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Infoserve Group plc
Annual Report & Accounts
Year Ended 31 March 2007

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OFFICERS AND PROFESSIONAL ADVISERS

The Board of Directors:

J H Newman (Chairman)
S M Barnes (Chief Executive Officer)
D R Hood (Senior Non Executive Director)
A R Thirkill (Non executive Director)
D C Balbi (Finance Director)
D I J Oliver (Operations Director)

Company Secretary:

D C Balbi

Registered Office:

Infoserve Group plc
South Side Aviation
Leeds Bradford International Airport
Leeds
LS19 7UG

Bankers:

National Westminster Bank plc
Leeds City Office
8 Park Row
Leeds,
LS1 5HD
Barclays Bank plc
2nd Floor
1 Park Row
Leeds
BX3 2BB

Legal Advisers:

Cobbetts LLP
58 Mosley Street
Manchester
M2 3HZ

Auditors:

Chadwick LLP
Chartered Accountants & Registered Auditors
The Lexicon
10/12 Mount Street
Manchester
M2 5NT

Brokers and Nominated Advisers

W H Ireland Limited
11 St James's Square
Manchester
M2 6WH

Registrars:

Neville Registrars Limited
Neville House
18 Laurel Lane
Halesowen
West Midlands
B63 3DA

CHAIRMAN'S STATEMENT

I am delighted to report a year of progress for the Company, in this, its first year as a public Company and my first year as Chairman.

AIM Flotation

The Company floated on the AIM market on 23 June 2006, raising £2 million by placing 4,860,267 new shares at 41.15p. Due to the efforts of my colleagues on the Board, this was achieved without too much disruption to the day to day business operations.

The primary reason for joining AIM was to give the Company a stronger financial base from which to significantly expand its sales activities and technology base and to raise its profile in the local search market.

Results

Turnover for the year reached £4.01 million, which compared to £1.71 million on a pro forma basis for the twelve months ended 31 March 2006. This growth in turnover was restricted by the cautious approach to sales staff recruitment as a result of the limited funds raised at flotation, due to the difficult stock market conditions at the time.

However, it is pleasing to note that productivity per person increased substantially throughout the year, although second half gross margins were affected by the decision to write off certain direct costs relating to the collection of data, which had previously been capitalised. Overheads have been well managed but do include the costs of relocating the main call centre to a new building in Darlington.

Operating losses before amortisation were £2.68 million, which increased to £3.11 million after charging amortisation of £277,000 and net interest of £155,000. The deficit for the year was £2.41 million after crediting deferred tax of £703,000. The basic loss per share was 19.27p.

Dividend

In line with the statement made at the time of the flotation, the Board is not recommending a dividend, as all funds are needed to be invested in the development of the business.

Business Developments

In March 2007, we announced the signing of two major contracts, one with Yahoo! and the other with Football League Interactive. These contracts represent a step change for the company and are a clear endorsement by the industry of the business model, which the Board has developed over the last few years.

Board

I am pleased to welcome David Balbi to the Board as Group Finance Director, having joined us in January this year. David has considerable experience, both in the call centre environment and in the telecommunications industry, which he gained during seven years at Kingston Communications between 1999 and 2006.

Share Placing

At the beginning of May 2007, the Board announced that it was planning to raise approximately £1.5 million, net of expenses, by way of a placing of Ordinary Shares. The Placing was approved by shareholders at an Extraordinary General Meeting held on 1 June 2007.

The Board is currently in the process of marketing to potential investors, in order to raise funds to expand the Company's sales and marketing activities by recruiting and training additional sales executives in light of the recently announced contracts with Yahoo! and the Football League mentioned above.

Outlook

The market in which the Company operates is growing substantially every month as more businesses and consumers are increasingly using the internet and local search in particular, to buy, sell or search for products or services. The services that the Company provides are at the heart of this growth.

Substantial progress has been made during the year in building the Company's marketing, sales and technology infrastructure and establishing a customer base for the future. The new contracts provide the Company with significant opportunities to grow its activities and should allow substantial progress to be made in the year ahead towards its goal of being the leading provider of local search services and data in the UK.

A handwritten signature in black ink, appearing to read 'James H Newman', with a large, stylized initial 'J'.

James H Newman

Chairman

4 June 2007

CHIEF EXECUTIVE'S REVIEW

Over the past twelve months our Company more than doubled sales revenue, from £1.7 million (pro forma) in the year ended March 2006 to over £4.0 million in the year ended March 2007.

Against a market backdrop of overall local search market revenues growing at a compound rate of circa 22% per annum, our performance reflects growth in market share, growth in retained customer numbers, the near doubling of our customer base, and a further broadening of our appeal to local businesses through our expanding network of sites.

Monthly visitors to sites displaying our local search data increased from 24 to 32 million visitors per month. As local search increases in significance, our profile as a supplier of accurate, comprehensive and relevant data to our online Partner network, allied to the consumer's growing desire to source this data online, has been raised.

68% of consumers who perform an online local search make a phone call to a local business, 47% of those people visit those local businesses soon after calling, and more than 90% of those who phone eventually convert into sales. Our Company mantra, "bringing business to you", reflects the growing nature of the importance of online local search for businesses and consumers alike.

Our database contains 3.4 million business records (2006: 2.4 million), of which over 2.7 million have the full address, phone number and comprehensive business category details. Through daily contact with approximately 10,000 SMEs, and the support of our data suppliers, we cleanse records constantly, with over 100,000 updates per month.

Our keyword collection programme has enabled us to build into our database the additional keywords (goods, services, brands, models) of over 500,000 businesses, and this advanced keyword collection is being driven to reach 1 million businesses by the end of 2007. The use of keywords will allow even more specific search and thus increased sales opportunities for businesses, greater accuracy and relevancy in results for consumers, and therefore improved advertising sales opportunities for the Company.

The business has five distinct product groups; each has grown and developed this year.

Our **Owned Business Directory group** has driven much of the growth in our revenues. We have achieved customer renewal rates over 70%, putting us in the industry's top echelon. These sites, mainly found on major search engines through natural positions and purchased sponsored links, cover both general directories (e.g. www.cityvistor.co.uk) and over 100 single industry vertical directories (e.g. www.accountantlocal.co.uk). In January 2007, we launched the new www.infoserve.com site, a hybrid of a search engine and a business directory. This site will grow in importance and prominence as our keyword database expands.

The **Online Income group** performed well, with a 69% increase in revenues. This reflects growth in visitor numbers to our sites, and I am delighted that we continue to develop the quality and relevancy of our advertising proposition.

Our **Partner Network Product group** continued to offer a broad spread of high profile, widely visited sites, including www.telegraph.co.uk and www.thisislondon.co.uk. Turnover in this product group grew by 26%. We also continued to offer local businesses opportunities to feature on Sky TV's interactive platform, with over 10 million monthly consumer users.

Our **Web Product group**, which includes SMS products, website building and hosting, domain name purchase and registration, and peripheral products, has grown revenues by 21% this year. We have recently completely reviewed and revitalised our template driven website product, and in March 2007 re-launched our offering. 50% of businesses still do not have a website and many of those that do, have not updated or amended theirs for years. These statistics support our view of a strong commercial opportunity.

Our fifth product group, **Strategic Partnerships**, centred this year on a third party arrangement to act on behalf of a number of Football League clubs. A new, more wide-ranging and extensive contract direct with the Football League, was announced on 29 March 2007, which will build upon the platform created this year. By linking their local business with a Football Club business finder service, SMEs align their brand with their local team and demonstrate their support in a simple, visible way. In return, they tap into football fans' loyalty and their highly specific market profile.

Over 2.2 million visitors per month visit the sites of the original 40 clubs, and once the network is expanded with the addition of the majority of the remaining 38 clubs during 2007, we expect our potential audience to more than double. Sales on these town specific sites now account for some 6% of our business, and it is anticipated this will grow as we increasingly package these in media 'bundles' with relevant complementary products in our Owned Business Directory product group.

In March 2007 we announced a new contract with Yahoo! that will substantially aid Company growth in revenues for the financial year beginning April 2007. The contract allows Infoserve to become the seller of local featured listings on Yahoo! Local's UK web pages. Under the agreement, Infoserve becomes the official Yahoo! Local advertising sales partner for the UK. The product offering, mirroring the product launched on Yahoo! Local in the USA, which has received much critical acclaim and early commercial success, has been available in the UK since 15 May 2007.

Local businesses can easily see the appeal of purchasing a featured listing, which appears as a link on Yahoo! Local results pages that relate to the product or service and location of their business. The advertising gives a guaranteed position for a guaranteed period at a fixed price. Our link with Yahoo! provides a further step change opportunity for our business and gives our advertisers exposure to the 19.5 million UK web users that access Yahoo! sites each month.

In order to aid the rapid expansion of the sales team to maximise the benefit from the new contract win with Yahoo! Local, the Company is undertaking a Placing to raise £1.5 million net of expenses.

Recent market statistics show that 60% of online searches are now local in nature, compared to 41% a year ago, and that 76% of all local searches are online, reflecting not only the change in consumer behaviour towards increased internet usage, but the rapid move away from paper-based local searches to online. With spending on local online advertising expected to double to £7 billion in 2010, I expect continued rapid growth in our customer numbers.

I am confident our strategy to develop both our branded business, as well as our long-term strategic relationships with global media companies, will drive future growth. We must continue to offer our customers great value advertising opportunities to enable them to present themselves to potential customers as they search online for local suppliers of goods and services.



Steve Barnes

Chief Executive

4 June 2007

FINANCIAL REVIEW

To demonstrate the Company's progress I have summarised the pro forma results for the 12 months ended 31 March 2006 and compared them to the audited results for the year ended 31 March 2007.

	Audited 31 March 2007 £000	Pro Forma 31 March 2006 £000
Turnover	4,015	1,707
Cost of sales	(3,607)	(1,613)
	<hr/>	<hr/>
Gross profit	408	94
Administrative expenses	(2,962)	(2,071)
	<hr/>	<hr/>
EBITDA	(2,554)	(1,977)
Depreciation	(128)	(165)
Amortisation	(277)	-
	<hr/>	<hr/>
Operating loss	(2,959)	(2,142)
Interest received	47	4
Interest payable	(202)	(42)
	<hr/>	<hr/>
Loss before tax	(3,114)	(2,180)
	<hr/>	<hr/>

Turnover has increased by 135% to £4.015 million. Average sales per head within telesales has risen 100% from £16,000 (pro forma) to £32,000 for year ended 31 March 2007.

During the year ended 31 March 2007 the Company decided that the capitalisation of costs incurred in developing keywords was inappropriate. The impact of this change in accounting policy was to increase the loss reported in the interim accounts for the 6 months to September 2006 by £319,000 increasing the reported operating loss before amortisation to £1.461 million.

EBITDA for the year showed a loss of £2.554 million, an increase of £0.577 million. This increase was as a direct result of the expansion in the product development, operational and head office functions capable of supporting an enlarged contact centre operation.

The Company has recognised a deferred tax asset of £0.703 million based only on post acquisition tax losses, discounted to the expected point of realisation.

The Company has recently secured a new bank facility of £0.5 million as additional working capital funding.

International Financial Reporting Standards (IFRS) came into effect for AIM listed companies on 1 January 2007. The Company is committed to achieving a smooth transition to IFRS and a review of the effect of the conversion from UK GAAP to IFRS is currently being planned and will be complete by September 2007.

The Company's first set of audited financial statements under IFRS will be for the year ended 31 March 2008. The Company will prepare its interim statement as at 30 September 2007 under IFRS, which will include a reconciliation of the adjustments between UK GAAP and IFRS.



David Balbi

Finance Director

4 June 2007

DIRECTORS' REPORT

The directors present their annual report and the consolidated financial statements of the Group for the year ended 31 March 2007.

Activities And Review Of The Business

The company was incorporated on 21 March 2006. On 30 March 2006 the company changed its name from COBCO 762 plc to Infoserve Group plc. On 11 April 2006 the company acquired the entire issued share capital of Infoserve Limited. On 23 June 2006, the company was admitted to the Alternative Investment Market.

These results cover the period from incorporation to 31 March 2007, however, Infoserve Group plc did not trade between the date of incorporation and 31 March 2006 and therefore for comparative purposes these results represent a full year's trading.

The Group's activities include the provision of internet and IT services.

The key performance indicators of the Group are turnover, gross profit and sales margin per product sector and are considered within the Financial Review on page 6.

Results And Dividends

The Group has achieved a turnover of £4,015,000, an operating loss of £2,959,000 and a loss before tax of £3,114,000. The directors' recommend that no dividend be paid in respect of the year ended 31 March 2007.

Directors And Their Interests

Details of the membership of the board and directors' interests in the company's Ordinary share capital are disclosed below.

	Beneficial Holdings	
	At 31 March 2007 No.	At date of appointment No.
J H Newman (appointed as director and chairman 31 March 2006)	55,267	-
S M Barnes (appointed as director 31 March 2006)	1,665,340	-
D R Hood (appointed as director 31 March 2006)	8,937,707	2
A R Thirkill (appointed as director 19 April 2006)	67,417	-
D C Balbi (appointed as director 12 January 2007)	-	-
D I J Oliver (appointed as director 31 March 2006)	1,844,760	-

	Non-Beneficial Holdings	
	At 31 March 2007 No.	At date of appointment No.
J H Newman	26,125	-
S M Barnes	43,741	-

Details of the membership of the board and directors' interests in the company's Preference share capital are disclosed below.

	Beneficial Holdings	
	At 31 March 2007 No.	At date of appointment No.
D R Hood (appointed as director 31 March 2006)	100,000	-

There have been no changes in the above interests between 31 March 2007 and the date of this report.

On 18 April 2006, options were granted by the Group to J H Newman and A R Thirkill at an option price of 25 pence per share. The options granted and outstanding as at 31 March 2007, are shown below.

On 15 February 2007, options were granted by the Group to D C Balbi at an option price of 30 pence per share. The options granted and outstanding as at 31 March 2007, are shown below.

	Class of share	Options outstanding at 31 March 2007	Vesting year
D C Balbi	Ordinary 5p	120,000	2010 – 2017
J H Newman	Ordinary 5p	9,000	2009 – 2016
A R Thirkill	Ordinary 5p	3,000	2009 – 2016

The options are exercisable no earlier than three years following the date of grant, and no later than ten years following the date of grant.

Report On Remuneration

The remuneration committee comprises D R Hood, J H Newman and A R Thirkill. The committee reviews the terms of employment and total remuneration of the executive directors at least twice a year to ensure that the company can attract, retain and motivate directors capable of delivering the company's objectives. Full details of directors' remuneration are given in note 4 to the financial statements.

Executive director packages comprise a basic salary and other benefits. The committee has regard to rates of pay for similar positions in comparable companies as well as internal factors such as performance. The objective of the company's remuneration policy is to ensure that members of the executive management are provided with appropriate incentives to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their individual contributions to the success of the company. The executive directors are eligible for share options under the company's share option scheme. The exercise of options granted under these share option schemes is not dependent on performance criteria.

Substantial Shareholdings

Save for the directors' interests disclosed above, the directors are not aware of any other shareholdings representing 3% or more of the issued share capital of the company at the date of this report.

Financial Risk Management Objectives And Policies

The group's operations expose it to a variety of financial risks that include the effects of changes in seasonal and economic patterns and trends which may affect the markets for the services the Group offers. The Group has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the Group. Other risks include requirements for further funds, management of growth, dependence on senior management and employees, recruitment risk, technology risk and partner risk and are considered below.

Requirements for further funds

There may be a requirement for the Group to raise further funds in the future in order to fully exploit opportunities available and to fund further expansion. Such a funding requirement may be by way of the issue of further Ordinary shares on a non pre-emptive basis.

Management of growth

The ability of the Group to implement its strategy in a rapidly evolving market requires effective planning and management control systems. The Board anticipates that further expansion will be required to respond to market opportunities and the potential growth in its industry. The Group's growth plans may place a significant strain on the Group's management, operational, financial and personnel resources.

Therefore, the Group's further growth and prospects will depend on its ability to manage this growth and to continue to expand and improve operational, financial and management information and quality control systems on a timely basis, whilst at the same time maintaining effective cost controls.

Dependence on senior management and employees

As with any company, the Group's results are dependent upon the performance and continued services of the Group's senior management and other key personnel.

Recruitment

The Group's business is dependent on achieving sales through telephone sales personnel and other sales personnel. Businesses that employ telephone sales personnel can experience a high rate of turnover of such employees which can increase the costs of recruitment and training and divert management resources from other functions in the operation of the Group.

Technology

The Group's business is dependent on various technologies it utilises in the creation and operation of its websites, the search facilities provided to its partners, and the creation and maintenance of its data, as well as in other areas of its operations.

The Group obtains the data for its business directories from various third party suppliers, although the Group then maintains and updates this data through its own research and data collection minimising any risk of data loss.

Partners

The Group's agreements with its partners are of a fixed term nature and therefore pose a risk should the Group not be able to renew these agreements as they expire.

Employee Relations

The Group supports the employment of disabled people wherever possible, both in recruitment and by retention of those who become disabled during their employment.

Appropriate steps are taken to inform and consult employees regarding matters affecting them and the Group.

The Group's policy regarding health and safety is to ensure that, as far as is practical there is a working environment which will minimise the risk to health and safety of employees and those persons who are authorised to be on its premises.

Audit Committee

The Audit Committee is appointed by the board and must comprise a minimum of two members, including one non executive director. During the year S M Barnes, D I J Oliver, D C Balbi and J H Newman served on the Audit Committee. The committee meets not less than twice a year.

The Audit Committee may examine any matters relating to the financial affairs of the Group. This includes reviews of the annual accounts and announcements, internal control procedures, accounting policies, compliance with accounting standards, the appointment of external auditors and other such related functions as the board may require.

Supplier Payment Policy

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

The Group's trade creditor days for the year ended 31 March 2007 were 48 days, calculated in accordance with the requirements set down in the Companies Act 1985. This represents the ratio, expressed in days, between the amounts invoiced to the Group by its suppliers in the year and the amounts due, at the year end, to trade creditors within one year.

International Financial Reporting Standards

As a result of the admission to AIM, the Company will be required in future to produce consolidated financial statements in accordance with International Financial Reporting Standards ("IFRS") for accounting years beginning on or after 1 January 2007. The Group will therefore adopt IFRS for the financial year ending 31 March 2008, with the first results reported under IFRS being the interim results for the six months ending 30 September 2007.

The Group is committed to achieving a smooth transition to IFRS, and a review of the effect of the conversion of UK GAAP to IFRS is currently being undertaken and will be completed by September 2007.

Statement Of Directors' Responsibilities

United Kingdom company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and the Group as at the end of the financial year and of the profit or loss of the Group for that year. In preparing those financial statements, the directors are required to:-

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and Group and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for systems of internal control, for safeguarding the assets of the company and Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are aware:

- there is no relevant audit information of which the company's auditors are unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Auditors

The directors have appointed Chadwick LLP as the first auditors of the company and a resolution to appoint them will be proposed at the Annual General Meeting in accordance with Section 385 of the Companies Act 1985.

By Order Of The Board



D Balbi

Secretary

Approved by the directors on 4 June 2007.

CORPORATE GOVERNANCE

Application Of The Principles Of Good Governance

The Group is committed to applying the highest principles of corporate governance commensurate with its size.

The Board

The Group is managed by a board, consisting of a chairman, three executive members and two non-executive members, who retain responsibility for the formulation of corporate strategy, approval of acquisitions, divestments and major capital expenditure and treasury policy. The appointment of new directors is a matter reserved for the board as a whole rather than for a separate nomination committee.

The board meets regularly and has a schedule of matters specifically referred to it for decision. All directors have access to advice from the company secretary and training is available for directors as necessary.

The board considers the non-executive directors to be independent.

Internal Control

The directors have overall responsibility for ensuring that the Group maintains a system of internal control to provide them with reasonable assurance regarding effective and efficient operations, internal financial control and compliance with laws and regulations. The risk management process and systems of internal control are designed to manage rather than eliminate the risk of failure to achieve the Group's strategic objectives. However, there are inherent limitations in any system of internal control and accordingly even the most effective system can only provide reasonable and not absolute assurance. The board has reviewed the operation and effectiveness of the system of internal control in operation during the year.

The board is also responsible for assessing and minimising all business risks, supported by Group personnel able to provide specific assistance in matters relating to regulatory compliance, health and safety, environment, quality systems and insurance cover for property and liability risks.

Monthly accounts, with commentary on current year performance compared with planned performance, together with key ratio analysis and working capital information, are prepared in accordance with Group accounting policies and principles. They are consolidated and reviewed by the board in order to monitor overall performance and produce appropriate management intervention.

The board monitors the funding requirements and banking facilities provided to the Group in addition to the management of investment and treasury procedures. Capital and significant investment expenditure is approved against performance criteria.

The board confirms that it has established the procedures necessary to implement the guidance "Internal Control: Guidance for Directors on the Combined Code". The board has considered the need for an internal audit function but has concluded that the size and complexity of the Group does not justify the expense at present. The need for an internal audit function will continue to be reviewed periodically.

Relations With Shareholders

The board attaches great importance to maintaining good relationships with shareholders. The board regards the Annual General Meeting as an opportunity to communicate directly with investors, who are encouraged to participate.

Compliance

In the opinion of the directors, the company has complied throughout the year with the provisions of Section 1 of the Combined Code.

The company has complied fully with the requirements of provision C1.2 of the Code (review of effectiveness of internal control system) from the date of its flotation on the Alternative Investment Market.

Going Concern

The directors' report, in connection with paragraph D1.3 of the Combined Code that, after making enquiries, they have a reasonable expectation that the company and the Group have adequate resources to continue in operational existence. For this reason they continue to adopt the going concern basis in preparing the financial statements.

INDEPENDENT AUDITORS' REPORT

We have audited the financial statements of Infoserve Group plc for the year ended 31 March 2007 which comprise the consolidated profit and loss account, the balance sheets, the consolidated cashflow statement, the principal accounting policies and notes on pages 14 to 29. These financial statements have been prepared under the accounting policies set out therein.

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

Respective Responsibilities Of Directors And Auditors

As described in the statement of directors' responsibilities, the Company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read other information contained in the annual report, including the corporate governance statement, and consider whether it is consistent with the audited financial statements. This other information comprises only the directors' report, the chairman's statement, the operating review and the corporate governance statement. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. We are not required to consider whether the board's statement on internal control cover all risks and controls, or form an opinion on the effectiveness of the Group's corporate governance procedures or its risk and control procedures. Our responsibilities do not extend to any other information.

Basis Of Audit Opinion

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

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

Opinion

In our opinion the financial statements give a true and fair view of the state of the Group's and company's affairs as at 31 March 2007 and of the loss of the Group for the year then ended and have been properly prepared in accordance with the Companies Act 1985. In our opinion the information contained within the Directors' Report is consistent with the financial statements.



CHADWICK LLP

Chartered Accountants and Registered Auditors, Manchester
4 June 2007

CONSOLIDATED PROFIT AND LOSS ACCOUNT

	Note	Period from 21 March 2006 to 31 March 2007	
		£'000	£'000
Turnover	2		
Continuing operations		-	
Acquisitions		4,015	
		<u> </u>	4,015
Cost of sales			(3,607)
			<u> </u>
Gross profit			408
Administrative expenses			(3,090)
			<u> </u>
Operating loss before amortisation			(2,682)
Amortisation - Goodwill		(156)	
- Other intangibles		(121)	
		<u> </u>	(277)
			<u> </u>
Operating loss	3		
Continuing operations		(484)	
Acquisitions		(2,475)	
		<u> </u>	(2,959)
			<u> </u>
Interest receivable	5	47	
Interest payable	6	(202)	
		<u> </u>	(155)
			<u> </u>
Loss on ordinary activities before taxation			(3,114)
			<u> </u>
Taxation	7		703
			<u> </u>
Deficit for the year	19		(2,411)
			<u> </u>
Loss per share	9		
Basic			(19.27p)
Diluted			(19.03p)
Loss per share before amortisation			(17.05p)
			<u> </u>

The Group has no recognised gains or losses other than the loss for the current financial year. Accordingly a separate Statement of Total Recognised Gains and Losses has not been prepared.

The notes on pages 17 to 29 form part of these financial statements.

CONSOLIDATED AND COMPANY BALANCE SHEETS

	Note	Group 2007 £'000	Company 2007 £'000
Fixed assets			
Intangible assets	10	3,480	-
Tangible assets	11	480	-
Investments	12	-	394
		<u>3,960</u>	<u>394</u>
Current assets			
Debtors due within one year	13	405	11
Debtors due after more than one year	14	703	2,412
Cash at bank and in hand		330	-
		<u>1,438</u>	<u>2,423</u>
Creditors: amounts falling due within one year	15	<u>(2,606)</u>	<u>(20)</u>
Net current (liabilities)/assets		<u>(1,168)</u>	<u>2,403</u>
Total assets less current liabilities		2,792	2,797
Creditors: amounts falling due after more than one year	16	<u>(2,254)</u>	<u>(100)</u>
Net assets		<u>538</u>	<u>2,697</u>
Capital reserves			
Called up share capital	18	731	731
Share premium account	19	2,210	2,210
Profit and loss account	19	<u>(2,403)</u>	<u>(244)</u>
Equity shareholders' funds	20	<u>538</u>	<u>2,697</u>

The financial statements were approved by the Board on 4 June 2007 and signed on its behalf by:



S M Barnes



J H Newman

The notes on pages 17 to 29 form part of these financial statements

CONSOLIDATED CASHFLOW STATEMENT

		Period from 21 March 2006 to 31 March 2007	
	Note	£'000	£'000
Net cash outflow from operating activities	21		(1,867)
Returns on investments and servicing of finance			
Interest paid		(1)	
Interest received		47	
		<hr/>	
Net cash inflow from servicing of finance			46
Capital expenditure and financial investment			
Purchase of tangible fixed assets		(394)	
Purchase of intangible fixed assets		(341)	
		<hr/>	
Net cash outflow from capital expenditure and financial investment			(735)
Acquisitions and disposals			
Net cash acquired with subsidiary undertaking		211	
		<hr/>	
Net cash inflow from acquisitions and disposals			211
Net cash outflow before use of liquid resources and financing			<hr/> (2,345)
Financing			
Issue of new shares		445	
Share premium on issue of new shares		2,567	
AIM flotation costs		(357)	
Repayment of term loans		(50)	
Advance of loans		70	
		<hr/>	
Net cash inflow from financing			2,675
			<hr/>
Increase in cash in the year	22		<hr/> 330

The notes on pages 17 to 29 form part of these financial statements

NOTES TO THE ACCOUNTS

1 Accounting Policies

The financial statements are prepared in accordance with applicable accounting standards in the United Kingdom, under the historical cost convention.

The particular accounting policies adopted by the Group are described below.

Basis of Consolidation

The Group financial statements consolidate the financial statements of the company, and its subsidiary undertaking, at 31 March 2007 using acquisition accounting. The results of the subsidiary undertaking acquired during the financial year are included from the effective date of acquisition. On acquisition of a subsidiary, all of the subsidiary's assets and liabilities existing at the date of acquisition are recorded at their fair values reflecting their condition at that date.

Profits or losses on intra-group transactions are eliminated in full.

Turnover

Turnover represents the amounts derived from the provision of goods and services during the year stated net of Value Added Tax.

Turnover includes income relating to annual service contracts which are invoiced in advance at the inception of the agreements. It is the company's policy to defer a proportion of the income as each contract has an element of associated costs which are incurred throughout the contract's life.

Financial instruments

Financial assets are recognised in the balance sheet at the lower of cost and net realisable value. Provision is made for diminution in value. Income and expenditure arising on financial instruments is recognised on the accruals basis and charged or credited to the profit and loss account in the financial period to which it relates.

Goodwill

Goodwill representing the difference between the fair values of consideration given and net assets acquired is capitalised and amortised through the profit and loss account over its estimated useful economic life up to a maximum of twenty years.

Website development costs

The cost of salaries, overheads and software costs incurred by the Group in the development of the Group's web portal have been capitalised as a fixed asset. During the year, the directors have reviewed this accounting policy and considered that any time currently spent by staff is on the maintenance of the website rather than the development. As a result, only software and direct website costs are capitalised.

Costs previously capitalised will continue to be depreciated in line with the Group's accounting policy for the depreciation of website capitalisation costs.

Database of keywords

Historically the subsidiary company capitalised staff time and costs incurred in developing and acquiring a database of 'keywords' for internet searches. The directors are of the opinion that this is no longer the most appropriate way to value this asset. As a result, only external costs have been capitalised during the year and the policy for valuing this asset in the future is under review.

The directors consider this asset to be under construction, consequently no amortisation is currently being charged.

1 Accounting Policies /continued ...

Tangible fixed assets and depreciation

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets over their useful economic lives as follows:-

Leasehold property	Over the life of the lease
Office equipment	20% per annum straight line
Motor vehicles	25% per annum straight line
Computer equipment	33% per annum straight line

Share-based payments

In accordance with FRS 20 the fair value of equity-settled share-based payments to employees is determined at the date of grant and is expensed on a straight line basis over the vesting period based on the Group's estimate of shares or options that will eventually vest. In the case of options granted, fair value is measured by the Black Scholes option pricing model. Further details are set out in note 26.

Investments

Investments held as fixed assets are stated at cost less provision for any impairment.

Impairment

The Group evaluates its fixed assets for financial impairment where events or circumstances indicate that the carrying amount of such asset may not be fully recoverable. When such evaluations indicate that the carrying value of an asset exceeds its recoverable value, the impairment loss is recognised in the profit and loss account.

Pension costs

The Group operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

Deferred taxation

Deferred taxation is recognised on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in years different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered.

The deferred tax asset is discounted at a rate of 10% to reflect the future value of the asset on realisation.

Foreign currencies

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

Operating lease agreements

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term. There are no assets held under finance leases.

1 Accounting Policies /continued ...

Change of accounting policy

During the year the directors have reviewed the accounting policy regarding the capitalisation of staff costs and overheads incurred in website development and developing and acquiring a database of keywords. As a result the accounting policy has been changed and only external costs have been capitalised in the year.

The financial effect of this change in accounting policy on the interim accounts to 30 September 2006 as previously reported is to increase the Group's losses for the year by £319,000.

2 Turnover, Operating Loss And Net Assets

The turnover, operating loss and net assets of the Group are attributable to one class of business. A geographical analysis of turnover is given below:

	2007 £'000
United Kingdom	4,013
Europe	2
	<hr/>
	4,015
	<hr/>

3 Operating Loss

Operating loss is stated after charging:

	2007 £'000
Amortisation of positive goodwill	156
Amortisation of other intangibles	121
Depreciation of tangible fixed assets	
- owned assets	128
Auditors' remuneration - audit services	15
- other services	2
Operating lease costs:	
Land and buildings	291
	<hr/>

In addition to the above audit fees, £53,640 has been charged to the Group by its auditors in respect of the acquisition of Infoserve Limited and the subsequent flotation of the Group.

4 Information Regarding Directors And Employees

(a) Directors' remuneration

	Salary/ Fees £'000	Benefits in Kind £'000	Pension £'000	Total 2007 £'000
Non Executive Directors				
J H Newman	36	-	-	36
D R Hood	35	-	-	35
A R Thirkill	21	-	-	21
Executive Directors				
S M Barnes	102	1	12	115
D I J Oliver	80	10	10	100
D C Balbi	23	-	3	26
	<hr/>	<hr/>	<hr/>	<hr/>
	297	11	25	333
	<hr/>	<hr/>	<hr/>	<hr/>

(b) Information regarding employees

The average number of employees (including directors) was:	2007 No.
Key account managers	5
Telesales and support	125
Head office	42
Management	8
	<hr/>
	180
	<hr/>
Staff costs incurred during the year in respect of	
these employees were:	£'000
Wages and salaries	3,960
Social security costs	392
Pension costs	25
Equity-settled share-based payments (note 26)	8
	<hr/>
	4,385
	<hr/>

The Group's equity-settled share-based payments comprise the Unapproved Share Option Scheme and the Enterprise Management Incentive Scheme. The amount of shares held by the Employee Share Option Plans and details of shares and share options subject to equity-settled share based payments are set out in note 26.

5 Interest Receivable And Similar Income

	2007 £'000
Bank interest receivable	47
	<hr/>

6 Interest Payable And Similar Charges

	2007 £'000
Other interest	202
	<hr/>

7 Taxation

2007
£'000

Deferred tax:	
Origination of timing differences (note 14)	
Losses	(703)

The Group has estimated losses of £5,240,000 available to carry forward against future trading profits at 31 March 2007. The asset that would arise in respect of the post acquisition losses amounting to £703,000 (calculated at 30% net of a discount of £194,000) has been recognised as the directors have assessed there will be sufficient taxable profits in future years.

8 Profit Of Parent Company

As permitted by Section 230 of the Companies Act, the profit and loss account of the parent company is not presented as part of these accounts. The parent company's loss for the year amounted to £252,000.

9 Earnings Per Share

The calculation of earning per share is based upon the loss after taxation of £2,411,377 divided by 12,516,101, being the weighted average number of ordinary shares in issue during the period of 11 April 2006 to 31 March 2007.

The diluted earnings per share takes the weighted average number of ordinary shares in issue during the year to 31 March 2007, and adjusts this for dilutive share options existing at the year end. This results in a diluted weighted average number of shares of 12,554,507. In accordance with FRS 22 "Earnings per share" the effects of anti-dilutive potential ordinary shares are ignored when calculating diluted earnings per share.

10 Intangible Fixed Assets

Group	Goodwill £'000	Other Intangibles £'000	Total £'000
Cost			
On acquisition of subsidiary	-	489	489
Additions	3,121	341	3,462
	<hr/>	<hr/>	<hr/>
At 31 March 2007	3,121	830	3,951
	<hr/>	<hr/>	<hr/>
Amortisation			
On acquisition of subsidiary	-	194	194
Charge for the year	156	121	277
	<hr/>	<hr/>	<hr/>
At 31 March 2007	156	315	471
	<hr/>	<hr/>	<hr/>
Net Book Value			
At 31 March 2007	2,965	515	3,480
	<hr/>	<hr/>	<hr/>

11 Tangible Fixed Assets

Group	Leasehold Property £'000	Office Equipment £'000	Motor Vehicles £'000	Computer Equipment £'000	Total £'000
Cost					
On acquisition of subsidiary	9	103	23	205	340
Additions	121	92	-	181	394
Disposals	-	(2)	-	(14)	(16)
	_____	_____	_____	_____	_____
At 31 March 2007	130	193	23	372	718
	_____	_____	_____	_____	_____
Depreciation					
On acquisition of subsidiary	9	15	12	90	126
Charge for the year	1	31	6	90	128
On disposals	-	(2)	-	(14)	(16)
	_____	_____	_____	_____	_____
At 31 March 2007	10	44	18	166	238
	_____	_____	_____	_____	_____
Net book value					
At 31 March 2007	120	149	5	206	480
	_____	_____	_____	_____	_____

12 Investments

	Shares in subsidiary undertaking £'000
Cost and net book value	
Acquired in the year and at 31 March 2007	386

Adjustment for equity-settled share-based premiums	
Equity-settled share-based payments	8

Net Book Value	
At 31 March 2007	394

On 11 April 2006 the Group acquired the entire issued share capital of Infoserve Limited by way of a share for share exchange. The company is incorporated in England and Wales, and the principal activity is that of providing internet and IT services. At 31 March 2007 the company was the beneficial owner of the entire issued share capital and controlled all the votes of its subsidiary.

12 Investments /continued ...

The acquisition of Infoserve Limited can be summarised as follows:

	Fair Value £'000
Intangible assets	295
Tangible assets	214
Debtors	348
Bank balance	211
Creditors	(3,802)
	<hr/>
Net liabilities acquired	(2,734)
Goodwill	3,120
	<hr/>
Consideration	386
	<hr/>
Comprising:	
Share for share exchange	386
	<hr/>

The summarised profit and loss accounts of Infoserve Limited for the period ended 31 March 2006 and the year to 31 December 2005 are set out below:

	Period to 31 March 2006 £'000	Year to 31 December 2005 £'000
Turnover	617	1,471
	<hr/>	<hr/>
Operating loss	(670)	(1,378)
	<hr/>	<hr/>
Loss before interest and taxation	(670)	(1,378)
Net interest receivable	1	4
Net interest payable	(57)	(38)
	<hr/>	<hr/>
Loss on ordinary activities before taxation	(726)	(1,412)
Taxation	-	-
	<hr/>	<hr/>
Loss after taxation	(726)	(1,412)
	<hr/>	<hr/>

There were no material recognised gains and losses in the period to 31 March 2006 or the year to 31 December 2005 other than the loss on ordinary activities after taxation.

13 Debtors

	Group 2007 £'000	Company 2007 £'000
Due within one year:		
Trade debtors	146	-
Other debtors	39	10
Prepayments & accrued income	220	1
	<hr/>	<hr/>
	405	11
Due after more than one year:		
Amount owed by subsidiary undertaking	-	2,336
Deferred tax asset (note 14)	703	76
	<hr/>	<hr/>
	1,108	2,423
	<hr/>	<hr/>

14 Deferred Taxation

	Group 2007 £'000	Company 2007 £'000
Profit and loss account movement		
arising during the year	703	76
Represented by:	<hr/>	<hr/>
Tax losses available	703	76
	<hr/>	<hr/>

15 Creditors: Amounts Falling Due Within One Year

	Group 2007 £'000	Company 2007 £'000
Trade creditors	472	-
Other creditors	761	8
Other tax and social security	231	12
Director's loan account (note 25)	558	-
Accruals and deferred income	584	-
	<hr/>	<hr/>
	2,606	20
	<hr/>	<hr/>

16 Creditors: Amounts Falling Due After More Than One Year

	Group 2007 £'000	Company 2007 £'000
Director's loan account (note 25)	2,154	-
Shares classed as financial liabilities (note 18)	100	100
	<hr/>	<hr/>
	2,254	100
	<hr/>	<hr/>
The above debt is repayable as follows:		
Within one year	558	-
Between one to two years	1,231	-
Between two to five years	923	-
Over five years	100	100
	<hr/>	<hr/>
	2,812	100
	<hr/>	<hr/>

17 Financial Instruments

At 31 March 2007 borrowings comprised the Director's loan account of £2,712,000 (see note 25 for further details of terms).

There is no difference between the fair value of the Group's financial assets and liabilities at the year end and their book value.

The company created a warrant instrument for WH Ireland Limited to subscribe at the Placing Price for new Ordinary shares up to the value of 2% of the fully diluted Ordinary share capital of the company immediately following Admission at any time during the three years following the date of Admission.

The above disclosures do not include short term debtors and creditors as permitted by FRS 13.

18 Called Up Share Capital

	2007 £'000
Authorised:	
30,000,000 Ordinary shares of 5p each	1,500
150,000 Preference shares of £1 each	150
	<hr/>
	1,650
	<hr/>
Allotted, issued and fully paid:	
Amounts presented in equity:	
14,628,996 Ordinary shares of 5p each	731
Amounts presented in liabilities:	
100,000 Preference shares of £1 each	100
	<hr/>
	831
	<hr/>

18 Called Up Share Capital /continued...

On incorporation the company had authorised share capital of £1,000,000 divided into 100,000,000 Ordinary shares of 1p each of which two subscriber shares were issued. On 31 March 2006 the company increased its authorised share capital from £1,000,000 to £1,150,000 by the creation of 150,000 Preference shares of £1 each.

During the year the following transactions took place:

- (a) On 11 April 2006, 28,600,000 Ordinary shares of 1p each and 100,000 Preference shares of £1 each were issued at par in exchange for 28,600,000 Ordinary shares of 1p each and 100,000 Preference shares of £1 each in Infoserve Limited.
- (b) On 12 April 2006:
 - (i) the 28,600,000 issued Ordinary shares of 1p each were consolidated into 5,720,000 Ordinary shares of 5p each; and
 - (ii) the authorised share capital of 100,000,000 Ordinary shares of 1p each was consolidated into 20,000,000 Ordinary shares of 5p each.
- (c) On 18 April 2006, the authorised share capital increased to £1,650,000 by the creation of a further 10,000,000 Ordinary shares of 5p each.
- (d) On 2 June 2006 the company issued 4,000,000 Ordinary shares of 5p each for a cash consideration of 25p per share.
- (e) On 23 June 2006 the company floated its shares on the Alternative Investment Market. The company issued 4,860,267 Ordinary share of 5p each for a cash consideration of 41.15p per share.
- (f) Between 10 July 2006 and 5 January 2007, the company issued 48,529 Ordinary shares of 5p each for a cash consideration of 25p per share.

The Ordinary shares entitle the owner to one vote for every share held. The Preference shares carry no voting rights. Neither the Ordinary shares nor the Preference shares are redeemable.

Interim and final dividends on the Ordinary shares may be recommended by the board at any time. The Preference shares attract a fixed cumulative aggregate cash dividend of 5% per annum on any profits available for distribution. Dividends shall be payable annually, and no later than four months after the year end to which it relates.

Upon any winding up of the company the surplus assets of the company remaining after payment of its liabilities shall be applied as follows:

- (i) paying to the holders of the Preference shares an amount equal to the nominal value of such shares, together with a sum equal to all arrears or accruals of dividends;
- (ii) the remaining assets shall belong and be distributed to the Ordinary shareholders.

19 Reserves

Group	Share Premium £'000	Profit & Loss £'000
Loss for the year	-	(2,411)
Adjustment in respect of employee share scheme	-	8
Premium on shares issued in the year	2,567	-
Costs	(357)	-
	<hr/>	<hr/>
At 31 March 2007	2,210	(2,403)
	<hr/>	<hr/>
Company		
Loss for the year	-	(252)
Adjustment in respect of employee share scheme	-	8
Premium on shares issued in the year	2,567	-
Costs	(357)	-
	<hr/>	<hr/>
At 31 March 2007	2,210	(244)
	<hr/>	<hr/>

20 Reconciliation Of Movements In Equity Shareholders Funds

	2007 £'000
Loss for the financial year	(2,411)
Adjustment in respect of employee share scheme	8
Equity shares issued in the year	731
Share premium on equity shares issued	2,567
Costs	(357)
	<hr/>
	538
	<hr/>

21 Reconciliation Of Operating Loss To Net Cashflow From Operating Activities

	2007 £'000
Operating loss	(2,959)
Depreciation	128
Amortisation	277
Adjustment in respect of employee share scheme	8
Increase in debtors	(57)
Increase in creditors	736
	<hr/>
Net cash outflow from operating activities	(1,867)
	<hr/>

22 Analysis Of Changes In Net Debt

	At 21 March 2006 £'000	Cashflows £'000	Non cash movement £'000	At 31 March 2007 £'000
Cash in hand and at bank	-	330	-	330
Debt due within one year	-	50	(608)	(558)
Debt due after one year	-	-	(2,154)	(2,154)
	-	50	(2,762)	(2,712)
Movement in net debt	-	380	(2,762)	(2,382)

23 Capital Commitments

The Group had no capital commitments at 31 March 2007.

24 Commitments Under Operating Leases

At 31 March 2007 the company had annual commitments under non-cancellable operating leases as set out below.

	Land and Buildings £000's
Operating leases which expire:	
Within 2 to 5 years	126
Over 5 years	246
	372

25 Related Party Transactions

At 31 March 2007, an amount of £2,711,552 was owed by Infoserve Limited to D R Hood, a director and principal shareholder of Infoserve Group plc. The loan is repayable by nine monthly instalments of £25,000 to 1 December 2007, followed by 48 equal monthly instalments commencing 1 January 2008.

Interest is charged at a rate of 2.5% above Barclays Bank plc base rate. Interest charged on the loan during the year amounted to £200,592 and £169,110 remained unpaid at 31 March 2007 and is included within Other Creditors.

During the year, Infoserve Limited entered into a lease agreement to rent property from Amerdale Investments LLP, a business in which D R Hood has an interest. The lease is for a term of fifteen years at £246,405 per annum, the first year being rent free. The period between rent reviews is five years.

During the year, Infoserve Limited made sales of £34,104 to and purchases of £69,976 from Multiflight Limited, a company in which D R Hood is a director and principal shareholder. At the balance sheet date there were no outstanding amounts due to or from Multiflight Limited.

Infoserve Limited purchased goods amounting to £1,656 from Excel Dryers (UK) Limited, a company in which S M Barnes is a director and shareholder. No amounts were outstanding at the balance sheet date.

26 Share Based Payments

The Unapproved Share Option Plan and Enterprise Management Incentive Schemes were introduced in April 2006. Under these plans the directors can grant options over shares in the parent company (Infoserve Group plc) to employees of the Group. Options are granted with a fixed exercise price. Options may be exercised no earlier than the third anniversary of the date of grant, and no later than the tenth anniversary of the date of grant.

There are no vesting conditions attached to the options, and no performance criteria have been set. Exercise of an option is subject to continued employment. Options were valued using the Black Scholes option pricing model. The fair value per option granted and the assumptions used in the calculation are as follows:

Grant date	16 June 2006	23 June 2006	15 February 2007
Share price at grant date (£)	0.4115	0.4115	0.3
Exercise price (£)	0.4115	0.25	0.3
Number of employees	N/A	130	1
Shares under option	249,587	82,000	120,000
Vesting period (years)	3	3	3
Expected volatility (%)	369.5	369.5	460.4
Option life (years)	3	10	10
Expected life (years)	3	3	3
Fair value per option (£)	0.41	0.41	0.41

The expected volatility is based on historical volatility from the date of grant to 31 March 2007. The expected life is the average expected period to exercise.

The total charge for the year in respect of employees of Infoserve Limited relating to employee share based payment plans was £8,489, all of which related to equity settled share based payment transactions.

The company created a warrant instrument for WH Ireland to subscribe at the Placing Price for new Ordinary shares up to the value of 2% of the fully diluted Ordinary share capital of the company immediately following Admission at any time during the three years following the date of Admission.

27 Post Balance Sheet Events

On 8 May 2007 the Group announced its intention to raise approximately £1.5 million, net of expenses by way of a placing of Ordinary shares. The placing was approved by the shareholders at an Extraordinary General Meeting held on 1 June 2007.