may differ materially from results anticipated in these forward-looking statements. We base the forward-looking statements on information currently available to us, and we assume no obligation to update them.

The Company’s Business

Power of the Dream Ventures, Inc., (*“PDV”* or *“We”* or the *“Company”*) is Hungary’s premier holding company focused on technology acquisition and development enabling the delivery of revolutionary concepts and ready to market products to the international market place. We develop, acquire, license, or co-develop technologies that originate exclusively in Hungary that are in prototype stage based on existing patents; in prototype stage prior to patenting; existing products that require expansion capital to commercialize; emerging science and high-technology research projects that require help in patenting, developing the product and marketing, university spin-off technologies and ideas from the very early stages of what represents “disruptive technologies.”

We were incorporated in Delaware on August 17, 2006, under the name Tia V, Inc. Since inception, and prior to our acquisition of Vidatech on April 10, 2007, we were engaged solely in organizational efforts and obtaining initial financing. Our sole business purpose was to identify, evaluate and complete a business combination with an operating company.

On April 10, 2007, we completed our acquisition of Vidatech, Kft. (also know as Vidatech Technological Research and Development LLC) a limited liability company formed under the laws of the Republic of Hungary. Vidatech is a company formed for the purpose of investing in, acquiring, developing, licensing, and commercializing technologies developed in Hungary. In furtherance of its business, Vidatech provides research and development services to the companies from which it acquires technologies or participation interests in such technologies.

Through Vidatech, we aim to provide pro-active support for idea, research, start-up and expansion-stage technology companies having rights to technologies or intellectual properties which we believe to be potentially commercially viable, by offering a range of services designed to encourage and protect the continuing development and eventual commercialization of those technologies.

The Company's Industry

The Company develops proprietary products for a wide range of industry sectors. These include, but are not limited to:

- Software industry, form online applications to stand alone products
- Energy industry from power generation technologies to power transmission and power storage methods
- Manufacturing sectors from sub-component assemblies to whole units
- Chemical sector, with a special focus on biodegradable solutions for environmentally sensitive applications
- Biotechnology sector with a special emphasis on cancer and cholesterol treatment methods
- Pharmaceutical products
- Medical equipment with a special emphasis on products that offer better solution to existing treatment methodologies
- Transportation related products that are environmentally friendly and provide alternatives to current methods
- Chemicals that are biodegradable and environmentally friendly solutions for diverse application areas from fire fighting to waste processing
- Equipment for the leisure industry
- Communications products and methods that offer significant industry enhancement to solutions currently in use
- Entertainment industry products for movie, television and gaming
- Disruptive technologies for all industries where there is a discernable need or suitable market opportunity for new technology penetration
- Metals industries such as precious metals refining and end user sales

As a diversified technology manager we seek to license and sell technologies within any of these industries.

The Company's Business Strategy

To date, the primary focus of Central European countries has been to develop a solid infrastructure required for a market economy. Due to the high-perceived risks of these economies, institutional financial support for start-ups and expansion stage companies has been lacking.

With several Central European economies expected to join the European Monetary Union by 2012, Hungary, as one of the most developed Central European countries, is moving from a transition to a converging economy. With the continued stabilization and the transition of Hungary to a converging economy the time is ripe for a local entity with high level technology skills to selectively acquire, develop, license and/or co-developed international market ready technologies.

The Company's Products

From inception through December 31, 2011, the Company primarily focused on the raising of capital. We originally managed seven technologies: RiverPower, the Buresch Inventions (Desalination and H2O gas technology,) the Kalmar inventions (FireSAFE fire-proofing liquid; technology for utilizing communal waste as a concrete additive; technology for repairing potholes with the use of recycled plastics; technology for neutralizing red mud; biodegradable deicing solution and PVC shielded electric cable recycling technology), and an equity interest in 'iGlue, Inc (Ticker: IGLU)', a company formed to develop next generation semantic internet based search engine and content organizer applications. As of December 31, 2011 we have discontinued efforts to develop the Buresch inventions, the Kalmar inventions, RiverPower and the Toth Telescope. (see Note 4).

A detailed analysis of these technologies is as follows:

The Buresch Inventions: Desalination and H2O gas technologies

Following a yearlong market study as to the benefits, feasibility and financial resources required to complete prototype building and eventual commercialization of theses technologies, on October 30, 2009 we have elected to terminate the original invention transfer agreements signed on January 16, 2008 and discontinue further efforts to commercialize these product. We believe our efforts and resources are best allocated by focusing our immediate efforts in completing development and bringing to market our iGlue software. Total negative exposure relating to the acquisition of these technologies amounts to USD 25,000.

The TothTelescope

On July 15, 2009 our exclusive distributor agreement expired with Attila Toth, Inventor of the TothTelescope. After extensive review of the technology, the available market and hurdles associated with manufacturing and distributing the TothTelescope, we have elected not to renew the distribution agreement and discontinue the project. Since inception only 10 telescopes were sold. Overall invested capital was returned from commissions eared on these sales.

RiverPower Technology

Development of our RiverPower technology was interrupted in October of 2011 upon the death of its inventor, Janos Salca. Prior to his death as we have disclosed, on May 12, 2009 we presented with a court order for a hearing, initiated by Janos Salca, inventor of our RiverPower technology. In the court documents made available to us Mr. Salca alleges that at the signing of our Invention Transfer Agreement, dated May 24, 2006 we intentionally mislead him as to our intent to develop his technology. On June 22, 2009 our Legal Counsel attended the court hearing (hearing took place at the Municipal Court of Budapest) on the inventor's motion to annul the invention transfer agreement. At this hearing the judge asked us to submit documentation showing our continued development of our RiverPower technology as proof that we are in fact working toward a commercial product as opposed to the claim of the inventor that we are not. As per this ruling our legal counsel submitted all required document to the court. At the second hearing on this issue in January of 2010 (hearing was also held at the Municipal Court of Budapest), the judge requested that we supply him with proof, in the form of receipts, of he amount we have expanded on developing RiverPower. The judge has also requested Janos Salca to withdraw his petition and come to an agreement with us. By June 30, 2010 we have submitted all required proof of our financial expenditures. The final hearing on this issue was held in September of 2010 (also at the Municipal Court of Budapest.) During this hearing the Judge ruled that Janos Salca's claims are without merit and ruled in our favor on all counts. Concurrent with the ruling the Judge ordered Janos Salca to pay processing fees (equal to approximately $4,000 dollars) and to reimburse our court expenses in the amount of $1,500 dollars. Based on consultation with our legal counsel we felt that the legal expenses awarded were not in-line with customary and incurred fees. Therefore we have submitted an appeal, asking the court to increase the recoverable legal expense fee to at least $7,000 dollars. As of this date we are still awaiting response from the court.

As we originally maintained, and have now been validated by the court, the claim brought forth by Mr. Salca was/is completely without merit. We have been diligently, although at a much slower pace than originally anticipated, pursuing development of RiverPower. At the beginning of the legal action we anticipated having a full scale prototype available for river testing in the first half of 2010. Because of the court case we were forced to suspend all development until final verdict rendered. Even though we believed we will emerge victorious in the case, further expenditures (both development work and patent fees) would have not benefited the company in case the court ruling was not in our favor.

Unfortunately since the case dragged on for over two years we were unable to maintain the patent portfolio built up around RiverPower. Paying of substantial amounts for international patent fees, in the event of losing the court case, would have resulted in unrecoverable expenses and have only benefited Mr. Salca. Even though we have won the litigation we were faced with another issue, the expired patents, a quintessential part of RiverPower's success.

We were exploring all available options at our disposal on how best to proceed with RiverPower, to apply for new patents or discontinue the project, when on September 3, 2011 we were notified by the Court of Appeals (in Budapest) that Mr. Salca has passed away and the case has against us has been dismissed. Upon learning of Mr. Salca's death we evaluated whether we could, or would want to, continue development of RiverPower. As of September 30, 2011 we have elected to discontinue the RiverPower project mainly because of the inventor's death, the expiration of patents, and the uncertainty associated with future development work and the resources needed to carry out such work.

The Kalmar Inventions: FireSAFE, HardCrete concrete from communal waste additive; Recycled plastic pothole filler; PVC covered electrical cable and radial tire recycling technology; red mud neutralization; and environmentally friendly salt free de-icing solution.

As of December 31, 2011 we have elected to discontinue development work on all of these technologies. The rational behind this decision rests with availability of resources, the time that would be needed to develop said inventions, the potential return we could realize on a partial or full exit from these investments and international completion.

iGlue Software via Equity position in iGlue, Inc.

For the past four and a half years we have been funding / developing iGlue, the cornerstone of our current technology portfolio. Our financial commitment to in4, Ltd, the company behind iGlue, amounted to a total of approximately $600,000 for years 2007 through 2010. The total chronological events of iGlue are:

- On August 2, 2007 Vidatech Kft., our wholly owned Hungarian subsidiary, entered into a joint development agreement with the inventors/creators of iGlue, an online content organization and search application based on semantic web technology. In the transaction Vidatech received 30% equity in the newly formed in4 Kft (http://www.in4.hu), the owner and exclusive developer of iGlue (http://www.iglue.com), for HUF 900 thousand (approximately USD 5,000). Up until May 31, 2009, Vidatech was expected to provide up to HUF 48 million (approximately USD 271,000) in member loans to in4 Kft. to cover the development expense of iGlue.

- As of December 31, 2008 we have provided this amount to in4, Ltd.

- As part of the agreement, Vidatech had the option of converting its HUF 48 million member loan into an additional 10% equity in in4 Kft. on or before the end of May, 2009. As of January 8, 2009 we have elected to covert our member loan into the additional 10% equity in in4, Ltd., resulting in Vidatech owning 40% of equity.

- On May 17th, 2010, We transferred our equity ownership from our Hungarian subsidiary Vidatech, Kft. to Power of the Dream Ventures. The transfer was initiated to prepare for our eventual exit from iGlue.

- Also on May 17th, 2010, we arranged for a new investor to provide further funds for the continued development of iGlue, in the amount of HUF 110 million (approximately USD 550,000.) Prior to this event, up to May 17th, 2010 we have provided an additional HUF 60 million ($310,000) as member loan to in4 Ltd. to finance development work, bringing our total investment to date to HUF 123,000,000 (approximately $600,000). As part of the new round of fund raising we agreed to convert our HUF 60 million in member loan into 3% equity. Following this conversion the new investor received 10% in in4, Ltd., of which We provided 1.5% and Peter Vasko, Founder of in4 limited provided 8.5%. Following the fund raising the new equity positions in in4 changed to Peter Vasko owning 51.5% (down from the pre-transaction 60%), Power of the Dream Ventures owning 38.5% (down from the pre-transaction 40%) and the new investor owning 10% equity.

- On May 19 of 2011 a new member joined in4, Ltd, Zoltan Siklosi who received 3% equity in the company for services rendered. Following his entry the new equity structure of the company changed to Peter Vasko owning 48.5% percent, Gyorgy Markos owning 10%, Zoltan Siklosi owning 3% and Power of the Dream Ventures owning 38.5%.

- Subsequently, to take iGlue to the next level, we organized a going public roadmap for the company. As part of this process, on November 3, 2011, in4, Ltd signed a Definitive Share Exchange Agreement to merge with Hardwired Interactive (HDWR) a fully reporting public company. As part of this agreement all holders of in4, Ltd equity received common and preferred stock in the newly public entity. As part of the transaction we received 600,000 shares of Series B Hardwired Interactive common stock convertible into 6,000,000 shares of common stock upon a reverse stock split. We also received warrants to purchase a total of three million shares of post split common stock, one million shares each at $5 dollars, $7 dollars and $9 dollars per share.

- On November 23, 2011 we announced plans to provide a dividend, in the form of iGlue common stock, to PWRV shareholders of record on December 23, 2011. Each PWRV shares was to receive 0.05 share of iGlue in the dividend. Upon approval from FINRA this dividend was paid out to PWRV shareholders on February 15, 2012. Following the distribution we still hold 2,884,986 shares of iGlue common stock and warrants to purchase a total of three million addition shares.

Since the establishment of in4 Kft. the company has focused on completing development work on iGlue. On June 24, 2008 in4, Ltd released on the World Wide Web a product demonstrator of iGlue. Subsequent to that on February 2, 2009 in4 released a call for 1,000 beta testers to register at the product's official website located at http://www.iglue.com Subsequent to that, in November of 2009, in4 released the server side open Beta of iGlue for general use. Upon this release iGlue was invited to participate at the second annual GeeknRolla event in London where iGlue was awarded second place. On November 14th, 2010 iGlue's annotation function was launched to the general public as the culmination of over three years of development work. In June of 2011 iGlue launched the "iGlue Summer Annotation Challenge" a cash and prizes competition aimed at user base growth and product marketing. As direct result of this competition over 2 million annotations were placed on over 20,000 different websites in the course of three months. And finally iGlue launched its redesigned and updated user interface with full Twitter and advertising support in January of 2012.

In 2012 iGlue will launch many additional features of the software and will aim to provide free and value added services, which will result in the company generating revenue from subscribers, advertising fees and technology licenses .

About iGlue

iGlue is the revolution of meaning. It not only helps us understand information on the Internet better, but it also makes the Net understand us and adapt to us. iGlue uses entities, not words, as its primarily medium.

We are developing iGlue to be an integrated online content manager and search engine that goes beyond today's widespread, language-dependant search mechanisms based on identifying character strings. iGlue identifies and manages entities, not keywords. Whether he is called Alejandro Magno, Büyük İskender or

Lissandru lu Granni, these names all refer to the same person: Alexander the Great, and most likely we would like to find information about the person himself. This is the principle iGlue uses to manage entities appearing in web content, and it will find relevant information even if the given element appears in a form that is different from what we used in launching the search.

The most common model for connecting data on the web has been hyperlinking, which takes you not to the content element but to the web page that contains it. A hyperlink is one-directional, it points to one location and only works with net addresses. As an improvement on the hyperlink, iGlue has developed the hyperdata model. In this system, elements of syntactic value are linked with each other and any element of a web page, whether it is a word, image or a piece of data, can become an information-rich junction.

Some of the main features of the hyperdata model include:

- locally displayed information about the entity
- identifying entities instead of character strings
- directly pointing to entities instead of IP addresses
- context sensitivity – working with network-based applications, such as map viewers, calendars, media players
- a relation system trackable in either direction
- option to choose several destinations from one junction
- no need for built-in linking, the application is capable of mapping the entity's relational structure according to customized preferences
- entity-level relevance, handling of homonyms and synonyms, i.e., the application is able to recognize whether the word "smith" is a proper name or an occupation

iGlue is capable of mobilizing and interpreting simple character strings thereby entering them into the web's semantic circulation. Using iGlue, any element of a blog, database or news portal can be turned into an information junction by the click of a mouse!

The database's main features include:

- collaborative editing
- free usage and accessibility
- manages the semantic relations of information
- open architecture to cooperate with other systems
- duplication and error filtering aided by automated mechanisms
- multi-lingual text handling
- manages resources and resource hierarchies
- feedback-based quality control

Semantic web represents disruptive technology with the power to challenge today's Internet titans. In4 Kft, in close working relationship with Vidatech, aims to be the premier developer and operator of next generation intelligent web sites.

The Company's Workforce and Employee Relations

The Company's workforce at December 31, 2011 included 5 persons, of which 4 were salaried employees and 1 was an hourly worker.

The Company's Product Research and Development

The Company's research and development efforts are intended to establish leadership positions in core technology lines and provide the Company with a competitive edge as it seeks additional business with new customers. Total research and development expenditures for the nine technologies managed by the Company were approximately $50,000 in 2011, increasing from $0 in 2010.

The Company's Intellectual Property

The Company owned significant intellectual property, including nine patent applications (in Hungary and internationally), proprietary prototypes of managed technologies and numerous trade secrets. Upon the discontinuation of our managed technologies, other than iGlue, we have elected not to maintain the patent portfolio of the technologies we no longer pursued. As of December 31, 2011 we no longer maintain any patents in our portfolio. Our equity position on iGlue, Inc does not require us to maintain patents. In the future, when appropriate, we will seek to build a new portfolio of patents once we successfully exited our iGlue equity position.

The Company's Raw Materials and Suppliers

We currently do not produce anything that would require a supply of raw materials. In the future, when appropriate, we will seek out readily available supplies and suppliers for our production needs.

Impact of Environmental Regulations on the Company

The Company is subject to the requirements of federal, state, local and foreign environmental and occupational safety and health laws and regulations. These include laws regulating air emissions and water discharge. During 2011, the Company did not make any material capital expenditures relating to environmental compliance.

The Company's Website and Access to Available Information

We make available without charge copies of our Annual Report, Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, amendments to those, and other reports filed with the Securities and Exchange Commission ("SEC") on our website, www.powerofthedream.com. Our website's content is not intended to be incorporated by reference into this report or any other report we file with the SEC. You may request a paper copy of materials we file with the SEC by calling us at (+36) 1-456-6061.

You may read and copy materials we file with the SEC on the SEC's website at www.sec.gov, or at the SEC's Public Reference Room at 100 F Street, NE, Washington, DC 20549. You may obtain information on the operation of the Public Reference Room by calling (800) 732-0330.

Item 1.A. Risk Factors

We have a limited operating history, which makes your evaluation of our business difficult. We have incurred losses in recent periods for start-up efforts and may incur losses in the future.

Our future is dependent upon our ability to obtain financing and upon future profitable operations from the commercial exploitation of the technologies in which we invest, acquire or license. These factors raise substantial doubt that we will be able to continue as a going concern. From April 26, 2006 (inception) through December 31, 2011, we incurred aggregate losses of $9,594,569 and anticipate incurring additional losses for at least the next twelve (12) months.

Our auditors have expressed substantial doubt about our ability to continue as a going concern.

As of December 31, 2011, we had $28,948 of cash and $654,386 in current obligations. In addition, we anticipate our new operating expenses to be between $200 - $250,000 for year 2012. We do not have sufficient resources to satisfy our current obligations nor to fund our planned operations for the next 12 months. We will require additional financing to sustain our operations and without it we will not be able to continue operations.

Our ability to obtain additional funding will determine our ability to continue as a going concern. Our financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Management believes the Company can raise adequate capital to keep the Company functioning through December 31, 2012. However, the need may arise, in the normal course of business, to raise additional capital if we want to accelerate development work, for the acquisition of additional technologies, or to meet unforeseen financial needs. No assurance can be given that the Company can obtain additional working capital, or if obtained, that such funding will not cause substantial dilution to shareholders of the Company. If the Company is unable to raise additional funds, if needed, it may be forced to change or delay its contemplated marketing and business plan. Being a development stage company, the Company is subject to all the risks inherent in the establishment of a new enterprise and the marketing and manufacturing of a new product, many of which risks are beyond the control of the Company. All of the factors discussed above raise substantial doubt about the Company's ability to continue as a going concern.

Our future is dependent upon our ability to obtain financing. If we do not obtain such financing, we may have to cease research activities and investors could lose their entire investment. We have no arrangements or agreements with any person regarding any potential future financings.

We currently do not have, and may never develop or acquire any commercialized products for distribution and sale.

We currently do not have any commercialized product(s) or any significant source of revenue. We have invested substantially all of our time and resources over the last two years in identification, research and development of technologies. The technologies, which are the subject of our ongoing research programs, will require additional development, clinical evaluation, regulatory approval, significant marketing efforts and substantial additional investment before they can provide us with any revenue. We cannot currently estimate with any accuracy the amount of funds that may be required because it may vary significantly depending on the results of our current research and development activities, product testing, costs of acquiring licenses, changes in the focus and direction of our research and development programs, competitive and technological advances, the cost of filing, prosecuting, defending and enforcing patent claims, the regulatory process, manufacturing, marketing and other costs associated with the commercialization of products following receipt of approval, if required, from regulatory bodies and other factors.

Our efforts may not lead to commercially successful products for a number of reasons, including:

- we may not be able to obtain regulatory approvals, if required, or the approved indication may be narrower than we seek;
- our technologies or products, if any, derived from our research and development efforts may not prove to be safe and effective in clinical trials or testing;
- any products that may be approved may not be accepted in the marketplace;
- we may not have adequate financial or other resources to complete the development and commercialization of products derived from our research and development efforts;
- we may not be able to manufacture our products in commercial quantities or at an acceptable cost; and
- rapid technological change may make our technologies, and products derived from those technologies, obsolete.

We expect to operate in a highly competitive market; we may face competition from large, well-established companies with significant resources, and against which we may not be able to effectively compete.

Our commercial success will depend on our ability and the ability of our sublicensees, if any, to compete effectively in product development, customer compliance, price, marketing and distribution. There can be no assurance that competitors will not succeed in developing products that are more effective than any products derived from our research and development efforts or that would render such products obsolete and non-competitive.

The technology sector is characterized by intense competition, rapid product development and technological change. We expect that most of the competition that we will encounter will come from companies, research institutions and universities who are researching and developing technologies and products similar to or competitive with any we may develop.

These companies may enjoy numerous competitive advantages, including:

- significantly greater name recognition;
- established distribution networks;
- additional lines of products, and the ability to offer rebates, higher discounts or incentives to gain a competitive advantage;
- greater experience in conducting research and development, manufacturing, obtaining regulatory approval for products, and marketing approved products; and
- greater financial and human resources for product development, sales and marketing, and patent litigation.

As a result, we may not be able to compete effectively against these companies or their products.

The success of our research and development effort is uncertain and we expect to be engaged in research and development efforts for a considerable period of time before we will be in a position, if ever, to develop and commercialize products derived from our technologies.

We expect to start new research and development programs by the end of 2012. Research and development activities, by their nature, preclude definitive statements as to the time required and costs involved in reaching certain objectives. Actual costs may exceed the amounts we have budgeted and actual time may exceed our expectations. If our research and development requires more funding or time than we anticipate, then we may have to reduce technological development efforts or seek additional financing. There can be no assurance that we will be able to secure any necessary additional financing or that such financing would be available to us on favorable terms. Additional financings could result in substantial dilution to existing shareholders. Even if we are able to fully fund our research and development program, there is no assurance that, even upon successful completion of our program, we will ever be able to commercialize products, if any, derived from our research efforts or that we will be able to generate any revenues from operations.

Our research and development programs are in the preliminary development stage and the results we attain may not prove to be adequate for purposes of developing and commercializing any products or otherwise to support a profitable business venture.

Our research and development programs are in the preliminary development stage. We will require significant further research, development, testing and regulatory approvals and significant additional investment before we will be in a position to attempt to commercialize products derived from our research and development programs. We cannot currently estimate with any accuracy the amount of these funds because it may vary significantly depending on the results of our research and development activities, product testing, costs of acquiring licenses, changes in the focus and direction of our research and development programs, competitive and technological advances, the cost of filing, prosecuting, defending and enforcing patent claims, the regulatory process, manufacturing, marketing and other costs associated with commercialization of products following receipt of approval from regulatory bodies and other factors.

There can be no assurances that our early stage research will be successful. The ultimate results of our ongoing research programs may demonstrate that the technologies being researched by us may be ineffective, unsafe or unlikely to receive necessary regulatory approvals. If such results are obtained, we will be unable to create marketable products or generate revenues and we may have to cease operations.

We intend to conduct sales and marketing efforts internally, but lack sales and marketing experience. Additionally, we may rely on third party marketers, in which case, we will be dependent on their efforts.

We expect to market and sell or otherwise commercialize our technologies (or any products derived from the technologies) ourselves as well as through distribution, co-marketing, co-promotion or licensing arrangements with third parties. We have no experience in sales, marketing or distribution of such technologies or products and our current management and staff is not experienced or trained in these areas. Accordingly, if our attempts to market any products directly are not successful, our business may be adversely affected. To the extent that we enter into distribution, co-marketing, co-promotion or licensing arrangements for the marketing or sale of our technologies (or any products derived from the technologies) any revenues received by us will be dependent on the efforts of third parties. If such parties were to breach or terminate their agreement with us or otherwise fail to conduct marketing activities successfully and in a timely manner, the commercialization of our technologies (or any products derived from the technologies) would be delayed or terminated.

There are risks associated with our proposed operations in Hungary.

Special risks may be associated with our efforts to undertake operations in the Republic of Hungary. Such operations will be subject to political, economic and other uncertainties, including among other things, import, export and transportation regulations, tariffs, taxation policy, including royalty and tax increases and retroactive tax claims, exchange controls, currency fluctuations and other uncertainties arising out of the Republic of Hungary's sovereignty over our operations.

Fluctuation in the value of the Hungarian Forint relative to other currencies may have a material adverse effect on our business and/or an investment in our shares.

We maintain our books in local currency: U.S. dollars for Power of the Dream in the United States and the Hungarian Forint for Vidatech in Hungary. Our operations are conducted primarily outside of the United States through Vidatech, our wholly-owned subsidiary. As a result, fluctuations in currency exchange rates may significantly affect our sales, profitability and financial position when the foreign currencies, primarily the Hungarian Forint, of our international operations are translated into U.S. dollars for financial reporting. During 2011, the Hungarian Forint has fluctuated between HUF 240 and HUF 177 to the U.S. dollar. In addition, we are also subject to currency fluctuation risk with respect to certain foreign currency denominated receivables and payables. Although we cannot predict the extent to which currency fluctuations may or will affect our business and financial position, there is a risk that such fluctuations will have an adverse impact on our sales, profits and financial position. Because differing portions of our revenues and costs are denominated in foreign currency, movements could impact our margins by, for example, decreasing our foreign revenues when the dollar strengthens and not correspondingly decreasing our expenses. We do not currently hedge our currency exposure. In the future, we may engage in hedging transactions to mitigate foreign exchange risk.

Our management team has limited experience in public company matters, which could impair our ability to comply with legal and regulatory requirements.

Our management team has had limited experience managing a U.S. public company, which could impair our ability to comply with legal and regulatory requirements, such as the Sarbanes-Oxley Act of 2002 and applicable federal securities laws, including filing on a timely basis required reports and other required information. Our management may not be able to implement programs and policies in an effective and timely manner that adequately responds to increased legal or regulatory compliance and reporting requirements imposed by such laws and regulations. Our failure to comply with such laws and regulations could lead to the imposition of fines and penalties and further result in the deterioration of our business.

Investor confidence and the market price of our shares may be adversely impacted if we are unable to issue an unqualified opinion on the adequacy of our internal controls over our financial reporting.

We are subject to the reporting requirements of the U.S. Securities and Exchange Commission, or SEC. The SEC, as directed by Section 404 of the U.S. Sarbanes-Oxley Act of 2002, adopted rules requiring public companies to include a report of management on their internal control structure and procedures for financial reporting in their annual reports on Form 10-K that contain an assessment by management of the effectiveness of their internal controls over financial reporting. These requirements first applied to our annual report on Form 10-KSB for the fiscal year ending on December 31, 2007. Our management may not conclude that our internal controls over financial reporting are effective. Any failure to implement effective controls, or difficulties encountered in their implementation, could harm our operating results or cause us to fail to meet our reporting obligations. Moreover, even if our management does conclude that our internal controls over financial reporting are effective, if our independent registered public accountants are not satisfied with our internal control structure and procedures, the level at which our internal controls are documented, designed, operated or reviewed, or if the independent registered public accountants interpret the requirements, rules or regulations differently from us, they may not concur with our management's assessment or may not issue a report that is unqualified. Any of these possible outcomes could result in an adverse reaction in the financial marketplace due to a loss of investor confidence in the reliability of our financial statements, which could lead to a decline in the market price of our shares.

Concentration of ownership among our directors, executive officers and principal shareholders may prevent new investors from influencing significant corporate decisions.

Based upon beneficial ownership as of December 31, 2011, our directors, executive officers and holders of more than 5% of our common stock, alone or together with their affiliates own, in the aggregate, approximately 26% of our outstanding shares of common stock. Our two executive officers, Viktor Rozsnyay, CEO and Daniel Kun, Jr., Vice President own 100% of our Series A Preferred Stock, which gives them majority voting power. As a result, these shareholders, will be able to exercise a controlling influence over matters requiring shareholder approval, including the election of directors and approval of significant corporate transactions, and will have significant control over our management and policies. Some of these persons or entities may have interests that are different from yours. For example, these shareholders may support proposals and actions with which you may disagree or which are not in your interests. The concentration of ownership could delay or prevent a change in control of our company or otherwise discourage a potential acquirer from attempting to obtain control of our company, which in turn could reduce the price of our common stock. In addition, these shareholders, some of whom have representatives sitting on our Board of Directors, could use their voting influence to maintain our existing management and directors in office, delay or prevent changes of control of our company, or support or reject other management and board proposals that are subject to stockholder approval, such as amendments to our employee stock plans and approvals of significant financing transactions.

We will need to hire additional employees as the number of technologies in which we have an interest increases.

We anticipate that it will be necessary for us to add employees with technology and management experience as well as support staff to accommodate the increasing number of technologies we acquire. We may also need to provide additional scientific, business, accounting, legal or investment training for our hires. There is competition for highly qualified personnel, and we may not be successful in our efforts to recruit and retain highly qualified personnel.

We do not intend to pay dividends for the foreseeable future.

We currently intend to retain future earnings, if any, to support the development and expansion of our business and do not anticipate paying cash dividends in the foreseeable future. Our payment of any future dividends will be at the discretion of our Board of Directors after taking into account various factors, including but not limited to our financial condition, operating results, cash needs, growth plans and the terms of any credit or other agreements that we may be a party to at the time. Accordingly, investors must rely on sales of their common stock after price appreciation, which may never occur, as the only way to realize their investment.

We may conduct further offerings in the future, in which case your percentage interest in our Company will be diluted.

Since inception, we have relied on sales of our common stock to fund our operations. We may conduct further offerings in the future to finance our current projects or to finance subsequent projects that we decide to undertake. If common stock is issued in return for additional funds, the price per share could be lower than that paid by our current shareholders. We anticipate continuing to rely on equity sales of our common stock in order to fund our business operations. If we issue additional stock, your percentage interest in us will be diluted and the value of your stock could be reduced.

We may issue preferred stock which may have greater rights than our common stock.

We are permitted in our Certificate of Incorporation to issue up to 10,000,000 shares of preferred stock. We currently have 2 million shares of Series A preferred shares are issued and outstanding; however, we can issue shares of our preferred stock in one or more series and can set the terms of the preferred stock without seeking any further approval from our common shareholders. Any preferred stock that we issue may rank ahead of our common stock in terms of dividend priority or liquidation premiums and may have greater voting rights than our common stock. In addition, such preferred stock may contain provisions allowing it to be converted into shares of common stock, which could dilute the value of common stock to current shareholders and could adversely affect the market price, if any, of our common stock.

Our common stock is a "penny stock," and because "penny stock" rules will apply, you may find it difficult to sell the shares of our common stock you acquired in this offering.

Our common stock is a "penny stock" as that term is defined under Rule 3a51-1 of the Securities Exchange Act of 1934. Generally, a "penny stock" is a common stock that is not listed on a securities exchange and trades for less than $5.00 a share. Prices often are not available to buyers and sellers and the market for penny stocks may be very limited. Penny stocks in start-up companies are among the riskiest equity investments. Broker-dealers who sell penny stocks must provide purchasers of these stocks with a standardized risk-disclosure document prepared by the SEC. The document provides information about penny stocks and the nature and level of risks involved in investing in the penny stock market. A broker must also give a purchaser, orally or in writing, bid and offer quotations and information regarding broker and salesperson compensation, make a written determination that the penny stock is a suitable investment for the purchaser, and obtain the purchaser's written agreement to the purchase. Many brokers choose not to participate in penny stock transactions. Because of the penny stock rules, there is less trading activity in penny stocks and you are likely to have difficulty selling your shares.

Because our business assets, directors, and officers are located outside of the United States, our shareholders may be limited in their ability to enforce civil actions against our assets or our directors and officers.

We are incorporated under the laws of Delaware but, because we are headquartered in Hungary, all of our officers reside in Hungary. Our Board of Director resides in Hungary. Therefore our shareholders may have difficulty enforcing civil liabilities under the U.S. federal securities laws against our officers and directors. Because some of our assets are located outside the U.S., it may be difficult for an investor to succeed in an action, for any reason, against us or any of our directors or officers through U.S. jurisdictions. If an investor was able to obtain a judgment against us or any of our directors or officers in a U.S. court based on U.S. securities or other laws, it may be difficult to enforce such judgment in Hungary. We are uncertain as to the enforceability, in original actions in Hungarian courts, of liability based upon the U.S. federal securities laws and as to the enforceability in Hungarian courts of judgments of U.S. courts obtained in actions based upon the civil liability provisions of the U.S. federal securities laws.

Our compliance with changing laws and rules regarding corporate governance and public disclosure may result in additional expenses to us which, in turn, may adversely affect our ability to continue our operations.

Keeping abreast of, and in compliance with, changing laws, regulations and standards relating to corporate governance and public disclosure, including the Sarbanes-Oxley Act of 2002, new SEC regulations and, in the event we are ever approved for listing on either NASDAQ or a registered exchange, NASDAQ and stock exchange rules, will require an increased amount of management attention and external resources. We intend to continue to invest all reasonably necessary resources to comply with evolving standards, which may result in increased general and administrative expenses and a diversion of management time and attention from revenue-generating activities to compliance activities. This could have a materially adverse effect on our ongoing operations.

ITEM 2. *DESCRIPTION OF PROPERTY*

The Company's principal executive offices are located at 1095 Budapest, Soroksari ut 94-96, Hungary. The offices are leased on a monthly basis for a fee of $1,100. The premises consist of approximately 1,000 square feet of space.

ITEM 3. *LEGAL PROCEEDINGS*

On May 12, 2009 we were presented with a court order for a hearing, initiated by Janos Salca, inventor of our RiverPower technology. In the court documents made available to us by Mr. Salca alleges that at the signing of our Invention Transfer Agreement, dated May 24, 2006 we intentionally mislead him as to our intent to develop his technology. On June 22, 2009 our Legal Counsel attended the court hearing (the hearing took place at Metropolitan Court, Budapest) on the inventor's motion to annul the invention transfer agreement. At this hearing the judge asked us to submit documentation showing our continued development of our RiverPower technology as proof that we are in fact working towards a commercial product as opposed to the claim of the inventor that we are not. As per this ruling our legal counsel submitted all required document to the court. A second hearing on this issue was held on January 15, 2010 (hearing took place at Metropolitan Court, Budapest.) In this hearing the judge asked Janos Salca to withdraw his claims and Us to mediate a mutually agreeable resolution. He set a third and final hearing for September of 2010, also to be held at Metropolitan Court in Budapest.

Up to the date of the third and final hearing we were not contacted by Janos Salca to negotiate a mutually beneficial arrangement. Because of this the court case advanced and the final hearing on this issue was held on September 13th of 2010, also at the Metropolitan Court of Budapest. During this hearing the Judge ruled that Janos Salca's claims were without merit and ruled in Our favor on all counts. Concurrent with the ruling the Judge ordered Janos Salca to pay processing fees (equal to approximately $4,000 dollars) and to reimburse Our court expenses in the amount of $1,500 dollars. Based on consultation with Our legal counsel we felt the legal expenses awarded were not in-line with customary and accepted legal fees. Therefore on September 28th we have submitted an appeal, asking the court to increase the recoverable legal fees to at least $7,000 dollars.

As of September 3, 2011 we have been notified by the Court of Appeals (in Budapest) that Mr. Salca has passed away and the case has been dismissed. Because of his passing we will not be able to recover any of our expenses associated with the legal proceedings or our development of RiverPower. As of September 30, 2011 we have elected to discontinue the RiverPower project mainly because of the inventor's death, the expiration of patents, and the uncertainty associated with future development work and the resources needed to carry out such work.

ITEM 4. *Mine Safety Disclosure*

None.

PART II

ITEM 5. *MARKET FOR COMMON EQUITY AND RELATED STOCKHOLDER MATTERS AND SMALL BUSINESS ISSUER PURCHASES OF EQUITY SECURITIES*

Safe Harbor for Forward-Looking Statements

When used in this report, the words “may,” “will,” “expect,” “anticipate,” “continue,” “estimate,” “project,” “intend,” and similar expressions are intended to identify forward-looking statements that may affect the Company’s future plans of operations, business strategy, operating results, and financial position. Persons reviewing this report are cautioned that any forward-looking statements are not guarantees of future performance and are subject to risks and uncertainties and that actual results may differ materially from those included within the forward-looking statements as a result of various factors. Such factors are discussed further elsewhere in this annual report and also include general economic factors and conditions that may directly or indirectly impact our financial condition or results of operations.

Market Information

The Company’s common stock is listed on the OTC Bulletin Board (OTCBB) in the United States under the symbol *“PWRV.”* Our common began trading on the OTC Bulletin Board on February 21, 2008. There was no trading activity of our common stock prior to February 21, 2008. Trading in our common stock has been limited and sporadic. The following table shows the range of high and low bid quotations reported by OTCBB in each fiscal quarter from January 1, 2008 to December 31, 2011. The OTCBB quotations below reflect inter-dealer prices without retail mark-up, mark-down or commission and may not represent actual transactions.

	High	Low
Fiscal 2008		
Quarter Ended March 31, 2008	$4.00	$3.90
Quarter Ended June 30, 2008	$4.00	$1.85
Quarter ended September 30, 2008	$2.00	$0.10
Quarter ended December 31, 2008	$1.00	$0.17
Fiscal 2009		
Quarter Ended March 31, 2009	$0.30	$0.02
Quarter Ended June 30, 2009	$0.02	$0.08
Quarter ended September 30, 2009	$0.02	$0.10
Quarter ended December 31, 2009	$0.07	$0.24
Fiscal 2010		
Quarter Ended March 31, 2010	$0.15	$0.08
Quarter Ended June 30, 2010	$0.30	$0.08
Quarter ended September 30, 2010	$0.31	$0.18
Quarter ended December 31, 2010	$0.51	$0.10
Fiscal 2011		
Quarter Ended March 31, 2011	$0.64	$0.10
Quarter Ended June 30, 2011	$0.50	$0.13
Quarter ended September 30, 2011	$0.16	$0.03

Quarter ended December 31, 2011	$0.27	$0.08

Holders

As of December 31, 2011, the Company had 38,428,044 shares of its common stock and 2,000,000 shares of preferred stock each with $0.0001 par value outstanding, which were owned by approximately 350 shareholders of record.

Transfer Agent

Our transfer agent is Fidelity Transfer Company, 8915 S. 700 E. Suite 102, Sandy, UT 84070. Our transfer agent's telephone number is (801) 562-1300.

Dividend Policy

We have provided to our shareholders of record on December 23, 2011 one dividend in the form of iGlue, Inc. restricted common stock. Each share of PWRV received 0.05 shares of iGlue common stock. A total of 3,115,014 shares of iGlue restricted common stock were distributed on February 15, 2012. We still retain 2.884,986 shares of iGlue in common stock.

Authorization of Securities for Issuance Under Equity Compensation Plans

None.

Recent Sales of Unregistered Securities

On October 26, 2011 the Company entered into an equity exchange agreement with each of Messrs. Viktor Rozsnyay and Daniel Kun, Jr. Mr. Rozsnyay is President, CEO and Chairman of the Board of Directors of the Company and Mr. Kun is its Vice-President. Each Agreement is identical and provides in summary form as follows: each of Messrs. Rozsnyay and Kun will deliver twelve million (12,000,000) shares of their shares of common stock of the Company to the Company for cancellation immediately. The Agreement provides that the Exchange Shares so delivered will be returned to the treasury of the Company as unauthorized shares of common stock and will become available for subsequent issuance by the Company from time to time. In return for the surrender of the Exchange Shares, the Company will issue and deliver two million (2,000,000) restricted shares of a new class of Series A Preferred shares, 1,000,000 shares each to Mr. Rozsnyay and Mr. Kun. The Company attached as an Exhibit the Series A preferred agreements.

Reverse merger

On August 5, the company was presented with an Amended Convertible Promissory Note by Mary Passalaqua. In the revised agreement Ms. Passalaqua requested that the outstanding portion of the Promissory Note be paid in shares in such quantity that will satisfy the debt of $195,000 owned. As first step in this conversion process Mary Passalaqua requested the conversion of $70,000 dollars into shares of common stock. To satisfy this request the Company instructed its transfer agent to issue Mary Passalaqua 2,400,000 shares of common. On October 20, 2011, Mary Passalaqua requested the conversion of additional $20,000 dollars into shares of common stock. To satisfy this request the Company instructed its transfer agent to issue Mary Passalaqua 2,400,000 shares of common.

On October 20, the Company was presented with an Amended Convertible Promissory Note by Mary Passalaqua. In the revised agreement Ms. Passalaqua requested that the outstanding portion of the Promissory Note be paid in shares in such quantity that will satisfy the debt of $125,000 owned. As second step in this conversion process Mary Passalaqua requested the conversion of $20,000 dollars into shares of common stock. To satisfy this request the Company instructed its transfer agent to issue Mary Passalaqua

3,500,000 shares of common. Upon conversion of the $20,000 our outstanding Promissory Note balance will be $105,000 plus accrued interest.

Stock based compensation

On January 1, 2011, the Company entered into a restricted stock agreement with Ildiko Rozsa, who is to serve as the Chief Financial Officer of the Company. As part of the agreement Ms. Rozsa was granted 100,000 shares of the Company's restricted common stock of which 25,000 shares will vest quarterly, at the end of each quarter, so long as Ms. Rozsa is employed by the Company.

On January 1, 2011, the Company entered into a restricted stock agreement with Szilvia Toth, the Chief Accounting Officer of the Company. As part of the agreement Ms. Toth was granted 100,000 shares of restricted common stock, of which 25,000 shares will vest quarterly, at the end of each quarter, so long as Ms. Toth is employed by the Company.

On January 1, 2011, the Company entered into a restricted stock agreement with Imre Eotvos, the Technology Assistant of the Company. As part of the agreement Mr. Eotvos was granted 120,000 shares of restricted common stock, which will vest on equal installments of 30,000 shares quarterly, at the end of each quarter, so long as Mr. Eotvos is employed by the Company.

On January 1, 2011, the Company entered into a restricted stock agreement with Daniel Kun, Jr., who is to serve as Secretary and Vice President of the company on a going forward basis. As part of the agreement Mr. Kun was granted 120,000 shares of restricted common stock, which will vest on equal installments of 30,000 shares quarterly, at the end of each quarter, so long as Mr. Kun is employed by the Company.

On January 1, 2011, the Company entered into a restricted stock agreement with Gene Guhne, who is to serve as Director of the company on a going forward basis. As part of the agreement Mr. Guhne was granted 100,000 shares of restricted common stock, which will vest on equal installments of 25,000 shares quarterly, at the end of each quarter, so long as Mr. Guhne is employed by the Company.

As consideration for the above services, the Company issued an aggregate of 540,000 shares of the Company's common stock. These share issuances were recorded at $0.15 per share in the total amount of $81,000 in accordance with measurement date principles prescribed under FAS 123 (R).

Consulting agreements

During October 2011, the Company entered into agreements with three unaffiliated professionals for one year business consulting services. According to the agreement the professionals provide consulting services to the Company for 12 months. In connection with these services, the Company issued to them 640,000 shares of the Company's common stock. These share issuances were recorded at the fair value of contracting date which is the market price on the commitment date $0.11 and $0.09 per share in the total amount of $61,200 and the related expense was recorded under general administration.

On September 27, 2011, the Company entered into agreements with two unaffiliated professionals for one year business consulting services. According to the agreement the professionals provide consulting services to the Company for 12 months. In connection with these services, the Company issued to them 100,000 shares of the Company's common stock. These share issuances were recorded at the fair value of contracting date which is the market price on the commitment date $0.14 per share in the total amount of $14,000 and the related expense was recorded under general administration.

During April and May of 2011, the Company entered into agreements with five unaffiliated professionals for one year business consulting services. According to the agreement the professionals provide consulting services to the Company for 12 months. In connection with these services, the Company issued to them 505,000 shares of the Company's common stock.

These share issuances were recorded at the fair value of contracting date which is the market price on the commitment date, ranging from $0.34 to $0.48 per share in the total amount of $190,900 and the related expense was recorded under general administration.

On February 7, 2011 the Company entered into a one year business consultation agreement with an unaffiliated person who is to provide general business development and incubation consultation. In exchange for his services the Company issued a onetime payment of 215,000 shares of our common stock, which vested immediately. These share issuances were recorded at $0.3 per share in the total amount of $64,500 and the related expense was recorded under general administration.

On February 9, 2011 we entered into a one year business consultation agreement with an unaffiliated person who is to provide services in term of potential business opportunities in Poland. In exchange for his services we issued a onetime payment of 435,000 shares of our common stock, which vested immediately. These share issuances were recorded at $0.24 per share in the total amount of $104,400 and the related expense was recorded under general administration.

On February 24, 2011 we entered into a one year business consultation agreement with an unaffiliated person who is to provide general business development and incubation consultation. In exchange for his services we issued a onetime payment of 75,000 shares of our common stock, which vested immediately. These share issuances were recorded at $0.3 per share in the total amount of $22,500 and the related expense was recorded under general administration.

On November 14, 2011, pursuant to a private placement under Regulation S of the Securities Act of 1933, as amended, the Company sold 27,700 shares of its common stock at $0.16 per share to an unaffiliated private investor for aggregate proceeds of $4,432.

On September 2, 2011, pursuant to a private placement under Regulation S of the Securities Act of 1933, as amended, the Company sold 1,727,013 shares of its common stock at $0.16 per share to two unaffiliated private investors for aggregate proceeds of $276,322.

On August 29, 2011, pursuant to a private placement under Regulation S of the Securities Act of 1933, as amended, the Company sold 17,825 shares of its common stock at $0.12 per share to one unaffiliated private investor for aggregate proceeds of $2,137.

During the second quarter of 2011, pursuant to a private placement under Regulation S of the Securities Act of 1933, as amended, the Company sold 196,489 shares of its common stock at $0.29 for aggregate proceeds of $56,962.

Issuer Purchases Of Equity Securities

None.

ITEM 6. ***SELECTED FINANCIAL DATA***

	2011	2010
Revenues	-	-
General and administration expenses	957,318	349,997
Research and development	50,000	-
Net loss	1,251,035	588,910

For the year ended December 31, 2011, we had $0 revenue as compared the $0 revenue in the same period in the previous year. The Company is still focused on product development. First revenues are expected to occur in 2012. For the years ended December 31, 2011 general, selling and administrative expenses were

$957,318 as compared to $349,997 for the year ended December 31, 2010. The increase is due to new consulting agreements for services.

ITEM 7. *Management's Discussion and Analysis or PLAN of Operations*

Plan of Operation

Since inception through December 31, 2011, we had a deficit accumulated during the development stage of $9,594,569 and net cash used in operations of $2,433,053. To date all of our funding has been provided through sale of our common stock. We believe we can raise sufficient additional financing through the sale of our common shares to allow us to continue operations and execute our business plan to the end of 2012. Should the need arise, we plan to raise additional funds, both from U.S. and international investors. We believe that our equity position on the newly public iGlue, Inc., will prove attractive to both private and institutional investors, making fund raising a less strenuous process than it was before. We also believe that as the only Hungarian public (or private) company that is actively engaged in Hungarian intellectual property acquisition and commercialization, we are an even more attractive investment opportunity.

If needed, we will raise additional capital in a manner that is the least dilutive to our shareholders yet at the same time serves our development and operating needs. We anticipate no more than two additional fund raising round in 2012, after which we hope to rely solely on income generated from a partial or full exit of our iGlue equity. By the end of 2012 we will seek to sell some of our 2,884,986 shares of iGlue, Inc., common stock to realize substantially higher return than the amount we invested in the technology. We will then use the funds generated to invest in new technologies and pay for our day to day operating expenses.

Even though we believe our public status will allow us to raise additional capital, if needed, no assurance can be given that we can in fact obtain additional working capital, or if obtained, that such funding will not cause substantial dilution to shareholders of the Company. If we are unable to raise additional funds, we may be forced to change or delay our contemplated marketing and business plan.

In 2012 we anticipate spending approximately $300,000 on general administrative expenses.

We also have an outstanding note in the amount of $105,000 plus accrued interest payable to Mary Passalaqua, our former President and CEO. This note, which bears interest at the U.S. prime rate, was due and payable April 5, 2009, was issued immediately prior to the reverse merger and assumed by us in connection with the reverse merger. The note was recorded by us as additional compensation to Ms. Passalaqua. Such compensation is reflected in our condensed balance sheet as the accumulated deficit of the Company, and will not be reflected in our statement of operations, as such compensation expense was structured as an expense prior to our recapitalization. In the event that we raise in excess of $3,000,000 dollars in capital the note is payable immediately.

In November of 2008 we provided a payment of $35,000 towards the $250,000 note, therefore reducing our note outstanding to $215,000 plus accumulated interest.

In May of 2009 we provided a payment of an additional $20,000 towards the $250,000 note, therefore reducing our note outstanding to $195,000 plus accumulated interest.

On April 15, 2010 we entered into restricted stock agreements with certain of our employees, pursuant to which we granted a total of 540,000 shares of restricted common stock retrospectively from January 1, 2010. The shares will vest in installments, with all shares vesting by the end of 2010. The total value of these shares is $54,000 based on a share price of $0.10, and the entire amount was recognized as an expense in 2010.

Being a development stage company, we are subject to all the risks inherent in the establishment of a new enterprise and the marketing and manufacturing of new products, many of which risks are beyond the control of the Company.

Over the course of the next 12 months we plan to focus on one primary technology in order to become cash flow positive: our investment in iGlue, Inc., aimed at making a partial or full exit through the sale of our 2,884,986 shares of common stock.

Although we believe the iGlue can be successfully marketed and we will be able to realize a gain upon the full or partial sale of our interest in iGlue, there can be no assurance that we will be able to sell some or all of our common shares. If we are unable to sell any or all of our shares in iGlue within the next 12 months we will be required to raise additional capital to support our operations until such time when we can maintain operations from partial or full sale of our iGlue shares.

We don't anticipate making any substantial equipment purchase or increasing our work force in the foreseeable future.

All of the factors discussed above raise substantial doubt about our ability to continue as a going concern. The condensed consolidated financial statements included elsewhere in this prospectus do not include any adjustments relating to the recoverability of recorded asset amounts that might be necessary as a result of the above uncertainty.

2011 Overview and Financial Results

The high-technology development and commercialisation industry remains challenging in North America and Europe, with continued market share pressures concentrated in the U.S. While our transition from a private company to a public one following our reverse merger significantly increased our compliance related financial burden, it also provided us with opportunities to seek financing for the execution of our business plan. Based on this financing we were able to significantly increase our technology acquisition and development footprint, and lay the foundation of fully executing our business strategy beginning in 2012.

Debt and Capital Structure

Future maturities of the Company's debt are as follows: 2011 — $230,000. The Company continues to explore opportunities to enhance liquidity, improve financial flexibility and reduce the long term costs of capital.

Critical Accounting Estimates

The consolidated financial statements accompanying this Annual Report on Form 10-K have been prepared in conformity with accounting principles generally accepted in the United States and, accordingly, the Company's accounting policies have been disclosed in Note 2 to the consolidated financial statements.

We account for stock-based compensation in accordance with ASC 718. Under the fair value recognition provisions of this Subtopic, share-based compensation cost is measured at the grant date based on the fair value of the award and is recognized as expense over the requisite service period. Determining the fair value of share-based awards at the grant date requires judgment. If actual results differ significantly from these estimates, stock-based compensation expense and our results of operations could be materially impacted.

When more than one accounting principle, or the method of its application, is generally accepted, management selects the principle or method that it considers to be the most appropriate given the specific circumstances. Application of these accounting principles requires the Company's management to make estimates about the future resolution of existing uncertainties. Estimates are typically based upon historical experience, current trends, contractual documentation, and other information, as appropriate. Due to the inherent uncertainty involving estimates, actual results reported in the future may differ from those estimates. In preparing these financial statements, management has made its best estimates and judgments of the amounts and disclosures included in the financial statements.

FASB ASC 505-50 applies to share-based payments to non-employees. Share-based payments to non-employees generally are measured at the earlier of the completion of performance and the performance commitment date, based on the fair value of the instruments issued. However, if the fair value of the goods or services can be determined objectively, then their value may be used instead.

Environmental Matters

The Company is subject to the requirements of federal, state, local and foreign environmental and occupational safety and health laws and regulations. These include laws regulating air emissions and water discharge. During 2011, the Company did not make any material capital expenditures relating to environmental compliance.

Income Taxes

The Company accounts for income taxes in accordance with ASC 740-10-25, "Accounting for Income Taxes". Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The Company records a valuation allowance on deferred tax assets by tax jurisdiction when it is more likely than not that such assets will not be realized. Management judgment is required in determining the Company's valuation allowance on deferred tax assets.

Results of Operations

Revenue

For the year ended December 31, 2011, we had $0 revenue as compared the $0 revenue in the same period in the previous year. The Company is still focused on product development. First revenues are expected to occur in 2012.

General, selling and administrative expenses

For the years ended December 31, 2011 general, selling and administrative expenses were $957,318 as compared to $349,997 for the year ended December 31, 2010. The $607,321 increase in general, selling and administrative expenses is attributable to increase in consulting services.

Inflation and foreign currency

The Company maintains its books in local currency: US Dollars for the parent holding Company in the United States of America and Hungarian Forint for Vidatech in Hungary.

The Company's operations are primary outside of the United States through its wholly owned subsidiary. As a result, fluctuations in currency exchange rates may significantly affect the Company's sales, profitability and financial position when the foreign currencies, primarily the Hungarian Forint, of its international operations are translated into U.S. dollars for financial reporting. In additional, we are also subject to currency fluctuation risk with respect to certain foreign currency denominated receivables and payables. Although the Company cannot predict the extent to which currency fluctuations may or will affect the Company's business and financial position, there is a risk that such fluctuations will have an adverse impact on the Company's sales, profits and financial position. Because differing portions of our revenues and costs are denominated in foreign currency, movements could impact our margins by, for example, decreasing our foreign revenues when the dollar strengthens and not correspondingly decreasing our expenses. The Company does not currently hedge its currency exposure. In the future, we may engage in hedging transactions to mitigate foreign exchange risk.

The translation of the Company's subsidiaries forint denominated balance sheets into U.S. Dollars, as of December 31, 2011, has been affected by the weakening of the U.S. Dollar against the Hungarian Forint from 208.25 HUF/USD as of December 31, 2010, to 240.44 HUF/USD as of December 31, 2011, an approximate 15% increase in value. The average Hungarian Forint/U.S. Dollar exchange rates used for the translation of the subsidiaries forint denominated statements of operations into U.S. dollars, for the years ended 31, 2011 and 2010 were 201.49 and 209.11, respectively.

Liquidity

The Company's cash and liquidity needs are impacted by research and development expenses, legal, accounting and regulatory filing expenses and operating expenses. At the current rate monthly expenditures, including operating expenses and technology management total approximately $30,000.

As of December 31, 2011 we had $28,948 of cash and $654,386 in current obligations. In addition, we anticipate our operating expenses to approximately $300,000 for 2012. We do not have sufficient funds to satisfy our current obligations nor to fund operations for the next 12 months. Our current expenditures of approximately $30,000 per month consist of paying for legal and audit expenses related to our public status and funding ongoing monthly Company operating expenditures including paying for salaries, office space, company cars and office expenses. In order to reduce our financial footprint and address the deficiency we are consolidating our monthly operating expenses, reducing them further to $25,000 per month range. Monthly operating expense reduction will be due to reduced operating expenses, elimination of research and development expenditures as iGlue is now independently financed and all other technology work is currently on hold. We are now concentrating on making a partial or complete exit from our iGlue holdings prior to the end in 2012. We believe that this exit will provide sufficient liquidity to invest in new technologies and cover operating expenses from 2012 forward.

For 2012 our primarily goal is realizing a partial or complete iGlue exit. We anticipate our new operating expenses to be between $300,000. We believe we can raise these funds through the sale of our common stock to accredited investors in Hungary or abroad, although currently we do not have any commitments in place to do so. Based on our past fundraising performance, and the advance stage of iGlue, we don not foresee any difficulty in obtaining needed resources as needed.

On March 16, 2011 we entered into a Convertible Promissory Note with Infinite Funding LLC whereby Infinite Funding provided $76,000 dollars in loans to the Company. The Note bears interest at 10%, is due December 5, 2011, and is convertible into shares of common stock at a conversion price of $0.05 on December 4, 2011 we received an extension to this note to December 31, 2012.

Cash and Equivalents

As of December 31, 2011 and 2010, consolidated cash and equivalent balances totalled $28,948 and $2,195, respectively. As of December 31, 2011 approximately 99% of the Company's cash balance is located in jurisdictions outside of the U.S. The Company's ability to efficiently access cash balances in foreign jurisdictions is subject to local regulatory and statutory requirements.

Cash Flows

Sale of common stock. To date all of the Company's operations have been financed through the sale of common stock. It is anticipated that this trend will continue for at least an additional twelve months before operating expenses can be fully or partially by financed from operating activities.

Other Debt and Capital Structure

Other Debt

Additional information related to the Company's other debt and related agreements is set forth in Note 6 "Note Payable" and Note 7 "Capital lease payable" to the consolidated financial statements which are included in this Annual Report on Form 10-K.

Off-Balance Sheet Arrangements

None.

Recent Accounting Pronouncements

In September 2011, the FASB issued Accounting Standards Update 2011-08 Intangibles—Goodwill and Other (Topic 350), Testing Goodwill for Impairment. The objective of this update is to simplify how entities, both public and nonpublic, test goodwill for impairment. The amendments in the update permit an entity to first assess qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount as a basis for determining whether it is necessary to perform the two-step goodwill impairment test described in Topic 350. The more-likely-than-not threshold is defined as having a likelihood of more than 50 percent. The amendments in this update are effective for fiscal years, and interim periods within those fiscal years, beginning on or after December 15, 2011. The adoption of this standard did not have a material impact on its financial position, results of operations or cash flows.

In June 2011, the FASB issued Accounting Standards Update 2011-05 - Comprehensive Income (Topic 220): Presentation of Comprehensive Income. Under the amendments to Topic 220, Comprehensive Income, an entity has the option to present the total of comprehensive income, the components of net income, and the components of other comprehensive income either in a single continuous statement of comprehensive income or in two separate but consecutive statements. The amendments do not change the option for an entity to present components of other comprehensive income either net of related tax effects or before related tax effects, with one amount shown for the aggregate income tax expense or benefit related to the total of other comprehensive income items. In both cases, the tax effect for each component must be disclosed in the notes to the financial statements or presented in the statement in which other comprehensive income is presented. The amendments in this update are effective for fiscal years, and interim periods within those fiscal years, beginning on or after December 15, 2011. The adoption of this standard did not have a material impact on its financial position, results of operations or cash flows.

In May 2011, the FASB issued Accounting Standards Update 2011-04—Fair Value Measurement (Topic 820): Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs. The amendments in this update result in common fair value measurement and disclosure requirements in U.S. GAAP and IFRSs. Consequently, the amendments change the wording used to describe many of the requirements in U.S. GAAP for measuring fair value and for disclosing information about fair value measurements. The FASB does not intend for the amendments in this update to result in a change in the application of the requirements in Topic 820. Some of the amendments clarify the application of existing fair value measurement requirements. Other amendments change a particular principle or requirement for measuring fair value or for disclosing information about fair value measurements. The amendments in this update are effective for fiscal years, and interim periods within those fiscal years, beginning on or after December 15, 2011. The adoption of this standard did not have a material impact on its financial position, results of operations or cash flows.

There were various other updates recently issued, most of which represented technical corrections to the accounting literature or application to specific industries and are not expected to a have a material impact on the Company's consolidated financial position, results of operations or cash flows.

ITEM 8. *Financial Statements*

Reference is made to the Consolidated Financial Statements of the Company, beginning with the index thereto on page F-1.

ITEM 9. *Changes in and Disagreements with Accountants on Accounting and Financial Disclosure*

Since February 18, 2008, BDO has been engaged, on a continuous basis, as the Company's independent certified accountants.

There are no disagreements between the Company and BDO.

ITEM 9A. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

Our disclosure controls and procedures are designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms and is accumulated and communicated to the company's management, as appropriate, to allow timely decisions regarding required disclosure, and are operating in an effective manner.

As of December 31, 2011, we carried out an evaluation, under the supervision and with the participation of our principal executive officer and our principal financial officer of the effectiveness of the design and operation of our disclosure controls and procedures. Based on this evaluation, our principal executive officer and our principal financial officer concluded that our disclosure controls and procedures were not effective as of the end of the period covered by this report due to a lack of personnel with sufficient technical expertise regarding SEC reporting matters. We expect to remediate this deficiency as soon as we have sufficient resources to hire and train such personnel.

Management's Annual Report on Internal Control Over Financial Reporting

Our management is also responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rule 13a-15(f) and 15d-15(f). The Company's internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

Our internal control over financial reporting includes those policies and procedures that:

- Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;

☐ Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that our receipts and expenditures are being made only in accordance with authorizations of the Company's management and directors; and

☐ Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. Because of the inherent limitations of internal control, there is a risk that material misstatements may not be prevented or detected on a timely basis by internal control over financial reporting. However, these inherent limitations are known features of the financial reporting process. Therefore, it is possible to design into the process safeguards to reduce, though not eliminate, this risk.

Management conducted an evaluation, under the supervision and with the participation of our principal executive officer and our principal financial officer of the effectiveness of our internal control over financial reporting based on the framework in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this evaluation, management concluded that the company's internal control over financial reporting was effective as of December 31, 2011.

This annual report does not include an attestation report of our registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by our independent registered public accounting firm pursuant to provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act that permit us to provide only management's report in this Annual Report on Form 10-K.

Changes in Internal Control Over Financial Reporting

There were no changes in internal controls over financial reporting that occurred during the last quarter of 2011 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

2011 Annual Base Salary Rates

On January 1, 2011, the Board of Directors approved annual base salary rates for the following executives:

Name and Position	2011 Annual Base Salary Rate
Viktor Rozsnyay* Chairman, President and Chief Executive Officer	8,400
Daniel Kun, Jr. Vice President	8,400
Ildiko Rozsa	0

Chief Financial Officer	
Szilvia Toth Chief Accounting Officer	23,800

**Director of the Company*

PART III

ITEM 10. *Directors, Executive Officers, Promoters, Control Persons and Corporate Governance; Compliance with Section 16(a) of the exchange act*

The table below sets forth the names and ages of our directors and executive officers as of December 31, 2011:

Name	Age	Position
Viktor Rozsnyay	41	Chairman of the Board, President & Chief Executive Officer
Daniel Kun, Jr.	37	Vice President
Ildiko Rozsa	37	Chief Financial Officer
Szilvia Toth	30	Chief Accounting Officer
Eugene L. Guhne	47	Member of the Board of Directors

Viktor Rozsnyay has served as the Chairman, President & Chief Executive Officer of the Company since April 5, 2007. From April 2006 to present, Mr. Rozsnyay has been a Manager of Vidatech Kft., a Hungarian company focused on the acquisition of technologies developed in Hungary, of which he was a founder; Vidatech is now our wholly owned Hungarian subsidiary. From 2004 to 2006 Mr. Rozsnyay was engaged in researching and establishing the foundation of Vidatech. From 2001 to 2004, he was the Founder and Chief Operating Officer of 10Charge, Inc., an ISSO R&D spin-off company formed to commercialize 10 minute battery charging technology, a product Mr. Rozsnyay and his former partners invented and patented. 10Charge, Inc. was a full SEC reporting company until it was acquired by US investors. Mr. Rozsnyay was the primarily person responsible for organizing and completing a reverse merger for 10Charge, Inc. Prior thereto, Mr. Rozsnyay was the Founder and Managing Director of ISSO R&D Kft., an aerospace research company based in the Republic of Hungary, pursuing advanced aerospace propulsion research. Mr. Rozsnyay attended the Jozsef Katona Technical College in Budapest, graduating in 1989.

Mr. Rozsnyay's unique expertise in Hungary of US public company operations and requirements and as our Founder and CEO make him the perfect and only choice to fulfill the Chairman of the Board position.

Daniel Kun, Jr. has served as the Vice President of the Company since October 24, 2007. In April 2006 Mr. Kun co-founded Vidatech Kft. and since its establishment has acted as Vidatech's Managing Director. Vidatech is now our wholly owned Hungarian subsidiary. Since 1996 Mr. Kun has been a part owner of Lira Kft., a Hungarian company involved in building engineering and heating installations throughout Hungary. From March 2000 to April 2006, he also acted as Managing Director of Lira Kft. Mr. Kun attended the Istvan Vagi Technical College in Budapest, graduating in 1992. Subsequently, Mr. Kun attended the Sligo Regional Technical Colleague in Ireland studying international business and marketing from 1994-1995. Mr. Kun is a certified TUV ISO auditor.

Ildiko Rozsa has served as the Chief Financial Officer of the Company since October 24, 2007. Mrs. Rozsa is a qualified statutory accountant, currently completing her PhD studies at the Budapest Technical and Economic University in Business Science. Ms. Rozsa graduated at the College of Finance and

Accountancy, later obtaining her mastered degree (MBA) at the Budapest University of Economics. From 1995 through 1996 she was audit assistant at Price Waterhouse's Budapest Audit Department, where she gained experience in IAS and HAS audits. From 1997 through 2002 Ms. Rozsa was Finance and Accounting Director at Vivendi Telecom Hungary. Ms. Rozsa was responsible for the production of Vivendi Group Consolidated Financial Statements for 23 companies including foreign companies in accordance with IFRS, US GAAP and the related statutory requirements; definition of the accounting policy and procedures of the group, and controlling of their application. Management of the related audits and Managing the Accounting Department, the Reporting and Consolidation Department and the Payroll Department of Vivendi Group which consists of approximately 60 persons. From 2002 through 2004 Ms. Rozsa was Chief Financial Officer at Bacardi-Martini Hungary Kft., where she was responsible for Managing the finance and administration team of the company. Responsible for financial, accounting, controlling, IT, customs and payroll activities. In 2004 she founded and became Managing Director, RIBZ Consulting where she works for multinational clients on IFRS and US GAAP projects, on privatization engagements. Ildiko is a tutor at the Budapest Technical University, Economic Faculty.

Szilvia Toth has served as the Chief Accounting Officer of the Company since October 24, 2007. Ms. Toth graduated in 2004 from the College of Finance and Accountancy in Budapest as an Economist on Accountancy. After a short professional practice in 2005 she worked at DHL Express Hungary Kft. as an accountant for different territories (posting of creditors, bank statements and taxes). Following her DHL tenure from 2005 to 2006 Ms. Toth worked at TMF Hungary Kft., an international accounting firm. From 2006 to 2007 Ms. Toth worked at BDO Forte AccRoll Kft., where her responsibilities included full scale bookkeeping including preparing of financial statements, reports, tax-returns, etc. of Hungarian and foreign companies.

Eugene L. Guhne has served as a member of the Board of Directors of the Company since March 4, 2008. Mr. Guhne joined the Company on April 26, 2007 when he was appointed to serve as a member of our Advisory Board. Mr. Guhne has served as Vice President, Sales of Ultimate Software, Inc. (NASDAQ: ULTI) since November 1999. From February 1998 to November 1999, Mr. Guhne served as Director of Sales, Mid-Atlantic Division of Ultimate Software, Inc. Prior to joining Ultimate Software, Inc., from 1992 to 1998, Mr. Guhne was the President of The Ultimate Software Group of the Carolinas, Inc. and the Vice President of The Ultimate Group of Virginia, Inc., a reseller of Ultimate Software which was acquired by it in March 1998. From 1987 to 1992, Mr. Guhne served in various positions at ADP, where his most recent position was Director of Sales. Mr. Guhne is a shareholder and Director of the Company.

Mr. Guhne's over a decade experience in public company operations and requirements warrant his as a Director of the company. His experience in technology (software) and extensive (almost two decades) knowledge of marketing also serve the Company will as we work toward commercializing Hungarian technologies.

Family Relationships

There are no family relationships between any of directors or executive officers.

Audit Committee

Currently, our entire board of directors serves as our audit committee. Because of the small size of the Company and the risk attendant to a small public company, we are currently unable to attract an audit committee financial expert to our Board of Directors.

Code of Ethics

We currently do not have a Code of Ethics that applies to all of our officers, directors and employees, including our principal executive officer, principal financial officer, principal accounting officer and controller, and others performing similar functions. Company management believes that current resources, both monetary and time wise, are better allocated for developing our business. We also believe that our current management is capable of self judgment and the exercise of 'common sense code of conduct'. However, in the near future, as our work load permits, we will develop and post on our website an appropriate Code of conduct document as required by public company ethics.

Changes in Director Nomination Process for Stockholders

None.

Compliance With Section 16 (A) of the Exchange Act

Based solely upon a review of Forms 3 and 4 and amendments thereto furnished to us pursuant to Rule 16a-3(e) under the Securities Exchange Act of 1934 during our most recent fiscal year and Forms 5 and amendments thereto furnished to us with respect to our most recent fiscal year, certain officers, directors and owners of 10% or more of our outstanding shares have not filed Forms 3, 4 and 5 required by Section 16(a) of the Securities Exchange Act of 1934, as amended.

Company records show that the following officers, Directors or beneficial owner of more than ten percent of our common stock have failed to file timely:

- Daniel Kun, Jr., Vice President, has failed to file one Form 4 following a grant of 200,000 shares of common stock.

- Ildiko Rozsa, Chief Financial Officer, has failed to file one Form 4 following a grant of 120,000 shares of common stock. A Form 4 to compensate for this oversight was filed with the Commission on November 8th, 2010

- Szilvia Toth, Chief Accounting Office, has failed to file one Form 4 following a grant of 120,000 shares of common stock.

- Mihaly Zala, Chief Technology Officer, has failed to file one Form 4 following a grant of 120,000 shares of common stock.

- Gene Guhne, Director of the Company, has failed to file one Form 4 following a grant of 100,000 shares of common stock.

ITEM 11. *Executive Compensation*

The following summary compensation tables set forth information concerning the annual and long-term compensation for services in all capacities for the years ended December 31, 2011, of those persons who were, at December 31, 2011, Power of the Dream Ventures' chief executive officer, chief financial officer, and other executive officers whose 2011 compensation exceeded $50,000.

SUMMARY COMPENSATION TABLE*									
Name and principal position	Year	Salary ($)	Bonus ($)	Stock Awards ($)	Option Awards ($)	Non-Equity Incentive Plan Compensation ($)	Nonqualified Deferred Compensation Earnings ($)	All Other Compensation ($)	Total ($)
Viktor Rozsnyay	2010	8,400		0					8,400
	2011	8,400		0					8,400

President & CEO									
Daniel Kun Vice President	2010	8,400		12,000					20,400
	2011	8,400		18,000					26,400
Ildiko Rozsa Chief Financial Officer	2010	0		10,000					10,000
	2011	0		15,000					15,000
Szilvia Toth Chief Accounting Officer	2010	23,800		10,000					33,800
	2011	23,800		15,000					38,800
Total	2010	40,600		32,000					72,600
	2011	40,600		48,000					88,600

* The amounts in the stock awards column represent the full grant date fair value determined in accordance with ASC 718. The grant date fair value of the awards was based on the market price of the stock at the commitment date of the agreements. See also Note 8 of the financial statements for additional information on these awards.

DIRECTORS' COMPENSATION TABLE									
Name and principal position	Year	Salary ($)	Bonus ($)	Stock Awards ($)	Option Awards ($)	Non-Equity Incentive Plan Compensation ($)	Nonqualified Deferred Compensation Earnings ($)	All Other Compensation ($)	Total ($)
Gene Guhne Director	2010			10,000					10,000
	2011			10,000					10,000

ITEM 12. *Security Ownership of Certain Beneficial Owners and Management and Relate Stockholder Matters*

The following table sets forth certain information regarding beneficial ownership of Common Stock as of December 31, 2011 by each person known to us to own beneficially more than 5% of our Common Stock, each of our directors, each of our named executive officers, and all executive officers and directors as a group. Under the SEC rules, beneficial ownership includes any shares as to which the individual has the sole or shared voting power or investment power. In addition, beneficial ownership includes any shares that the individual has the right to acquire within 60 days. Unless otherwise indicated, the Company believes that all persons named in the table below have sole voting and investment power with respect to all shares of common stock beneficially owned by them.

	Common Stock		Preferred Stock	
	Number of shares	Percent of Class	Number of shares	Percent of Class
Ildiko Rozsa (1)	625,555	1.63%		
Szilvia Toth (2)	420,000	1%		

Gene Guhne (3)	1,300,000	3.38%		
Daniel Kun, Jr. (4)	2,430,000	6.32%	1,000,000	50%
Viktor Rozsnyay (5)	1,874,300	4.88.%	1,000,000	50%
Total	5,479,855	17.21%	2,000,000	100%

(1) Address is 1066 Budapest, Terez Krt. 22, Hungary
(2) Address is 1095 Budapest, Kalman Imre u. 22 II/6, Hungary
(3) Address is 585 Cross Creek Tr. Gibsonville, NC 27249
(4) Address is 1037 Budapest, Perenyi u 16/B, Hungary
(5) Address is 2049 Diosd, Ligetszepe ut 54, Hungary

ITEM 13. *CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE*

There has not been since January 1, 2009 nor is there currently pending any transaction or series of similar transactions to which we were or are a party in which the amount involved exceeded $120,000 and in which any director, executive officer, holder of more than 5% of our common stock or any member of the immediate family of any of these persons had or will have a direct or indirect material interest.

Director Independence

Each of the directors qualify as “independent” under the NASDAQ rules, except for Viktor Rozsnyay who serves as President & CEO of the Company. The NASDAQ independence definition includes objective measures that disqualify a director from being independent, including whether the director is an employee of the company or has engaged in various types of business dealings with the company. These objective measures assist our board of directors in making determinations of director independence under the NASDAQ rules. Our board of directors makes a determination regarding the independence of each director annually based on all relevant facts and circumstances.

Principal Accounting Fees and Services

The following is a summary of the fees billed to the Company by BDO Hungary Ltd. for professional services rendered for the fiscal years ended December 31, 2011 and 2010, respectively:

Fee Category	**Fiscal 2011 Fees**	**Fiscal 2010 Fees**
BDO Hungary Ltd. audit Fees	$ 34,227	$ 31,629

The audit fees consists of fees billed for professional services rendered for the audit of the Company’s consolidated financial statements and review of the interim consolidated financial statements included in quarterly reports and services that are normally provided in connection with statutory and regulatory filings or engagements.

PART IV

ITEM 14. ***Exhibits***

Exhibit No.	**Description of Exhibit.**
3.1	Original Certificate of Incorporation of the Registrant, as filed with the Delaware Secretary of State on August 17, 2006*
3.2	Certificate of Amendment to Certificate of Incorporation of the Registrant as filed on April 12, 2007**
3.3	Bylaws of the Registrant***
10.0	Designations of Series A Preferred stock.
23.2	Consent of BDO Hungary Ltd.
31.1	Certification of the Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of the Chief Financial Officer and Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of the Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of the Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

* Filed as an exhibit to Form 8-K Current Report, as filed with the U.S. Securities & Exchange Commission on October 14, 2008, and incorporated herein by reference.

** Filed as an exhibit to Form 8-K Current Report, as filed with the U.S. Securities & Exchange Commission on October 14, 2008, and incorporated herein by reference.

*** Filed as an exhibit to Form 10-K, as filed with the U.S. Securities & Exchange Commission on March 31, 2010, and incorporated herein by reference.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused the Report to be signed on its behalf by the undersigned thereunto duly authorized.

Power of the Dream Ventures, Inc.
(formerly known as "Tia V, Inc.")

Dated: March 30, 2012

By: /s/ Viktor Rozsnyay
Viktor Rozsnyay
Principal Executive Officer

/s/ Ildiko Rozsa
Principal Financial Officer

/s/ Szilvia Toth
Chief Accounting Officer

Index to Financial Statements

Report of Independent Public Accounting Firm

Board of Directors and Stockholders

Power of the Dream Ventures, Inc. (formerly Tia V)

(a development stage company)

Budapest, Hungary

We have audited the accompanying balance sheets of Power of the Dream Ventures, Inc. (formerly Tia V), a development stage company, as of December 31, 2011 and 2010 and the related statements of operations, stockholders' equity, and cash flows for each of the two years in the period then ended and the period from inception (April 26, 2006) to December 31, 2011. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Power of the Dream Ventures, Inc. (formerly Tia V) at December 31, 2011 and 2010, and the results of its operations and its cash flows for each of the two years in the period then ended and the period from inception (April 26, 2006) through December 31, 2011, in conformity with accounting principles generally accepted in the United States of America.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the financial statements, the Company has suffered recurring losses from operations and has a net capital deficiency that raise substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 1. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

March 30, 2012

BDO Hungary Audit Ltd.
MKVK number: 002387

Ferenc Baumgartner
Registered Auditor

András Nagy
General Manager

MKVK number: 002955

POWER OF THE DREAMS VENTURES, INC. (formerly TIA V)
(A DEVELOPMENT STAGE COMPANY)
CONSOLIDATED BALANCE SHEET
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

Amounts in USD

		December 31, 2011	December 31, 2010
ASSETS			
Current Assets			
Cash		$28,948	$2,195
Other receivables	3	4,399	14,959
Total Current Assets		**33,347**	**17,154**
Fixed assets, net	5	195,771	308,843
Total Assets		**229,118**	**325,997**
LIABILITIES			
Current Liabilities			
Accounts payable and accrued and other liabilities		$296,683	$273,741
Capital leases payable, current portion	7	60,520	64,723
Short term loans from related parties		67,183	94,064
Note payable	6	230,000	195,000
Total Current Liabilities		**654,386**	**627,528**
Long term liabilities			
Capital leases payable, less current portion	7	108,320	178,562
Total Long Term Liabilities		**108,320**	**178,562**
Stockholders' Equity			
Preferred stock, $0.0001 par value, 10,000,000 shares authorized, 2,000,000 issued			
Common stock, $.0001 par value; 250,000,000 shares authorized, 38,488,044 and 52,109,017 shares issued and outstanding	8	6,249	5,211
Additional Paid-In Capital		9,204,361	8,236,638
Deficit accumulated during development stage		(9,594,569)	(8,343,534)
Other Comprehensive Income		(8,227)	5,564
Unearned Compensation		(141,402)	(383,972)
Total Stockholders' Equity		**(533,588)**	**(480,093)**
Total liabilities and stockholders' equity		**229,118**	**325,997**

POWER OF THE DREAMS VENTURES, INC. (formerly TIA V)
(A DEVELOPMENT STAGE COMPANY)
CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

Amounts in USD

	Notes	For the year ended December 31, 2011	For the year ended December 31, 2010	For the Period from April 26, 2006 (date of inception) to December 31, 2011
Net Sales		$ -	$ -	$ 5,833
Cost of Sales		-	-	(3,711)
Gross margin		**-**	**-**	**2,122**
Material expenses		18,186	14,244	94,164
General administration	9	957,318	349,997	7,359,068
Research and development	4	50,000	-	824,807
Personnel expenses		94,223	83,336	480,667
Depreciation and amortization	5	92,536	98,168	453,963
Other expenses, net		342	6,700	15,247
Operating expenses		**1,212,605**	**552,445**	**9,227,916**
Loss from operations		**(1,212,605)**	**(552,445)**	**(9,225,794)**
Interest income and exchange gains		(38,427)	(36,465)	(116,804)
Loss before income taxes		**(1,251,032)**	**(588,910)**	**(9,342,598)**
Income taxes		(3)	-	(1,208)
Net loss		**(1,251,035)**	**(588,910)**	**$ (9,343,806)**
Basic loss per share		**$(0.02)**	**$(0.01)**	
Diluted loss per share		**$(0.02)**	**$(0.01)**	
Weighted average number of shares outstanding – Basic		**54,911,824**	**51,124,922**	
Weighted average number of shares outstanding – Diluted		**54,911,824**	**51,124,922**	

POWER OF THE DREAMS VENTURES, INC. (formerly TIA V)
(A DEVELOPMENT STAGE COMPANY)
CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY AND COMPREHENSIVE LOSS

Amounts in USD

	Common Shares	Stocks Amount	Accumulated Deficit During Developmental Stage	Additional Paid In Capital	Other Comprehensive Income	Unearned Compensation	Total	Comprehensive Income/ (Loss)
Issuance of common stock	33,300,000	$ 3,330		$ 10,670			$ 14,000	
Contributed Capital				96,100			96,100	
Currency Translation Adjustment					$ 4,151		4,151	4,151
Net loss for the period			$ (35,100)				(35,100)	(35,100)
Balance at December 31, 2006	**33,300,000**	**3,330**	**(35,100)**	**106,770**	**4,151**	**-**	**79,151**	**(30,949)**
Contributed Capital				53,735			53,735	
Recapitalization upon Reverse Merger on April 10, 2007 (See Note 1)	2,500,000	250	(250,763)				(250,513)	
Private placement of shares at $0.34 per share (See Note 10)	2,250,000	225		764,775			765,000	
Shares issued for services at $0.34 per share (See Note 10)	1,875,000	188		637,313		$(467,501)	170,000	
Shares issued for research and development at $0.34 per share (See Note 10)	100,000	10		33,990			34,000	
Private placement at $2.5 per share (See Note 10)	104,000	10		259,990			260,000	
Shares issued for stock based compensation at $2.5 per share (See Note 10)	1,036,000	104		2,589,896		(2,590,000)	-	
Amortization of Unearned Compensation						1,124,932	1,124,932	
Currency Translation Adjustment					(14,001)		(14,001)	(14,001)
Net loss for the period			(1,992,472)				(1,992,472)	(1,992,472)
Balance at December 31, 2007	**41,165,000**	**$4,117**	**$(2,278,335)**	**$4,446,469**	**$(9,850)**	**$(1,932,569)**	**$229,832**	**$(2,006,473)**

POWER OF THE DREAMS VENTURES, INC. (formerly TIA V)
(A DEVELOPMENT STAGE COMPANY)
CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY AND COMPREHENSIVE LOSS

Amounts in USD

	Common Shares	Stocks Amount	Accumulated Deficit During Developmental Stage	Additional Paid In Capital	Other Comprehensive Income	Unearned Compensation	Total	Comprehensive Income/ (Loss)
Balance at December 31, 2007	**41,165,000**	**$4,117**	**$(2,278,335)**	**$4,446,469**	**$(9,850)**	**$(1,932,569)**	**$229,832**	
Private placement of shares at $3.25 per share (See Note 10)	32,500	3		105,622			105,625	
Shares issued for services at $0.7 per share (See Note 10)	306,570	31		214,568		(214,599)	-	
Shares issued for services at $0.75 per share (See Note 10)	1,500,000	150		1,124,850		(1,125,000)	-	
Shares issued for services at $1.35 per share (See Note 10)	111,111	11		149,989		(150,000)	-	
Private placement of shares at $0.4 per share (See Note 10)	2,500,000	250		999,750			1,000,000	
Shares issued for Standby Equity Distribution Agreement at $0.4 per share	2,000,000	200		(200)			-	
Amortization of Unearned Compensation						3,018,710	3,018,710	
Currency Translation Adjustment					36,465		36,465	36,465
Net loss for the period			(3,958,212)				(3,958,212)	(3,958,212)
Balance at December 31, 2008	**47,615,181**	**$4,762**	**$(6,236,547)**	**$7,041,048**	**$26,615**	**$(403,458)**	**$432,420**	**$(3,921,747)**
Shares issued for stock based compensation at $0.4 per share (See Note 8)	700,000	70		279,930		(280,000)	-	
Private placement for $0.2 per share	111,110	11		22,211			22,222	
Private placement for $0.16 per share	175,000	18		27,982			28,000	
Shares issued for services at $0.4 per share (See Note 8	250,000	25		99,975		(60,000)	40,000	
Amortization of Unearned Compensation						728,458	728,458	
Currency Translation Adjustment					17,823		17,823	17,823
Net loss for the period			(1,518,077)				(1,518,077)	(1,518,077)
Balance at December 31, 2009	**48,851,291**	**$4,886**	**$(7,754,624)**	**$7,471,146**	**$44,438**	**$(15,000)**	**$(249,154)**	**$(1,500,254)**

POWER OF THE DREAMS VENTURES, INC. (formerly TIA V)
(A DEVELOPMENT STAGE COMPANY)
CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY AND COMPREHENSIVE LOSS

Amounts in USD

	Common Shares	Stocks Amount	Accumulated Deficit During Developmental Stage	Additional Paid In Capital	Other Comprehensive Income	Unearned Compensation	Total	Comprehensive Income/ (Loss)
Balance at December 31, 2009	**48,851,291**	**$4,886**	**$(7,754,624)**	**$7,471,146**	**$44,438**	**$(15,000)**	**$(249,154)**	
Private placement for $0.12 and $0.1 per share	1,597,500	159		159,542			159,701	
Private placement for $0.5 per share (See Note 8)	70,000	7		34,993			35,000	
Shares issued for services at $0.5 per share (See Note 8)	1,027,000	100		513,400		(513,500)	-	
Shares issued for stock based compensation at $0.1 per share (See Note 8)	540,000	54		53,946		(54,000)	-	
Shares issued for services at $0.1 per share (See Note 8)	20,000	2		1,998		(2,000)	-	
Exercise of warrant	3,226	3		1,613			1,616	
Amortization of Unearned Compensation						200,528	200,528	
Currency Translation Adjustment					(38,874)		(38,874)	(38,874)
Net loss for the period			(588,910)				(588,910)	(588,910)
Balance at December 31, 2010	**52,109,017**	**$5,211**	**$(8,343,534)**	**8,236,638**	**$5,564**	**$(383,972)**	**$(480,093)**	**$(627,784)**

POWER OF THE DREAMS VENTURES, INC. (formerly TIA V)
(A DEVELOPMENT STAGE COMPANY)
CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY AND COMPREHENSIVE LOSS

Amounts in USD

	Preferred Shares	Common Shares	Stocks Amount	Accumulated Deficit During Developmental Stage	Additional Paid In Capital	Other Comprehensive Income	Unearned Compensation	Total	Comprehensive Income/ (Loss)
Balance at December 31, 2010	**-**	**52,109,017**	**$5,211**	**$(8,343,534)**	**8,236,638**	**$5,564**	**$(383,972)**	**$(480,093)**	**$(627,784)**
Private placement at $0.29 per share (see Note 8)		196,489	20		56,962			56,982	
Conversion of note at $0.29 per share		2,400,000	240		69,760			70,000	
Private placement at $0.16 per share (see Note 8)		1,727,013	172		276,150			276,322	
Private placement at $0.12 per share (see Note 8)		17,825	2		2,135			2,137	
Shares issued for services per share (See Note 8)		1,970,000	197		457,691		(457,888)	-	
Shares issued for stock based compensation at $0.15 per share (See Note 8)		540,000	54		80,946		(81,000)	-	
Private placement at $0.16 per share (see Note 8)		27,700	3		4,429			4,432	
Conversion of note at $0.01 per share		3,500,000	350		19,650			20,000	
Cancellation of common stock (and issue of preferred stock)	2,000,000	(24,000,000)						-	
Amortization of Unearned Compensation							781,458	781,458	
Currency Translation Adjustment						(13,791)		(13,791)	(13,791)
Net loss for the period				(1,251,035)				(1,251,035)	(1,251,035)
Balance at December 31, 2011	**2,000,000**	**38,488,044**	**$6,249**	**$(9,594,569)**	**9,204,361**	**$(8,227)**	**$(141,402)**	**$(533,588)**	**$(1,264,826)**

POWER OF THE DREAMS VENTURES, INC. (formerly TIA V)
(A DEVELOPMENT STAGE COMPANY)
CONSOLIDATED STATEMENT OF CASH FLOWS

Amounts in USD

	For the year ended December 31, 2011	For the year ended December 31, 2010	Cumulative from April 26, 2006 (date of inception) to December 31, 2011
CASH FLOWS FROM OPERATING ACTIVITIES			
Net loss	$(1,251,035)	$(588,910)	$(9,343,806)
Adjustments to reconcile net loss to net cash used in operating activities:			
Amortization of stock-based compensation	781,458	200,528	5,854,086
Recapitalization under reverse merger	-	-	(250,763)
Issue of shares for services	-	-	210,000
Issue of shares for research and development	-	-	34,000
Depreciation and amortization	92,536	98,168	453,963
	(377,041)	(290,214)	(3,042,520)
Changes in operating assets and liabilities:			
(Increase) Decrease in other current assets	10,560	4,751	(4,399)
Increase(Decrease) in related party liabilities	(26,881)	94,064	67,183
(Decrease) Increase in accounts payable and accrued liabilities	22,942	48,591	546,683
Net cash used in operating activities	**(370,420)**	**(142,808)**	**(2,433,053)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of fixed assets	(53,912)	(68,906)	(573,433)
Net cash used in investing activities	**(53,912)**	**(68,906)**	**(573,433)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from stockholders	-	-	149,835
Exercise of warrant	-	1,616	1,616
Proceeds from sale of common stock	339,873	194,701	2,740,091
Proceeds from issuance of notes	125,000	-	70,000
Net cash from financing activities	**464,873**	**194,701**	**2,961,542**
Effect of exchange rate changes on cash	(13,788)	7,866	73,892
Net (decrease) increase in cash	26,753	(7,531)	28,948
Cash at beginning of period	2,195	9,726	-
Cash at end of period	$28,948	$2,195	$28,948
<u>Supplemental disclosure of cash flow information:</u>			
Non-cash investing and financing transactions			
Issuance of shares for services	$457,888	$515,500	$4,034,488
Issuance of shares for liabilities assumed under reverse merger	-	-	$250,513
Issuance of stock based compensation shares	-	-	$2,590,000
Purchase of fixed assets through the assumption of capital lease obligations	406,558	406,558	$406,558
Cash paid for:			
Interest	-	-	40,980
Taxes	-	-	-

NOTE 1 - GENERAL INFORMATION

Power of the Dream Ventures, Inc., f/k/a "Tia V, Inc." ("PDV" or the "Company") was incorporated in Delaware on August 17, 2006, with the objective to acquire, or merge with, an operating business.

Reverse merger

PDV entered into and consummated a Securities Exchange Agreement ("Exchange Agreement") on April 10, 2007. Under the terms of the Exchange Agreement, PDV acquired all the outstanding equity interests of Vidatech, Kft. (also known as Vidatech Technological Research and Development LLC) a limited liability company formed under the laws of the Republic of Hungary, ("Vidatech") in exchange for 33,300,000 shares of PDV's common stock, and Vidatech thereby became a wholly-owned Hungarian subsidiary of PDV. PDV is governed by the law of the State of Delaware, and its wholly-owned subsidiary, Vidatech, is governed by the law of the Republic of Hungary. PDV and Vidatech are herein collectively referred to as the "Company."

Following the acquisition the former stockholders of Vidatech owned a majority of the issued and outstanding common stock of PDV and the management of Vidatech controlled the Board of Directors of PDV and its wholly-owned Hungarian subsidiary Vidatech. Therefore the acquisition has been accounted for as a reverse merger (the "Reverse Merger") with Vidatech as the accounting acquirer of PDV. The accompanying consolidated financial statements of the Company reflect the historical results of Vidatech, and the consolidated results of operations of PDV subsequent to the acquisition date. In connection with the Exchange Agreement, PDV adopted the fiscal year end of Vidatech as December 31.

All reference to shares and per share amounts in the accompanying consolidated financial statements have been restated to reflect the aforementioned shares exchange.

Business

The Company is engaged in the acquisition, development, licensing and commercialization of and the investment in, directly or through business acquisitions, technologies developed in Hungary. In furtherance of its business, the Company provides research and development services to the companies, inventors from whom it acquires technologies or participation interests in technologies. A goal of the Company is to support research and development activities and to sell the products of inventions to the technological market.

From inception through December 31, 2011, the Company primarily focused on the raising of capital. As of December 31, 2011, We originally managed seven technologies: RiverPower, the Buresch Inventions (Desalination and H2O gas technology,) the Kalmar inventions (FireSAFE fire-proofing liquid; technology for utilizing communal waste as a concrete additive; technology for repairing potholes with the use of recycled plastics; technology for neutralizing red mud; biodegradable deicing solution and PVC shielded electric cable recycling technology), and an equity interest in 'iGlue, Inc (Ticker: IGLU)', a company formed to develop next generation semantic internet based search engine and content organizer applications. As of December 31, 2011 we have discontinued efforts to develop the Buresch inventions, the Kalmar inventions, RiverPower and the Toth Telescope. (see Note 4). As of December 31, 2011, the Company has only realized limited revenues from the now discontinued TothTelescope project and has not realized any revenues from the other, now discontinued inventions. As a result, the accompanying consolidated financial statements have been presented on a development stage basis.

FireSAFE

On August 20, 2008 the Company licensed its FireSAFE technology to a group of Hungarian investors for a license acquisition fee of HUF 20,000,000 (approximately $120,000), where half of the license fee was received by the Company in August of 2008, and the other half due once independent testing and verification of the technology completed, but no later than June 31, 2009. The received amount was recorded as a liability in accordance with Staff Accounting Bulletin No. 104, “Revenue Recognition” (“SAB 104"), which superseded Staff Accounting Bulletin No. 101, “Revenue Recognition in Financial Statements” (“SAB 101"). A new company called FireLESS Ltd. was established and given commercialization license. The Company received 30% equity in FireLESS Ltd in addition to the one time license acquisition fee which was recorded as research and development expense in accordance with ASC 730-10-25 “Accounting for Research and Development Costs (See also Note 4).

To protect the intellectual property FireSAFE represents, on October 20, 2008 the Company filed a PCT patent application in addition to the already filed Hungarian application to protect FireSAFE internationally.

As of December 31, 2011 we have completed all testing of Firesafe. Althoug the product proved to be espeecially suiuted for natural fire containment it was determined that it would require substantial financil expenditure in terms of makerting to appropriately differentiate Firesafe from competing product. It is believed that this expenditure is prohibitive in terms of realizing reasonable profit on the product, even though it matchedor even beat competing offerings. Therefore it has been decided that Firesafe will not be continued and all further research will be stopped. As of December 31, 2011 we no longer maintain our patents on Firesafe. Overall invested capital was returned on the licensing fee for this product.

TothTelescope

On July 15, 2009 our exclusive distributor agreement expired with Attila Toth, Inventor of the TothTelescope. After extensive review of the technology, the available market and hurdles associated with manufacturing and distributing the TothTelescope, we have elected not to renew the distribution agreement and discontinue the project. Since inception only 10 telescopes were sold. Overall invested capital was returned from commissions earned on these sales.

Yorkville SEDA

On October 8, 2008, Power of the Dream Ventures, Inc. (the “Company”) entered into a Standby Equity Distribution Agreement (the “Standby Equity Distribution Agreement”) with YA Global Investments, L.P. (the “Investor”). Pursuant to the terms of the Standby Equity Distribution Agreement, the Company (a) agreed to issue and sell to the Investor up to $5,000,000 of shares of the Company’s common stock, par value $0.0001 per share (the “Common Stock”) in tranches of equity, based upon a specified discount to the market price of the Common Stock, calculated over the five trading days following notice by the Company of an election to sell shares; and (b) issued to the Investor a warrant (the “Warrant”) to purchase 4,027,386 shares of Common Stock at the exercise price per share of $0.29. The Warrant is not part of the commitment shares issued by the company to the investor. The investor must purchase the shares underlying the Warrant. The Warrant price was determined based upon the highest Bid price on the day of the closing of the agreement.

Yorkville SEDA (Continued)

In connection with the Standby Equity Distribution Agreement, the Company entered into a Registration Rights Agreement with the Investor (the "Registration Rights Agreement") pursuant to which the Company agreed to register for resale the shares of Common Stock that may be purchased by the Investor pursuant to the Standby Equity Distribution Agreement, the shares of Common Stock issuable upon exercise of the Warrant and 2,000,000 shares of Common Stock (the "Commitment Shares") issued to the Investor as a commitment fee pursuant to the terms of the Standby Equity Distribution Agreement. The commitment fee is recorded by decreasing additional paid in capital.

Financing from this transaction will be used by the Company for the continued development of its current technologies, commercialization of same, the acquisition of new technologies and for general corporate expenses.

The Company filed the details of this transaction on Form 8-K with the Commission on October 14, 2008.

On September 24, 2010 the Company notified YA Global Investments in writing of its intention to terminate the Standby Equity Distribution Agreement (SEDA).

In response to this letter YA Global informed the company in a letter dated October 5, 2010 that the SEDA agreement will terminate on or about October 15, 2010. YA Global also informed the company that even though the SEDA agreement is terminated its associated Warrant to purchase 4,027,386 shares of Our common stock remains in effect until it expires on October 8, 2013.

On October 18, 2010 the company received notice from YA global for the exercise of 50,000 warrant shares on a cashless basis. This cashless exercise resulted in the issuance of 3,226 shares of Common stock to YA Global. Following this exercise YA Global has 3,977,386 warrant shares available for purchase.

Genetic Immunity

On February 23, 2009 the Company entered into a consultation agreement with Genetic Immunity, a Hungarian biotechnology research and development company working on immune amplification nanomedicine products, including a HIV vaccine currently in Phase 2 clinical trials.

According to the terms of the agreement PDV will provide Genetic Immunity business development expertise, will facilitate the publication, via internationally distributed press releases, of Genetic Immunity's past, present and future news items, and will advise Genetic Immunity on going public in the United States based on Power of the Dream Ventures' own experience in achieving public states.

In addition, PDV was granted rights to acquire equity in Genetic Immunity in one or several tranches for total consideration of USD $10 million in exchange for 20% equity in the Company, if all options are exercised.

Exact terms of this equity purchase option are: PDV is to acquire 2% of the Company via a USD 1,000,000 investment by April 30, 2009 in exchange for 72 units of the Genetic Immunity's Class B stock; Company is to acquire an additional 2% of the Genetic Immunity via a USD 1,000,000 investment by August 30, 2009 in exchange for 72 units of the Genetic Immunity's Class B stock. PDV is also granted an option to acquire an additional 16% of the Genetic Immunity via an $8,000,000 investment by February 20, 2010, in tranches or in whole, in exchange for 578 units of the Genetic Immunity's Class B stock. If the Company misses the first deadline of April 30, 2009 this agreement shall immediately terminate. If the Company completes the first investment but missed the second date of August 30, 2009 this agreement shall terminate, but the Company will retain the Class B units already acquired. Any portion of the optional 16% equity purchase that is not exercised and closed by February 23, 2010 shall terminate. The option was extended for an unlimited period.

POWER OF THE DREAMS VENTURES, INC. (formerly TIA V)
(A DEVELOPMENT STAGE COMPANY)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

Genetic Immunity

On March 7, 2011 we entered into an extension of this agreement for the purpose of assisting Genteic Immunity in becoming a publicly traded corporation in the United States. The new agreement gives the Company rights to invest up to $1,400,000 into Genetic Immunity, to be completed by December 31, 2011 in one or more payment. The investment buys Genetic Immunity LLC Series B units that are convertible into common stock once the company becomes publicly traded in the United States. As of June 30, 2011 we have invested $50,000 of this amount. We anticipate raising additional capital to complete the entire investment. In exchange for the investment we are to receive 14% of Genetic Immunity once $500,000 dollars has been invested, and warrant to purchase Genetic Immunity common stock, including one million shares at $20 dollars, one million shares at $30 dollars and one million shares at $40 dollars once Genetic immunity becomes a public company.

On September 28, 2011 we signed a termination letter with Genetic Immunity whereby our option to invest in and receive warrant in Genetic Immunity have been terminated. In consideration for the $50,000 we have invested in Genetic Immunity we have received 10 Series B Units of Genetic Immunity. These units are convertible into shares of Genetic Immunity common stock at a later date at a conversion factor to be determined.

Basis of presentation

The accompanying consolidated financial statements have been prepared by the Company pursuant to the rules and regulations of the SEC. Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America for financial information have been condensed or omitted pursuant to such rules and regulations. In the opinion of management, the accompanying financial statements include all adjustments (consisting of normal recurring accruals) considered necessary to make the financial statements not misleading as of and for the period ended December 31, 2011 and for the period from April 26, 2006 (date of inception) to December 31, 2011.

Going Concern and Management's Plan

The accompanying consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America, which contemplate the continuation of the Company as a going concern and assume realization of assets and the satisfaction of liabilities in the normal course of business. The Company has incurred losses from operations since inception. Management anticipates incurring additional losses in 2011. Further, the Company may incur additional losses thereafter, depending on its ability to generate revenues from the licensing or sale of its technologies and products, or to enter into any or a sufficient number of joint ventures. The Company has minimal revenue to date. There is no assurance that the Company can successfully commercialize any of its technologies and products and realize any revenues therefore. The Company's technologies and products have never been utilized on a large-scale commercial basis and there is no assurance that any of its technologies or products will receive market acceptance. There is no assurance that the Company can continue to identify and acquire new technologies.

Since inception through December 31, 2011, the Company had an accumulated deficit of $9,594,569 and net cash used in operations of $2,433,053. However, management of the Company believes that the recent funding from the private placement of the Company's common shares (See Note 8) will allow them to continue operations and execute its business plan.

On March 16, 2011 the Company entered into a Convertible Promissory Note with Infinite Funding LLC whereby Infinite Funding provided $76,000 dollars in loans to the Company. The note bears interest at 10%, is due December 5, 2011, and is convertible into shares of common stock at a conversion price of $0.05. On December 4, 2011 we received an extension to this note to December 31, 2012.

On July 19, 2011 the Company entered into a Convertible Promissory Note with Infinite Funding LLC whereby Infinite Funding provided $49,000 dollars in loans to the Company. The note bears interest at 12%.

Management believes the Company has adequate capital to keep the Company functioning through December 31, 2012. However, the need may arise, in the normal course of business, to raise additional capital if we want to accelerate development work, for the acquisition of additional technologies, or to meet unforeseen financial needs. No assurance can be given that the Company can obtain additional working capital, or if obtained, that such funding will not cause substantial dilution to shareholders of the Company. If the Company is unable to raise additional funds, if needed, it may be forced to change or delay its contemplated marketing and business plan. Being a development stage company, the Company is subject to all the risks inherent in the establishment of a new enterprise and the marketing and manufacturing of a new product, many of which risks are beyond the control of the Company. All of the factors discussed above raise substantial doubt about the Company's ability to continue as a going concern.

These consolidated financial statements do not include any adjustments relating to the recoverability of recorded asset amounts that might be necessary as a result of the above uncertainty.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Principles of Consolidation

The consolidated financial statements include the accounts of PDV and its wholly-owned Hungarian subsidiary, Vidatech. All significant intercompany accounts and transactions have been eliminated in consolidation.

Use of Estimates:

The preparation of the financial statements in conformity with GAAP requires management to make estimates, judgments and assumptions that affect amounts reported herein. Management believes that such estimates, judgments and assumptions are reasonable and appropriate. However, due to the inherent uncertainty involved, actual results may differ from those based upon management's judgments, estimates and assumptions. Critical accounting policies requiring the use of estimates are depreciation and amortization and share-based payments

Revenue Recognition:

Sales are recognized when there is evidence of a sales agreement, the delivery of the goods or services has occurred, the sales price is fixed or determinable and collectability is reasonably assured, generally upon shipment of product to customers and transfer of title under standard commercial terms. Sales are measured based on the net amount billed to a customer. Generally there are no formal customer acceptance requirements or further obligations. Customers do not have a general right of return on products shipped therefore no provisions are made for return.

Accounts Receivable and Allowance for Doubtful Accounts:

Accounts receivable are stated at historical value, which approximates fair value. The Company does not require collateral for accounts receivable. Accounts receivable are reduced by an allowance for amounts that may be uncollectible in the future. This estimated allowance is determined by considering factors such as length of time accounts are past due, historical experience of write offs, and customers' financial condition.

Inventories:

Inventories are stated at the lower of cost, determined based on weighted average cost or market. Inventories are reduced by an allowance for excess and obsolete inventories based on management's review of on-hand inventories compared to historical and estimated future sales and usage.

Fixed assets:

Fixed assets are stated at cost or fair value for impaired assets. Depreciation and amortization is computed principally by the straight-line method. Asset amortization charges are recorded for long lived assets. In the related periods, no asset impairment charges were accounted for. Depreciation is recorded commencing the date the assets are placed in service and is calculated using the straight line basis over their estimated useful lives.

The estimated useful lives of the various classes of long-lived assets are approximately 3-7 years.

Pensions and Other Post-retirement Employee benefits:

In Hungary, pensions are guaranteed and paid by the government or by pension funds, therefore no pensions and other post-retirement employee benefit costs or liabilities are to be calculated and accounted by the Company.

Product warranty:

The Company accrues for warranty obligations for products sold based on management estimates, with support from sales, quality and legal functions, of the amount that eventually will be required to settle such obligations. At December 31, 2011, the Company had no warranty obligations in connection with the products sold.

Advertising costs:

Advertising and sales promotion expenses are expensed as incurred.

Research and development and Investment and Advances to Non-Consolidated Entities:

In accordance with ASC 730-10-25 “Accounting for Research and Development Costs,” all research and development (“R&D”) costs are expensed when they are incurred, unless they are reimbursed under specific contracts. Assets used in R&D activity, such as machinery, equipment, facilities and patents that have alternative future use either in R&D activities or otherwise are capitalized. In connection with investments and advances in development-stage technology entities in which the company owns or controls less than a 50% voting interest, (see Note 4) where repayment from such entity is based on the results of the research and development having future economic benefit, the investment and advances are accounted for as costs incurred by the Company as research and development in accordance with ASC 730-20-25 “Research and Development Arrangements”.

Income taxes:

The Company accounts for income taxes in accordance with ASC 740-10-25, “Accounting for Income Taxes”. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carry forwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Valuation allowances are provided against deferred tax assets to the extent that it is more likely than not that the deferred tax assets will not be realized.

Comprehensive Income (Loss):

ASC 220-10-25, “Accounting for Comprehensive Income,” establishes standards for reporting and disclosure of comprehensive income and its components (including revenues, expenses, gains and losses) in a full set of general-purpose financial statements. The items of other comprehensive income that are typically required to be disclosed are foreign currency items, minimum pension liability adjustments, and unrealized gains and losses on certain investments in debt and equity securities. Accumulated other comprehensive loss, at December 31, 2011 is $8,227.

Translation of Foreign Currencies:

The U.S. dollar is the functional currency for all of the Company's businesses, except its operations in Hungary. Foreign currency denominated assets and liabilities for this unit is translated into U.S. dollars based on exchange rates prevailing at the end of each period presented, and revenues and expenses are translated at average exchange rates during the period presented. The effects of foreign exchange gains and losses arising from these translations of assets and liabilities are included as a component of equity, under other comprehensive income.

Loss per Share:

Under ASC 260-10-45, "Earnings Per Share", basic loss per common share is computed by dividing the loss applicable to common stockholders by the weighted average number of common shares assumed to be outstanding during the period of computation. Diluted loss per common share is computed using the weighted average number of common shares and, if dilutive, potential common shares outstanding during the period. There were no common stock equivalents or potentially dilutive securities outstanding during the years ended December 31, 2011 and 2010, respectively. Accordingly, the weighted average number of common shares outstanding for the years ended December 31, 2011 and 2010, respectively, is the same for purposes of computing both basic and diluted net income per share for such years.

Business Segment:

ASC 280-10-45, "Disclosures About Segments of an Enterprise and Related Information," establishes standards for the way public enterprises report information about operating segments in annual consolidated financial statements and requires reporting of selected information about operating segments in interim financial statements regarding products and services, geographical areas and major customers. The Company has determined that under ASC 280-10-45, there are no operating segments since substantially all business operations, assets and liabilities are in Hungarian geographic segment.

Share-Based Payments:

In accordance with ASC 718-10 "Share-Based Payment" all forms of share-based payment ("SBP") awards including shares issued under employee stock purchase plans, stock options, restricted stock and stock appreciation rights result in a cost that is measured at fair value on the awards' grant date, based on the estimated number of awards that are expected to vest. As the Company did not issue any employee SBP prior to September 30, 2007, there is no compensation cost recognized in the accompanied consolidated financial statements.

The Company accounts for equity instruments issued to non-employees in accordance with the provisions of ASC 505-50, "Accounting for Equity Instruments That Are Issued to Other Than Employees for Acquiring, or in Conjunction with Selling, Goods or Services," which requires that such equity instruments are recorded at their fair value on the measurement date. The measurement of stock-based compensation is subject to periodic adjustment as the underlying equity instrument vests. Non-employee stock-based compensation charges are amortized over the vesting period or period of performance of the services.

Recent Accounting Pronouncements:

In September 2011, the FASB issued Accounting Standards Update 2011-08 Intangibles—Goodwill and Other (Topic 350), Testing Goodwill for Impairment. The objective of this update is to simplify how entities, both public and nonpublic, test goodwill for impairment. The amendments in the update permit an entity to first assess qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount as a basis for determining whether it is necessary to perform the two-step goodwill impairment test described in Topic 350. The more-likely-than-not threshold is defined as having a likelihood of more than 50 percent. The amendments in this update are effective for fiscal years, and interim periods within those fiscal years, beginning on or after December 15, 2011. The adoption of this standard did not have a material impact on its financial position, results of operations or cash flows.

In June 2011, the FASB issued Accounting Standards Update 2011-05 - Comprehensive Income (Topic 220): Presentation of Comprehensive Income. Under the amendments to Topic 220, Comprehensive Income, an entity has the option to present the total of comprehensive income, the components of net income, and the components of other comprehensive income either in a single continuous statement of comprehensive income or in two separate but consecutive statements. The amendments do not change the option for an entity to present components of other comprehensive income either net of related tax effects or before related tax effects, with one amount shown for the aggregate income tax expense or benefit related to the total of other comprehensive income items. In both cases, the tax effect for each component must be disclosed in the notes to the financial statements or presented in the statement in which other comprehensive income is presented. The amendments in this update are effective for fiscal years, and interim periods within those fiscal years, beginning on or after December 15, 2011. The adoption of this standard did not have a material impact on its financial position, results of operations or cash flows.

In May 2011, the FASB issued Accounting Standards Update 2011-04—Fair Value Measurement (Topic 820): Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs. The amendments in this update result in common fair value measurement and disclosure requirements in U.S. GAAP and IFRSs. Consequently, the amendments change the wording used to describe many of the requirements in U.S. GAAP for measuring fair value and for disclosing information about fair value measurements. The FASB does not intend for the amendments in this update to result in a change in the application of the requirements in Topic 820. Some of the amendments clarify the application of existing fair value measurement requirements. Other amendments change a particular principle or requirement for measuring fair value or for disclosing information about fair value measurements. The amendments in this update are effective for fiscal years, and interim periods within those fiscal years, beginning on or after December 15, 2011. The adoption of this standard did not have a material impact on its financial position, results of operations or cash flows.

In May 2010, the FASB issued Accounting Standards Update 2010-19 (“ASU 2010-19”), Foreign Currency (Topic 830): Foreign Currency Issues: Multiple Foreign Currency Exchange Rates. The amendments in this update are effective as of the announcement date of March 18, 2010. The ASU 2010-19 did not have a material effect on the financial position, results of operations or cash flows of the Company.

In April 2010, the FASB issued Accounting Standards Update 2010-17 (“ASU 2010-17”), Revenue Recognition-Milestone Method (Topic 605): Milestone Method of Revenue Recognition. This Update provides guidance on defining a milestone under Topic 605 and determining when it may be appropriate to apply the milestone method of revenue recognition for research or development transactions. The amendments in this Update are effective on a prospective basis for milestones achieved in fiscal years, and interim periods within those years, beginning on or after June 15, 2010. Early adoption is permitted. If a company elects early adoption and the period of adoption is not the beginning of the entity’s fiscal year, the entity should apply the amendments retrospectively from the beginning of the year of adoption. The Company does not expect the provisions of ASU 2010-17 to have a material effect on the financial position, results of operations or cash flows of the Company.

In April 2010, the FASB issued Update No. 2010-13 "The Effects of Denominating the Exercise Price of a Share-based Payment Award in the Currency of the Market in Which the Underlying Equity Security Trades " ("2010-13"). The objective of this Update is to address the classification of an employee share-based payment award with an exercise price denominated in the currency of a market in which the underlying equity security trades. The amendments in this Update affect entities that issue employee share-based payment awards with an exercise price denominated in the currency of a market in which a substantial portion of the entity's equity securities trades that differs from the functional currency of the employer entity or payroll currency of the employee. The amendments affect entities that have previously considered such awards to be liabilities because of their exercise price. The amendments clarify that a share-based payment award with an exercise price denominated in the currency of a market in which a substantial portion of the entity's equity securities trades should not be considered to contain a condition that is not a market, performance, or service condition. Therefore, such an award should not be classified as a liability if it otherwise qualifies as equity. The amendments in this Update are effective for fiscal years, and interim periods within those fiscal years, beginning on or after December 15, 2010. The adoption of this standard did not have a material impact on its financial position, results of operations or cash flows.

In February 2010, the FASB issued Update No. 2010-09 "Subsequent Events" ("2010-09"). The amendments remove the requirement for an SEC filer to disclose a date in both issued and revised financial statements. Additionally, the Board has clarified that if the financial statements have been revised, then an entity that is not an SEC filer should disclose both the date that the financial statements were issued or available to be issued and the date the revised financial statements were issued or available to be issued. All of the amendments in this Update are effective immediately.

In January 2010, the Financial Accounting Standards Board ("FASB") issued guidance amending fair value disclosures for interim and annual reporting periods beginning after December 15, 2009. This guidance requires disclosures about transfers of financial instruments into and out of Level 1 and 2 designations and disclosures about purchases, sales, issuances and settlements of financial instruments with a Level 3 designation. The Company adopted this guidance with effect from January 1, 2010 without material impact on its consolidated financial statements.

In January 2010 the FASB issued Update No. 2010-05 "Compensation—Stock Compensation—Escrowed Share Arrangements and Presumption of Compensation" ("2010-05"). 2010-05 re-asserts that the Staff of the Securities Exchange Commission (the "SEC Staff") has stated the presumption that for certain shareholders escrowed share represent a compensatory arrangement. 2010-05 further clarifies the criteria required to be met to establish a position different from the SEC Staff's position. The pronouncement did not have any material impact on its financial position, results of operations or cash flows.

In January 2010 the FASB issued Update No. 2010-02 "Accounting and Reporting for Decreases in Ownership of a Subsidiary—a Scope Clarification" ("2010-02") an update of ASC 810 "Consolidation." 2010-02 clarifies the scope of ASC 810 with respect to decreases in ownership in a subsidiary to those of a subsidiary or group of assets that are a business or nonprofit, a subsidiary that is transferred to an equity method investee or joint venture, and an exchange of a group of assets that constitutes a business or nonprofit activity to a non-controlling interest including an equity method investee or a joint venture. The amendments are effective beginning in the period that an entity adopts Statement 160. Management does not expect adoption of this standard to have any material impact on its financial position, results of operations or operating cash flows. Management does not intend to decrease its ownership in any of its wholly-owned subsidiaries.

In December 2009, the FASB amended the Accounting Standards Codification ("ASC") to provide consolidation guidance that requires a more qualitative assessment of the primary beneficiary of a variable interest entity ("VIE") based on whether the entity (1) has the power to direct matters that most significantly impact the activities of the VIE and (2) has the obligation to absorb losses or the right to receive benefits of the VIE that could potentially be significant to the VIE. The amended guidance also requires an ongoing reconsideration of the primary beneficiary. This guidance was adopted by the Company on a prospective basis as of January 1, 2010 without material impact on its consolidated financial statements.

In December 2009, the FASB amended the ASC to provide guidance on the accounting for transfers and servicing of financial assets. This guidance became effective for fiscal years beginning after November 15, 2009 and was adopted by the Company on a prospective basis as of January 1, 2010 without material impact on its consolidated financial statements.

There were various other updates recently issued, most of which represented technical corrections to the accounting literature or application to specific industries and are not expected to a have a material impact on the Company's consolidated financial position, results of operations or cash flows.

NOTE 3 - OTHER RECEIVABLES

	December 31, 2011	December 31, 2010
VAT reclaimable	$3,261	$12,060
Advances given	-	-
Other	1,138	2,899
Total	**$4,399**	**$14,959**

NOTE 4 - RESEARCH AND DEVELOPMENT ("R&D")

In August, 2008, the Company entered into an agreement with a Hungarian individual to establish FireLESS Kft (FireLESS). FireLESS's business is focused on acquiring the appropriate licenses and certificates to internationally market FireSAFE and will work with local and international fire agencies to test and establish usability baselines for FireSAFE. The Company is a minority shareholder in FireLESS with 30% voting rights, which operates under independent management.

In August, 2007, the Company entered into an agreement with two Hungarian individuals to establish In4 Kft ("in4). in4's business is focused on software development and information technology purposes. Originally the Company was a minority shareholder in in4 with 30% voting rights. In4 Ltd. operates under independent management.

In August, 2007, the Company also entered into a loan commitment agreement with in4. According to the agreement the Company has committed a loan of approximately $271,000 to in4. The loan amount has been provided by May 31, 2009. In November of 2008 the Company transferred to in4 the entire loan amount, upon which the Company elected to covert the loan into an additional 10% equity in in4. As of January 15, 2009 the Company maintains a minority 40% equity in in4 Ltd. Since capitalization of the loan to equity, as of December 31, 2009 the Company has provided an additional $310,000 loan to in4. During 2010 a new investor entered in4 Ltd, and the share of the Company decreased to 38.5%.

Since the repayment of loans, advances and other investment is contingent on the results of the R&D of iGlue having future economic benefit, management has expensed the Company's investment in in4 and in FireLESS of approximately $5,000 and $900, respectively, and loans to in4 of approximately $310,000 as R&D in the accompanying condensed consolidated statements of operations, in accordance with ASC 730-10-25 "Research and Development Arrangements".

NOTE 5 - FIXED ASSETS

Net property and equipment consisted of the followings at December 31, 2011 and 2010:

	December 31, 2011	December 31, 2010
Machinery and equipment	$54,720	$62,187
Vehicles	377,139	435,435
Office equipment	63,177	67,212
Software and website registration rights	48,387	55,866
Total	543,423	620,700
Less: Accumulated depreciation and amortization	(347,652)	(311,857)
Net property and equipment	**195,771**	**308,843**

The net book value of fixed assets under capital lease amount to $156,489 and $251,920 at December 31, 2011 and at December 31, 2010, respectively. Depreciation and amortization expense for the years ended December 31, 2011 and December 31, 2010 was $92,536 and $98,168, respectively and $453,963 for the period from April 26, 2006 (date of inception) to December 31, 2011.

NOTE 6 - NOTE PAYABLE

Mary Passalaqua

On August 5, 2011 the company was presented with an Amended Convertible Promissory Note by Mary Passalaqua. In the revised agreement Ms. Passalaqua requested that the outstanding portion of the Promissory Note be paid in shares in such quantity that will satisfy the debt of $195,000 owned. As first step in this conversion process Mary Passalaqua requested the conversion of $70,000 dollars into shares of common stock. To satisfy this request the Company instructed its transfer agent to issue Mary Passalaqua 2,400,000 shares of common. Upon conversion of the $70,000 outstanding Promissory Note balance will be $125,000 plus accrued interest.

On October 20, 2011 the Company was presented with an Amended Convertible Promissory Note by Mary Passalaqua. In the revised agreement Ms. Passalaqua requested that the outstanding portion of the Promissory Note be paid in shares in such quantity that will satisfy the debt of $125,000 owned. As second step in this conversion process Mary Passalaqua requested the conversion of $20,000 dollars into shares of common stock. To satisfy this request the Company instructed its transfer agent to issue Mary Passalaqua 3,500,000 shares of common. Upon conversion of the $20,000 our outstanding Promissory Note balance will be $105,000 plus accrued interest.

On April 10, 2007, in connection with reverse merger (See Note 1), the Company assumed a note payable of $250,000 to a former stockholder, Mary Passalaqua originally with one year maturity at April 5, 2008. The note has been expanded by one year to April 5, 2009 with the same conditions. As such note payable was issued immediately prior to the reverse merger, such issuance was recorded as additional compensation by the Company prior to the reverse merger. Accordingly, such compensation is reflected in the accompanying consolidated balance sheet as the accumulated deficit of the Company, and will not be reflected in the Statement of operations, as such compensation expense was structured as an expense prior to the recapitalization.

NOTE 6 - NOTE PAYABLE (Continued)

In November, 2008 the Company settled $35,000 from the outstanding liability, and in May of 2009 the Company settled another $20,000 from the liability. The note payable bears interest at the prime rate (3.25% at September 30, 2011). Interest expense in connection with such note amounted to $44,702 and $40,009 for the year ended at September 30, 2011 and at December 31, 2010, respectively, and was accrued and included in accounts payable and accrued liabilities in the accompanying consolidated balance sheet.

Infinite Funding

On July 19, 2011 the Company entered into a Promissory Note with Infinite Funding, Inc whereby Infinite Funding provided $49,000 dollars in loans to the Company. The Note bears interest at 12% per annum.

On March 16, 2011 the Company entered into a Convertible Promissory Note with Infinite Funding LLC whereby Infinite Funding provided $76,000 dollars in loans to the Company. The note bears interest at 10%, is due December 5, 2011, and is convertible into shares of common stock at a conversion price of $0.05. On December 4, 2011 we received an extension to this note to December 31, 2012.

NOTE 7 - CAPITAL LEASES PAYABLE

In August, 2007, the Company entered into capital lease agreements on 3 vehicles for management purposes. The maturity of the lease is 60 months and is denominated in CHF. Installments and interest is due on a monthly basis. In December, 2007, the Company entered into additional capital lease agreements on 2 vehicles for management purposes. The maturity of the lease is 72 months and is denominated in CHF. Installments and interest is due on a monthly basis.

In December 2008, the Company settled the capital lease agreements on 2 vehicles and replaced them with new agreements for additional 2 vehicles, totaling 5 capital lease agreements at December 31, 2008. The maturity of the new leases varies from 60 to 72 months and are denominated in EUR and CHF. Installments and interests are due on a monthly basis.

In September 2009, the Company closed a capital lease agreement for one vehicle. The related asset has been sold.

NOTE 7 - CAPITAL LEASE PAYABLE (Continued)

The following is a schedule by years of future minimum lease payments under capital leases together with the present value of the net minimum lease payments as of December 31, 2011:

For the year ending December 31, 2011	Amounts
2012	84,621
2013	68,027
2014	37,264
Total minimum lease payments	189,912
Less: amounts representing interest	21,072
Present value of net minimum lease payments	168,840
Less: current portion	60,520
Long term liability	**$108,320**

NOTE 8 - STOCKHOLDERS' EQUITY

On October 26, 2011 the Company entered into an equity exchange agreement with each of Messrs. Viktor Rozsnyay and Daniel Kun, Jr. Mr. Rozsnyay is President, CEO and Chairman of the Board of Directors of the Company and Mr. Kun is its Vice-President. Each Agreement is identical and provides in summary form as follows: each of Messrs. Rozsnyay and Kun will deliver twelve million (12,000,000) shares of their shares of common stock of the Company to the Company for cancellation immediately. The Agreement provides that the Exchange Shares so delivered will be returned to the treasury of the Company as unauthorized shares of common stock and will become available for subsequent issuance by the Company from time to time. In return for the surrender of the Exchange Shares, the Company will issue and deliver two million (2,000,000) restricted shares of a new class of Series A Preferred shares, 1,000,000 shares each to Mr. Rozsnyay and Mr. Kun. The Company attached as an Exhibit the Series A preferred agreements.

NOTE 8 - STOCKHOLDERS' EQUITY (Continued)

Private placements

On November 14, 2011, pursuant to a private placement under Regulation S of the Securities Act of 1933, as amended, the Company sold 27,700 shares of its common stock at $0.16 per share to an unaffiliated private investor for aggregate proceeds of $4,432.

On September 2, 2011, pursuant to a private placement under Regulation S of the Securities Act of 1933, as amended, the Company sold 1,727,013 shares of its common stock at $0.16 per share to two unaffiliated private investors for aggregate proceeds of $276,322.

On August 29, 2011, pursuant to a private placement under Regulation S of the Securities Act of 1933, as amended, the Company sold 17,825 shares of its common stock at $0.12 per share to one unaffiliated private investor for aggregate proceeds of $2,137.

During the second quarter of 2011, pursuant to a private placement under Regulation S of the Securities Act of 1933, as amended, the Company sold 196,489 shares of its common stock at $0.29 for aggregate proceeds of $56,983.

During the third quarter of 2010, pursuant to a private placement under Regulation S of the Securities Act of 1933, as amended, the Company sold 70,000 shares of its common stock at $0.50 for aggregate proceeds of $35,000.

During the first half of 2010, pursuant to a private placement under Regulation S of the Securities Act of 1933, as amended, the Company sold 1,470,000 shares of its common stock at $0.10 for aggregate proceeds of $147,000, and sold 62,500 shares of its common stock at $0.08 for proceeds of $5,000.

In February 2010, pursuant to a private placement under Regulation S of the Securities Act of 1933, as amended, the Company sold 65,000 shares of its common stock at $0.12 for aggregate proceeds of $7,701.

In November 2009, pursuant to a private placement under Regulation S of the Securities Act of 1933, as amended, the Company sold 175,000 shares of its common stock at $0.16 and 111,110 shares of its common stock at $0.20 per share for aggregate proceeds of $50,222.

In October 2008, pursuant to a private placement under Regulation S of the Securities Act of 1933, as amended, the Company sold 2,500,000 shares of its common stock at $0.4 per share for aggregate proceeds of $1,000,000.

In February of 2008, shares of common stock of the Company have been approved by FINRA for quotation and trading on the Over The Counter Bulletin Board (OTCBB) under the ticker symbol PWRV. Trading commenced in the Company's securities on the OTCBB beginning on February 21, 2008.

In January 2008, pursuant to a private placement under Regulation S of the Securities Act of 1933, as amended, the Company sold 32,500 shares of its common stock at $3.25 per share for aggregate proceeds of $105,625.

In October 2007, pursuant to a private placement under Regulation S of the Securities Act of 1933, as amended, the Company sold 104,000 shares of its common stock at $2.50 per share for aggregate proceeds of $260,000. The Company also entered into a Registration Rights Agreement, pursuant to which it agreed that as soon as practicable from the Offering Termination Date, as defined in the Registration Rights Agreement, it would file a registration statement with the SEC covering the resale of the shares of the Company's common stock that are issuable pursuant to this private placement. There are no stipulated damages outlined in the Registration Rights Agreement for failure to file within the agreed upon time frame. Under such agreement, the holder is entitled to exercise all rights granted by law, including recovery of damages under this agreement.

The Company filed Form SB-2 a registration statement with SEC on November 14, 2007, which was approved on January 30, 2008.

NOTE 8 - STOCKHOLDERS' EQUITY (Continued)

Consulting agreements

During October 2011, the Company entered into agreements with three unaffiliated professionals for one year business consulting services. According to the agreement the professionals provide consulting services to the Company for 12 months. In connection with these services, the Company issued to them 640,000 shares of the Company's common stock. These share issuances were recorded at the fair value of contracting date which is the market price on the commitment date $0.11 and $0.09 per share in the total amount of $61,200 and the related expense was recorded under general administration.

On September 27, 2011, the Company entered into agreements with two unaffiliated professionals for one year business consulting services. According to the agreement the professionals provide consulting services to the Company for 12 months. In connection with these services, the Company issued to them 100,000 shares of the Company's common stock. These share issuances were recorded at the fair value of contracting date which is the market price on the commitment date $0.14 per share in the total amount of $14,000 and the related expense was recorded under general administration.

During April and May of 2011, the Company entered into agreements with five unaffiliated professionals for one year business consulting services. According to the agreement the professionals provide consulting services to the Company for 12 months. In connection with these services, the Company issued to them 505,000 shares of the Company's common stock.

These share issuances were recorded at the fair value of contracting date which is the market price on the commitment date, ranging from $0.34 to $0.48 per share in the total amount of $190,900 and the related expense was recorded under general administration.

On February 7, 2011 the Company entered into a one year business consultation agreement with an unaffiliated person who is to provide general business development and incubation consultation. In exchange for his services the Company issued a onetime payment of 215,000 shares of our common stock, which vested immediately. These share issuances were recorded at $0.3 per share in the total amount of $64,500 and the related expense was recorded under general administration.

On February 9, 2011 the Company entered into a one year business consultation agreement with an unaffiliated person who is to provide services in term of potential business opportunities in Poland. In exchange for his services we issued a onetime payment of 435,000 shares of our common stock, which vested immediately. These share issuances were recorded at $0.24 per share in the total amount of $104,400 and the related expense was recorded under general administration.

On February 24, 2011 the Company entered into a one year business consultation agreement with an unaffiliated person who is to provide general business development and incubation consultation. In exchange for his services we issued a onetime payment of 75,000 shares of our common stock, which vested immediately. These share issuances were recorded at $0.3 per share in the total amount of $22,500 and the related expense was recorded under general administration.

The consulting agreements are entered for a 12 months period. According to the agreements the consultants will provide general business consulting services. As consideration for such services, the Company issued an aggregate of 1,970,000 shares of the Company's common stock. These share issuances were recorded at the fair value of commitment date in the total amount of $457,888 in accordance with measurement date principles prescribed under ASC 505-50 and ASC 718-10. The Company is amortizing the fair value of the shares over the term of the agreement to stock-based compensation expense, which amounted to $316,098 for the period ended December 31, 2011, respectively and $316,098 for the period from April 26, 2006 (date of inception) to December 31, 2011, in accordance with ASC 505-50 and ASC 718-10.

NOTE 8 - STOCKHOLDERS' EQUITY (Continued)

During the October and November 2010, the Company entered into agreements with several unaffiliated professionals for consulting services. According to the agreement the professionals provide consulting services to the Company in 2010. In connection with these services, the Company issued to them 874,000 shares of the Company's common stock. These share issuances were recorded at $0.5 per share in the total amount of $437,000 and the related expense was recorded under general administration.

In September 2010, the Company entered into an agreement with four unaffiliated professionals for consulting services. According to the agreement the professionals provided consulting services to the Company in 2010. In connection with these services, the Company issued to them 153,000 shares of the Company's common stock. These share issuances were recorded at $0.5 per share in the total amount of $76,500 and the related expense was recorded under general administration.

The consulting agreements are entered for a 12 months period. According to the agreements the consultants will provide general business consulting services. As consideration for such services, the Company issued an aggregate of 1,027,000 shares of the Company's common stock. These share issuances were recorded at the fair value of commitment date ($0.5 per share) in the total amount of $513,500 in accordance with measurement date principles prescribed under ASC 505-50 and ASC 718-10. The Company is amortizing the fair value of the shares over the term of the agreement to stock-based compensation expense, which amounted to $312,972 and $200,528 for the periods ended December 31, 2011 and 2010, respectively and $513,500 for the period from April 26, 2006 (date of inception) to December 31, 2011, in accordance with ASC 505-50 and ASC 718-10.

In June 2010, the Company entered into an agreement with two unaffiliated professionals for consulting services. According to the agreement the professionals provided consulting services to the Company in 2010. In connection with these services, the Company issued to them 20,000 shares of the Company's common stock. These share issuances were recorded at $0.1 per share in the total amount of $2,000 and the related expense was recorded under general administration.

In April 2009, the Company entered into an agreement with two unaffiliated professionals for consulting services. According to the agreement the professionals provided consulting services to the Company in 2009. In connection with these services, the Company issued to them 250,000 shares of the Company's common stock. These share issuances were recorded at $0.4 per share in the total amount of $100,000 and the related expense was recorded under general administration.

In June 2007, pursuant to a private placement under Regulation S of the Securities Act of 1933, as amended, the Company sold 2,250,000 shares of its common stocks at $0.34 per share for a total subscription receivable of $765,000. The Company also entered into a Registration Rights Agreement, pursuant to which it agreed that as soon as practicable from the Offering Termination Date, as defined in the Registration Rights Agreement, it would file a registration statement with the SEC covering the resale of the shares of the Company's common stock that are issuable pursuant to this private placement. There are no stipulated damages outlined in the Registration Rights Agreement for failure to file within the agreed upon time frame. Under such agreement, the holder is entitled to exercise all rights granted by law, including recovery of damages under this agreement. In June 2007, the Company entered into five consulting agreements with five consultants for 12 to 24 month periods. According to the agreements the consultants will provide general business consulting services. As consideration for such services, the Company issued an aggregate of 1,375,000 shares of the Company's common stock. These share issuances were recorded at $0.34 per share in the total amount of $467,501 in accordance with measurement date principles prescribed under ASC 505-50 and ASC 718-10. The Company is amortizing the fair value of the shares over the term of the agreement to stock-based compensation expense, which amounted to $0 for the period ended December 31, 2011 and 2010, respectively and $467,501 for the period from April 26, 2006 (date of inception) to December 31, 2011, in accordance with ASC 505-50 and ASC 718-10.

NOTE 8 - STOCKHOLDERS' EQUITY (Continued)

In April 2007, the Company entered into an agreement with two professionals for legal services. According to the agreement the professionals provided legal services to the Company in 2007. In connection with these services, the Company issued to them 500,000 shares of the Company's common stock. These share issuances were recorded at $0.34 per share in the total amount of $170,000 and the related expense was recorded under general administration.

In connection with the ITA (See Note 4), the Company issued 100,000 shares of the Company's common stock to the Inventors. These shares issuance were recorded at fair value of $0.34 per share in the total amount of $34,000. The cost of the related invention was recorded as research and development expense.

Other agreements

On October 8, 2008, Power of the Dream Ventures, Inc. (the "Company") entered into a Standby Equity Distribution Agreement (the "Standby Equity Distribution Agreement") with YA Global Investments, L.P. (the "Investor"). Pursuant to the terms of the Standby Equity Distribution Agreement, the Company (a) agreed to issue and sell to the Investor up to $5,000,000 of shares of the Company's common stock, par value $0.0001 per share (the "Common Stock") in tranches of equity, based upon a 7% discount to the market price of the Common Stock, calculated over the five trading days following notice by the Company of an election to sell shares; and (b) issued to the Investor a warrant (the "Warrant") to purchase 4,027,386 shares of Common Stock at the exercise price per share of $0.29. The Warrant is not part of the commitment shares issued by the company to the investor.

The investor must purchase the shares underlying the Warrant. The Warrant price was determined based upon the highest Bid price on the day of the closing of the agreement. The YA Global is required to exercise the warrant upon notice by PDV of an election to have the warrants exercised at a fix price of $0.29 per common stock.

In connection with the Standby Equity Distribution Agreement, the Company entered into a Registration Rights Agreement with the Investor (the "Registration Rights Agreement") pursuant to which the Company agreed to register for resale the shares of Common Stock that may be purchased by the Investor pursuant to the Standby Equity Distribution Agreement, the shares of Common Stock issuable upon exercise of the Warrant and 2,000,000 shares of Common Stock (the "Commitment Shares") issued to the Investor as a commitment fee pursuant to the terms of the Standby Equity Distribution Agreement. The 2,000,000 shares issued as a commitment fee were valued at $0.4 per share or $800,000 based on the fair value at issuance date. The $800,000 commitment fee has been debited against additional paid in capital in accordance with the provisions of Staff Accounting Bulletin Topic 5A .

On September 24, 2010 the Company notified YA Global Investments in writing of its intention to terminate the Standby Equity Distribution Agreement (SEDA).

In response to this letter YA Global informed the company in a letter dated October 5, 2010 that the SEDA agreement will terminate on or about October 15, 2010. YA Global also informed the company that even though the SEDA agreement is terminated its associated Warrant to purchase 4,027,386 shares of common stock remains in effect until it expires on October 8, 2013.

On October 18, 2010 the company received notice from YA global for the exercise of 50,000 warrant shares on a cashless basis. This cashless exercise resulted in the issuance of 3,226 shares of Common stock to YA Global. Following this exercise YA Global has 3,977,386 warrant shares available for purchase.

NOTE 8 - STOCKHOLDERS' EQUITY (Continued)

On May 17, 2008 the Company entered into an agreement with Wakabayashi Fund LLC in order to arrange financing for working capital as an intermediary. Wakabayashi Fund LLC provided capital funding services including serving as an investment banking liaison and acted as capital consultant for a six month period. The Company issued 111,111 shares of restricted common stock upfront at $1.35 per share, the market price of the stock on the commitment date of the agreement. Additionally, the Company agreed to pay for the capital funding services 7% success fee. These share issuances were recorded at $1.35 per share in the total amount of $150,000 in accordance with measurement date principles prescribed under ASC 505-50. The Company is amortizing the fair value of the shares in general and administration expenses over the term of the agreement to stock-based compensation expense, which amounted to $0 for the period ended December 31, 2011 and $150,000 for the period from April 26, 2006 (date of inception) to December 31, 2011, in accordance with ASC 505-50. As of November 17, 2008 this agreement has been terminated without any funds raised.

On April 18, 2008 the Company entered an agreement with RedChip Companies Inc. and Partner Media4Equity Inc. for an investor relationship program for a period of 12 months. The Company secured and delivered 306,570 restricted common shares with a market price of $0.70 for a 12 months period in connection with RedChip investor relationship services. The compensation for Media4Equity services was the delivery of 1,500,000 restricted common shares. These share issuances were recorded at $0.75 per share, the market price of the stock on the commitment date of the agreement, for a total amount of $1,125,000 in accordance with measurement date principles prescribed under ASC 505-50. The Company is amortizing the fair value of the shares in general and administration expenses over the term of the agreement to stock-based compensation expense, which amounted to $0 for the periods ended December 31, 2011 and December 31, 2010, respectively and $1,339,599 for the period from April 26, 2006 (date of inception) to December 31, 2011, in accordance with ASC 505-50.

Stock based compensations

On January 1, 2011, the Company entered into a restricted stock agreement with Ildiko Rozsa, who is to serve as the Chief Financial Officer of the Company. As part of the agreement Ms. Rozsa was granted 100,000 shares of the Company's restricted common stock of which 25,000 shares will vest quarterly, at the end of each quarter, so long as Ms. Rozsa is employed by the Company.

On January 1, 2011, the Company entered into a restricted stock agreement with Szilvia Toth, the Chief Accounting Officer of the Company. As part of the agreement Ms. Toth was granted 100,000 shares of restricted common stock, of which 25,000 shares will vest quarterly, at the end of each quarter, so long as Ms. Toth is employed by the Company.

On January 1, 2011, the Company entered into a restricted stock agreement with Imre Eotvos, the Technology Assistant of the Company. As part of the agreement Mr. Eotvos was granted 120,000 shares of restricted common stock, which will vest on equal installments of 30,000 shares quarterly, at the end of each quarter, so long as Mr. Eotvos is employed by the Company.

On January 1, 2011, the Company entered into a restricted stock agreement with Daniel Kun, Jr., who is to serve as Secretary and Vice President of the company on a going forward basis. As part of the agreement Mr. Kun was granted 120,000 shares of restricted common stock, which will vest on equal installments of 30,000 shares quarterly, at the end of each quarter, so long as Mr. Kun is employed by the Company.

On January 1, 2011, the Company entered into a restricted stock agreement with Gene Guhne, who is to serve as Director of the company on a going forward basis. As part of the agreement Mr. Guhne was granted 100,000 shares of restricted common stock, which will vest on equal installments of 25,000 shares quarterly, at the end of each quarter, so long as Mr. Guhne is employed by the Company.

As consideration for the above services, the Company issued an aggregate of 540,000 shares of the Company's common stock. These share issuances were recorded at $0.15 per share in the total amount of $81,000 in accordance with measurement date principles prescribed under FAS 123 (R).

NOTE 8 - STOCKHOLDERS' EQUITY (Continued)

During the second quarter of 2010, the Company entered into a restricted stock agreement with Ildiko Rozsa, who is to serve as the Chief Financial Officer of the Company. As part of the agreement Ms. Rozsa was granted 100,000 shares of the Company's restricted common stock of which 25,000 shares will vest quarterly, at the end of each quarter, so long as Ms. Rozsa is employed by the Company.

During the second quarter of 2010, the Company entered into a restricted stock agreement with Szilvia Toth, the Chief Accounting Officer of the Company. As part of the agreement Ms. Toth was granted 100,000 shares of restricted common stock, of which 25,000 shares will vest quarterly, at the end of each quarter, so long as Ms. Toth is employed by the Company.

During the second quarter of 2010, the Company entered into a restricted stock agreement with Imre Eotvos, the Technology Assistant of the Company. As part of the agreement Mr. Eotvos was granted 120,000 shares of restricted common stock, which will vest on equal installments of 30,000 shares quarterly, at the end of each quarter, so long as Mr. Eotvos is employed by the Company.

During the second quarter of 2010, the Company entered into a restricted stock agreement with Daniel Kun, Jr., who is to serve as Secretary and Vice President of the company on a going forward basis. As part of the agreement Mr. Kun was granted 120,000 shares of restricted common stock, which will vest on equal installments of 30,000 shares quarterly, at the end of each quarter, so long as Mr. Kun is employed by the Company.

During the second quarter of 2010, the Company entered into a restricted stock agreement with Gene Guhne, who is to serve as Director of the company on a going forward basis. As part of the agreement Mr. Guhne was granted 100,000 shares of restricted common stock, which will vest on equal installments of 25,000 shares quarterly, at the end of each quarter, so long as Mr. Guhne is employed by the Company.

As consideration for the above services, the Company issued an aggregate of 540,000 shares of the Company's common stock. These share issuances were recorded at $0.1 per share in the total amount of $54,000 in accordance with measurement date principles prescribed under FAS 123 (R).

On February 5, 2009, the Company entered into a restricted stock agreement with Ildiko Rozsa, who is to serve as the Chief Financial Officer of the Company. As part of the agreement Ms. Rozsa was granted 120,000 shares of the Company's restricted common stock of which 30,000 shares will vest quarterly, at the end of each quarter, so long as Ms. Rozsa is employed by the Company.

On February 5, 2009, the Company entered into a restricted stock agreement with Szilvia Toth, the Chief Accounting Officer of the Company. As part of the agreement Ms. Toth was granted 120,000 shares of restricted common stock, of which 30,000 shares will vest quarterly, at the end of each quarter, so long as Ms. Toth is employed by the Company.

On February 5, 2009, the Company entered into a restricted stock agreement with Mihaly Zala, the Chief Technology Officer of the Company. As part of the agreement Mr. Zala was granted 120,000 shares of restricted common stock, which will vest on equal installments of 30,000 shares quarterly, at the end of each quarter, so long as Mr. Zala is employed by the Company. As of July 15, 2009 Mr. Zala is no longer employed by the Company, therefore 60,000 shares of the 120,000 granted to him were cancelled and returned to the authorized and unissued stock of the company.

On February 5, 2009, the Company entered into a restricted stock agreement with Imre Eotvos, the Technology Assistant of the Company. As part of the agreement Mr. Eotvos was granted 200,000 shares of restricted common stock, which will vest on equal installments of 50,000 shares quarterly, at the end of each quarter, so long as Mr. Eotvos is employed by the Company.

NOTE 8 - STOCKHOLDERS' EQUITY (Continued)

On February 5, 2009, the Company entered into a restricted stock agreement with Daniel Kun, Jr., who is to serve as Secretary and Vice President of the company on a going forward basis. As part of the agreement Mr. Kun was granted 200,000 shares of restricted common stock, which will vest on equal installments of 50,000 shares quarterly, at the end of each quarter, so long as Mr. Kun is employed by the Company.

As consideration for the above services, the Company issued an aggregate of 700,000 shares of the Company's common stock. These share issuances were recorded at $0.4 per share in the total amount of $280,000 in accordance with measurement date principles prescribed under FAS 123 (R).

On October 24, 2007, the Company entered into a restricted stock agreement with Ildiko Rozsa, who is to serve as the Chief Financial Officer of the Company. As part of the agreement Ms. Rozsa was granted 250,000 shares of the Company's restricted common stock of which 100,000 shares are vested upon grant and 30,000 shares will vest quarterly, at the end of each quarter, so long as Ms. Rozsa is employed by the Company.

On October 1, 2007, the Company entered into a restricted stock agreement with Szilvia Toth, the Chief Accounting Officer of the Company. As part of the agreement Ms. Toth was granted 100,000 shares of restricted common stock of which 50,000 shares are vested upon grant and 10,000 shares will vest quarterly, at the end of each quarter, so long as Ms. Toth is employed by the Company.

On October 24, 2007, the Company entered into a restricted stock agreement with Mihaly Zala, the Chief Technology Officer of the Company. As part of the agreement Mr. Zala was granted 150,000 shares of restricted common stock, which will vest on equal installments of 30,000 shares quarterly, at the end of each quarter, so long as Mr. Zala is employed by the Company.

On October 24, 2007, the Company entered into a restricted stock agreement with Imre Eotvos, the Technology Assistant of the Company. As part of the agreement Mr. Eotvos was granted 25,000 shares of restricted common stock, which will vest on equal installments of 5,000 shares quarterly, at the end of each quarter, so long as Mr. Eotvos is employed by the Company.

On October 1, 2007, the Company entered into a restricted stock agreement with Sandorne Juhasz, who provides payroll accounting services to the Company on a subcontracting basis. As part of the agreement Ms. Juhasz was granted 11,000 shares of restricted common stock, of which 8,000 is will vest upon grant and 750 shares will vest quarterly, at the end of each quarter, so long as Ms. Juhasz is employed by the Company.

On October 24, 2007, the Company entered into a restricted stock agreement with Daniel Kun, Jr., who is to serve as Secretary and Vice President of the company on a going forward basis. As part of the agreement Mr. Kun was granted 250,000 shares of restricted common stock, which will vest on equal installments of 50,000 shares quarterly, at the end of each quarter, so long as Mr. Kun is employed by the Company.

On October 24, 2007, the Company entered into a restricted stock agreement with Viktor Rozsnyay, who is serving as President and Chief Executive Officer of the Company. As part of the agreement Mr. Rozsnyay was granted 250,000 shares of restricted common stock, which will vest on equal installments of 50,000 shares quarterly, at the end of each quarter, so long as Mr. Rozsnyay is employed by the Company.

As consideration for the above services for the employment of the above 7 persons, the Company issued an aggregate of 1,036,000 shares of the Company's common stock. These share issuances were recorded at $2.5 per share in the total amount of $2,590,000 in accordance with measurement date principles prescribed under ASC 505-50 and ASC 718-10. The Company is amortizing the fair value of the shares over the term of the agreement to stock-based compensation expense, which amounted to $0 for the period ended December 31, 2010 and $2,590,000 for the period from April 26, 2006 (date of inception) to December 31, 2010, in accordance with ASC 505-50 and ASC 718-10.

NOTE 8 - STOCKHOLDERS' EQUITY (Continued)

Reverse merger

On August 5, 2011 the company was presented with an Amended Convertible Promissory Note by Mary Passalaqua. In the revised agreement Ms. Passalaqua requested that the outstanding portion of the Promissory Note be paid in shares in such quantity that will satisfy the debt of $195,000 owned. As first step in this conversion process Mary Passalaqua requested the conversion of $70,000 dollars into shares of common stock. To satisfy this request the Company instructed its transfer agent to issue Mary Passalaqua 2,400,000 shares of common. On October 20, 2011, Mary Passalaqua requested the conversion of additional $20,000 dollars into shares of common stock. To satisfy this request the Company instructed its transfer agent to issue Mary Passalaqua 3,600,000 shares of common.

On October 20, 2011 the Company was presented with an Amended Convertible Promissory Note by Mary Passalaqua. In the revised agreement Ms. Passalaqua requested that the outstanding portion of the Promissory Note be paid in shares in such quantity that will satisfy the debt of $125,000 owned. As second step in this conversion process Mary Passalaqua requested the conversion of $20,000 dollars into shares of common stock. To satisfy this request the Company instructed its transfer agent to issue Mary Passalaqua 3,500,000 shares of common. Upon conversion of the $20,000 our outstanding Promissory Note balance will be $105,000 plus accrued interest.

On April 10, 2007, PDV entered into a reverse merger transaction with Vidatech. In connection with the merger 2,500,000 shares of PDV common stock remained outstanding and PDV issued 33,300,000 shares of its common stock for all the outstanding common stock of Vidatech. As a result of this transaction, the former stockholders of Vidatech became the controlling stockholders of PDV. Accordingly, the reverse merger has been accounted for as a recapitalization of Vidatech.

In May, 2006, the Company entered into a short term loan agreement with its Chief Executive Officer, Viktor Rozsnyay, for approximately $96,100 with a maturity of April 30, 2007. On December 28, 2006 Mr. Rozsnyay elected to convert the loan into equity, which is recorded as additional paid in capital.

In March, 2007, the Company entered into a short term loan agreement with its Chief Financial Officer, Daniel Kun Jr., for approximately $53,735 with a maturity of March 31, 2007. On March 31, 2007 Mr. Kun elected to convert the loan into equity, which is recorded as additional paid in capital.

Summaries of non-vested restricted stock awards are as follows:

	# Shares	Weighted Average Grant date fair value
Non-vested at December 31, 2010	**-**	**$-**
Granted in 2011	**540,000**	**81,000**
Forfeited		
Vested in 2011	**(540,000)**	**(81,000)**
Non-vested at December 31, 2011	**-**	**-**

The weighted average grant-date fair value of restricted stock awards granted for the year ended December 31, 2011 and 2010 were $0.15 and $0.50, respectively. The total fair value of shares vested during the year ended December 31, 2011 was $81,000.

NOTE 9 - GENERAL AND ADMINISTRATION

General and administration expenses consisted of the followings at December 31, 2011 and at December 31, 2010:

	December 31, 2011	December 31, 2010
Stock based compensation	81,000	54,000
Stock based Consultant services	700,458	148,145
Other	175,860	147,852
Total	**957,318**	**349,997**

NOTE 10 - SUBSEQUENT EVENTS

On February 15, 2012, upon FINRA approval of our proposed iGlue dividend, we distributed to our shareholders of record as of December 23, 2011 a total of 3,115,014 shares from our iGlue, Inc., holdings in the form of restricted common stock as dividend. Following this distribution we still retain a total of 2,884,986 shares of iGlue, Inc. common stock and warrant to purchase a total of three million additional shares, one million at $5 per share, one million at $7 per share and one million at $9 per share.

On February 29, 2012, after having served four years as a member of our Board of Director, effective immediately Mr. Gene Guhne has resigned as a member of the Board. His resignation was for personal reason. There were no disagreements between Mr. Guhne and the Company. As of this date the Board is comprised of one person, our Chief Executive Officer, Viktor Rozsnyay. In the near future we plan on adding additional members to our Board of Directors.

Exhibit 31.1

Certification of Principal Executive Officer

Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
and Securities and Exchange Commission Release 34-46427

I, Viktor Rozsnyay, certify that:

1. I have reviewed this Form 10-K of Power of the Dream Ventures, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (e) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (f) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 30, 2012

/s/ Viktor Rozsnyay
Viktor Rozsnyay
President & Chief Executive Officer

Exhibit 31.2

Certification of Principal Accounting Officer

**Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
and Securities and Exchange Commission Release 34-46427**

I, Ildiko Rozsa, certify that:

1. I have reviewed this Form 10-K of Power of the Dream Ventures, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (e) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (f) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 30, 2012

/s/ Ildiko Rozsa

Ildiko Rozsa
Chief Financial Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Power of the Dream Ventures, Inc. (the "Company") on Form 10-K for the fiscal year ending December 31, 2011 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Viktor Rozsnyay, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

(1) the Annual Report on Form 10-K of the Company for the fiscal year ended December 31, 2011 (the "Report") fully complies with the requirements of Section 13 (a) or 15 (d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 30, 2012

/s/ Viktor Rozsnyay
Viktor Rozsnyay
Title: President & Chief Executive Officer

This certification accompanies this Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended. A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Power of the Dream Ventures, Inc. (the "Company") on Form 10-K for the fiscal year ending December 31, 2011 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Ildiko Rozsa, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

(1) the Annual Report on Form 10-K of the Company for the fiscal year ended December 31, 2011 (the "Report") fully complies with the requirements of Section 13 (a) or 15 (d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 30, 2012

/s/ Ildiko Rozsa
Ildiko Rozsa
Title: Chief Financial Officer

This certification accompanies this Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended. A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.