



PSG 

PSG Solutions plc

ANNUAL REPORT AND ACCOUNTS 2008

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chairman's statement

As at 31 March 2008

A breakdown of pre-tax profit between the Group's activities for the years ended 31 March 2008 and 2007 are:

| | 2008 £'000 | 2007 £'000 |
|--------------------------------|---------------|---------------|
| PSG Franchising | 3,075 | 3,041 |
| Audiotel | 274 | 524 |
| Moore & Buckle | 387 | 407 |
| Patersons Financial Services | 273 | 315 |
| | 4,009 | 4,287 |
| Less | | |
| Head Office costs | (798) | (827) |
| | 3,211 | 3,460 |
| Add | | |
| Finance income | 58 | 4 |
| | 3,269 | 3,464 |
| Exceptional (expenses)/credits | (28) | 58 |
| Total pre-tax profit | 3,241 | 3,522 |

It is pleasing to report a profit before tax of £3,240,738 compared with a profit of £3,522,646 last year. Turnover for the year was £14,467,419 compared with £14,568,255 last year. Encouragingly the Group's main business PSG Franchising Limited ("PSG") marginally increased its pre-tax profit, whilst the 8% drop in pre-tax profits is attributable in the main to trading at Audiotel.

The achievement of these results must be viewed against the backdrop of two recent material changes in the market place of the Group's main business; both of which occurred in the final quarter. The full introduction in January 2008 of mandatory Home Information Packs (HIPs) switched a substantial proportion of PSG's traditional local search market business from established franchisee relationships with the home purchaser's solicitor to the estate agents whose HIPs requirement is driven by the seller. The credit crunch, which during the year began to affect the residential market, has resulted in the well-publicised reductions in property values and mortgage availability. This has led to a drop in home sales volumes.

Paradoxically these events are likely to generate new opportunities in the continuing turbulent market utilising PSG's financial strength and ability to deliver a national solution through the ubiquitous local presence of its franchisee network.

The Group Balance Sheet continues to strengthen with net cash at the year end of £2,254,877 (2007: £1,242,791) giving the Group a total cash resource of over £5,000,000.

At £273,569 (2007: £523,671) Audiotel's operating profit fell short of expectations. Moore & Buckle made a steady £387,284.

PSG

PSG, together with its franchisees, has transferred its focus to providing the HIP, (rather than purely local search) to a broadly new customer base of estate agents. The main content of the HIP is however the Search and the Energy Performance Certificate (EPC) which is compiled by accredited Domestic Energy Assessors (DEAs). The proprietary value in PSG having its own national network to obtain searches from the 380 Local

Authorities and to commission EPCs through its own or local DEAs enables PSG to control more effectively the quality of key HIP components.

Through the recent establishment of an Association of PSG's network of Franchisees, PSG has been able to maintain a closer dialogue with its Franchisees. Having around 1,000 employees within the network it has been useful to exchange ideas and to develop the business together in such a rapidly changing market. A combined marketing campaign between PSG and its Franchisees has enabled the provision of a quality "hands on" service to the mainly new customer base of estate agents.

This strength of PSG in its local presence has traditionally worked extremely well with local authorities and solicitors. Similarly it has proved itself with estate agents. No competitor of significance can offer such a comprehensive and bespoke approach based on personal local relationships. Other providers normally depend heavily on remote call centres or websites, aggregating

chairman's statement

As at 31 March 2008

products from sub-contracted supplier panels, which are not always appropriate for customers expecting high standards of service and value for money.

As a result PSG has gained a market share in HIPs estimated to be in excess of 10%.

It has been encouraging to see that the reorganisation of PSG's wholly-owned West Yorkshire franchise based in Huddersfield has led it to become one of the best performing Franchisees within the company. This has enabled PSG to rely on West Yorkshire as a benchmark, test bed for IT releases and new products and for other innovations.

The IT Platform

At the heart of the business the maintenance and development of the IT platform remains a major factor in lifting PSG to another level of performance. Given the pace at which the market and technology is moving, the IT development programme is under continual review. The PSG network operates on its own systems specifically designed to meet its business requirements. The continuous review and improved strategy is a key factor in guaranteeing the success of PSG's offering.

Strategy and Business Development

Strategic development has become of greater significance in the current market. PSG is considering, as a matter of some priority, prospective additional services and products which are suited to enhance PSG's present portfolio. It is essential for PSG to leverage off its strong points particularly its network strength, established market share in search, EPCs and HIPs and strong financial resources, to be able to expand the product and service offering to the home transfer process.

Weakness in the market is creating stiff competition on price on the one hand, but increasing demand for quality and pressure on margins may lead to PSG ultimately gaining market share as weaker competitors exit from the market. PSG is set up as an attractive base with ample resource to process

new business and anticipates frustrated industry customers finding a beneficial home with PSG.

PSG's business model for the supply of Search almost exclusively for solicitors who are local has been successfully adapted to provide HIPs to estate agents. HIPs have opened a national customer class namely regional chains of estate agents, house builders and developers who prefer a national provision. These national accounts fit comfortably with the Franchise structure and PSG is actively engaged in negotiating with potential national accounts to secure business for the whole network. As from 1st October 2008 the EPC will also become a mandatory pre-requisite for all new leases. Managing the delivery of EPCs into the leasehold and public housing market will become a new source of business for PSG.

Patersons Financial Services ('PFS')

The shifting of the customer base from purchaser's solicitor to seller's estate agent brought about by the introduction of HIPs requires PFS to focus exclusively on insurance products relating to search. In due course new products in this field will be offered through the network.

PFS however derives most of its income from providing insurance services to PSG. It successfully introduced an insurance "wrap" for the HIP providing indemnity up to £10m and enhancing customer confidence in the product.

Audiotel

Audiotel designs and manufactures surveillance and counter surveillance equipment for government agencies and a number of commercial clients. Following key organisational changes, Audiotel has streamlined all internal processes and procedures to become a fully integrated business through all its facets, particularly product development, manufacturing and sales. Virtually all of the product and software development is done in house. Audiotel has also substantially reduced its break-even level by decreasing its fixed costs. Turnover this year was £2,034,656 with a net operating profit of £273,569 (last

year turnover £2,711,790, net operating profit £523,671). It follows that any incremental increase in sales will greatly enhance profits. Though the result was disappointing, Audiotel has continued to enhance its products, maintain its streamlined integrated manufacturing process and retain a blue chip customer base. It is expected that this will result in an improved performance in the current year.

Its full range of Technical Surveillance Countermeasures (TSCM) products contributed again to this year's business as another major order was received from the Far East for the SuperBroom non linear junction detectors and the Scanlock M2 scanning receiver.

The enhanced service handheld radio transceiver has been developed for eavesdropping surveillance work, at a time when law enforcement agencies including counter-terrorism units are anticipated to increase demand. The new transceiver is much more compact, performs as well, and is as mobile as a cell phone. Its additional functionality for example enables the embedded sharp end devices (microphones) to be monitored for remaining battery life. A multi-lingual client interface will be user friendly to foreign law enforcement agencies. The new transceiver has software driven innovations to update functionality. There have been recent orders from a number of UK police authorities and a first order from the Royal Canadian Mounted Police.

Moore & Buckle

Moore & Buckle continues to thrive in the niche Flexible Packaging market. Turnover was up at £1,368,121 (2007 – £1,309,339) although profit was marginally down at £387,284 (2007 – £406,633) partly due to the cost of attaining the BRC (British Retail Consortium) hygiene standard.

The purchase of Barrier Foil Products was complicated by the tragic death of the former owner. Despite this Moore & Buckle feel the purchase is a good long term prospect for the business.

chairman's statement

As at 31 March 2008

The installation of a new machine to produce Stand Up Pouches and a wide width slitter, in their purpose built factory, will help to maintain sales in a changing packaging industry.

In the current economic and environmental climate, Moore & Buckle feel well placed, with their broad customer base (Rolls Royce, Royal Mint, NHS, M.O.D.), to withstand any downturn in sales and profitability.

The ability of Moore & Buckle to achieve these exceptional margins depends on the continued support and commitment of its loyal workforce to maintain its reputation for service and quality.

Investments

The Group retains a 19% interest in Avatar Systems Inc. The Group continues to liaise with Avatar's management and principal shareholder.

The Board

As per the announcement of 4 April 2008 Tweedie Brown was appointed Deputy Chairman and Bernie Connor Group Chief Executive. With effect from the date of the Annual General Meeting in August this year I will become part time Chairman but will retain specific responsibility for strategy and acquisitions.

Employees

The internal changes at PSG going back over the past two years have enabled the formation of an excellent management team. The commitment shown by the management and employees at both Audiotel and Moore & Buckle during the period has been exemplary. The Board is grateful for both the loyalty and hard work of the employees across all the Group operations.

Outlook

- Current trading in the three months since the year end at PSG has been encouraging however the turbulence in the residential housing market makes it difficult to project forward with any degree of accuracy. Audiotel orders have remained buoyant.
- Increased market share should flow from a closer liaison with the franchisees on a day to day basis, and weaker competitors exiting the market.
- The transformation of the marketing pattern in the home transfer market after the introduction of HIPS has opened up the opportunity to obtain centrally new national accounts to distribute across the network.

- Due to the current fluid state of the market, there is now opportunity to develop or to acquire new products which would fit alongside PSG's business. These would add great value to the overall package offered to customers.
- The Group's internal resources have increased despite a less advantageous cash flow arising from HIPS. PSG continues to have the financial strength to support major acquisitions.

Jonathan Mervis

Chairman
30 June 2008

directors, secretary and advisors

directors

Jonathan Philip Mervis
Chairman and Chief Executive

John Arthur Warwick FCA
Finance Director

Tweedie McGarth Brown CBE
Executive Director

Bernard Cavan Connor
Executive Director

John David Gawain Holme FCA
Non-executive Director

William James Rae
Non-executive Director

All of whose business address is
133 Ebury Street, London SW1W 9QU

registered office

133 Ebury Street
London SW1W 9QU

company secretary

John Arthur Warwick FCA

auditors

Milsted Langdon LLP
Chartered Accountants
Winchester House
Deane Gate Avenue
Taunton
Somerset TA1 2UH

registrars

Capita Registrars
The Registry
34 Beckenham Road
Beckenham
Kent BR3 4TU

nominated advisor and broker

Shore Capital & Corporate Ltd
Bond Street House
14 Clifford Street
London W1S 4JU

solicitors to the company

Keeble Hawson
Protection House
16–17 East Parade
Leeds LS1 2BR

principal bankers

Lloyds TSB Bank plc
Corporate Markets
1st Floor
25 Gresham Street,
London EC2V 7HN

directors' report

The directors present herewith their annual report and the audited financial statements for the year ended 31 March 2008.

principal activities

The principal activities of the Group are those of the sale and operation of property search franchises together with other property information services; manufacture and sale of specialist electronic equipment; manufacture of flexible packaging products; and financial services.

review of business

A report on the business of the Group is provided in the Chairman's statement.

future plans

Future plans for the Group are referred to in the Chairman's statement.

results

The Group's consolidated income statement for the year is set out on page 12 of the financial statements.

dividends

The directors do not recommend payment of a dividend.

research and development

Audiotel International Limited continues its policy of investment in research and development in order to retain a competitive position in its market.

directors and their interests

The directors of the Company during the financial year were:

J P Mervis

J A Warwick

T M Brown

B C Connor (appointed 2 April 2007)

J D G Holme

J M Burley (resigned 18 September 2007)

J A Hester (resigned 8 August 2007)

W J Rae

directors' report

contracts for directors' services and emoluments

The principal terms of the contracts entered into by directors for the provision of their services are summarised below:

| | Effective date of contract | Current annual remuneration £ | Director's Position |
|-------------|----------------------------|----------------------------------|------------------------|
| J P Mervis | 5 January 2006 | 110,000 | Chief Executive |
| J A Warwick | 5 January 2006 | 48,000 | Finance Director |
| T M Brown | 10 January 2005 | 90,000 | Executive Director |
| B C Connor | 29 February 2008 | 150,000 | Executive Director |
| J D G Holme | 4 April 2008 | 20,000 | Non-executive Director |
| W J Rae | — | — | Non-executive Director |

substantial shareholders

On 26 June the Company's register of shareholders showed the following interests in 3% or more of the Company's issued share capital:

| | 20p ordinary shares | % |
|---|---------------------|-------|
| Southwind Limited | 4,382,672 | 16.51 |
| Artemis Investment Management Limited | 2,635,000 | 9.93 |
| ABN Ambro Bank NV | 2,617,472 | 9.86 |
| Deutsche Bank AG | 1,782,784 | 6.72 |
| J P Mervis | 1,337,500 | 5.04 |
| Willbro Nominees Limited | 1,265,006 | 4.76 |
| Seraffina Holdings Limited | 1,248,770 | 4.71 |
| Groundlinks Limited | 1,075,000 | 4.05 |
| Credit Agricole Cheuvreux International Limited | 969,182 | 3.65 |
| BNP Paribas Arbitrage Snc | 839,254 | 3.16 |

director's shareholdings

On 26 June the Directors had the following interests in the Company's issued share capital:

| | 20p ordinary shares | % |
|-------------|---------------------|------|
| J P Mervis | 1,337,500 | 5.04 |
| J D G Holme | 251,500 | 0.95 |
| J A Warwick | 150,000 | 0.57 |
| T M Brown | 20,000 | 0.07 |

donations

During the year the Group donated £768 (2007: £3,841) to charities.

payment of creditors

The Group's policy in relation to all of its suppliers is to agree payment terms with individual suppliers in advance, and ensure that these suppliers are aware of those terms and abide by such terms.

The Group's payment days as at 31 March 2008 for trade creditors were 52 days (2007: 50 days).

directors' report

acquisition of the Company's own shares

Further to the shareholders resolution dated 8 August 2007, the Company purchased 619,583 ordinary shares of 20p each with a nominal value of £123,916 for a consideration of £413,413. The reason for the purchase was to reduce surplus cash balances and to enhance earnings per share. Currently 644,583 shares are held in treasury representing 2.37% of the Company's issued share capital.

financial risk management

The principal financial risks to which the Group is exposed relate to liquidity, foreign exchange rates and interest rates. The policies and strategies for managing these risks are summarised as follows:

(a) liquidity risk

The Group actively maintains committed facilities that are designed to ensure the Group has sufficient available funds for operations and planned expansions.

(b) foreign exchange risk

The Group has foreign currency transactions arising from the sales and purchases by an operating subsidiary in a currency other than the subsidiary's functional currency. Under the Group's foreign exchange policy, such transactions are recorded at the rate of exchange prevailing at the transaction date.

(c) interest rate risk

The interest rate risk profile of financial liabilities is as detailed in Note 28.

directors' indemnities

The Group has taken out third party indemnity insurance for the benefit of the directors during the year which remains in force at the date of this report.

directors' responsibilities

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

The directors are required under company legislation to prepare financial statements for each financial year. Under that law the directors have elected to prepare the Group financial statements in accordance with International Financial Reporting Standards ('IFRS') as adopted by the European Union which are required by law to give a true and fair view of the state of affairs of the Group and of its profit or loss for that year. In preparing these financial statements, 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 IFRSs have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Group will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and the Group and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The directors have reasonable expectations that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

The directors are responsible for ensuring that the directors' report and other information included in the annual report is prepared in accordance with company law in the United Kingdom. They are also responsible for ensuring that the annual report includes information required by the AIM Rules.

directors' report

The maintenance and integrity of the corporate and financial information on the Group's website is the responsibility of the directors. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Board's statement on Corporate Governance is set out on page 10.

auditors

On 1 May 2008, Milsted Langdon transferred its business to Milsted Langdon LLP. On 30 April 2008, Milsted Langdon resigned as the Company's auditors and, the Board subsequently appointed Milsted Langdon LLP as auditors of the Company to fill the casual vacancy thereby created. A resolution proposing that Milsted Langdon LLP be re-appointed as auditors of the Company will be put to the Annual General Meeting.

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

By order of the Board

John Warwick

Company Secretary
30 June 2008

corporate governance

For the year ended 31 March 2008

Being a Company whose shares are admitted to AIM, the Company is not a listed Company and therefore is not required to comply with the Combined Code. The Board has however adopted the following:

Board committees

The Board has two sub-committees, the Audit Committee and the Remuneration Committee, both of which include the Finance Director.

the Audit Committee

The Audit Committee is chaired by J D G Holme FCA, with its other members being J A Warwick FCA and W J Rae. Any director may attend by invitation. The external auditors may be invited to attend the meetings and have direct access to members of the Committee. The Audit Committee may examine any matters relating to the financial affairs of the Group including reviews of the annual and interim financial statements, announcements, internal control procedures and accounting policies.

the Remuneration Committee

The Remuneration Committee, which is chaired by J D G Holme FCA, reviews the performance of the executive directors, considers and approves all Board and senior executive appointments, remuneration and benefits including share options and service contracts. J A Warwick FCA and W J Rae are the other members of the Committee.

internal financial control

The directors are responsible for the Group's system of internal financial control. A system can only provide reasonable and not absolute assurance regarding:

- the safeguarding of assets against unauthorised use or disposition;
- the minimisation of risk of material loss whilst in pursuit of the Group's business objectives; and
- the maintenance of proper accounting records and the reliability of financial information within the business or for publication.

Due to the size of the Group, a key control procedure during the year was the close day-to-day supervision by the executive directors.

auditor independence

The Audit Committee reviews the services provided by the external auditors at least on an annual basis. This review includes consideration of the confirmation of independence which the external auditors provide to the Company on an annual basis and of the services which they provide to the Group, in order to ensure that their independence is not compromised.

relations with shareholders

The directors seek to ensure that all shareholders are kept informed about the Group and its activities. A comprehensive annual report and accounts and an interim report are sent to shareholders and there is frequent dialogue with institutional investors. The Annual General Meeting provides shareholders with the opportunity to meet and question directors. Details of the resolutions to be proposed at the Annual General Meeting, to be held on 20 August 2008 are set out in the notice of Annual General Meeting which is attached to this report.

going concern

The directors consider, after making appropriate enquiries, that the Company and Group have adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

independent auditors' report to the members of PSG Solutions plc

For the year ended 31 March 2008

We have audited the Group and Parent Company financial statements (the "financial statements") of PSG Solutions plc for the year ended 31 March 2008 which comprise the Group Income Statement, the Group and Parent Company Statements of Changes in Equity, the Group and Parent Company Balance Sheets, the Group Cash Flow Statement, and the related notes. These financial statements have been prepared under the accounting policies set out therein.

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

respective responsibilities of directors and auditors

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

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

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is consistent with the financial statements. The information given in the Directors' Report includes that specific information presented in the Chairman's Statement that is cross referred from the Review of Business and Future Plans section of the Directors' Report.

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

We read other information contained in the annual report and consider whether it is consistent with the audited financial statements. The other information comprises only the Directors' Report, the Chairman's Statement 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. Our responsibilities do not extend to any other information.

basis of 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 Group's and 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 have also evaluated the overall adequacy of the presentation of information in the financial statements.

opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with IFRSs as adopted by the European Union of the state of the Group's and the Parent Company's affairs as at 31 March 2008 and of the Group's profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

Milsted Langdon LLP

Chartered Accountants and Registered Auditors

Taunton

30 June 2008

consolidated income statement

For the year ended 31 March 2008

| | Note | 2008 £ | 2007 £ |
|--|------|--------------------|-------------|
| Revenue | | | |
| Continuing operations | 2 | 14,467,419 | 14,475,440 |
| Acquisitions | | — | 92,815 |
| | | 14,467,419 | 14,568,255 |
| Cost of sales | 3 | (6,914,973) | (6,703,693) |
| Gross profit | | 7,552,446 | 7,864,562 |
| Administrative expenses | 3 | (4,341,893) | (4,404,701) |
| Operating profit before exceptional items | | 3,210,553 | 3,459,861 |
| Exceptional administrative (expenses)/credits | 4 | (28,114) | 58,469 |
| Operating profit | | | |
| Continuing operations | 5 | 3,182,439 | 3,503,697 |
| Acquisitions | | — | 14,633 |
| | | 3,182,439 | 3,518,330 |
| Finance costs | 9 | (133,361) | (160,300) |
| Finance income | 10 | 191,660 | 164,616 |
| Profit on ordinary activities before taxation | | 3,240,738 | 3,522,646 |
| Income tax expense | 11 | (808,828) | (983,367) |
| Profit on ordinary activities after taxation | 26 | 2,431,910 | 2,539,279 |
| Basic earnings per share | 13 | 9.16p | 9.41p |
| Diluted earnings per share | 13 | 8.99p | 9.32p |

The Group has no recognised gains or losses other than the profit for the current year and the profit for the previous year.

The notes on pages 18 to 42 form part of these financial statements.

statements of changes in equity

For the year ended 31 March 2008

| Group | Share capital £ | Retained earnings £ | Share premium £ | Total equity £ |
|--|--------------------|---------------------------|-----------------------|-------------------|
| At 1 April 2006 | 5,356,648 | (396,070) | 8,449,769 | 13,410,347 |
| Issue of new ordinary shares in settlement of outstanding loan | 80,000 | — | 80,000 | 160,000 |
| Purchase of ordinary share capital for treasury | — | (14,955) | — | (14,955) |
| Share based payments | — | 193,963 | — | 193,963 |
| Deferred tax on share based payments | — | 12,297 | — | 12,297 |
| Net profit for the year | — | 2,539,279 | — | 2,539,279 |
| At 31 March 2007 | 5,436,648 | 2,334,514 | 8,529,769 | 16,300,931 |
| Purchase of ordinary share capital for treasury | — | (413,413) | — | (413,413) |
| Share based payments | — | 181,305 | — | 181,305 |
| Deferred tax on share based payments | — | (11,102) | — | (11,102) |
| Net profit for the year | — | 2,431,910 | — | 2,431,910 |
| At 31 March 2008 | 5,436,648 | 4,523,214 | 8,529,769 | 18,489,631 |

| Company | Share capital £ | Retained earnings £ | Share premium £ | Total equity £ |
|--|--------------------|---------------------------|-----------------------|-------------------|
| At 1 April 2006 | 5,356,648 | (342,948) | 8,449,769 | 13,463,469 |
| Issue of new ordinary shares in settlement of outstanding loan | 80,000 | — | 80,000 | 160,000 |
| Purchase of ordinary share capital for treasury | — | (14,955) | — | (14,955) |
| Share based payments | — | 193,963 | — | 193,963 |
| Deferred tax on share based payments | — | 12,297 | — | 12,297 |
| Net profit for the year | — | 1,346,581 | — | 1,346,581 |
| At 31 March 2007 | 5,436,648 | 1,194,938 | 8,529,769 | 15,161,355 |
| Purchase of ordinary share capital for treasury | — | (413,413) | — | (413,413) |
| Share based payments | — | 181,305 | — | 181,305 |
| Deferred tax on share based payments | — | (11,102) | — | (11,102) |
| Net profit for the year | — | 373,719 | — | 373,719 |
| At 31 March 2008 | 5,436,648 | 1,325,447 | 8,529,769 | 15,291,864 |

The notes on pages 18 to 42 form part of these financial statements.

consolidated balance sheet

As at 31 March 2008

| | Note | 2008 | | 2007 | |
|--|------|--------------------|--------------------|-------------|-------------|
| | | £ | £ | £ | £ |
| Non-current assets | | | | | |
| Goodwill | 14 | | 13,027,978 | | 12,905,478 |
| Other intangible assets | 15 | | 512,064 | | 381,411 |
| Property, plant and equipment | 16 | | 615,016 | | 524,353 |
| Financial assets | 17 | | 300,000 | | 650,483 |
| | | | 14,455,058 | | 14,461,725 |
| Current assets | | | | | |
| Inventories | 19 | 590,812 | | 584,431 | |
| Trade and other receivables | 20 | 4,390,728 | | 3,709,146 | |
| Derivative financial instruments | | — | | 83,915 | |
| Current tax asset | | 6,717 | | — | |
| Deferred tax asset | 21 | 142,047 | | 70,485 | |
| Cash and cash equivalents | | 3,938,943 | | 3,431,401 | |
| | | 9,069,247 | | 7,879,378 | |
| Current liabilities | | | | | |
| Trade and other payables | 22 | (2,836,290) | | (2,924,371) | |
| Borrowings | 23 | (552,079) | | (555,300) | |
| Current tax liability | | (514,318) | | (927,191) | |
| | | (3,902,687) | | (4,406,862) | |
| Net current assets | | | 5,166,560 | | 3,472,516 |
| Total assets less current liabilities | | | 19,621,618 | | 17,934,241 |
| Non-current liabilities | | | | | |
| Borrowings | 23 | | (1,131,987) | | (1,633,310) |
| Net assets | | | 18,489,631 | | 16,300,931 |
| Represented by: | | | | | |
| Capital and reserves attributable to equity holders | | | | | |
| Called up share capital | 24 | | 5,436,648 | | 5,436,648 |
| Share premium account | 26 | | 8,529,769 | | 8,529,769 |
| Retained earnings | 26 | | 4,523,214 | | 2,334,514 |
| Total equity | 27 | | 18,489,631 | | 16,300,931 |

Approved by the Board on 30 June 2008.

Jonathan Mervis

Director

John Warwick

Director

The notes on pages 18 to 42 form part of these financial statements.

company balance sheet

As at 31 March 2008

| | Note | 2008 | | 2007 | |
|--|------|--------------------|--------------------|-------------|-------------|
| | | £ | £ | £ | £ |
| Non-current assets | | | | | |
| Plant and equipment | 16 | | 63,078 | | 74,819 |
| Financial assets | 17 | | 15,890,615 | | 14,808,686 |
| | | | 15,953,693 | | 14,883,505 |
| Current assets | | | | | |
| Trade and other receivables | 20 | 860,502 | | 2,978,775 | |
| Derivative financial instruments | | — | | 83,915 | |
| Deferred tax asset | 21 | 113,775 | | 70,485 | |
| Cash and cash equivalents | | 1,052,063 | | 773,520 | |
| | | | 2,026,340 | 3,906,695 | |
| Current liabilities | | | | | |
| Trade and other payables | 22 | (1,006,182) | | (1,446,075) | |
| Borrowings | 23 | (550,000) | | (550,000) | |
| | | | (1,556,182) | (1,996,075) | |
| Net current assets | | | 470,158 | | 1,910,620 |
| Total assets less current liabilities | | | 16,423,851 | | 16,794,125 |
| Non-current liabilities | | | | | |
| Borrowings | 23 | | (1,131,987) | | (1,632,770) |
| Net assets | | | 15,291,864 | | 15,161,355 |
| Represented by: | | | | | |
| Capital and reserves attributable to equity holders | | | | | |
| Called up share capital | 24 | | 5,436,648 | | 5,436,648 |
| Share premium account | 26 | | 8,529,769 | | 8,529,769 |
| Retained earnings | 26 | | 1,325,447 | | 1,194,938 |
| Total equity | 27 | | 15,291,864 | | 15,161,355 |

Approved by the Board on 30 June 2008.

Jonathan Mervis

Director

John Warwick

Director

The notes on pages 18 to 42 form part of these financial statements.

consolidated cash flow statement

For the year ended 31 March 2008

| | 2008 £ | 2007 £ |
|--|-------------|-----------|
| Cash flows from operating activities | | |
| Profit before taxation | 3,240,738 | 3,522,646 |
| Adjustments for: | | |
| Depreciation of plant and equipment | 130,557 | 150,237 |
| Amortisation of other intangible assets | 231,358 | 277,412 |
| Impairment loss | — | 408,474 |
| Loss on interest rate swap | 31,415 | — |
| (Profit)/loss on disposal of tangible assets | (1,744) | 12,411 |
| Loss on disposal of financial assets | 28,114 | 105,052 |
| Interest expense | 133,361 | 160,300 |
| Interest receivable | (223,075) | (164,616) |
| Share based payment expense | 181,305 | 193,963 |
| Increase in receivables | (716,582) | (930,503) |
| (Increase)/decrease in inventories | (6,381) | 92,368 |
| Increase/(decrease) in payables | 241,919 | (40,299) |
| Cash generated from operations | 3,270,985 | 3,787,445 |
| Interest paid | (133,361) | (160,300) |
| Income tax paid | (1,311,082) | (182,861) |
| Net cash from operating activities | 1,826,542 | 3,444,284 |
| Cash flow from investing activities | | |
| Payment of deferred consideration | (330,000) | (952,436) |
| Payment to acquire goodwill | (87,500) | (50,000) |
| Purchase of tangible assets | (229,976) | (130,959) |
| Purchase of other intangible assets | (362,011) | (368,709) |
| Proceeds from the sale of tangible assets | 10,500 | 57,281 |
| Proceeds from the sale of financial assets | 322,369 | 481,565 |
| Interest rate swap proceeds received | 52,500 | — |
| Interest received | 223,075 | 80,701 |
| Net cash from investing activities | (401,043) | (882,557) |
| Cash flows from financing activities | | |
| Purchase of own shares | (413,413) | (14,955) |
| Payment of debt | (504,544) | (781,800) |
| Net cash used in financing activities | (917,957) | (796,755) |
| Net increase in cash and cash equivalents | 507,542 | 1,764,972 |
| Cash and cash equivalents at beginning of period | 3,431,401 | 1,666,429 |
| Cash and cash equivalents at end of period | 3,938,943 | 3,431,401 |

The notes on pages 18 to 42 form part of these financial statements.

note to the consolidated cash flow statement

For the year ended 31 March 2008

analysis of net funds

| | At 1 April 2007 £ | Cash flow £ | At 31 March 2008 £ |
|---------------------------|----------------------------|-------------------|-----------------------------|
| Cash and cash equivalents | 3,431,401 | 507,542 | 3,938,943 |
| Debt due within one year | (550,000) | — | (550,000) |
| Debt due after one year | (1,632,770) | 500,783 | (1,131,987) |
| Finance lease | (5,840) | 3,761 | (2,079) |
| | 1,242,791 | 1,012,086 | 2,254,877 |

The notes on pages 18 to 42 form part of these financial statements.

notes to the financial statements

For the year ended 31 March 2008

1. accounting policies

PSG Solutions plc, company number 03170812, is incorporated in England under the Companies Act 1985.

The financial statements have been prepared in accordance with applicable International Financial Reporting Standards (IFRS), International Accounting Standards (IAS) and International Financial Reporting Interpretations Committee (IFRIC) interpretations adopted for use by the European Union (EU).

This is the Group's first financial statements to be prepared under IFRS, with the last financial statements for the year ended 31 March 2007 prepared under UK Generally Accepted Accounting Principles ('UK GAAP').

On transition to IFRS, an entity is required to apply IFRS retrospectively, except where an exemption is available under IFRS1. The following is a summary of the key elections from IFRS1 that were made by the Group:

- The Group has adopted IAS39 (Financial Instruments: Recognising and Measurement) from April 2006. The adoption of IAS39 has led to the valuation of financial assets at fair value.
- The Group has adopted IAS38 (Intangible Assets) from April 2006. The adoption of IAS38 has led to the capitalisation of website design and development costs.
- The transition from UK GAAP to IFRS has had the effect of increasing Group equity by £687,064 at 31 March 2008 (31 March 2007 – £905,428), and decreasing the consolidated profit by £218,364 in the year to 31 March 2008 (31 March 2007 decreasing profit by £246,786). This transition has also led to changes in the presentation and disclosure of the financial information contained therein.
- The transition from UK GAAP to IFRS has had the effect of increasing Company equity by £175,000 at 31 March 2008 (31 March 2007 – £524,017), and decreasing the Company profit by £349,017 in the year to 31 March 2008 (31 March 2007 decreasing profit by £338,083). This transition has also led to changes in the presentation and disclosure of the information contained therein.

The transition from UK GAAP to IFRS does not affect the cash flows generated by the Group. The IFRS cash flow statement is presented in a different format than that required under UK GAAP. The reconciling items between the UK GAAP format and the IFRS format have no net impact on the cash flows generated and accordingly reconciliations have not been presented.

In the current year the Group has adopted IFRS7 (Financial Instruments: Disclosures) and the complementary amendment to IAS1 (Presentation of Financial Statements), which is effective for annual reporting periods beginning on or after 1 January 2007. The impact of adoption of IFRS7 and changes to IAS1 has been to expand the disclosures required in these financial statements regarding the Group's financial instruments and management of capital but has had no impact on the results or net assets of the Group.

The following interpretation used by the International Financial Reporting Interpretations Committee is effective for the current year and has been adopted in the financial statements. This is IFRIC11 with respect to IFRS2 (Group Treasury Share Transactions). The adoption of this interpretation has had no impact on the results or net assets of the Group.

The following standards, amendments and interpretations to existing standards are not yet effective and have not been early adopted by the Group.

| | |
|-----------------|---|
| IFRIC12 | 'Service Concession Arrangements' effective for periods beginning on or after 1 January 2008 |
| IFRIC14 | 'IAS19 the Limit on defined Benefit Asset, Minimum Funding Requirements and their Interaction' effective for periods beginning on or after 1 January 2008 |
| IAS1 (Revised) | 'Presentation of Financial Statements' effective 1 January 2009 |
| IFRS3 (Revised) | 'Business Combinations' effective 1 July 2009 |
| IAS27 (Revised) | 'Consolidated and Separate Financial Statements' effective 1 July 2009 |

notes to the financial statements

For the year ended 31 March 2008

1. accounting policies (continued)

The preparation of financial statements in accordance with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates. The most significant judgements made relate to assumptions concerning goodwill. The Group is required to test, at least annually, whether goodwill has suffered any impairment. The recoverable amount is determined based on value in use calculations. The use of this method requires the estimation of future cash flows and the choice of a suitable discount rate in order to calculate the present value of these cash flows. Actual outcomes could vary.

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the Group's financial statements.

(a) consolidation

The consolidated financial statements include those of the Company and its subsidiaries from their date of acquisition. All acquisitions of subsidiaries have been accounted for under the acquisition method of accounting.

Under Section 230 of the Companies Act 1985, the Company is exempt from the requirement to present its own income statement.

(b) revenue

Revenue represents amounts receivable for goods and services net of VAT and discount and intra-Group transactions.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group, it can be reliably measured and the following criteria are met:

(i) sale of goods

When risks and rewards of ownership of the goods have passed to the customer.

(ii) rendering of services

Rendering of services are recognised in the accounting period in which the services are rendered, by reference to completion of the specific transaction.

(c) depreciation

Depreciation is provided to write-off the cost less estimated residual value (based on prices prevailing at the date of acquisition) in annual instalments over the estimated useful economic lives of the assets. The depreciation rates used are as follows:

| | |
|----------------------------------|--|
| Freehold buildings | 2% straight line |
| Leasehold property | Straight line over the life of the lease |
| Fixtures, fittings and equipment | 15%/25%/33.3% straight line and 25% reducing balance |
| Motor vehicles | 40% straight line |
| Other intangible assets | 33.3% – 100% straight line |

(d) investments

Investments held as fixed assets are stated at market value based on the directors' valuation at the balance sheet date. Where the directors consider that the market for an investment is not liquid, or that price fluctuations within the market deem the current market value inappropriate, the investment is listed at the mid market price with an appropriate adjustment to reflect these perceptions.

The aggregate surplus arising on the revaluation of an investment where there is a facility for the disposal of shares is transferred to the revaluation reserve. Any deficit arising on revaluation which is deemed to represent an impairment in value is charged to the income statement unless it related to an investment whose value had been increased in a previous period in which case the deficit is netted off against that investment's revaluation reserve before any excess is charged to the income statement.

Any realised gain or loss resulting from the disposal of an investment is recognised in the income statement after charging the amount of any revaluation previously shown in the revaluation reserve.

Investments in subsidiary companies are valued at cost less provision for diminution in value.

notes to the financial statements

For the year ended 31 March 2008

1. accounting policies (continued)

(e) goodwill

Goodwill represents the difference between the fair value of the consideration paid on the acquisition of a business and the fair value of the identifiable net assets acquired.

Goodwill arising on acquisitions is capitalised and subjected to annual impairment reviews. Any excess of goodwill over the value in use of the underlying assets is written off to the income statement.

(f) financial instruments

Financial instruments are accounted for and classified as equity or non-equity share capital and debt according to their form.

(g) functional and presentational currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). The financial statements are presented in pounds sterling, which is the functional and presentational currency.

(h) leasing

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in payables net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the income statement so as to produce constant periodic rates of charge on the net obligations outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

(i) foreign currency transactions

Transactions in foreign currencies are recorded at the rate of exchange prevailing at the transaction date. Assets and liabilities in foreign currencies are translated into sterling at the rate of exchange ruling at the end of the financial year. All exchange differences are dealt with in the income statement.

(j) deferred tax

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax assets are recognised to the extent that they are recoverable in the foreseeable future. No provision is made for deferred tax on the unrealised appreciation of investments.

The deferred tax balance has not been discounted.

(k) liquid resources

Liquid resources are defined as short term bank deposits and cash in hand.

(l) research and development and web design costs

Research and development expenditure and web design costs, shown as other intangible assets, are written off over the period for which they are estimated to benefit future profitability of the Group but for no longer than 3 years.

(m) inventories

Inventories are stated at the lower of cost and net realisable value using the First in First Out (FIFO) cost basis. Costs include all direct costs incurred in bringing the inventories to their present location and condition, including where appropriate, a proportion of manufacturing overheads.

(n) pensions

The pension costs charged represent the contribution payable by the Group in the year.

notes to the financial statements

For the year ended 31 March 2008

1. accounting policies (continued)

(o) share based payments

The Group issues equity-settled share based payments to certain directors. Equity-settled share based payments are measured at fair value (excluding the effect of non market-based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity-settled share based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest and with a corresponding adjustment to equity.

Fair value is measured by use of the Black-Scholes pricing model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

2. segmental analysis

business analysis

| | 2008 | | | 2007 | | |
|-------------------------------|--------------|---------------------------------|---------------------------------|--------------|---------------------------------|---------------------------------|
| | Revenue £ | Operating profit/(loss) £ | Net operating assets £ | Revenue £ | Operating profit/(loss) £ | Net operating assets £ |
| Property information services | 10,615,158 | 3,074,868 | 1,547,717 | 10,057,226 | 3,041,931 | 422,921 |
| Financial services | 449,484 | 273,178 | 47,739 | 489,900 | 315,154 | 12,371 |
| Specialist electronics | 2,034,656 | 273,569 | 969,798 | 2,711,790 | 523,671 | 1,202,675 |
| Packaging solutions | 1,368,121 | 387,284 | 397,898 | 1,309,339 | 406,633 | 142,674 |
| Head office | — | (798,346) | 13,271,602 | — | (827,528) | 13,277,499 |
| | 14,467,419 | 3,210,553 | 16,234,754 | 14,568,255 | 3,459,861 | 15,058,140 |
| Exceptional items | — | (28,114) | — | — | 58,469 | — |
| | 14,467,419 | 3,182,439 | 16,234,754 | 14,568,255 | 3,518,330 | 15,058,140 |
| Interest bearing assets | | | 3,938,943 | | | 3,431,401 |
| Interest bearing liabilities | | | (1,684,066) | | | (2,188,610) |
| Net assets | | | 18,489,631 | | | 16,300,931 |

Revenue of property information services and financial services is represented by services rendered and revenue of specialist electronics and packaging solutions is represented by the sale of goods.

In the opinion of the directors, it would be seriously prejudicial to the interests of the Group to disclose revenue by geographical segment for the specialist electronics business. All other business is carried out in the UK. All assets are based in the UK.

The activities of the Group are the sale and operation of property search franchises, the provision of insurance broking services, the manufacture and sale of specialist electronic equipment and the manufacture of flexible packaging products.

Net operating assets analysis

| | 2008 | | | 2007 | | |
|-------------------------------|--------------------------|-------------------------------|---|--------------------------|-------------------------------|---|
| | Segmental assets £ | Segmental liabilities £ | Segmental net operating assets £ | Segmental assets £ | Segmental liabilities £ | Segmental net operating assets £ |
| Property information services | 3,975,051 | (2,427,334) | 1,547,717 | 2,734,294 | (2,311,373) | 422,921 |
| Financial services | 119,576 | (71,837) | 47,739 | 149,729 | (137,358) | 12,371 |
| Specialist electronics | 1,232,193 | (262,395) | 969,798 | 1,643,822 | (441,147) | 1,202,675 |
| Packaging solutions | 733,743 | (335,845) | 397,898 | 582,567 | (439,893) | 142,674 |
| Head office | 13,524,799 | (253,197) | 13,271,602 | 13,799,290 | (521,791) | 13,277,499 |
| | 19,585,362 | (3,350,608) | 16,234,754 | 18,909,702 | (3,851,562) | 15,058,140 |

notes to the financial statements

For the year ended 31 March 2008

2. segmental analysis (continued)

Additions to non-current assets and non-cash expenses

| | 2008 | | 2007 | |
|-------------------------------|---------------------------------|-------------------------------|---------------------------------|-------------------------------|
| | Additions to non-current assets | Depreciation and amortisation | Additions to non-current assets | Depreciation and amortisation |
| Property information services | 251,879 | (135,789) | 178,017 | (75,069) |
| Financial services | 435 | (1,515) | 1,885 | (1,542) |
| Specialised electronics | 254,484 | (183,803) | 339,042 | (300,068) |
| Packaging solutions | 207,689 | (27,323) | 30,724 | (46,107) |
| Head office | — | (11,741) | — | (17,274) |
| | 714,487 | (360,171) | 549,668 | (440,060) |

3. cost of sales and administrative expenses

| | 2008 | | | 2007 | | |
|--------------------------------|-----------|-------------------------|----------------|-----------|-------------------------|----------------|
| | Total £ | Continuing activities £ | Acquisitions £ | Total £ | Continuing activities £ | Acquisitions £ |
| Cost of sales | 6,914,973 | 6,914,973 | — | 6,703,693 | 6,628,473 | 75,220 |
| Administrative expenses: | | | | | | |
| Non exceptional | 4,341,893 | 4,341,893 | — | 4,404,701 | 4,401,739 | 2,962 |
| Exceptional expenses/(credits) | 28,114 | 28,114 | — | (58,469) | (58,469) | — |

4. exceptional administrative (expenses)/credits

| | 2008 £ | 2007 £ |
|--|-----------------|-----------|
| Additional amount received from Moore & Buckle Directors' Pension Scheme | — | 571,995 |
| Goodwill written off – packaging solutions | — | (408,474) |
| Loss on disposal of investments | (28,114) | (105,052) |
| | (28,114) | 58,469 |

The loss on disposal of investments is made up as follows:

| | 2008 £ | 2007 £ |
|----------------------|-----------------|-----------|
| Tomco Energy plc | — | 79,654 |
| Energy Technique plc | (28,114) | (185,056) |
| Other | — | 350 |
| | (28,114) | (105,052) |

The Group accounting policy for investments is to state them at directors' valuation. Where this reduces the value of the investment below its cost, the deficit is reflected as a charge to the income statement.

There is no tax effect of the above profits on disposal of investments/(write down).

notes to the financial statements

For the year ended 31 March 2008

5. operating profit

| | 2008 £ | 2007 £ |
|--|-----------------|-----------|
| Operating profit is stated after charging/(crediting): | | |
| Auditors' remuneration: | | |
| – audit | 66,105 | 66,251 |
| – other services | 30,057 | 4,682 |
| Depreciation | 130,557 | 150,237 |
| Amortisation of other intangible assets | 231,358 | 277,412 |
| Profit on disposal of fixed assets | (1,744) | (12,411) |
| (Profit)/loss on exchange differences | (11,801) | 1,031 |
| Operating lease rentals: | | |
| – Plant and machinery | 4,940 | 4,940 |
| – Other assets | 222,655 | 175,666 |
| Hire of plant and machinery | 18,910 | 12,095 |
| Exceptional administrative expenses/(credits) – Note 4 | 28,114 | (58,469) |
| Research and development | 30,695 | 39,481 |
| Share based payments | 181,305 | 193,963 |

Remuneration of the Group's auditors for provision of non audit services includes taxation advice. Non audit fees payable to Milsted Langdon amounted to £2,550 (2007: £4,682). Remuneration for audit services amounted to £22,466 (2007: £21,000).

The auditors' remuneration for audit services includes £10,639 (2007: £11,651) attributable to the audit of Audiotel International Limited; £7,500 (2007: £7,500) attributable to Rochdale Development Company Limited and Moore & Buckle (Flexible Packaging) Ltd; £21,500 (2007: £21,500) attributable to PSG Franchising Limited, Yorkshire Legals Limited and PSG Marketing Limited and £4,000 (2007: £4,600) attributable to the audit of Ufford Insurance PCC Limited, subsidiaries of PSG Solutions plc which are not audited by the Group's principal auditors. The auditors remuneration for non-audit services includes £24,672 (2007: Nil) payable to the auditors of PSG Franchising Limited, Yorkshire Legals Limited and PSG Marketing Limited and £2,835 (2007: Nil) payable to the auditors of Audiotel International Limited.

6. staff costs

| | 2008 £ | 2007 £ |
|--|------------------|-----------|
| Staff costs are made up as follows: | | |
| Wages and salaries | 2,844,217 | 2,719,365 |
| Social security costs | 291,244 | 312,806 |
| Costs of directors share option scheme | 181,305 | 193,963 |
| Pension contributions | 49,757 | 53,150 |
| | 3,366,523 | 3,279,284 |

The average number of persons employed by the Group including directors was:

| | 2008 Number | 2007 Number |
|--------------------------|----------------|----------------|
| Administration | 25 | 24 |
| Production | 62 | 51 |
| Research and development | 6 | 8 |
| Sales and marketing | 8 | 12 |
| | 101 | 95 |

notes to the financial statements

For the year ended 31 March 2008

7. pension costs

The Group operates a defined contribution pension scheme in respect of its directors and employees. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the Group and amounted to £49,757 (2007: £53,150).

8. directors' remuneration

| | Salaries £ | Bonus £ | Payment to third parties £ | Pension Contribution £ | Other Benefits £ | 2008 Total £ | 2007 Total £ |
|---|----------------|----------------|----------------------------------|------------------------------|------------------------|--------------------|--------------------|
| Executive directors | | | | | | | |
| J P Mervis | 110,000 | — | — | — | — | 110,000 | 110,000 |
| J A Warwick | 48,000 | 5,000 | — | — | — | 53,000 | 45,833 |
| T M Brown | 90,000 | 30,000 | — | 4,250 | 4,504 | 128,754 | 131,328 |
| B C Connor – appointed 2 April 2007 | 106,000 | 70,000 | — | — | 1,043 | 177,043 | — |
| Non-executive directors | | | | | | | |
| J D G Holme | 15,000 | — | — | — | — | 15,000 | 15,000 |
| W J Rae | — | — | — | — | — | — | — |
| J A Hester – resigned 8 August 2007 | 5,000 | — | — | — | — | 5,000 | 15,000 |
| J M Burley – resigned 18 September 2007 | 10,062 | — | 40,000 | — | — | 50,062 | 117,000 |
| | 384,062 | 105,000 | 40,000 | 4,250 | 5,547 | 538,859 | 434,161 |

In the year to 31 March 2008 costs of the share option scheme amounted to £181,305 (2007: £193,963) all of which was applicable to the directors. The salaries of T M Brown and J A Hester and the third party payment to J M Burley were payable by PSG Franchising Limited. The salary of B C Connor was payable by Audiotel International Limited.

9. finance costs

| | 2008 £ | 2007 £ |
|---|----------------|----------------|
| Interest payable on bank loans and overdrafts | 132,612 | 155,991 |
| Hire purchase interest | 700 | 3,502 |
| Interest on late payment of corporation tax | 49 | 807 |
| | 133,361 | 160,300 |

10. finance income

| | 2008 £ | 2007 £ |
|--|-----------------|----------------|
| Bank interest | 223,075 | 80,701 |
| (Deficiency)/surplus on interest rate swap | (31,415) | 83,915 |
| | 191,660 | 164,616 |

11. income tax expense

| | 2008 £ | 2007 £ |
|---------------------------------------|-----------------|----------------|
| UK corporation tax at 30% (2007: 30%) | 898,148 | 1,116,834 |
| Overprovision in prior year | (6,656) | (75,279) |
| Current tax expense | 891,492 | 1,041,555 |
| Deferred tax credit | (82,664) | (58,188) |
| | 808,828 | 983,367 |

notes to the financial statements

For the year ended 31 March 2008

11. income tax expense (continued)

The tax for the year is lower than the standard rate of corporation tax in the UK (30%). The differences are explained below:

| | 2008 £ | 2007 £ |
|---|------------------|-----------|
| Profit on ordinary activities before taxation | 3,240,738 | 3,769,432 |
| Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2007: 30%) | 972,222 | 1,130,828 |
| Effects of: | | |
| Expenses not deductible for tax purposes | 27,327 | 143,375 |
| Depreciation (less than)/in excess of capital allowances | (6,108) | 35,711 |
| Tax losses utilised in current year | (87,384) | (30,414) |
| Movement in short term timing differences | 54,392 | 70,646 |
| Marginal rate relief and lower tax rate in other jurisdictions | (5,962) | (104,177) |
| Research & development relief | (45,212) | (57,515) |
| Overprovision in prior year | (6,656) | (75,279) |
| Other tax adjustments | (11,127) | (71,620) |
| Deferred tax credit | (82,664) | (58,188) |
| | 808,828 | 983,367 |

The Group has a carried forward loss for capital gains purposes amounting to £2,777,265 and excess management charges to carry forward of £80,959.

12. profit of parent company

| | 2008 £ | 2007 £ |
|--|----------------|-----------|
| Profit on ordinary activities after taxation | 373,719 | 1,346,581 |

13. earnings per share

Basic earnings per share are calculated on the Group profit for the financial year of £2,431,910 (2007: £2,539,279) and on 26,538,657 ordinary shares, being the weighted average number of shares in issue in the year (2007: 26,969,267). Diluted earnings per share are calculated on the Group profit for the financial year and on 27,056,410 ordinary shares, being the weighted average number of shares in issue during the year adjusted to take account of shares under option (2007: 27,248,508).

notes to the financial statements

For the year ended 31 March 2008

14. goodwill

| Group | £ |
|-------------------------|-------------------|
| Cost | |
| At 1 April 2007 | 13,918,800 |
| Additions | 122,500 |
| At 31 March 2008 | 14,041,300 |
| Impairment | |
| At 1 April 2007 | 1,013,322 |
| Charge for the year | — |
| At 31 March 2008 | 1,013,322 |
| Net book value | |
| At 31 March 2008 | 13,027,978 |
| At 31 March 2007 | 12,905,478 |

The components of goodwill are £10,866,720 in respect of the property information services business segment, £73,142 in respect of the specialised electronics business segment and £2,088,116 in respect of the packaging solutions business segment.

During the current year, the directors carried out impairment reviews using discount rates of 8% on estimated profits based on projected growth rates of 10% (zero per cent for Moore & Buckle (Flexible Packaging) Limited and Audiotel International Limited) for the next seven years and reviewed the remaining life of the Moore & Buckle (Flexible Packaging) Limited, Audiotel International Limited, PSG Franchising Limited, Yorkshire Legals Limited and Patersons Financial Services Limited businesses. The directors concluded that, based on the resilience and sustainability of these businesses, the remaining goodwill has an indefinite life. The cash flow forecasts take into account past experience. It is considered the goodwill will continue to have value for the foreseeable future and well in excess of 10 years.

Cumulative goodwill written off against reserves is £1,013,322 (2007: £1,013,322).

15. other intangible assets

| Group | Web design costs £ | Development costs £ | Total £ |
|-------------------------|-----------------------|------------------------|----------------|
| Cost | | | |
| At 1 April 2007 | 182,300 | 280,049 | 462,349 |
| Additions | 145,000 | 217,011 | 362,011 |
| Disposals | — | (19,315) | (19,315) |
| At 31 March 2008 | 327,300 | 477,745 | 805,045 |
| Amortisation | | | |
| At 1 April 2007 | 30,382 | 50,556 | 80,938 |
| Charge for year | 101,180 | 130,178 | 231,358 |
| Disposals | — | (19,315) | (19,315) |
| At 31 March 2008 | 131,562 | 161,419 | 292,981 |
| Net book value | | | |
| At 31 March 2008 | 195,738 | 316,326 | 512,064 |
| At 31 March 2007 | 151,918 | 229,493 | 381,411 |

notes to the financial statements

For the year ended 31 March 2008

15. other intangible assets (continued)

The components of other intangible assets are £195,738 in respect of web design costs for the property information services business segment and £316,326 in respect of development costs for the specialised electronics business segment. Other intangible assets are amortised on a straight line basis at between 33.3% and 100% per annum dependent upon the period over which the asset is expected to benefit the earnings of the Group. All other intangible assets are internally generated.

16. property, plant and equipment

| Group | Freehold land and buildings £ | Leasehold property £ | Fixtures, fittings and equipment £ | Motor vehicles £ | Total £ |
|-------------------------|-------------------------------------|----------------------------|---|------------------------|------------------|
| Cost | | | | | |
| At 1 April 2007 | 188,791 | 86,724 | 614,514 | 19,544 | 909,573 |
| Additions | 1,683 | — | 206,299 | 21,994 | 229,976 |
| Disposals | — | — | (114) | (19,544) | (19,658) |
| At 31 March 2008 | 190,474 | 86,724 | 820,699 | 21,994 | 1,119,891 |
| Depreciation | | | | | |
| At 1 April 2007 | 11,149 | 28,137 | 341,048 | 4,886 | 385,220 |
| Disposals | — | — | (44) | (10,858) | (10,902) |
| Charge for year | 4,049 | 7,870 | 111,933 | 6,705 | 130,557 |
| At 31 March 2008 | 15,198 | 36,007 | 452,937 | 733 | 504,875 |
| Net book value | | | | | |
| At 31 March 2008 | 175,276 | 50,717 | 367,762 | 21,261 | 615,016 |
| At 31 March 2007 | 177,642 | 58,587 | 273,466 | 14,658 | 524,353 |

| Company | Leasehold property £ | Fixtures, fittings and equipment £ | Total £ |
|-------------------------|----------------------------|---|----------------|
| Cost | | | |
| At 1 April 2007 | 59,052 | 44,228 | 103,280 |
| Additions | — | — | — |
| Disposals | — | — | — |
| At 31 March 2008 | 59,052 | 44,228 | 103,280 |
| Depreciation | | | |
| At 1 April 2007 | 4,168 | 24,293 | 28,461 |
| Disposals | — | — | — |
| Charge for year | 4,168 | 7,573 | 11,741 |
| At 31 March 2008 | 8,336 | 31,866 | 40,202 |
| Net book value | | | |
| At 31 March 2008 | 50,716 | 12,362 | 63,078 |
| At 31 March 2007 | 54,884 | 19,935 | 74,819 |

notes to the financial statements

For the year ended 31 March 2008

16. property, plant and equipment (continued)

Included in the above are assets held under finance leases or hire purchase contracts as follows:

| Group | 2008 | | 2007 | |
|----------------------------------|---------------------|--------------------------|---------------------|--------------------------|
| | Net book value £ | Depreciation charge £ | Net book value £ | Depreciation charge £ |
| Fixtures, fittings and equipment | — | 900 | 38,629 | 27,166 |
| | — | 900 | 38,629 | 27,166 |

17. financial assets

| Group | Unlisted investments £ |
|---|---------------------------|
| Cost | |
| At 1 April 2007 | 1,965,126 |
| Disposals | (842,013) |
| At 31 March 2008 | 1,123,113 |
| Provision for reduction in value | |
| At 1 April 2007 | 1,314,643 |
| Disposals | (491,530) |
| At 31 March 2008 | 823,113 |
| Net book value | |
| At 31 March 2008 | 300,000 |
| At 31 March 2007 | 650,483 |

| Company | Subsidiaries £ | Other fixed asset investments £ | Total £ |
|---|-------------------|---------------------------------------|-------------------|
| Cost | | | |
| At 1 April 2007 | 15,166,677 | 1,965,126 | 17,131,803 |
| Additions | 1,432,412 | — | 1,432,412 |
| Disposals | — | (842,013) | (842,013) |
| At 31 March 2008 | 16,599,089 | 1,123,113 | 17,722,202 |
| Provision for reduction in value | | | |
| At 1 April 2007 | 1,008,474 | 1,314,643 | 2,323,117 |
| Disposals | — | (491,530) | (491,530) |
| At 31 March 2008 | 1,008,474 | 823,113 | 1,831,587 |
| Net book value | | | |
| At 31 March 2008 | 15,590,615 | 300,000 | 15,890,615 |
| At 31 March 2007 | 14,158,203 | 650,483 | 14,808,686 |

notes to the financial statements

For the year ended 31 March 2008

17. financial assets (continued)

i) subsidiaries

| | Shares £ | Total £ |
|--------------------------------------|-------------|-------------------|
| Albion Plaza Limited | 2 | 2 |
| Audiotel International Limited | 69,114 | 1,432,412 |
| Rochdale Development Company Limited | 357,500 | 2,329,874 |
| PSG Franchising Limited | 180 | 11,590,788 |
| Patersons Financial Services Limited | 40,002 | 137,539 |
| Ufford Insurance PCC Limited | 1,000 | 100,000 |
| At 31 March 2008 | | 15,590,615 |

ii) investments

other fixed assets

| | Shares held | % holding | Weighted average cost per share £ | Cost £ | Valuation 31 March 2008 £ |
|-------------------------------------|-------------|-----------|--|-----------|------------------------------------|
| Unlisted investments – other | | | | | |
| Avatar Systems Inc. | 1,690,502 | 19.13 | 0.664 | 1,123,113 | 300,000 |

investment details

Investment market values are quoted at directors' valuation:

Avatar Systems Inc. is listed on NASD OTC Bulletin Board, a matched bargain facility. On 31 March 2008 the average price quoted was \$0.56 per share but there is little marketability in the shares and in spite of the fact that the company is trading profitably, the directors of PSG Solutions plc consider that the investment has limited value and the investment has therefore been valued at an amount the directors consider to be its realisable value.

The investment in NorAm Capital Holdings Inc and Red Leopard Holdings Plc, both formerly Harrell Hospitality Group Inc. were excluded from investments by reason of the fact that they were of negligible value.

notes to the financial statements

For the year ended 31 March 2008

18. subsidiary undertakings

The Company holds 100% of the share capital and voting rights of the following companies:

| Name of subsidiary held directly | Nominal value of issued ordinary capital £ | Date acquired | Principal activity | Country of incorporation |
|--------------------------------------|---|------------------|--------------------|--------------------------|
| Rochdale Development Company Limited | 357,500 | 15 April 2004 | Holding company | England |
| Audiotel International Limited | 69,114 | 31 January 2003 | Electronics | England |
| PSG Franchising Limited | 180 | 25 June 2004 | Property search | England |
| Patersons Financial Services Limited | 40,002 | 1 January 2005 | Insurance services | England |
| Albion Plaza Limited | 2 | 21 February 2000 | Dormant | England |
| PSG Marketing Limited | 2 | 23 August 2005 | Marketing | England |
| PSG Financial Services Limited | 1 | 19 April 2005 | General insurance | England |
| Ufford Insurance PCC Limited | 1,000 | 11 May 2005 | Insurance services | Guernsey |

Held indirectly

| | | | | |
|---|--|-----------------|--------------------|---------|
| Moore & Buckle (Flexible Packaging) Limited | | 15 April 2004 | Flexible packaging | England |
| Audiotel (UK) Limited | | 31 January 2003 | Dormant | England |
| Yorkshire Legals Limited | | 1 February 2006 | Property search | England |

Moore & Buckle (Flexible Packaging) Limited is a wholly owned subsidiary of Rochdale Development Company Limited. Audiotel (UK) Limited is a wholly owned subsidiary of Audiotel International Limited. Yorkshire Legals Limited is a wholly owned subsidiary of PSG Franchising Limited.

19. inventories

| Group | 2008 £ | 2007 £ |
|-------------------------------------|----------------|-----------|
| Raw materials and consumables | 406,259 | 400,296 |
| Work in progress | 93,589 | 108,412 |
| Finished goods and goods for resale | 90,964 | 75,723 |
| | 590,812 | 584,431 |

The cost of inventories recognised as an expense during the year was £1,100,000 (2007 – £1,230,000).

20. trade and other receivables

| Group | 2008 £ | 2007 £ |
|------------------------------------|------------------|-----------|
| Trade receivables | | |
| Current unimpaired | 2,823,527 | 2,292,298 |
| Overdue impaired | 586,608 | 246,176 |
| Less: allowance for doubtful debts | (182,739) | — |
| | 403,869 | 246,176 |
| Net trade receivables | 3,227,396 | 2,538,474 |
| Prepayments and accrued income | 1,155,311 | 1,150,653 |
| Other receivables | 8,021 | 20,019 |
| | 4,390,728 | 3,709,146 |

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For the year ended 31 March 2008

20. trade and other receivables (continued)

Current unimpaired trade and other receivables represents amounts due from customers that are not overdue in accordance with specific credit terms agreed with those customers.

The age profile of trade receivables that are past due but not impaired is as follows:

| Group | 2008 £ | 2007 £ |
|-------------------------|----------------|----------------|
| Over 60 days | 166,582 | 102,334 |
| Between 60 and 90 days | 32,321 | 70,036 |
| Between 90 and 120 days | 204,966 | 73,806 |
| | 403,869 | 246,176 |

The allowance for doubtful debts is based upon past default experience. Debts with customers in liquidation or receivership are fully provided against. The movement in the provision during the year was as follows:

| | 2008 £ | 2007 £ |
|---------------------------------|----------------|-----------|
| Balance at beginning of year | — | — |
| Net amounts written off in year | — | — |
| Income statement charged | 182,739 | — |
| Balance at end of year | 182,739 | — |

Included within prepayments is an amount totalling £90,000 (2007: £90,000) relating to monies held by bankers under a deposit agreement in respect of foreign guarantees.

| Company | 2008 £ | 2007 £ |
|------------------------------------|----------------|------------------|
| Prepayments and accrued income | 19,968 | 14,110 |
| Amounts owed by group undertakings | 840,534 | 2,964,665 |
| | 860,502 | 2,978,775 |

The above debtors fall due within one year.

21. deferred tax asset

The Group holds a loss for capital gains purposes amounting to £2,777,265 (2007: 2,262,225) at 31 March 2008 which may be used against the disposal of the revalued investments at 31 March 2008. No deferred tax asset is recognised in respect of these capital gains tax losses. A deferred tax credit of £43,290 (2007: £70,485) is recognised in respect of share based payments of which £54,392 (2007: £58,188) is shown as a credit to the profit and loss and £11,102 (2007 credit: £12,297) is shown as a debit to equity. A deferred tax credit of £28,272 (2007:Nil) is recognised in respect of an unpaid bonus provision.

| Group | 2008 £ | 2007 £ |
|---|----------------|---------------|
| Recognised in respect of share based payments | 113,775 | 70,485 |
| Recognised in respect of unpaid bonus provision | 28,272 | — |
| | 142,047 | 70,485 |

| Company | 2008 £ | 2007 £ |
|---|-----------|-----------|
| Recognised in respect of share based payments | 113,775 | 70,485 |

notes to the financial statements

For the year ended 31 March 2008

22. trade and other payables: amounts falling due within one year

| Group | 2008 £ | 2007 £ |
|---------------------------------|------------------|------------------|
| Trade payables | 768,940 | 878,178 |
| Other payables | 818,551 | 341,826 |
| Other taxes and social security | 352,377 | 280,925 |
| Accruals and deferred income | 896,422 | 1,423,442 |
| | 2,836,290 | 2,924,371 |

Included within other payables is an amount of £Nil (2007: £330,000) relating to 'deferred' consideration following the acquisition of PSG Franchising Limited and £35,000 (2007: Nil) relating to 'deferred' consideration following the acquisition of Barrier Foil Products.

| Company | 2008 £ | 2007 £ |
|------------------------------------|------------------|------------------|
| Trade payables | 2,796 | 4,644 |
| Amounts owed to group undertakings | 759,688 | 931,358 |
| Other payables | — | 330,000 |
| Other taxes and social security | 24,217 | 35,659 |
| Accruals and deferred income | 219,481 | 144,414 |
| | 1,006,182 | 1,446,075 |

23. borrowings: amounts falling due within one year

| Group | 2008 £ | 2007 £ |
|---|----------------|----------------|
| Bank loan | 550,000 | 550,000 |
| Net obligations under hire purchase contracts | 2,079 | 5,300 |
| | 552,079 | 555,300 |

| Company | 2008 £ | 2007 £ |
|-----------|-----------|-----------|
| Bank loan | 550,000 | 550,000 |

The terms of the bank loan are set out in note 28.

borrowings: amounts falling due after one year

| Group | 2008 £ | 2007 £ |
|---|------------------|------------------|
| Bank loan | 1,131,987 | 1,632,770 |
| Net obligations under hire purchase contracts | — | 540 |
| | 1,131,987 | 1,633,310 |

| Company | 2008 £ | 2007 £ |
|-----------|-----------|-----------|
| Bank loan | 1,131,987 | 1,632,770 |

The terms of the bank loan are set out in note 28.

notes to the financial statements

For the year ended 31 March 2008

24. share capital

| | 2008 | | 2007 | |
|--|------------|-----------|------------|-----------|
| | Number | £ | Number | £ |
| Authorised | | | | |
| Ordinary shares of 20p each | 35,000,000 | 7,000,000 | 35,000,000 | 7,000,000 |
| Allotted and called up | | | | |
| Fully paid ordinary shares of 20p each | 27,183,240 | 5,436,648 | 27,183,240 | 5,436,648 |

619,583 ordinary shares of 20p each with an aggregate nominal value of £123,916 were purchased during the year and are held in treasury. Distributable reserves have been reduced by £413,413. Currently 644,583 ordinary shares are held in treasury representing 2.37% of the Company's issued share capital. The number of ordinary shares of 20p each that the Company has in issue less the total number of treasury shares following the purchase is 26,538,657.

25. share options

share options

At 31 March 2008 share options were held by directors in respect of 2,180,000 shares analysed as follows:

| Name | Number of shares | Option price per share | Exercisable |
|-------------|------------------|------------------------|-----------------------|
| J P Mervis | 1,200,000 | 50p | 14/02/2008–14/02/2013 |
| J A Warwick | 350,000 | 50p | 14/02/2008–14/02/2013 |
| T M Brown | 300,000 | 50p | 14/02/2008–14/02/2013 |
| T M Brown | 30,000 | 72p | 02/04/2009–02/04/2017 |
| B C Connor | 300,000 | 72p | 02/04/2009–02/04/2017 |

The number of options granted at the start of the year was 1,950,000, during the year 100,000 lapsed and 330,000 were granted resulting in 2,180,000 being outstanding at the end of the year.

The options are only exercisable if the option holder has continued to be employed by the Company at 14 February 2008 or 2 April 2009. It is the Board's intention to keep the number of options outstanding at no more than 10% of the issued share capital.

share based payments

The options for directors were introduced in February 2006 and April 2007. Options are granted with a fixed exercise price equal to the market price of the shares under option at the date of grant. The contractual life of an option is 5 years or 8 years following the vesting period. There are no reload features. The Company has made grants on 14 February 2006 of 1,850,000 options, on 7 August 2006 of 100,000 options and on 2 April 2008 of 330,000 options. The options granted on 7 August 2006 have since lapsed when Mr J Burley ceased to be employed by the Company. Exercise of an option is dependant on continued employment. Options were valued using the Black-Scholes option-pricing model. No performance conditions were included in the fair value calculations. The fair value per option granted and the assumptions used in the calculation are as follows:

| | Grant date 2 April 2007 | Grant date 14 February 2006 |
|---------------------------|----------------------------|--------------------------------|
| Share price at grant date | 72p | 50p |
| Exercise price | 72p | 50p |
| Number of directors | 2 | 3 |
| Shares under option | 330,000 | 1,850,000 |
| Vesting period | 2 years | 2 years |
| Expected volatility | 60% | 60% |
| Option life (years) | 10 | 7 |
| Risk free rate | 5.37% | 4.44% |
| Fair value per option | 26.2p | 17.9p |

notes to the financial statements

For the year ended 31 March 2008

25. share options (continued)

The expected volatility is based on historical volatility over the year preceding the grant of options. The risk free rate of return is the yield on zero-coupon UK government bonds issued consistent with the assumed option life. A reconciliation of option movements over the year to 31 March 2008 is shown below.

| | 2008 | | 2007 | |
|--------------------------------|------------------|----------------|------------------|----------------|
| | Number of shares | Exercise price | Number of shares | Exercise price |
| Outstanding at 1 April | 1,950,000 | 50p | 1,850,000 | 50p |
| Granted | 330,000 | 72p | 100,000 | 57p |
| Lapsed | (100,000) | 57p | — | — |
| Outstanding at 31 March | 2,180,000 | | 1,950,000 | |
| Exercisable at 31 March | 1,850,000 | | — | |

The weighted average fair value of options granted in the year was £86,700 (2007: £17,800).

The weighted average fair option price is 53.3p (2007: 50.4p).

The total charge for the year relating to employee share based payment plans was £181,305 (2007: £193,963) all of which related to equity-settled share based payment transactions. After deferred tax, the total charge was £126,913 (2007: £135,775).

26. reserves

| Group | Retained earnings £ | Share premium account £ |
|---|------------------------|----------------------------|
| At 1 April 2007 | 2,334,514 | 8,529,769 |
| Profit for the year | 2,431,910 | — |
| Share based payments | 181,305 | — |
| Deferred tax on share based payments | (11,102) | — |
| Purchase of ordinary share capital for treasury | (413,413) | — |
| At 31 March 2008 | 4,523,214 | 8,529,769 |

| Company | Retained earnings £ | Share premium account £ |
|---|------------------------|----------------------------|
| At 1 April 2007 | 1,194,938 | 8,529,769 |
| Profit for the year | 373,719 | — |
| Share based payments | 181,305 | — |
| Deferred tax on share based payments | (11,102) | — |
| Purchase of ordinary share capital for treasury | (413,413) | — |
| At 31 March 2008 | 1,325,447 | 8,529,769 |

notes to the financial statements

For the year ended 31 March 2008

27. reconciliation of movements in shareholders' funds

| Group | 2008 £ | 2007 £ |
|---|-------------------|-------------------|
| Profit for the year | 2,431,910 | 2,539,279 |
| Issue of ordinary shares | — | 80,000 |
| Increase in share premium account | — | 80,000 |
| Share based payments (including deferred tax) | 170,203 | 206,260 |
| Purchase of ordinary share capital for treasury | (413,413) | (14,955) |
| Increase in shareholders' funds | 2,188,700 | 2,890,584 |
| Opening shareholders' funds | 16,300,931 | 13,410,347 |
| Total equity | 18,489,631 | 16,300,931 |

| Company | 2008 £ | 2007 £ |
|---|-------------------|-------------------|
| Profit for the year | 373,719 | 1,346,581 |
| Issue of ordinary shares | — | 80,000 |
| Increase in share premium account | — | 80,000 |
| Share based payments (including deferred tax) | 170,203 | 206,260 |
| Purchase of ordinary share capital for treasury | (413,413) | (14,955) |
| Increase in shareholders' funds | 130,509 | 1,697,886 |
| Opening shareholders' funds | 15,161,355 | 13,463,469 |
| Total equity | 15,291,864 | 15,161,355 |

28. financial instruments

financial risk management

The principal financial risks to which the Group is exposed relate to liquidity, foreign exchange rates and interest rates. The policies and strategies for managing these risks are summarised as follows:

(a) liquidity risk

The Group actively maintains committed facilities that are designed to ensure the Group has sufficient available funds for operations and planned expansions.

(b) foreign exchange risk

The Group has foreign currency transactions arising from the sales and purchases by an operating subsidiary in a currency other than the subsidiary's functional currency. Under the Group's foreign exchange policy, such transactions are recorded at the rate of exchange prevailing at the transaction date.

(c) credit risk

Credit risk refers to the risk that a counterparty will default on contractual obligations resulting in a financial loss to the Group. The Group has adopted a policy of only dealing with credit worthy counterparties as a means of mitigating financial risk from defaults. Trade receivables consist of a large number of customers. Ongoing evaluation is performed on the financial condition of accounts receivable. The Group does not have any significant risk to any single counterparty at the reporting date where 'significant' is defined as 5% of gross financial assets. The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

notes to the financial statements

For the year ended 31 March 2008

28. financial instruments (continued) financial risk management (continued) (d) interest rate risk

The interest rate risk profile of financial liabilities is as follows:

At 31 March 2008 the Group had the following financial liabilities

| | 2008 £ | 2007 £ |
|--|--------------|--------------|
| At fixed interest rates: | | |
| Net obligations under finance leases and hire purchase contracts | 2,379 | 6,541 |
| | 2,379 | 6,541 |

The weighted average rate of interest of the fixed rate financial liabilities is 7% (2007: 7%). The weighted average period for which interest rates are fixed is seven months (2007: seven months).

| | 2008 £ | 2007 £ |
|------------------------------------|------------------|------------------|
| At floating interest rates: | | |
| Bank loans | 1,681,987 | 2,182,770 |
| | 1,681,987 | 2,182,770 |

At 31 March 2008 an overdraft facility of £500,000 was available to the Group. The rate of interest on the overdraft is at 1.5% over the Lloyds TSB Bank plc base rate. At 31 March 2008 the amount outstanding in respect of this facility was £nil.

At 31 March 2008 a bank loan of £2,750,000 was repayable over 60 months commencing February 2006. The rate of interest on the loan is base rate plus 1.25%. At 31 March 2008 the amount outstanding in respect of this facility was £1,681,987. The bank loan was secured by a fixed and floating charge over the assets of the Group.

At 31 March 2008 a revolving loan facility of £2,750,000 has been entered into expiring on 31 January 2011. The rate of interest on the facility is 1.5% over Lloyds TSB Bank plc cost of funds. At 31 March 2008 the amount outstanding in respect of this facility was £nil.

In connection with the above facilities the Group has entered into an omnibus guarantee with Lloyds TSB Bank plc which provides for each of the companies in the Group to guarantee all monies and liabilities at any time due owing or incurred from or by each of the other companies in the Group. The Group has also entered into a debenture with Lloyds TSB Bank plc to secure repayment to the bank of all monies and liabilities at any time due, owing or incurred by the Group to the bank.

The interest rate risk is deemed to be immaterial.

The weighted average period until maturity for floating rate financial liabilities is 34 months (2007: 46 months).

| | 2008 £ | 2007 £ |
|---|-----------|-----------|
| On which no interest is payable: | | |
| Deferred purchase consideration | 35,000 | 330,000 |

The weighted average period until maturity for liabilities on which no interest is paid is 6 months (2007: 6 months).

All other Group payables falling due within one year (other than bank and other borrowings) are excluded from the above tables due to the exclusion of short term items or because they do not meet the definition of a financial liability.

| | 2008 £ | 2007 £ |
|------------------------------------|-----------|-----------|
| At floating interest rates: | | |
| Cash at bank | 3,938,943 | 3,431,401 |

The rate of interest payments for floating rate financial assets is based on LIBOR.

notes to the financial statements

For the year ended 31 March 2008

28. financial instruments (continued)

maturity of financial liabilities

| | 2008 | | 2007 | |
|---|------------------|------------------|------------|--------------|
| | Group £ | Company £ | Group £ | Company £ |
| Bank and other loans (excluding Group debt): | | | | |
| In one year or less | 550,000 | 550,000 | 550,000 | 550,000 |
| Between one and two years | 550,000 | 550,000 | 550,000 | 550,000 |
| From two to five years | 581,987 | 581,987 | 1,082,770 | 1,082,770 |
| | 1,681,987 | 1,681,987 | 2,182,770 | 2,182,770 |
| Finance leases: | | | | |
| In one year or less | 2,079 | — | 5,300 | — |
| Between one and two years | — | — | 540 | — |
| | 2,079 | — | 5,840 | — |

fair values of financial assets

The fair value is an amount at which a financial instrument could be exchanged in an arms length transaction between informed and willing parties, other than a forced or liquidation sale and excludes accrued interest.

The fair value of cash deposits approximates to the carrying amount because of the short maturity of these instruments.

currency exposure

The Group make sales in foreign currency denominations.

The Group does not hedge against fluctuations in these currency rates.

At 31 March 2008 and 31 March 2007 the Group's exposure on such monetary assets that could give rise to net currency gains or losses was negligible.

interest risk exposure

Financial instruments are selected by the directors in order to minimise the Group's exposure to financial risk. Principal borrowings are taken at floating interest rates.

29. financial commitments

operating leases:

| Group | 2008 | | 2007 | |
|-----------------------------|----------------------------|---------------|----------------------------|------------|
| | Land and buildings £ | Other £ | Land and buildings £ | Other £ |
| Within one year | 2,666 | 2,593 | 26,616 | 8,167 |
| In the second to fifth year | 138,650 | 72,754 | 116,000 | 44,949 |
| After five years | 108,000 | — | 61,000 | — |
| | 249,316 | 75,347 | 203,616 | 53,116 |

The leases have varying terms and renewal rights. Land and buildings leases represent leases in respect of office accommodation and other leases represent leases in respect of motor vehicles and office equipment.

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30. transactions with directors

During the year to 31 March 2008 PSG Franchising Limited made purchases amounting to £89,866 (2007: £234,005) from John Burley Public Relations Consultants Limited, a company controlled by J M Burley, a former director of the Company, for the provision of public relations and consultancy services. The amount includes a sum of £40,000 (2007: £96,000) shown in Note 8 under directors' remuneration. The balance outstanding at the end of the year was £Nil (2007: £1,735).

31. explanation of transition to IFRS

This is the first year that the Group and the Company have prepared its consolidated financial statements under IFRS. The following disclosures are required in the year of transition to explain the financial impact of adopting IFRS on the Group and the Company. The last financial statements under UK GAAP were for the year ended 31 March 2007 and the date of transition to IFRS was 1 April 2006.

Reconciliation of equity as at 1 April 2006 (date of transition to IFRS)

| | Note | As previously reported under UK GAAP £ | Effect of transition to IFRS £ | As restated under IFRS £ |
|--|------|---|-----------------------------------|-----------------------------|
| Non-current assets | | | | |
| Goodwill | | 12,871,450 | — | 12,871,450 |
| Other intangible assets | a | — | 290,114 | 290,114 |
| Property plant and equipment | | 613,324 | — | 613,324 |
| Financial assets | b | 375,000 | 862,100 | 1,237,100 |
| | | 13,859,774 | 1,152,214 | 15,011,988 |
| Current assets | | | | |
| Inventories | | 676,799 | — | 676,799 |
| Trade and other receivables | | 2,778,643 | — | 2,778,643 |
| Current tax assets | | 25,382 | — | 25,382 |
| Cash and cash equivalents | | 1,666,429 | — | 1,666,429 |
| | | 5,147,253 | — | 5,147,253 |
| Current liabilities | | | | |
| Trade and other payables | | (3,212,553) | — | (3,212,553) |
| Borrowings | | (859,713) | — | (859,713) |
| Current tax liabilities | | (75,931) | — | (75,931) |
| | | (4,148,197) | — | (4,148,197) |
| Net current assets | | 999,056 | — | 999,056 |
| Total assets less current liabilities | | 14,858,830 | 1,152,214 | 16,011,044 |
| Non-current liabilities | | | | |
| Trade and other payables | | (330,000) | — | (330,000) |
| Borrowings | | (2,270,697) | — | (2,270,697) |
| Net Assets | | 12,258,133 | 1,152,214 | 13,410,347 |
| Represented by: | | | | |
| Capital and reserves attributable to equity holders | | | | |
| Called up share capital | | 5,356,648 | — | 5,356,648 |
| Share premium account | | 8,449,769 | — | 8,449,769 |
| Retained earnings | | (1,548,284) | 1,152,214 | (396,070) |
| Total equity | | 12,258,133 | 1,152,214 | 13,410,347 |

notes to the financial statements

For the year ended 31 March 2008

31. explanation of transition to IFRS (continued)

| Note | 1 April 2006 £ |
|---|-------------------|
| Total equity previously reported under GAAP | 12,258,133 |
| a Adjustment re inclusion of development expenditure including web design | 290,114 |
| b Adjustment re valuing financial assets at fair value | 862,100 |
| Total equity under IFRS | 13,410,347 |

Reconciliation of equity as at 31 March 2007 (date of last UK GAAP financial statements)

| Note | As previously reported under UK GAAP £ | Effect of transition to IFRS £ | As restated under IFRS £ |
|--|---|-----------------------------------|-----------------------------|
| Non-current assets | | | |
| Goodwill | 12,905,478 | — | 12,905,478 |
| Other intangible assets | a — | 381,411 | 381,411 |
| Property, plant and equipment | 524,353 | — | 524,353 |
| Financial assets | b 210,381 | 440,102 | 650,483 |
| | 13,640,212 | 821,513 | 14,461,725 |
| Current assets | | | |
| Inventories | 584,431 | — | 584,431 |
| Trade and other receivables | 3,709,146 | — | 3,709,146 |
| Derivative financial instruments | c — | 83,915 | 83,915 |
| Deferred tax asset | 70,485 | — | 70,485 |
| Cash and cash equivalents | 3,431,401 | — | 3,431,401 |
| | 7,795,463 | 83,915 | 7,879,378 |
| Current liabilities | | | |
| Trade and other payables | (2,924,371) | — | (2,924,371) |
| Borrowings | (555,300) | — | (555,300) |
| Current tax liabilities | (927,191) | — | (927,191) |
| | (4,406,862) | — | (4,406,862) |
| Net current assets | 3,388,601 | 83,915 | 3,472,516 |
| Total assets less current liabilities | 17,028,813 | 905,428 | 17,934,241 |
| Non-current liabilities | | | |
| Borrowings | (1,633,310) | — | (1,633,310) |
| Net assets | 15,395,503 | 905,428 | 16,300,931 |
| Represented by: | | | |
| Capital and reserves attributable to equity holders | | | |
| Called up share capital | 5,436,648 | — | 5,436,648 |
| Share premium account | 8,529,769 | — | 8,529,769 |
| Retained earnings | 1,429,086 | 905,428 | 2,334,514 |
| Total equity | 15,395,503 | 905,428 | 16,300,931 |

notes to the financial statements

For the year ended 31 March 2008

31. explanation of transition to IFRS (continued)

| Note | 31 March 2007 £ |
|---|--------------------|
| Total equity previously reported under UK GAAP | 15,395,503 |
| a Adjustment re inclusion of development expenditure including web design | 381,411 |
| b Adjustment re valuing financial assets at fair value | 440,102 |
| c Adjustment re valuing interest rate swap | 83,915 |
| Total equity under IFRS | 16,300,931 |

Reconciliation of equity as at 31 March 2008

| | Note | Under UK GAAP £ | Effect of transition to IFRS £ | As restated under IFRS £ |
|--|------|-----------------------|---|--------------------------------|
| Non-current assets | | | | |
| Goodwill | | 13,027,978 | — | 13,027,978 |
| Other intangible assets | a | — | 512,064 | 512,064 |
| Property, plant and equipment | | 615,016 | — | 615,016 |
| Financial assets | b | 125,000 | 175,000 | 300,000 |
| | | 13,767,994 | 687,064 | 14,455,058 |
| Current assets | | | | |
| Inventories | | 590,812 | — | 590,812 |
| Trade and other receivables | | 4,390,728 | — | 4,390,728 |
| Current tax asset | | 6,717 | — | 6,717 |
| Deferred tax asset | | 142,047 | — | 142,047 |
| Cash and cash equivalents | | 3,938,943 | — | 3,938,943 |
| | | 9,069,247 | — | 9,069,247 |
| Current liabilities | | | | |
| Trade and other payables | | (2,836,290) | — | (2,836,290) |
| Borrowings | | (552,079) | — | (552,079) |
| Current tax liabilities | | (514,318) | — | (514,318) |
| | | (3,902,687) | — | (3,902,687) |
| Net current assets | | 5,166,560 | — | 5,166,560 |
| Total assets less current liabilities | | 18,934,554 | 687,064 | 19,621,618 |
| Non-current liabilities | | | | |
| Borrowings | | (1,131,987) | — | (1,131,987) |
| Net assets | | 17,802,567 | 687,064 | 18,489,631 |

Represented by:

Capital and reserves attributable to equity holders

| | | | |
|-------------------------|-------------------|----------------|-------------------|
| Called up share capital | 5,436,648 | — | 5,436,648 |
| Share premium account | 8,529,769 | — | 8,529,769 |
| Retained earnings | 3,836,150 | 687,064 | 4,523,214 |
| Total equity | 17,802,567 | 687,064 | 18,489,631 |

notes to the financial statements

For the year ended 31 March 2008

31. explanation of transition to IFRS (continued)

31 March 2008
£

| Note | | |
|------|---|-------------------|
| | Total equity under UK GAAP | 17,802,567 |
| a | Adjustment re inclusion of development expenditure including web design | 512,064 |
| b | Adjustment re valuing financial assets at fair value | 175,000 |
| | Total equity under IFRS | 18,489,631 |

Reconciliation of profit for the year ended 31 March 2007

| | Note | As previously reported under UK GAAP £ | Effect of transition to IFRS £ | As restated under IFRS £ |
|--|------|---|-----------------------------------|-----------------------------|
| Revenue | | 14,568,255 | — | 14,568,255 |
| Cost of sales | | (6,703,693) | — | (6,703,693) |
| Gross Profit | | 7,864,562 | — | 7,864,562 |
| Administrative expenses | a | (4,495,998) | 91,297 | (4,404,701) |
| Operating profit before exceptional items | | 3,368,564 | 91,297 | 3,459,861 |
| Exceptional administrative (expenses)/credits | b | 480,467 | (421,998) | 58,469 |
| Operating profit | | 3,849,031 | (330,701) | 3,518,330 |
| Finance cost | | (160,300) | — | (160,300) |
| Finance income | c | 80,701 | 83,915 | 164,616 |
| Profit before taxation | | 3,769,432 | (246,786) | 3,522,646 |
| Income tax expense | | (983,367) | — | (983,367) |
| Profit after taxation | | 2,786,065 | (246,786) | 2,539,279 |
| Earnings per share | | 10.33p | (0.92)p | 9.41p |

Note

- a Adjustment re development expenditure including web design
- b Adjustment re valuing financial assets at fair value
- c Adjustment re valuing interest rate swap

notes to the financial statements

For the year ended 31 March 2008

31. explanation of transition to IFRS (continued)

Reconciliation of the profit for the year ended 31 March 2008

| | Note | Under UK GAAP £ | Effect of transition to IFRS £ | As restated under IFRS £ |
|--|------|-----------------------|---|--------------------------------|
| Revenue | | 14,467,419 | — | 14,467,419 |
| Cost of sales | | (6,914,973) | — | (6,914,973) |
| Gross profit | | 7,552,446 | — | 7,552,446 |
| Administrative expenses | a | (4,472,546) | 130,653 | (4,341,893) |
| Operating profit before exceptional items | | 3,079,900 | 130,653 | 3,210,553 |
| Exceptional administrative (expenses)/credits | b | 236,988 | (265,102) | (28,114) |
| Operating profit | | 3,316,888 | (134,449) | 3,182,439 |
| Finance costs | c | (133,361) | — | (133,361) |
| Finance income | | 275,575 | (83,915) | 191,660 |
| Profit before taxation | | 3,459,102 | (218,364) | 3,240,738 |
| Income tax expense | | (808,828) | — | (808,828) |
| Profit after taxation | | 2,650,274 | (218,364) | 2,431,910 |
| Earnings per share | | 9.98p | 0.82p | 9.16p |

Note

- a Adjustment re development expenditure including web design
- b Adjustment re valuing financial assets at fair value
- c Adjustment re valuing interest rate swap

Other than presentational differences, there are no material adjustments to the previous cash flow statements presented under UK GAAP.

notice of annual general meeting

For 2008

Notice is given to all shareholders that the Annual General Meeting of PSG Solutions plc ("the Company") for 2008 will be held at the offices of the Company, 133 Ebury Street, London SW1W 9QU on 20 August 2008 at 11.30am for the transaction of the following business. Resolutions 1 to 5 inclusive will be proposed as ordinary resolutions and resolution 6 will be proposed as a special resolution:

ordinary business

1. To receive the Company's annual accounts for the financial year ended 31 March 2008 together with the directors' report and the auditors' report on those accounts.
2. To re-appoint J P Mervis as director of the Company, who retires under Article 93 at the Annual General Meeting.
3. To re-appoint J D G Holme as director of the Company, who retires under Article 93 at the Annual General Meeting.
4. To re-appoint Milsted Langdon LLP, Chartered Accountants and Registered Auditors, as auditors of the Company to hold office from the conclusion of the meeting to the conclusion of the next meeting at which the accounts are laid before the Company and to authorise the directors to determine the auditors' remuneration.

special business

5. That the directors be generally and unconditionally authorised, pursuant to Section 80 of the Companies Act 1985 ("the Act"), to allot relevant securities (as defined in that section) up to an aggregate nominal amount of £1,563,352 provided that:
 - 5.1 this authority shall expire 15 months from the date of this resolution or at the Company's next Annual General Meeting, if earlier; and
 - 5.2 that the Company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the directors may allot relevant securities in pursuance of such an offer or agreement notwithstanding that the authority conferred hereby has expired and that this authority shall be in substitution of all previous authorities conferred upon the directors pursuant to the said Section 80.
6. That, subject to the passing of resolution 5 above, the directors be and they are hereby empowered pursuant to Section 95 of the Act to allot equity securities (as defined in section 94(2) to section 94(3A) of the Act) of the Company for cash pursuant to the general authority granted in resolution 5 above as if section 89(1) of the Act did not apply to any such allotment, provided that this power shall be limited to:
 - 6.1 the allotment of equity securities in connection with or pursuant to an offer by way of rights, open offer or other pre-emptive offer to the holders of ordinary shares and other persons entitled to participate therein in proportion to their respective holdings, subject to such exclusions or other arrangements as the directors may consider necessary or expedient to deal with fractional entitlements or legal or practical problems under the laws of any territory or the regulations or requirements of any regulatory authority or any stock exchange in any territory;
 - 6.2 the allotment (otherwise than pursuant to 6.1 above) of equity securities up to an aggregate nominal amount of £1,087,329 (being approximately 20% of the current issued ordinary share capital of the Company);

and such power shall expire 15 months from the date of this resolution or at the Company's next Annual General Meeting, if earlier save that the Company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the directors may allot equity securities in pursuance of any such offer or agreement notwithstanding that the power conferred by this resolution has expired.

By order of the Board

John Warwick

Company Secretary
30 June 2008
133 Ebury Street
London
SW1W 9QU

notice of annual general meeting

For 2008

Notes:

1. A member entitled to attend and vote at the meeting convened by the notice set out above may appoint a proxy to exercise all or any of his rights to attend speak and vote instead of him. A proxy need not be a member of the Company. A member may appoint more than one proxy if each proxy is appointed to exercise the rights attaching to different shares held by the member. To appoint more than one proxy, please contact the Company's Registrars, Capita Registrars, The Registry, 34 Beckenham Road, Kent BR3 4TU.
2. A form of proxy is provided. To be effective, the form of proxy must be received at the office of Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU not less than 48 hours (excluding Saturdays, Sundays and bank holidays) before the time fixed for the Annual General Meeting. Completion of the form of proxy does not preclude a member from subsequently attending and voting at the meeting in person if he or she so wishes.
3. The register of interests of the directors and their families in the share capital of the Company and copies of contracts of service of directors with the Company or with any of its subsidiary undertakings will be available for inspection at the registered office of the Company during normal business hours (Saturdays and public holidays excepted) from the date of this notice until the conclusion of the meeting.
4. In accordance with Regulation 41 of the Uncertificated Securities Regulations 2001, only those members entered on the Company's register of members not later than 48 hours before the date of the meeting, or, if the meeting is adjourned, shareholders entered on the Company's register of members not less than 48 hours before the time fixed for the adjourned meeting shall be entitled to attend and vote at the meeting.
5. As at 30 June 2008, the Company's issued share capital comprised 27,183,240 ordinary shares of 20 pence each of which 644,583 are held in treasury. Each ordinary share (other than those held in treasury) carries the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights as at 30 June 2008 is 26,538,657.

form of proxy

I/We
 (PLEASE INSERT FULL NAMES IN BLOCK CAPITALS)

of
 being (a) member(s) of PSG Solutions plc hereby appoint the Chairman of the Annual General Meeting, or, (see note 5)

..... as my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on 20 August 2008 at 11.30 am and at any adjournment thereof, I/We direct my/our proxy to vote as follows:

| | Resolutions | *For | *Against | *Withheld | *Discretionary |
|-------------------------|--|------|----------|-----------|----------------|
| Resolution 1 (Ordinary) | To receive the financial statements, directors' report, and auditors' report | | | | |
| Resolution 2 (Ordinary) | To re-appoint J P Mervis as a director of the Company | | | | |
| Resolution 3 (Ordinary) | To re-appoint J D G Holme as a director of the Company | | | | |
| Resolution 4 (Ordinary) | To re-appoint Milsted Langdon LLP as auditors of the Company | | | | |
| Resolution 5 (Ordinary) | Authority to allot shares | | | | |
| Resolution 6 (Special) | Disapplication of pre-emption rights | | | | |

* Please indicate with an X in spaces provided how you wish your votes to be cast. If you do not do so, the proxy may vote or abstain as he thinks fit on the above-mentioned resolutions.

Dated this Day of 2008

Signed

Notes:

1. To be valid, this proxy, duly completed and signed, together with the power of attorney or other authority (if any) under which it is signed or a notorially certified copy thereof, should be deposited at Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, not less than 48 hours (excluding Saturdays, Sundays and bank holidays) before the time appointed for holding the meeting or adjourned meeting.
2. If the member is a corporation, this form of proxy must be executed under its common seal or under the hand of an officer or attorney duly authorised in writing.
3. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint holders and, for this purpose, seniority will be determined by the order in which the names stand in the register of members.
4. If you do not indicate how you wish your proxy to vote on any resolution, the proxy will vote as he thinks fit, or at his discretion, abstain from voting.
5. A proxy need not be a member of the Company. Appointment of a proxy will not preclude a member from attending and voting in person at the meeting. To appoint as your proxy a person other than the Chairman of the meeting, insert their full name in the box. If you sign and return this proxy form with no name inserted in the box, the Chairman of the meeting will be deemed to be your proxy. Where you appoint as your proxy someone other than the Chairman of the meeting, you are responsible for ensuring that they attend the meeting and are aware of your voting intentions.



second fold

BUSINESS REPLY SERVICE
Licence No. MB 122



Capita Registrars (Proxy Department)
The Registry
34 Beckenham Road
Beckenham
Kent BR3 4BR

first fold

third fold (tuck in)



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