



**Avisen plc**  
(Formerly Z Group plc)

**Report & Accounts**  
For the 11 month period ended 31 January 2009

# Report and Accounts

for the 11 month period ended 31 January 2009

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# Company Information

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<b>Directors</b>	<b>Jon Claydon</b> (Non-executive Chairman) <b>Marcus Hanke</b> (Chief Executive Officer) <b>Louis Peacock</b> (Interim Finance Director) <b>Keith Jones</b> (Executive Director) <b>Andrew Turner</b> (Executive Director) <b>Marcus Yeoman</b> (Non-executive Director)
<b>Company Secretary</b>	<b>London Registrars Plc</b> 4th Floor Haines House 21 John Street London WC1N 2BP
<b>Registered Office</b>	16 Devonshire Street London W1G 7AF
<b>Company Number</b>	5429800
<b>Company Website</b>	<a href="http://www.avisenplc.com">www.avisenplc.com</a>
<b>Auditors</b>	<b>Horwath Clark Whitehill LLP</b> St Bride's House 10 Salisbury Square London EC4Y 8EH
<b>Nominated Adviser And Broker</b>	<b>John East &amp; Partners Limited</b> 10 Finsbury Square London EC2A 1AD
<b>Legal Advisors To The Company</b>	<b>Orrick, Herrington &amp; Sutcliffe</b> Tower 42 Level 35 25 Old Broad Street London EC2N 1HQ
<b>Registrars</b>	<b>Capita Registrars</b> The Registry 34 Beckenham Road Beckenham Kent BR3 4TU
<b>Bankers</b>	<b>Barclays Bank plc</b> 2 Churchill Place London E14 5RB  <b>HSBC Bank plc</b> 70 Pall Mall London SW1Y 5EZ

# Chairman's Statement

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I am pleased to present the results of Avisen plc ("the Company") for the 11 month period ended 31 January 2009 (the Company's accounting reference date having been changed from 28 February to 31 January to reflect the acquisition of Avisen Group Limited ("Avisen Group"), described below).

## Results

The profit on ordinary activities after taxation for the period amounted to £505,229 (2008 – loss £4,910,515) representing earnings per share of 2.1 pence (2008 – loss per share 20.7 pence).

## Background Information on the Company

Z GROUP plc was incorporated on 20 April 2005 and admitted to trading on AIM on 21 June 2005. At that time, the Company operated in the software and computer services sector. Following the disposal of its trading subsidiaries on 7 January 2008, the Company no longer had a trading business and accordingly the Company became an investing company pursuant to Rule 15 of the AIM Rules. In January 2008, the directors at that time stated that the Company intended to implement an investing strategy, in accordance with the AIM Rules, and seek a suitable investment opportunity for the Company, being a target in the technology, media or sciences sectors. Any potential acquisition would also need to satisfy the main criteria of having an experienced management team, a sizeable projected market for the target's products and/or services and the promising potential growth of that market.

## Key Acquisition

Having reviewed a large number of potential acquisition candidates, the business and future prospects of Avisen Group, a business and technology consultancy specialising in performance management, was seen to represent a significant opportunity for shareholders.

On 7 January 2009, the Company entered into a conditional acquisition agreement to acquire the entire issued share capital of Avisen Group, with the consideration to be satisfied by the issue of 86,666,667 new ordinary shares. The acquisition was conditional on the passing of certain resolutions proposed at a general meeting held on 30 January 2009 with re-admission to the AIM market becoming effective on 2 February 2009. Further information on Avisen Group and the rationale behind the acquisition is set out in the Company's AIM Admission Document which is available from the Company's website, [www.avisenplc.com](http://www.avisenplc.com).

At the general meeting held on 30 January 2009, all resolutions were duly passed, which, subject only to the shares of the enlarged group being admitted to trading on AIM, resulted in the Company completing the acquisition of Avisen Group and the Company's name being changed to Avisen plc.

## Events after 31 January 2009, including board changes and acquisitions

The Company was readmitted to trading on AIM on 2 February 2009.

Upon completion of the acquisition, Marcus Hanke, Andrew Turner, Louis Peacock and Keith Jones were appointed to the Board and Ian Smith resigned from the Board. Jon Claydon remained as Non-Executive Chairman, Marcus Yeoman remained as a Non-Executive Director and Marcus Hanke was appointed as Chief Executive Officer. Duncan Neale resigned as Finance Director on 30 June 2009, at which point Louis Peacock was appointed as Interim Finance Director.

During the period since the end of the financial year the Company has completed three acquisitions; Wexner Global Limited ("Wexner"), Eon Enterprises Limited ("Eon") and Quadrum Consulting (Proprietary) Limited ("Quadrum"). A fourth acquisition, Inca Holdings Limited, was announced on 17 July 2009 and is expected to be completed shortly.

Wexner has a successful history of working with blue chip clients to develop and implement their strategy. It works with them, with the aim of improving their profitability through increased productivity and cost reduction, transforming both their finance and their operational functions. The purchase of Wexner's assets, including its industry know-how and contacts, not only provides Avisen with access to Wexner's client base, but augments the Company's ability to provide high-end consulting and advisory services.

# Chairman's Statement

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continued

Eon's sole wholly owned subsidiary, Infocube Limited ("Infocube"), is a leading IBM Cognos Business Partner. Infocube, founded in 1988, provides practical and cost-effective business intelligence, planning, forecasting and data warehousing solutions for its clients. Infocube works in partnership with Cognos, an IBM company, which is the world's leading developer of Enterprise Business Intelligence and Performance Management software, in order to provide a comprehensive range of services, including software licences, consultancy, development, training and post implementation support.

Quadrum, founded in 2006, is a South African business which provides business intelligence, planning, forecasting and activity based costing and financial consolidation solutions for its clients. Quadrum works in partnership with IBM Cognos in order to provide a comprehensive range of services, including software licenses, consultancy, development, training and post implementation support. Avisen is now positioned as a leading IBM Cognos reseller and consultancy both in the UK and in South Africa. The Company will have access to both Quadrum's blue-chip client base and its pool of skilled resources, which are intended to augment Avisen's offshore services capability.

The Board is delighted with the acquisitions and the process of integrating the businesses is either completed or well underway. These acquisitions are in line with the Company's stated strategy and the Board believes that they, in addition to Inca Holdings Limited, will make a significant contribution to the revenues of the Company and will improve its competitive position.

## Prospects

Avisen's management team have grown the business rapidly in a relatively short period of time, both organically and through the pursuit of a targeted "buy-and-build" strategy. We are confident that we can continue to deliver growth and are excited by the prospect of becoming a leading player in the business intelligence and performance management market.

### **Jon Claydon**

*Non-executive Chairman*

30 July 2009

# Board of Directors

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## **Jon Claydon (Non-Executive Chairman)**

Jon Claydon started his career at Cargill Inc., working as a senior trader in its Geneva office. In 1990 he left to establish the marketing agency Claydon Heeley. In 2000 the agency was sold to American marketing services group Omnicom Group Inc. and Jon Claydon went on to become chairman of the marketing services group ZULU Nation (a division of Omnicom Group) in the process cofounding the digital agency Agency Republic Limited. He left Omnicom in 2007. In 2008, he was appointed Non Executive Chairman of Avisen and is presently Chairman of a digital agency Work Club Limited.

## **Marcus Hanke (Chief Executive Officer)**

Marcus Hanke began his career at Price Waterhouse (now PricewaterhouseCoopers). He qualified as a chartered management accountant and has since worked in industry with Compass Group plc and consulting with KPMG and Deloitte. In 2003, he formed an independent performance management company which was subsequently acquired by Cognos Inc. in 2004. In 2006 Marcus Hanke joined Avisen as Managing Director and has led the growth of the services business and the diversification into software distribution. Over the last 10 years Marcus has led several corporate performance management programs rolled out in Europe, the Middle East and Africa and has advised some global software application vendors in this area. He specialises in corporate performance management, value-based management and the technology enablement of these processes.

## **Louis Peacock (Interim Finance Director)**

Louis was born in South Africa where he qualified as a chartered accountant with Arthur Andersen before moving to the UK in 1996. He has 15 years of commercial, enterprise resource planning (ERP) systems implementation, corporate performance management and business process re-engineering experience, the majority of this being with Maconomy A.S., the ERP software vendor which is listed in Copenhagen. Prior to joining Avisen Group, Louis was managing director of Solution Minds (UK) Ltd, a planning and business intelligence solutions business. Solution Minds (UK) Ltd was acquired by Avisen in January 2008.

## **Keith Jones (Executive Director)**

Keith Jones is a South African citizen and has over 20 years experience in the IT industry and more than 10 in the performance management market. He has worked across Europe with clients including JP Morgan Chase and UBS before returning to South Africa to co-found Harvey Jones Systems (Proprietary) Limited in 1997. Keith grew the Harvey Jones business to be an international and award winning company which achieved recognition globally with Microsoft prior to its acquisition by Avisen in 2008.

## **Andrew Turner (Executive Director)**

Andrew Turner has over 18 years experience working with Global 2000 organisations, software authors and leading consulting organisations. In his previous role as Chief Operating Officer of Tesco Mobile and as Retail Operations Director, Tesco Telecoms, he was part of the founding team of the new telecoms business unit within Tesco plc from 2003. Prior to telecoms, he spent a number of years in marketing and operations roles within Tesco's financial services joint venture with Royal Bank of Scotland plc. Prior to Tesco, he worked for MPS Group (NYSE:MPS) as Operations Director, where he helped in driving the growth of their e-Business consulting organisation: Idea Integration. Andrew Turner has also held senior marketing, product management and sales positions with SAP from 1997 to 1998 and worked with General Electric from 1993 to 1997 across their industrial and services businesses in information management and business change roles in UK and Europe.

## **Marcus Yeoman (Non-Executive Director)**

Marcus Yeoman has 20 years experience as a director of small companies. He is currently a non-executive director of three PLUS quoted companies, as well as holding directorships of a number of private companies who have engaged him principally to assist them with their growth strategies. His early career started with the formation of three companies in IT infrastructure and distribution, after which he moved into small company broking and corporate work with Rathbone Stockbrokers Limited and Cheviot Capital (Nominees) Limited. In 1999 he led a management buy-in into a golf products company with external debt and equity funding. Since 2003, he has been acting as a consultant or non-executive director to smaller companies in the high growth sector. He has also assisted a number of quoted companies with M&A work.

# Directors' Report

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The Directors present their report and the audited financial statements for the eleven month period ended 31 January 2009.

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union, applied in accordance with the provisions of the Companies Act 1985.

## Principal activities

The principal activity of the Company for the period was that of a holding company.

## Results for the year and dividends

The Company made a profit for the period of £505,229. The directors are unable to recommend the payment of a dividend.

## Review of the Business and Future Developments

This has been a defining period for the Company and we are delighted to be reporting on the success we have achieved over the six months following the Company's acquisition of Avisen Group Limited.

We are delivering on our core objective to extend our offering and client base through acquisition. We have succeeded in acquiring and integrating a further three businesses into the group, transforming Avisen into the leading integrator in the performance management market.

We are in the final stages of agreeing contracts with a number of leading FMCG organisations for our profit management and retail trade promotions solution.

Looking forward, the challenge for us now is to capture the consolidated cost efficiencies in the enlarged group and exploit the numerous cross-selling opportunities that are available to us through our commercial relationships with our present client base. In this period we have made great progress building a solid base of recurring revenues and high margin product and service mix.

Our general business pipeline is strong and we are looking forward to reporting our progress over the last six months in due course.

## Principal Business Risks and Uncertainties facing the Company

At 31 January 2009 the Company was a "cash shell" and as such, the principal risks included not completing the acquisition of a suitable target within the required time and not being able to raise sufficient funding to acquire a suitable target. These risks have fallen away as the Company's investing strategy was achieved through the acquisition on 2 February 2009 of Avisen Group Limited and the subsequent re-admission of the enlarged group to trading on AIM.

## Use of financial instruments

The Company's financial risk management objective is to ensure sufficient working capital for the Company to enable it to proceed with its current strategy of growing organically through consolidation of participants in its market. This is achieved by careful management of the existing cash reserves.

## Going Concern

Having made appropriate enquiries, the Directors are satisfied that the Company has adequate resources to continue in operation for the foreseeable future. Accordingly, the financial statements have been prepared on the going concern basis.

# Directors' Report

continued

## Directors

Directors who have served during the year, or have been appointed thereafter, are shown below:

Jack Bekhor	Resigned 18 March 2008
Jon Claydon	Appointed 26 May 2005
Marcus Hanke	Appointed 2 February 2009
Keith Jones	Appointed 4 March 2009
Duncan Neale	Resigned 30 June 2009
Louis Peacock	Appointed 2 February 2009
Ian Smith	Appointed 18 March 2008, Resigned 2 February 2009
Jamie True	Resigned 18 March 2008
Andrew Turner	Appointed 2 February 2009
Marcus Yeoman	Appointed 18 March 2008

## Directors' interests in options

Under the rules of the EMI Share Option Plan, the Directors have been granted interests in options over ordinary shares of £0.05 each as follows:

	At 28 February 2008	Number of options issued during the year	Number of options exercised or lapsed during the year	At 31 January 2009	Date from which exercisable	Expiry Date	Exercise price (pence)
Jack Bekhor*	92,592	–	(92,592)	–			
Duncan Neale*	157,480	–	–	157,480	4 September 2008	15 December 2016	63.5
Jamie True*	92,952	–	(92,592)	–			

\*Resigned as directors.

## Directors' interests in shares

Ian Smith and Marcus Yeoman acquired 2,365,280 and 1,182,640 shares in the Company, respectively, on 5 March 2008, before joining the Board as directors on 18 March 2008.

Directors' shareholdings in the Company in the period between 2 February 2009 and 29 July 2009 were:

	2 February or on date of appointment	Acquired on 10 March 2009	As at 29 July 2009
Marcus Hanke	28,569,259	36,000*	28,605,259
Andrew Turner	28,519,259	–	28,519,259
Louis Peacock	8,767,756	43,400*	8,811,156
Keith Jones <sup>(1)</sup>	7,285,363	–	7,285,363
Jon Claydon <sup>(2)</sup>	1,729,170	–	1,729,170
Marcus Yeoman	1,182,640	35,000*	1,217,640
Ian Smith <sup>(3)</sup>	2,365,280	–	–

\* Acquired at open market value

<sup>(1)</sup> Keith Jones' shares are held by his partner, Odette McMahon

<sup>(2)</sup> 384,000 of these shares are held in the name of Clachan Nominees Limited

<sup>(3)</sup> Ian Smith resigned as a director on 2 February 2009

# Directors' Report

continued

## Employment Policy

It is the policy of the Company to operate a fair employment policy. No employees or job applicants are less favourably treated than another on the grounds of their sex, sexual orientation, age, marital status, religion, race, nationality, ethnic or national origin, colour or disability and all appointments and promotions are determined solely on merit. The Directors encourage employees to be aware of all issues affecting the Company and place considerable emphasis on employees sharing in its success through its employee share option scheme.

## Substantial Shareholdings

As at the close of business on 29 July 2009, being the last practicable date prior to the publication of this document, the Company has been advised of the following shareholdings of 3% or more in the issued share capital of Avisen Plc:

	Number of Shares	Percentage of Issued Share Capital
Marcus Hanke*	28,605,259	24.8%
Andrew Turner	28,519,259	24.7%
Louis Peacock**	8,811,156	7.62%
Keith Jones***	7,285,363	6.30%
Mark Waller	6,427,780	5.56%
Raymond Althof	4,262,513	3.69%
Jamie True****	3,947,325	3.42%
Jack Bekhor****	3,947,325	3.42%

\* shares held by Strand Nominees Limited

\*\* shares held by Pershing Nominees Limited

\*\*\* shares held by Odette McMahon

\*\*\*\* shares held by Clachan Nominees Limited

## Share capital

There have been no changes in the issued share capital of the Company during the period.

## Payment of Suppliers

It is the Company's policy to pay suppliers in accordance with the terms and conditions agreed in advance, providing all trading terms and conditions have been met. All payments are made in the ordinary course of business and the Company expects to pay all supplier debts as they become due.

Trade creditor days based on creditors at 31 January 2009 were 143 days (2008: 7 days). However, adjusting for deal costs invoiced before the period but due after the period end, trade creditor days at 31 January 2009 totalled 2 days.

## Charitable and political donations

There were no donations made for charitable or political purposes (2008: £nil).

## Auditors

In accordance with Section 489 of the Companies Act 2006 a resolution proposing the reappointment of Horwath Clark Whitehill LLP as auditors of the Company will be put to the shareholders at the Accounts Meeting at which the Report and Financial Statements are presented.

Horwath Clark Whitehill LLP have expressed their willingness to remain in office.

# Directors' Report

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## Statement as to disclosure of information to auditors

Each of the persons who are directors at the time when this report is approved has confirmed that:

- (a) so far as each director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- (b) each director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the Company's auditors in connection with preparing their report and to establish that the Company's auditors are aware of that information.

By order of the Board

**Marcus Hanke**

*Chief Executive Officer*

30 July 2009

# Corporate Governance Report

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Avisen plc recognises the importance of, and is committed to, high standards of corporate governance. Avisen plc, as an AIM company, is not required to comply with the 2006 Combined Code on Corporate Governance (the "Combined Code"), although it has adopted those Combined Code principles relevant to the size of the Company as set out below.

## The Board and its Committees

### The Board

There are currently six board members, comprised of four executive Directors and two Non-executive Directors. The role of the Non-executive Directors is to bring independent judgement to Board deliberations and decisions. The Chairman of the Board is a Non-executive Director who oversees the board meetings and fields all concerns regarding the executive management of the Company and the performance of the Executive Directors. A biography of each Director appears on page 5. As the biographies demonstrate, the Directors have diverse backgrounds and the Board benefits from a wide range of experience. The Board's collective knowledge and skill in business matters helps to ensure that the Board effectively governs the activities of the Company in the best interests of the shareholders.

The Board met regularly throughout the period and is responsible for the overall Company strategy, acquisition and divestment policy, approval of major capital expenditure and consideration of significant financial matters. It reviews the strategic direction of the Company, its annual budget, its progress towards the achievement of this budget and its capital expenditure programmes.

The function of the Chairman is to supervise and manage the Board and to ensure its effective control of the business.

All Board members have access to sufficient information about the business at all times to enable them to fully discharge their duties. Also, procedures exist covering the circumstances under which the Directors may need to obtain independent professional advice.

The Board discusses the schedule of matters prepared for each meeting but otherwise delegates specific responsibilities to its committees as set out below.

Each of the Executive Directors is subject to an executive services agreement, each with notice periods of between three and six months. Each of the Non-executive Directors has an agreement with the Company with a minimum termination provision of three months notice with reappointment required annually. Avisen plc's Articles of Association require Directors to retire from office and submit themselves for re-election on one third rota at each AGM.

## The Committees

### Nomination Committee

The Nomination Committee is comprised of Marcus Yeoman as Chairman, and Jon Claydon. The committee oversees the structure and balance of the Board generally and is responsible for screening and proposing candidates for appointment to the Board.

### Remuneration Committee

The Company's Remuneration Committee is comprised of Marcus Yeoman as Chairman, and Jon Claydon. The committee is responsible for reviewing the salary and benefits offered to executive Directors. Specifically, the committee is responsible for determining contract terms, compensatory share options and pension rights. The Board as a whole determines the compensation for all Non-executive Directors. Further details regarding the Directors' aggregate remuneration are set forth in Note 6 to the Financial Statements on page 20.

### Audit Committee

The Audit Committee similarly is comprised of Marcus Yeoman as Chairman, and Jon Claydon. The Audit Committee supervises the Company's external auditors, including appointment and compensation and performs an assessment of their independence. The Audit Committee is also responsible for ensuring the accuracy of the Half-yearly and Annual Reports, as well as compliance with all applicable standards and regulations.

# Corporate Governance Report

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## Relations with Shareholders

The Board recognises and understands that it has a fiduciary responsibility to the Company's shareholders. The Directors' Report includes an analysis of the Company's performance and future expectations. The Company's corporate website ([www.avisenplc.com](http://www.avisenplc.com)) allows shareholders access to Company information, such as contact details and information on, and the price of, the Company's shares.

The AGM will also be a platform for the Board to communicate with shareholders and the Directors welcome the attendance and participation of all shareholders. Details of resolutions to be proposed at the AGM on 25 August 2009 can be found in the notice of the meeting.

## Internal Control and Risk Management

The Board requires strict internal control procedures for the Company. Upon the advice of the Board, the executive Directors each assumed responsibility for specific aspects of the Company's operations. The executive Directors also regularly liaise with Non-executive Directors regarding accounting practices and legal compliance. The Company and senior accounting staff are all aware of the importance of adhering to the financial and accounting policies of the Company. The Board discusses any relevant changes to accounting policies and, if necessary, discusses the impact of such changes with external financial advisers to facilitate compliance.

## Internal Audit

The Board agrees that there should be no internal audit function for the Company at this time considering the size of the Company. However, the Board will keep this matter under review in the event that circumstances warrant an internal audit function for the Company in the future.

## Personnel Quality

The Board also oversees recruitment in order to maintain the highest level of competence and integrity. The policy of the Board is to promote competitive compensation and a professional working environment in order to attract the most qualified candidates.

## Budgetary Process

The Board approves the annual budget each year. This process allows the Board to identify key performance targets and risks expected during the upcoming year. The Board also considers the agreed budget when considering expenditures throughout the year.

## Corporate Social Responsibility

Avisen plc is committed to operating to the very highest ethical standards, whether dealing with customers, employees, shareholders or partners.

## AGM

The AGM will be held on 25 August 2009, 11:00am at 16 Devonshire Street, London W1G 7AF.

Approved by the Board

### **Louis Peacock**

*Interim Finance Director*

30 July 2009

# Statement of Directors' Responsibilities

## in respect of the Financial Statements

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union ("EU") and applicable laws. The financial statements are required by law to give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing those financial statements, the Directors are required to:

- (a) select suitable accounting policies and then apply them consistently;
- (b) make judgements and estimates that are reasonable and prudent;
- (c) state whether applicable International Financial Reporting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- (d) prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for taking steps to safeguard the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Avisen plc website; the work carried out by the auditors does not involve the consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred in the accounts since they were initially presented on the website.

Legislation in the United Kingdom governing the preparation and dissemination of the financial statements and other information included in annual reports may differ from legislation in other jurisdictions.

# Independent Auditors' Report

to the members of Avisen plc

We have audited the financial statements of Avisen plc, which comprise the Income Statement, the Balance Sheet, the Cash Flow Statement, the Statement of Changes in Equity and the related notes.

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'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 IFRSs as adopted by the EU are set out in the Statement of Directors' Responsibilities on page 12.

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

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

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

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

## Basis of audit opinion

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

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

## Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with IFRSs as adopted by the EU, of the state of the Company's affairs at 31 January 2009 and of the Company's profit for the period then ended and 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.

## Horwath Clark Whitehill LLP

Chartered Accountants and Registered Auditors

St Bride's House  
10 Salisbury Square  
London  
EC4Y 8EH

30 July 2009

Avisen plc  
(formerly Z Group plc)

# Income Statement

for the 11 month period ended 31 January 2009

	Notes	11 months ended 31 January 2009 £	Year ended 29 February 2008 £
Revenue		8,750	–
Cost of sales	3	(5,000)	–
Share based payments credit	16	636,972	383,667
Other administrative expenses		(269,725)	(860,830)
Proceeds on disposal of investments		–	60,000
Write down of investments		–	(4,638,803)
<b>Operating Profit/(Loss)</b>	4	370,997	(5,055,966)
Finance income	5	64,232	53,404
Other income	5	70,000	91,231
<b>Profit/(Loss) Before Income Tax</b>		505,229	(4,911,331)
Income tax credit	7	–	816
<b>Profit/(Loss) For The Period</b>		505,229	(4,910,515)
<b>Earnings/(Loss) Per Share (Pence)</b>			
Basic	8	2.13	(20.68)
Diluted	8	2.11	(20.68)

The accompanying notes form an integral part of the financial statements

# Balance Sheet

as at 31 January 2009

	Notes	31 January 2009 £	29 February 2008 £
<b>ASSETS</b>			
Investments	9	–	–
Property, plant and equipment	10	1,501	10,898
Other receivables	11	117,500	117,500
<b>Non-current assets</b>		119,001	128,398
Trade and other receivables	11	377,959	374,552
Cash and cash equivalents	12	1,165,131	1,203,824
<b>Current assets</b>		1,543,090	1,578,376
<b>Total assets</b>		1,662,091	1,706,774
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves attributable to equity holders of the Company</b>			
Share capital	15	1,187,294	1,187,294
Share premium account		5,967,758	5,967,758
Share option reserve		63,410	700,382
Retained losses		(5,793,965)	(6,299,194)
<b>Total equity</b>		1,424,497	1,556,240
Trade and other payables	13	237,594	150,534
<b>Current liabilities</b>		237,594	150,534
<b>Total liabilities</b>		237,594	150,534
<b>Total equity and liabilities</b>		1,662,091	1,706,774

Approved and authorised for issue by the Board on 30 July 2009:

**Louis Peacock**  
*Interim Finance Director*

The accompanying notes form an integral part of the financial statements

# Statement of Changes in Equity

for the 11 month period ended 31 January 2009

	Share capital £	Share premium £	Share based payments reserve £	Retained earnings £	Total £
Balance at 1 March 2008	1,187,294	5,967,758	700,382	(6,299,194)	1,556,240
Share option credit in the year	–	–	(636,972)	–	(636,972)
Profit for the period	–	–	–	505,229	505,229
Total recognised income and expense for the period	–	–	(636,972)	505,229	(131,743)
<b>Balance at 31 January 2009</b>	<b>1,187,294</b>	<b>5,967,758</b>	<b>63,410</b>	<b>(5,793,965)</b>	<b>1,424,497</b>

The accompanying notes form an integral part of the financial statements

# Cash Flow Statement

for the 11 month period ended 31 January 2009

	11 months ended 31 January 2009 £	Year ended 29 February 2008 £
<b>Cash flows from operating activities</b>		
Operating profit/(loss)	370,997	(5,055,966)
Depreciation	3,599	32,711
Amortisation	–	510
Share option credit	(636,972)	(383,667)
Write down of investments sold in the year	–	16,991,305
(Increase)/Decrease in trade and other receivables	(3,406)	2,388,261
Increase/(Decrease) in trade and other payables	87,060	(14,417,368)
Write down of web development costs and domain names	–	1,807
Write down of property, plant and equipment	5,798	–
Cash used in operations	(172,924)	(442,407)
Income tax credit	–	816
Net cash (used in) operating activities	(172,924)	(441,591)
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	–	(5,340)
Proceeds from the sale of property, plant and equipment	–	99,649
Repayment of overdraft	705	–
Interest received	64,232	53,404
Other income	70,000	91,231
Net cash from/(used in) investing activities	134,937	238,944
Net (decrease) in cash and cash equivalents	(37,987)	(202,647)
Cash and cash equivalents at the beginning of the period	1,203,118	1,405,765
Cash and cash equivalents at the end of the period	1,165,131	1,203,118

The accompanying notes form an integral part of the financial statements

# Notes to the Financial Statements

for the 11 month period ended 31 January 2009

## 1 Reporting entity

Avisen plc (the "Company") is a company incorporated and domiciled in England. The Company's registered office is at 16 Devonshire Street, London W1G 7AF. The financial statements of the Company as at and for the 11 month period ended 31 January 2009 comprise the Company only. The financial statements have been drawn up to 31 January 2009 because this is the last working day before the acquisition of Avisen Group Limited. At 31 January 2009 the Company did not have control of any non-dormant subsidiaries and did not have any interests in associates or jointly controlled entities. As such, and in accordance with S229(5) of the Companies Act 1985, the Company is not required to produce consolidated financial statements.

## 2 Basis of preparation

### (a) Application of IFRSs

From 1 March 2007, the Company has adopted International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU") in the preparation of the financial statements.

As at the date of approval of the financial statements, the following standards and interpretations were in issue but not yet effective:

IAS 27 Consolidated and Separate Financial Statements

IFRS 3 Business Combinations

IAS 39 Financial Instruments: Recognition and Measurement (Amendment) – Eligible Hedged Items

Reclassification of Financial Assets (Amendments to IAS 39 Financial Instruments: Recognition and Measurement and IFRS 7 Financial Instruments: Disclosures)

IFRIC 17 Distributions of Non-cash Assets to Owners

IFRS 1 First-time Adoption of International Financial Reporting Standards (revised)

Embedded Derivatives – Amendments to IFRIC 9 and IAS 39

The Directors do not anticipate that the adoption of these standards and interpretations in future reporting periods will have a material impact on the Company's results.

### (b) Going concern

The financial statements are presented on a going concern basis. In assessing the Company's ability to continue as a going concern, the directors have taken into consideration all available information relating to the 12 month period from the date of approval of these accounts. In particular the directors have assessed expenditure, budgets and cash flow forecasts of the Company.

The budgets and forecasts have been prepared to reflect the current position of the Company as listed on AIM.

### (c) Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of asset and liabilities within the next financial year are discussed below.

### Share-based payments

The Company issues share-based payments to certain employees. The fair value and the vesting periods use management assumptions in their calculation. While management believes that the assumptions used are appropriate, a change in the assumptions used would impact the results of the Company.

# Notes to the Financial Statements

continued

## 3 Summary of significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

### (a) Property Plant and Equipment

Property, plant and equipment are initially recorded at cost of purchase and are depreciated on a straight-line basis over their estimated useful lives, as follows:

Computer equipment                      4 years

### (b) Revenue recognition

Revenue is stated net of Value Added Tax and net of any applicable discounts or rebates.

### (c) Share based payments

The Company has applied the requirements of IFRS 2 Share-based Payments. In accordance with the transitional provisions, IFRS 2 has been applied to all grants of equity instruments after 7 November 2002 that were unvested as of 1 March 2006.

The Company issues share options to certain employees. These options are measured at fair value at the date of the grant, using the Black-Scholes option-pricing model. The fair value of the options is expensed on a straight-line basis over the vesting period, based on the Company's estimate of when shares will vest, applying the assumptions on a consistent basis with those used in the audited financial statements for the 11 months ended 31 January 2009.

### (d) Taxation

Deferred tax assets are recognised only to the extent that it is probable that they will be recovered through sufficient future taxable profit. The carrying amount of deferred tax assets is revalued at each balance sheet date.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is charged or credited in the income statement, except where it relates to items charged or credited directly to equity, in which case the deferred tax is also taken directly to equity.

### (e) Pensions

The Company operates a stakeholder pension plan for which all employees are eligible. No employee has as yet entered into the scheme.

### (f) Business and geographical segments

The directors consider that the Company has no separate business or geographical segments to report on.

# Notes to the Financial Statements

continued

## 4 Operating profit/(loss)

	11 months ended 31 January 2009 £	Year ended 29 February 2008 £
The Company's operating profit (2008: loss) is shown after charging/(crediting):		
Significant items:		
Write down on sale of fixed asset investments	–	4,638,803
Share based payments (credit) / charge	(636,972)	(383,667)
Depreciation	3,599	32,711
Amortisation	–	510
Fees payable to the Company's auditor for the audit of the Company's annual accounts	5,000	12,000
Other services related to taxation	11,000	14,600

## 5 Finance & other income

	11 months ended 31 January 2009 £	Year ended 29 February 2008 £
Bank interest receivable	64,232	53,404
Dividend income	70,000	–
Rent income	–	91,231
Finance and other income	134,232	144,635

## 6 Staff costs

	11 months ended 31 January 2009	Year ended 29 February 2008
The average monthly number of people (including directors) employed by the Company during the period was:		
Management and administration	2	4
	2	4
	£	£
Staff costs for the above persons:		
Wages and salaries	83,764	367,574
Social security costs	9,864	44,387
	93,628	411,961

### Directors' remuneration

The Directors received total emoluments of £83,764 (2008: £423,577).

### Employee pensions

The Company operates a stakeholder pension plan for which all employees are eligible. No employees have as yet joined the scheme.

# Notes to the Financial Statements

continued

## 6 Staff costs continued

### Highest paid Director

The highest paid Director had a remuneration package of £82,500 (2008: £102,768).

### Share option charge

There was a share option credit of £636,972 (2008: £383,667). The basis of the calculation is outlined in note 16.

### Gains on exercise of options

No options were exercised in the year.

## 7 Income tax credit

	11 months ended 31 January 2009 £	Year ended 29 February 2008 £
Factors affecting tax charge for period:		
Profit/(Loss) on ordinary activities before tax	505,229	(4,911,331)
Tax on profit/(loss) on ordinary activities at standard CT rate of 28.18%	142,394	(1,473,399)
Effects of:		
Expenses not deductible for tax purposes	19,838	133,326
Temporary differences in the recognition of profits or losses not recognised for tax purposes	–	15,507
Group income	(19,729)	–
Depreciation in excess of capital allowances	2,648	–
Other short term timing differences	(179,523)	–
Losses not recognised for tax purposes	34,372	1,439,666
Adjustment in respect of previous period's income tax	–	(816)
Share based payments not recognised for tax purposes	–	(115,100)
Tax credit for the period	–	(816)

The Company has tax losses of approximately £384,000 (2008: £419,000) which, subject to agreement with HM Revenue & Customs, are available to carry forward against future profits of the same trade.

## 8 Earnings/(Loss) per share

	31 January 2009 No.	29 February 2008 No.
Weighted average number of shares:		
For basic earnings per share	23,745,885	23,745,885
Dilutive effect of share options	200,775	–
For diluted earnings per share	23,946,660	23,745,885
Profit/(Loss) for the period	£505,229	£(4,910,515)
Earnings/(Loss) per share:	<b>pence</b>	<b>pence</b>
– Basic	2.13	(20.68)
– Diluted	2.11	(20.68)

# Notes to the Financial Statements

continued

## 9 Investments

Cost and net book value:

	£
At 1 March 2008	16,991,305
Book value of investments sold in the year	(16,991,305)
At 31 January 2009	–

Details of the subsidiary undertaking of the Company at 31 January 2009 were as follows:

	Class of share	Proportion held	Nature of business
Z Group Investments Limited	Ordinary	100%	Non trading

This subsidiary undertaking was incorporated in England and Wales, and was dissolved on 12 May 2009.

## 10 Property, plant and equipment

	Computer equipment £	Total £
<b>Cost</b>		
1 March 2008	15,705	15,705
Write-downs	(5,798)	(5,798)
31 January 2009	9,907	9,907
<b>Depreciation</b>		
At 1 March 2008	(4,807)	(4,807)
Charged in the period	(3,599)	(3,599)
At 31 January 2009	(8,406)	(8,406)
<b>Net book value</b>		
31 January 2009	1,501	1,501
29 February 2008	10,898	10,898

The Company holds no assets under finance leases or hire purchase contracts (2008: none).

The Company assigned its lease on 31 Vernon Street in December 2008, and the fixtures and fittings of the Company were assigned at the same time.

## 11 Trade and other receivables

	31 January 2009 £	29 February 2008 £
<b>Non-current</b>		
Other debtors	117,500	117,500
<b>Current</b>		
Trade receivables	–	10,287
Prepayments	271,518	23,765
Amounts due from related parties (Note 18)	94,475	328,534
Other taxation and social security	51,616	(7,054)
	417,609	355,532

The carrying value of trade and other receivables is consistent with their book values. Trade and other receivables are unsecured.

# Notes to the Financial Statements

continued

## 12 Cash and cash equivalents

	31 January 2009	31 January 2009	29 February 2008	29 February 2008
	£	Fixed interest rate thereon	£	Fixed interest rate thereon
Current account	26,006	0.00%	43,614	0.00%
Deposit accounts	1,139,125	5.65%	1,160,210	5.65%
	1,165,131		1,203,824	

The Current account represents money held in an instant access bank account. The Deposit Accounts is made up of £850,000 held in a Money Market account and £289,125 in an instant access deposit account.

## 13 Trade and other payables

Amounts falling due within one year:

	31 January 2009	29 February 2008
	£	£
Bank overdraft	–	705
Trade creditors	258,393	22,171
Amounts due to subsidiaries	–	70,000
Accruals and deferred income	18,851	38,638
	277,244	131,514

The carrying value of trade and other payables is consistent with their book values. Trade and other payables are unsecured. It is the Company's policy to settle trade and other payables within normal credit terms.

## 14 Financial risk management

The main risks arising from the Company's financial instruments are credit risk, interest rate risk, liquidity risk and foreign currency risk. The Board reviews and agrees policies for managing each of these risks and they are summarised as follows.

### Credit risk

Credit risk arises from deposits with banks, as well as credit exposure to companies. For banks, only independently rated parties with a minimum rating of "A" are accepted. Customer risk is minimal as the Company currently has minimal trade.

### Interest rate risk

The Company's policy on managing its exposure to interest rate change is agreed at Board level and reviewed on an ongoing basis.

### Liquidity risk

The Company's objective is to maintain a balance between continuity of funding and flexibility. The Company's policy is to manage working capital so as to ensure that liquidity is maintained so as to meet peak funding requirements.

### Foreign currency risk

As at 31 January 2009, there was no FX currency exposure.

### Borrowing facilities

The Company has not arranged a borrowing facility as at the balance sheet date.

# Notes to the Financial Statements

continued

## 15 Share capital and reserves

	31 January 2009 £	29 February 2008 £
<b>Authorised</b>		
100,000,000 ordinary shares of £0.05 each	5,000,000	5,000,000
	5,000,000	5,000,000
<b>Allotted, called up and fully paid</b>		
At the beginning of the period	1,187,294	1,187,294
At the end of the period	1,187,294	1,187,294
<b>Reserve</b>	<b>Description and purpose</b>	
Share premium	Amounts subscribed for share capital in excess of nominal value	
Share option reserve	Amounts arising from the requirement to expense the fair value of share options in accordance with IFRS2 Share-based Payments.	
Retained losses	Cumulative net losses recognised in the consolidated income statement.	

## 16 Share based payments

### Share Option Plans

The EMI Share Option Plan and the Executive Unapproved Share Option Plan were both introduced in June 2005. Under the schemes the board of Directors of Avisen plc can grant options over shares in the Company to Directors and employees of the Company. Options are typically granted at a fixed price equal to the market price of the shares under option at the date of grant, although some options granted around the time of the flotation of the Company were at a discount to the market price. The contractual life of the option is 10 years. Awards under the scheme are reserved for employees who are deemed to be critical to the future success of the Company. The vesting period of the options typically is for one year. Exercise of an option is subject to continued employment. The differences between the two schemes are relatively minor, the main difference residing in the definition of an eligible employee. Under the EMI scheme an employee must be a full-time employee, whereas part-time employees can become members of the unapproved scheme. Options issued under both schemes were valued using the Black-Scholes option-pricing model. The fair value per option granted and the assumptions used in the calculation are as follows:

Grant date	21 June 2005	15 December 2006
Share price at grant date	108.0p	63.5p
Exercise price	55.0p	63.5p
Number of option holders	1	1
Share options granted	43,295	157,480
Vesting period (years)	1.0	0.7
Expected volatility	37.1%	47.2%
Option life (years)	10	10
Expected life (years)	2.7	3.0
Risk Free rate	4.9%	4.9%
Expected dividends expressed as a dividend yield	0%	0%
Fair value per option	61.7p	23.3p

The expected volatility is based on the historic volatility from 21 June 2005, the date Avisen plc was admitted onto AIM, to the date of the grant concerned. The expected volatility of options granted at the date of the float was derived by taking an average of historic share price volatility of a listed technology company of equivalent size to Avisen plc and Avisen plc's subsequent share price volatility.

# Notes to the Financial Statements

continued

## 16 Share based payments continued

A reconciliation of option movements over the period to 31 January 2009 follows:

	2009	2009	2008	2008
	Number	Weighted average exercise price	Number	Weighted average exercise price
Outstanding brought forward	1,002,601	41.8p	1,341,128	53.2p
Granted	–	–	–	–
Forfeited	(801,826)	103.1p	(338,527)	86.8p
Exercised	–	–	–	–
Outstanding carried forward	200,775	61.7p	1,002,601	41.8p
Exercisable as at 31 January 2009	200,775	–	–	–

The total credit in the Income Statement is £636,972 (2008: £383,667). This credit has resulted from the reversal of previous charges, the reversal arising from the forfeiture of options, as continued employment is a pre-condition of holding options in the Company.

## 17 Commitments under operating leases

Future minimum lease payments under non-cancellable operating leases were:

	31 January 2009 £	29 February 2008 £
Land and buildings:		
Expiring in less than one year	–	1,875
	–	1,875

## 18 Related party transactions

The only key management personnel of the Company are the Directors. Details of the compensation of the key management personnel, as required by IAS 24 "Related Party Disclosures", are disclosed in Note 6 to the Financial Statements on page 20.

Jack Bekhor and Jamie True purchased the trading subsidiaries of the Company on 7 January 2009 (the "MBO"). Jack Bekhor and Jamie True remain related parties of the Company in their capacity as significant shareholders of the Company. A summary follows of the movements in the debt due to and from these related parties up to 31 January 2009:

	11 months ended 31 January 2009 £	Year ended 29 February 2008 £
Opening debt due from / (to) related parties	328,534	590,447
Cash forwarded by the Company to the related parties	–	4,512,109
Cash forwarded by the related parties to the Company	(234,059)	(4,757,361)
Other re-charges from the related parties	–	332,552
Other re-charges from the Company	–	(20,205)
Loan waiver to ex-subsiidiary	–	(329,008)
Closing debt due from related parties	94,475	328,534

The closing debt of £94,475 has been paid to the Company after the period end.

# Notes to the Financial Statements

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continued

## 19 Capital management

The capital management objective of the Company in the period was to safeguard its ability to continue as a going concern by minimising expenditure, whilst at the same time looking for a possible transaction with a trading entity.

## 20 Capital commitments

The Company had no capital commitments at 31 January 2009.

## 21 Post balance sheet events

On 2 February 2009 Avisen Plc (formerly Z Group Plc) acquired Avisen Group Limited.

# Notice of Annual General Meeting

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**NOTICE IS HEREBY GIVEN** that the annual general meeting of Avisen plc (the "Company") will be held at the registered office of the Company, 16 Devonshire Street, London W1G 7AF at 11.00 a.m. on Tuesday 25 August 2009 for the following purposes:

To consider and, if thought fit, to pass resolutions 1 to 10, which are proposed as **ordinary resolutions**:

1. To receive the accounts of the Company for the 11 month period ended 31 January 2009 (the Company's accounting reference date having been changed from 28 February 2009 to 31 January 2009) and the reports of the directors and auditors.
2. To re-elect Jonathan Claydon, who retires by rotation in accordance with the Company's articles of association and who, being eligible, offers himself for re-election as a director of the Company.
3. To re-elect Marcus Yeoman, who retires by rotation in accordance with the Company's articles of association and who, being eligible, offers himself for re-election as a director of the Company.
4. To elect Andrew Turner, being a director appointed since the last AGM following the acquisition of Avisen Group Limited, as a director of the Company.
5. To elect Louis Peacock, being a director appointed since the last AGM following the acquisition of Avisen Group Limited, as a director of the Company.
6. To elect Keith Jones, being a director appointed since the last AGM following the acquisition of Avisen Group Limited, as a director of the Company.
7. To elect Marcus Hanke, being a director appointed since the last AGM following the acquisition of Avisen Group Limited, as a director of the Company.
8. To re-appoint Horwath Clark Whitehill LLP as auditors of the Company until the conclusion of the next annual general meeting.
9. To authorise the directors to fix the auditors' remuneration.
10. THAT, in substitution for any existing and unexercised authorities, the directors be authorised generally and unconditionally pursuant to Section 80 of the Companies Act 1985 as amended (the "Act") (in substitution for all other existing authorities pursuant to Section 80 of the Act to the extent not utilised at the date this resolution is passed) to exercise all the powers of the Company to allot relevant securities, provided that the authority conferred by this resolution shall be limited to the allotment of relevant securities of the Company up to an aggregate nominal amount of £2,308,687.93, such authority (unless previously revoked, varied or renewed) to expire on the conclusion of the annual general meeting of the Company to be held in 2010 or, if earlier, 15 months after the date on which this resolution is passed, provided that the Company may, before such expiry, make an offer, agreement or other arrangement which would or might require relevant securities to be allotted after such expiry and the directors may allot such relevant securities in pursuance of such offer, agreement or other arrangement as if the authority conferred hereby had not expired and in this resolution the expression "relevant securities" and reference to the allotment of relevant securities.

To consider and, if thought fit, to pass resolutions 11 and 12, which are proposed as **special resolutions**:

11. THAT, subject to resolution 10 above being duly passed, in substitution for any existing and unexercised authorities, the directors be and are hereby generally empowered to allot equity securities (within the meaning of Section 94(2)) for cash pursuant to the authority conferred by resolution 10 above or by way of sale of treasury shares as if Section 89(1) of the Act or any pre-emption provisions contained in the Company's articles of association did not apply to any such allotment, provided that the power conferred by this resolution shall be limited to:
  - (i) any allotment of equity securities where such securities have been offered (whether by way of rights issue, open offer or otherwise) to holders of equity securities in proportion (as nearly as may be practicable) to their then holdings of such securities, but subject to the directors having the right to make such exclusions or other arrangements in connection with such offer as they deem necessary or expedient to deal with fractional entitlements or legal or practical problems arising in, or pursuant to,

# Notice of Annual General Meeting

continued

the laws of any territory or the requirements of any regulatory body or stock exchange in any territory or otherwise howsoever; and

- (ii) any other allotment (otherwise than pursuant to sub-paragraph (i) of this resolution 11) of equity securities up to an aggregate nominal value of £692,606.38.

such authorities and powers (unless previously revoked, varied or renewed) to expire on the earlier to occur of 15 months after the passing of this resolution or the conclusion of the annual general meeting of the Company to be held in 2010, provided that the Company may prior to such expiry make any offer, agreement or other arrangement which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities pursuant to any such offer, agreement or other arrangement as if the power hereby conferred had not expired. This power applies in relation to a sale of shares which is an allotment of equity securities by virtue of Section 94(3A) of the Act as if in the first paragraph of this resolution the words "pursuant to the authority conferred by resolution 10 above" were omitted.

12. THAT the Company is generally and unconditionally hereby authorised for the purposes of section 166 of the Act to make market purchases (within the meaning of section 163(3) of the Act) of any of its ordinary shares of £0.05p each ("ordinary shares") on such terms and in such manner as the directors may from time to time determine provided that:

- (i) the maximum 13,852,127 representing approximately 10% of the issued share capital of the Company following and assuming the completion of the acquisition of Inca Holdings Limited (as announced on 17 July 2009);
- (ii) the minimum price which may be paid for any such ordinary share is £0.05, exclusive of the expenses of purchase (if any) payable by the Company;
- (iii) the maximum price, exclusive of the expenses of purchase (if any) payable by the Company, which may be paid for any such ordinary share under this authority is an amount equal to 105% of the average of the middle market closing quotations for an ordinary share as derived from the Daily Official List of the London Stock Exchange for the five business days immediately preceding the day of purchase; and
- (iv) unless previously renewed, revoked or varied, the authority hereby conferred shall expire on the earlier of 15 months after the passing of this resolution or at the conclusion of the annual general meeting of the Company to be held in 2010, but a contract for purchase may be made before such expiry which will or may be executed wholly or partly thereafter, and a purchase of ordinary shares may be made in pursuance of any such contract.

BY ORDER OF THE BOARD

**Jonathan Claydon**  
*Non-Executive Chairman*

16 Devonshire Street  
London  
W1G 7AF

30 July 2009

# Notice of Annual General Meeting

continued

## Notes:

### Entitlement to attend and vote

- (i) Only those shareholders registered in the register of members of the Company as at 11.00 a.m. on 23 August 2009 or, if this meeting is adjourned, 48 hours prior to the adjourned meeting shall be entitled to attend and vote at the annual general meeting in respect of the number of shares registered in their name at that time. Changes to entries on the relevant register of member after 11.00 a.m. on 23 August 2009 or, if this meeting is adjourned, 48 hours prior to the adjourned meeting, shall be disregarded in determining the rights of any person to attend or vote at this annual general meeting.

### Appointment of proxies

- (ii) A shareholder entitled to attend and vote at this annual general meeting is entitled to appoint one or more proxies to exercise all or any of his/her rights to attend, speak and vote at the annual general meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form.
- (iii) A proxy does not need to be a shareholder of the Company but must attend the annual general meeting to represent you. Details of how to appoint the Chairman of the annual general meeting or another person as your proxy using the proxy form are set out in the notes to the proxy form. If you wish your proxy to speak on your behalf at the annual general meeting, you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them.
- (iv) A shareholder may appoint more than one proxy provided each proxy is appointed to exercise rights attached to a different share or shares held by him. You may not appoint more than one proxy to exercise rights attached to any one share. Details of how to appoint more than one proxy are set out in the notes to the proxy form.
- (v) A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the annual general meeting.
- (vi) The notes to the proxy form explain how to direct your proxy, how to vote on each resolution or how to withhold their vote.

To appoint a proxy using the proxy form, the form must be:

- completed and signed;
- sent or delivered to Capita Registrars Limited at the Proxies Department, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU; and
- received by Capita Registrars Limited no later than 48 hours before the time of the annual general meeting or any adjournment thereof.

In the case of a shareholder which is a company, the proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.

The original of any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.

### Appointment of proxy by joint shareholders

- (vii) In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).

### Changing proxy instructions

- (viii) To change your proxy instructions simply submit a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments (see above) also applies in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded.

# Notice of Annual General Meeting

continued

Where you have appointed a proxy using the proxy form and would like to change the instructions using another proxy form, please contact the Company Secretary, London Registrars plc, 4th Floor, Haines House, 21 John Street, London WC1N 2BP, telephone: 0870 766 8407 or fax: 0870 766 8414.

If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

## Termination of proxy appointments

- (ix) In order to revoke a proxy instruction you will need to send a signed hard copy notice clearly stating your intention to revoke your proxy appointment to the registered office of the Company. In the case of a shareholder which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. The original of any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice.

The revocation notice must be received by the Company no later than 11.00 a.m. on 23 August 2009 and a copy must be sent or delivered to Capita Registrars Limited at The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU.

Appointment of a proxy does not preclude you from attending the annual general meeting and voting in person. If you have appointed a proxy and attend the annual general meeting in person, your proxy appointment will automatically be terminated.

## Corporate representatives

- (x) In order to facilitate voting by corporate representatives at the annual general meeting, arrangements will be put in place at the annual general meeting so that:
- (i) if a corporate member has appointed the Chairman of the annual general meeting as its corporate representative with instructions to vote on a poll in accordance with the directions of all the other corporate representatives for that member at the annual general meeting, then, on a poll, those corporate representatives will give voting directions to the Chairman and the Chairman will vote or withhold a vote as corporate representative in accordance with those directions; and
- (ii) if more than one corporate representative for the same corporate member attends the annual general meeting but the corporate member has not appointed the Chairman of the annual general meeting as its corporate representative, a designated corporate representative will be nominated, from those corporate representatives who attend, who will vote on a poll and the other corporate representatives will give voting directions to that designated corporate representative.

Corporate members are referred to the guidance issued by the Institute of Chartered Secretaries and Administrators on proxies and corporate representatives – [www.icsa.org.uk](http://www.icsa.org.uk) – for further details of this procedure. The guidance includes a sample form of representation letter to appoint the Chairman as a corporate representative as described in (i) above.

- (xi) As at 29 July 2009 (being the last practicable date prior to the printing of this notice) the issued share capital of the Company conferring the right to vote at the annual general meeting consisted of 115,570,456 ordinary shares of 5p each. Therefore the total number of voting rights in the Company as at that date was 115,570,456.

## Communication

- (xii) Except as provided above, shareholders who have general queries about the annual general meeting should use the following means of communication:
- calling Capita Registrars on 0871 664 0300 (calls cost 10p per minute plus network extras); or
  - by email to [ssd@capitaregistrars.com](mailto:ssd@capitaregistrars.com)

You may not use any electronic address provided in any documentation to communicate with the Company for any purposes other than those expressly stated.

# Notice of Annual General Meeting

continued

## Documents on display

- (xiii) The memorandum and articles of association of the Company are available for inspection on any day (except Saturday, Sunday and Bank Holidays) up to and including the date of this annual general meeting during usual business hours at the registered office of the Company, 16 Devonshire Street, London W1G 7AF, and will, on the date of this annual general meeting, be available for inspection at the meeting from 10.45 a.m. until the conclusion of the meeting.

## Explanatory Notes

The notes on the following pages give an explanation of the proposed resolutions.

Resolutions 1 to 10 are proposed as ordinary resolutions. This means that for each of those resolutions to be passed, more than half of the votes cast must be in favour of the resolution. Resolutions 11 and 12 are proposed as special resolutions. This means that for each of those resolutions to be passed, at least three-quarters of the votes cast must be in favour of the resolution.

## Annual Report and Accounts (Resolution 1)

On 18 February 2009 the accounting reference date was changed from 28 February 2009 to 31 January 2009 and the directors of the Company (the "Directors") are required to lay before the Company at this annual general meeting the accounts of the Company for the 11 month period ended 31 January 2009, the report of the Directors and the report of the Company's auditors on those accounts.

## Re-Election of Directors (Resolutions 2 and 3)

The Company's articles require certain Directors to retire by rotation from time to time on an annual basis.

In accordance with the articles, Jonathan Claydon and Marcus Yeoman are required to retire by rotation and, being eligible, have offered themselves for re-election at this year's annual general meeting.

## Election of Directors (Resolutions 4 to 7)

Andrew Turner, Marcus Hanke, Louis Peacock and Keith Jones, who have been appointed Directors since the last annual general meeting, are required to retire and, being eligible, have offered themselves for election at this year's annual general meeting.

Biographies and the ages of all the above-mentioned Directors are contained in the Company's annual report and accounts for the 11 month period ended 31 January 2009.

## Appointment of Auditors (Resolution 8)

The Company is required to appoint auditors at each general meeting at which accounts are laid, to hold office until the conclusion of the next such meeting. Resolution 8 proposes the re-appointment of Horwath Clark Whitehill LLP as auditors of the Company.

## Remuneration of Auditors (Resolution 9)

Resolution 9 authorises the Directors to determine the auditors' remuneration for the ensuing year.

## Authority to allot equity securities (Resolution 10)

Under section 80 of the Companies Act 1985, Directors require shareholders' authority for allotment of shares. Shareholders last granted such general authority to the Directors at the annual general meeting in August 2008. Such authority will, to the extent not utilised, expire at the end of this annual general meeting and Resolution 10 seeks to renew it, although the Directors have no current plans to utilise the authority.

Resolution 10 will be proposed as an ordinary resolution, to authorise the Directors to allot generally relevant securities up to a maximum nominal value of £2,308,687.93 representing one third of the aggregate of the issued share capital of the Company following and assuming the completion of the acquisition of Inca Holdings Limited (as announced on 17 July 2009). This authority will expire on the earlier of 15 months after the passing of the Resolution or on the conclusion of the annual general meeting of the Company to be held in 2010.

# Notice of Annual General Meeting

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continued

## **Authority to allot equity securities for cash (Resolution 11)**

Under section 89 of the Act, if the Directors wish to allot any of the unissued equity securities for cash they must in the first instance offer them to existing ordinary shareholders in proportion to their ordinary shareholdings. There may be occasions, however, when the Directors will need the flexibility to finance business opportunities by the issue of ordinary shares or warrants without a pre-emptive offer to existing ordinary shareholders. Shareholders last granted authority to the Directors to disapply pre-emptive rights at the annual general meeting in August 2008. Such authority will expire at the end of this annual general meeting and Resolution 11 seeks to renew it.

Resolution 11 imposes a limit of approximately 10% of the aggregate of the issued ordinary share capital following and assuming the completion of the acquisition of Inca Holdings Limited (as announced on 17 July 2009). Resolution 11 also seeks a disapplication of the pre-emption rights on a rights issue (or other pre-emptive type issue) so as to allow the Directors to make exclusions or such other arrangements as may be appropriate to resolve legal or practical problems which, for example, might arise with overseas ordinary shareholders. This authority will expire on the earlier of 15 months after the passing of the Resolution or on the conclusion of the annual general meeting of the Company to be held in 2010.

## **Authority to purchase Company's own shares (Resolution 12)**

In certain circumstances, subject to the provisions of Companies Act 1985, it may be advantageous for the Company to purchase its own shares and Resolution 12 seeks authority from shareholders to do so up to a limit of approximately 10% of the issued share capital (excluding treasury shares), assuming the completion of the acquisition of Inca Holdings Limited (as announced on 17 July 2009).

The Directors intend to exercise this power only when, in the light of market conditions prevailing at the time, they believe that the effect of such purchases will be to increase earnings per share and are in the best interest of shareholders generally. Other investment opportunities, appropriate gearing levels and the overall position of the Company will be taken into account before deciding upon this course of action.

If the Company buys back any of its shares, the Companies Act 1985 (as amended by The Companies (Acquisition of Own Shares) (Treasury Shares) Regulations 2003 (the "Treasury Shares Regulations")) allows the Company to have the choice of holding such shares in treasury (up to a limit of 10% of the issued share capital) or to cancel them or a combination of both. The Company has the option to resell for cash, transfer or cancel any treasury shares.

The Directors believe it is advantageous for the Company to have this choice and the Directors would consider holding any shares repurchased pursuant to Resolution 12 as treasury shares. The Directors further believe that the holding of treasury shares will provide the Company with increased flexibility in managing its share capital. No voting rights would be exercised, or dividends paid, in respect of any treasury shares.

The authority sought by Resolution 12 will expire on the earlier of 15 months after the passing of the Resolution or the conclusion of the annual general meeting of the Company held in 2010. The Directors intend to seek renewal of this power at subsequent annual general meetings.

The Company does not hold any shares in treasury as of 29 July 2009. As at 29 July 2009, the Company has not granted any warrants to acquire ordinary shares in the capital of the Company.



Registered Office  
16 Devonshire Street  
London W1G 7AF