

Wireless Information Network Limited

Directors' report and financial statements

Registered number 3212199

31 December 2008



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Directors' report

The directors present their directors' report and financial statements for the year ended 31 December 2008.

Principal activities

The company is a wholly owned subsidiary of WIN plc.

The company's principal activity continues to be the enablement of corporate customers to send and receive text messages, as well as deliver content, such as ring tones and icons, to and from large numbers of mobile phone users. While text messaging accounts for the substantial proportion of the company's current revenues, it also provides other wireless data services to business customers, including picture messaging and the design, management and packaging of information services to users of wireless devices, including mobile phones.

Business review

The profit for the year is shown on page 6.

WIN continues to lead the industry in its service offerings to tier-one Mobile Network Operators, large Enterprises and Media and Entertainment businesses.

2008 was a year of continuing change and some degree of uncertainty at WIN. The company invested in its process and technology to provide the necessary quality to support its business to blue chip corporations and to major mobile operators. Turnover for the year reached £33.7m (2007: £37.7m). Gross profit was £7.9m (2007: £7.9m).

WIN plc uses gross profit together with gross profit percentage as its key performance indicators in monitoring its subsidiaries. The Board continues to be pleased with the company's performance.

There have been no significant events since the balance sheet date.

Future Prospects

Current trading continues to reflect the trends identified during 2008, namely a shift to higher value-add content and services, more opportunities in the enterprise market and the continued roll-out of new Interactive Mobile Services with broadcasters and media companies.

Financial instruments

Details of the company's financial risk management objectives and policies are set out in note 22 of the financial statements.

Principal risks and uncertainties

The principal risk to the business would be a catastrophic failure of any of WIN's core systems, content feeds and network connections. This has been reduced through the implementation of a dual-site architecture and the dual routing of all traffic. Continued investment will be made to minimise these risks as well as to increase the flexibility and scalability of our technology.

Competitive pressures in the UK are a continuing risk to the company, which could result in losing sales to its key competitors. The business manages this risk by providing and implementing innovative new services together with greater value added services to its key clients and by maintaining strong relationships with customers, including long term contracts, as well as diversifying its risk from a limited number of key customers.

The company's sales overseas are made in foreign currency, primarily the Euro, and it is therefore exposed to the movement in exchange rates. This is partially mitigated by the fact that the company contracts with clients in the same foreign currency. The company has bank accounts in foreign currencies to manage this risk.

Directors' report *(continued)*

Proposed dividend

The directors have paid an interim ordinary dividend in respect of the current financial year of £0.28 per ordinary share (2007: £0.31).

The directors have proposed a final ordinary dividend in respect of the current financial year of £0.265 per ordinary share (2007: £0.27). This has not been included within creditors as it was not approved before the year end.

Directors

The following directors held office during the year.

J Rands
RW Joyce
G Rivers
LS Moir

Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

Pursuant to section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG Audit plc will therefore continue in office.

On behalf of the board



LS Moir
Director

1 Cliveden Office Village
Lancaster Road
Cressex Business Park
High Wycombe
Buckinghamshire
HP12 3YZ

19 May 2009

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

The directors are responsible for preparing the Directors' 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.



KPMG Audit Plc

8 Salisbury Square
London
EC4Y 8BB
United Kingdom

Independent auditors' report to the member of Wireless Information Network Limited

We have audited the company financial statements of WIN Information Network Limited for the year ended 31 December 2008 which comprise Profit and Loss Account, Balance Sheet and Statement of Total Recognised Gains and Losses 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 member 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 member those matters we are required to state to them in an auditor's 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 member 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 financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 3.

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 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 the Directors' Report and consider the implications for our report if we become aware of any apparent misstatement within it.

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 judgments 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.

Independent auditors' report to the members of Wireless Information Network Limited *(continued)*

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2008 and of its 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.

KPMG Audit Plc

KPMG Audit Plc
Chartered Accountants
Registered Auditor

20 May 2009

Profit and loss account
for the year ended 31 December 2008

	<i>Note</i>	2008 £	2007 £
Turnover	2	33,737,731	37,664,381
Cost of sales		(25,843,083)	(29,759,003)
Gross profit		7,894,648	7,905,378
Administrative expenses		(6,476,427)	(5,080,106)
Share based payment (charge)/credit		(29,759)	32,219
Operating profit		1,388,462	2,857,491
Interest receivable and similar income	<i>6</i>	21,767	130,869
Interest payable and similar charges	<i>7</i>	(58,467)	(183)
Profit on ordinary activities before taxation	3	1,351,762	2,988,177
Tax credit/(charge) on profit on ordinary activities	<i>8</i>	248,628	(598,216)
Profit for the financial year	16	1,600,390	2,389,961

A note on historical cost gains and losses has not been included as part of the financial statements as the results disclosed in the profit and loss account are prepared on an unmodified historical cost basis.

The results stated above are all derived from continuing operations.

Balance sheet
at 31 December 2008

	Note	2008 £	2007 £
Fixed assets			
Tangible assets	9	1,166,163	882,732
Investments	10	-	-
		<u>1,166,163</u>	<u>882,732</u>
Current assets			
Debtors	11	10,140,361	9,323,607
Cash at bank		2,714,663	4,307,327
		<u>12,855,024</u>	<u>13,630,934</u>
Creditors: amounts falling due within one year	12	<u>(6,250,188)</u>	<u>(6,347,322)</u>
Net current assets		<u>6,604,836</u>	<u>7,283,612</u>
Total assets less current liabilities		<u>7,770,999</u>	<u>8,166,344</u>
Provisions for liabilities	13	<u>(41,060)</u>	<u>(68,875)</u>
Net assets		<u>7,729,939</u>	<u>8,097,469</u>
Capital and reserves			
Called up share capital	14	71,859	71,859
Share premium account	15	5,578,558	5,578,558
Profit and loss account	15	2,079,522	2,447,052
		<u>7,729,939</u>	<u>8,097,469</u>
Shareholder's funds	16	<u>7,729,939</u>	<u>8,097,469</u>

These financial statements were approved by the board of directors on 19 May 2009 and were signed on its behalf by:


LS Moir
Director

Statement of Total Recognised Gains and Losses
for the year ended 31 December 2008

	2008 £	2007 £
Profit for the financial year	1,600,390	2,389,961
Total recognised gains and losses relating to the financial year	<u>1,600,390</u>	<u>2,389,961</u>

Notes

(forming part of the financial statements)

1 Accounting policies

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

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

The company is exempt by virtue of Section 228 of the Companies Act 1985 from the requirement to prepare group accounts. These financial statements present information about the company as an individual undertaking and not about its group.

Under FRS 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements.

As the company is a wholly owned subsidiary of WIN plc, the company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group. The consolidated financial statements of WIN plc, within which this company is included, can be obtained from the address given in note 23.

Tangible fixed assets and depreciation

Depreciation is calculated to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic life as follows:

Leasehold improvements	-	3 years
Plant and equipment	-	3 years
Computer equipment	-	3 years
Furniture and equipment	-	3 years

Foreign currencies

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

Leases

Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

Post-retirement benefits

The company operates a defined contribution stakeholder pension scheme. The assets of the scheme were held separately from those of the company in an independently administered fund. The amount charged to the profit and loss account represented the contributions payable to employees' private pension schemes in respect of the accounting period.

Notes (continued)

1 Accounting policies (continued)

Research and development expenditure

Expenditure on research and development is written off to the profit and loss account in the year in which it is incurred.

Taxation

The charge for taxation is based on the result for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

Dividends on shares presented within shareholders' funds

Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the Company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

Classification of financial instruments issued by the Company

Financial instruments issued by the Company are treated as equity (i.e. forming part of shareholders' funds) only to the extent that they meet the following two conditions:

- 1 they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and
- 2 where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Finance payments associated with financial liabilities are dealt with as part of interest payable and similar charges. Finance payments associated with financial instruments that are classified as part of shareholders' funds (see dividends policy), are dealt with as appropriations in the reconciliation of movements in shareholders' funds.

Notes (continued)

1 Accounting policies (continued)

Share based payments

The share option programme allows employees to acquire shares of the parent company. The fair value of options granted is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at grant date and spread over the period during which the employees become unconditionally entitled to the options. The fair value of the options granted is measured using A Black-Scholes model, taking into account the terms and conditions upon which the options were granted. The amount recognised as an expense is adjusted to reflect the actual number of share options that vest except where forfeiture is only due to share prices not achieving the threshold for vesting.

Revenue recognition

Turnover represents the amounts (excluding value added tax) derived from the provision of services to customers.

Information services

Revenue from the provision of information is accrued on the basis of recorded transactions with the ultimate end user.

Development revenue

Revenue for development work is recognised at the point of delivery of services to the customer.

2 Turnover

The turnover was derived from the company's principal activities.

3 Profit on ordinary activities before taxation

	2008 £	2007 £
<i>Profit on ordinary activities before taxation is stated after charging:</i>		
Audit of these financial statements	25,950	24,750
Amounts receivable by the auditors and their associates in respect of:		
Audit of financial statements of subsidiaries	-	4,000
All other services	-	20,000
Depreciation on tangible fixed assets - owned	437,579	427,435
Loss due to obsolete computer software asset written off	115,488	
Loan impairment written back	-	(188,024)
Hire of plant and machinery – rentals payable under operating leases	35,960	43,308
Hire of other assets – rentals payable under operating leases	268,701	228,374
	<hr/>	<hr/>

Notes (continued)

4 Remuneration of directors

Directors of the company received no remuneration from the company. Remuneration received from other group companies is disclosed in the financial statements of the parent company, WIN plc.

5 Staff numbers and costs

The average number of persons employed by the company (including directors) during the year, analysed by category, was as follows:

	Number of employees	
	2008	2007
Management	1	1
Sales and marketing	16	19
Administration	10	8
Operations and development	25	16
	<hr/>	<hr/>
	52	44
	<hr/>	<hr/>

The aggregate payroll costs of these persons were as follows:

	2008	2007
	£	£
Wages and salaries	2,684,162	2,382,268
Social security costs	295,156	275,066
Other pension costs	197,341	168,891
	<hr/>	<hr/>
	3,176,659	2,826,225
	<hr/>	<hr/>

Notes (continued)

6 Interest receivable and similar income

	2008 £	2007 £
Bank interest receivable	2,478	108,768
Interest on rent deposit	5,628	6,521
Early settlement discounts	13,661	10,335
Net foreign exchange gains	-	5,245
	<u>21,767</u>	<u>130,869</u>

7 Interest payable and similar charges

	2008 £	2007 £
Bank interest paid	25	183
Other	7,972	-
Net foreign exchange losses	50,470	-
	<u>58,467</u>	<u>183</u>

8 Taxation

	2008 £	2007 £
<i>UK corporation tax</i>		
Current tax on income for the period	166,875	548,436
Adjustment in respect of prior year	(357,236)	68,099
	<u>(190,361)</u>	<u>616,535</u>
<i>Deferred tax</i>		
Origination and reversal of timing differences	(58,437)	(19,169)
Adjustment in respect of previous years	170	850
	<u>(58,267)</u>	<u>(18,319)</u>
Tax (credit)/charge on profit on ordinary activities	<u>(248,628)</u>	<u>598,216</u>

Notes (continued)

8 Taxation (continued)

Factors affecting the tax charge for the current period

The current tax charge for the period is lower than (2007: lower) than the standard rate of corporation tax in the UK 28% (2007: 30%). The differences are explained below

Current tax reconciliation

	2008 £	2007 £
Profit on ordinary activities before tax	1,351,762	2,988,177
Current tax at 28% (2007: 30%)	378,493	896,453
Effects of:		
Expenses not deductible/(income not taxable) for tax purposes	148,433	(64,256)
Depreciation (less than) / in excess of capital allowances	(64,966)	19,167
Share based payments	1,707	(870)
R&D tax credit	(80,000)	(89,224)
Group relief	(211,802)	(214,201)
Reduction in tax rate	(4,990)	1,367
Adjustment in respect of prior year	(357,236)	68,099
Total current tax (credit)/charge	(190,361)	616,535

The adjustments in respect of prior periods relates to cash payments received from HMRC relating to Research and Development tax credits for 2002-2006 (2007: nil) which had not been previously recognised due to the uncertainty of recoverability of the amount.

Notes (continued)

9 Tangible fixed assets

	Leasehold improvements £	Plant and equipment £	Computer equipment £	Furniture and equipment £	Total £
Cost					
At beginning of year	365,673	209,309	2,251,227	153,212	2,979,421
Additions	5,105	-	827,710	3,683	836,498
Assets written off	-	-	(387,757)	-	(387,757)
At end of year	370,778	209,309	2,691,180	156,895	3,428,162
Depreciation					
At beginning of year	318,342	209,309	1,434,353	134,685	2,096,689
Assets written off	-	-	(272,269)	-	(272,269)
Charged in year	34,019	-	391,700	11,860	437,579
At end of year	352,361	209,309	1,553,784	146,545	2,261,999
Net book value					
At 31 December 2008	18,417	-	1,137,396	10,350	1,166,163
At 31 December 2007	47,331	-	816,874	18,527	882,732

10 Fixed asset investments

	Shares in group undertaking £
Cost	
At beginning and end of year	1,905,000
Provisions	
At beginning and end of year	(1,905,000)
Net book value	
At 31 December 2008	-
At 31 December 2007	-

Notes (continued)

10 Fixed asset investments (continued)

The companies in which the company's interest at the year end is more than 20% are as follows:

	Country of incorporation	Principal activity	Class and Percentage of share
<i>Subsidiary undertakings</i>			
Bellboy Limited *	England	Dormant	Ordinary 100%
Wireless Information Network Inc. (formerly Sprintel Communications Inc.) *	USA	Dormant	Ordinary 100%
WIN Financial Limited	England	Data systems and services	Ordinary 100%
WIN Mobile Limited	England	Dormant	Ordinary 100%

* These companies are held indirectly through WIN Financial Limited.

The results of WIN Financial Limited are included in the consolidation of WIN plc.

11 Debtors

	2008 £	2007 £
Trade debtors	2,869,850	3,605,744
Amounts owed by group undertakings	3,351,522	2,670,742
Other debtors	172,358	177,936
Deferred tax asset (see note 13)	133,125	74,856
Corporation tax receivable	84,158	-
Prepayments and accrued income	3,529,348	2,794,329
	<u>10,140,361</u>	<u>9,323,607</u>

Other debtors include £146,266 (2007: £146,266) due after more than one year.

12 Creditors: amounts falling due within one year

	2008 £	2007 £
Trade creditors	3,152,192	3,966,344
Taxation and social security	271,816	63,881
Corporation tax	-	248,967
Other creditors	101,754	9,746
Accruals and deferred income	2,724,426	2,058,384
	<u>6,250,188</u>	<u>6,347,322</u>

Notes (continued)

13 Provisions for liabilities

	Deferred taxation £	Other Provisions £
At beginning of year	74,856	(68,875)
Change in tax rate	(4,990)	
Debit to the profit and loss for the year	63,259	27,815
At end of year	133,125	(41,060)

The above provision relates to an empty property leased by the business but no longer in use and is made in accordance with FRS 12. The decrease in the provision is due to the company sub-letting the property for the year. The remaining period of the lease is 2.5 years and the provision is for the onerous element.

The elements of deferred taxation are as follows:

	2008 £	2007 £
Difference between accumulated depreciation and capital allowances	133,125	73,027
Share based payments	-	1,829
Deferred tax asset (see note 11)	133,125	74,856

14 Called up share capital

	2008		2007	
	Number	£	Number	£
Authorised				
Ordinary shares of 1p each	100,010,000	1,010,000	100,010,000	1,010,000
Allotted, called up and fully paid				
Ordinary shares of 1p each	7,185,894	71,859	7,185,894	71,859

Notes (continued)

15 Reserves and share premium

	Share premium account £	Profit and loss account £
At beginning of year	5,578,558	2,447,052
Profit for the year	-	1,600,390
Dividends on shares classified in shareholders' funds	-	(1,997,679)
Credit in relation to share based payment	-	29,759
At end of year	5,578,558	2,079,522

16 Reconciliation of movements in shareholder's funds

	2008 £	2007 £
Profit for the financial year	1,600,390	2,389,961
Dividends on shares classified in shareholders' funds	(1,997,679)	(2,200,000)
Share based payment charge/(credit)	29,759	(32,219)
Net (decrease)/increase in shareholder's funds	(367,530)	157,742
Opening shareholder's funds	8,097,469	7,939,727
Closing shareholder's funds	7,729,939	8,097,469

17 Contingent liabilities

Wireless Information Network Limited has given a fixed and floating charge over the undertaking and all property and assets present and future including goodwill, book debts, uncalled capital, buildings, fixtures, fixed plant and machinery to National Westminster Bank plc.

18 Commitments

Annual commitments under non-cancellable operating leases are as follows:

	2008		2007	
	Land and Buildings £	Other £	Land and buildings £	Other £
Operating leases which expire:				
Within one year	-	41,954	-	4,672
2 to 5 years	36,000	-	36,000	35,960
Over five years	259,032	-	259,032	-
	295,032	41,954	295,032	40,632

Notes (continued)

19 Pension scheme

The company operates a defined contribution stakeholder pension scheme. The pension charge for the period represents contributions payable to employees' private pension schemes and amounted to £197,341 (2007: £168,891).

Contributions amounting to £2,784 (2007: £3,035) were payable to the scheme and are included in creditors.

20 Employee share schemes

Share based payments

The Company's parent company WIN plc has share option schemes whereby directors and employees are able to subscribe for ordinary shares in WIN plc.

Share options are granted on the recommendation of the Remuneration Committee of WIN plc on a discretionary basis. The schemes are used to provide long-term incentives to the recipients to assist in creating and sustaining growth in share value. Share options granted are conditional on continued employment of up to four years after the grant of the option. These share options have been granted periodically, typically twice a year to eligible employees. WIN plc has shareholder approval for share options of up to 18% of the issued ordinary share capital. At 31st December 2008 the outstanding share options, including those under the long term incentive plan represented 11% of the issued share capital of WIN plc.

All share incentives are over 10p ordinary shares of WIN plc. WIN plc grants share incentives to employees in the form of share options. Share options vest over a period of 0 to 4 years, whilst individuals are employed by the Group or by agreement by the remuneration committee. There are no market conditions associated with the share option grants.

The employee expense is recognised equally over the time from grant until vesting of the incentive. The employee charge in 2008 was £29,759 (2007: credit of £32,219). The fair value has been measured using a Black-Scholes model. The expected volatility is based on the historic volatility. The material inputs into the model have been:

Share Option	Granted 02/05/2006	Granted 02/07/07	Granted 11/03/2008
Average Fair Value	£0.912	£0.678	£ 0.418
Share price at Grant	£3.200	£2.300	£ 1.500
Exercise Price	£3.200	£2.300	£ 1.500
Vesting Periods	1-4 years	1-4years	1-4 years
Expected volatility	40%	40%	40%
Expected life	10 years	10years	10 years
Expected dividends	0%	0%	0%
Risk-free rate of return	4.67%	5.59%	4.04%

Notes (continued)

20 Employee share schemes (continued)

Share based payments (continued)

The number of shares options that were in existence at 31 December 2008 was

Date of grant	At beginning of period	Granted	Exercised	Surrendered	At end of period	Exercise price £	Exercisable at 31/12/08	Date first exercisable	Remaining life Years
30 Sept 2003	69,375	-	-	-	69,375	£1.262	69,375	30 Sept 2003	5
6 Oct 2004	73,875	-	-	-	73,875	£2.020	40,406	6 Oct 2005	6
22 Dec 2005	21,500	-	-	-	21,500	£2.735	10,750	22 Dec 2006	7
23 Dec 2005	21,500	-	-	-	21,500	£1.890	21,500	23 Dec 2005	5
2 May 2006	50,000	-	-	(50,000)	-	£3.200	-	2 May 2007	8
2 July 2007	75,000	-	-	(15,000)	60,000	£2.300	-	2 July 2008	9
	311,250	-	-	(65,000)	246,250		142,031		

The number of shares options that were in existence at 31 December 2007 was:

For all share options exercised in 2008 the weighted average share price at the time of exercise was £nil (2007: £2.114).

Date of grant	At beginning of period	Granted	Exercised	Surrendered	At end of period	Exercise price £	Exercisable at 31/12/08	Date first exercisable	Remaining life Years
30 Sept 2003	152,125	-	(38,750)	(44,000)	69,375	£1.262	69,375	30 Sept 2003	6
6 Oct 2004	131,375	-	(7,500)	(50,000)	73,875	£2.020	40,406	6 Oct 2005	7
22 Dec 2005	23,000	-	-	(1,500)	21,500	£2.735	10,750	22 Dec 2006	8
23 Dec 2005	33,250	-	-	(11,750)	21,500	£1.890	21,500	23 Dec 2005	6
2 May 2006	50,000	-	-	-	50,000	£3.200	50,000	2 May 2007	9
2 July 2007	-	75,000	-	-	75,000	£2.300	-	2 July 2008	10
	389,750	75,000	(46,250)	(107,250)	311,250		192,031		

Notes (continued)

21 Related party disclosures

The company is controlled by WIN plc, the immediate and ultimate parent company. The directors consider there to be no ultimate controlling party.

22 Financial instruments

Policies

The company's financial instruments, comprise borrowings, some cash and liquid resources, and various items, such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the company's operations.

It is, and has been throughout the period under review, the company's policy that no trading in financial instruments shall be undertaken. The main risks arising from the company's financial instruments are 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 below.

The company's financial instruments comprise trade debtors, trade creditors, cash, long term creditors and equity shares.

Interest risk

The company has financed its operations through equity.

The company at the year end held cash at bank amounts of £2,714,663 for which the applicable interest rate is 0.1% below the Bank of England base rate.

Liquidity risk

As regards liquidity, the company's policy has throughout the year been to ensure continuity of funding.

Currency risk

The company has a small amount of trading with overseas customers which are settled in foreign currencies. The majority of the sales however are denominated and settled in sterling.

The company at the year end held cash at bank amounts of 73,983 EUR (for which the UK pound equivalent was £70,465), and 110,114 Australian Dollars (for which the UK pound equivalent was £52,587).

Financial assets

The company has no financial assets, other than short-term debtors and cash at bank balances.

23 Ultimate parent company and parent undertaking of a larger group of which the company is a member

The group in which the results of the company are consolidated is that headed by WIN plc, incorporated in United Kingdom. The consolidated accounts of the group are available to the public and may be obtained from Companies House, Crown Way, Cardiff, CF4 3UZ.