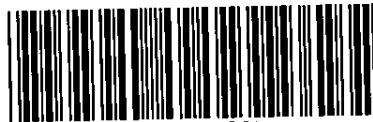


REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2008
FOR
POLICE5 GROUP PLC

THURSDAY



A48 *A8WDD800* 02/04/2009 365
COMPANIES HOUSE

POLICE5 GROUP PLC

CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2008

	Page
Company Information	1
Report of the Directors	2
Report of the Independent Auditors	5
Profit and Loss Account	7
Balance Sheet	8
Cashflow Statement	9
Notes to the Financial Statements	12

POLICES GROUP PLC

COMPANY INFORMATION

FOR THE YEAR ENDED 31ST MARCH 2008

DIRECTORS:

P A Walsh (Managing Director)
S Pinarbasi
R F Steele

REGISTERED OFFICE:

Regus House
Malthouse Avenue
Cardiff Gate Business Park
Cardiff
CF23 8RU

REGISTERED NUMBER:

4205739 (England and Wales)

AUDITORS:

Jones & Partners
Chartered Accountants
& Registered Auditors
Julco House
26-28 Great Portland Street
London
W1W 8AS

POLICE5 GROUP PLC

REPORT OF THE DIRECTORS **FOR THE YEAR ENDED 31ST MARCH 2008**

The directors present their report with the financial statements of the company for the year ended 31st March 2008.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of a holding company. The principal activity of the company was that of provision of computer-related products and support services to industry.

REVIEW OF THE BUSINESS, FUTURE DEVELOPMENTS AND PRINCIPAL RISK AND UNCERTAINTIES

We endeavour to present a balanced and complete review of the development and performance of our business during the past few months since our last review in July 2007. Our review is consistent with the size and non-complex nature of our business and is written in the context of the opportunities as well as the risks and uncertainties we face.

After recording substantial losses in 2005/2006 we had reduced these dramatically in 2006/2007 to £0.76M; I am delighted to report we have continued on this downward path and reduced it again to £0.14M in 2007/2008 as well as continuing with our R&D (Research & Development) of new products and software applications relevant to our market. Our investment in R&D is already showing its potential, indicating substantial growth for us in the future.

The substantial loss for 2005/2006 can be attributed largely to the unreliability of bought in technology that was key to our operation. It was necessary to relieve the company of this third party dependency and embark on a course of developing reliable products. This course does not relieve the original supplier of their obligations and the Company have formally claimed for losses which will be over £5M. The claim is still in progress, however we have invoiced £1.7M of our claim for payment as an act of good will on their part. The supplier has acknowledged the product failure.

The focus of the company continues to be based on the telecommunications business, using GPS / GPRS-SMS communication via telematics black boxes used for vehicle fleet management and control systems. However using our already developed telematics systems, we have added people tracking for safety and security reasons and automated payment of the so called "green taxes" i.e. congestion charging etc.

With the completion of our new multi language service Easy-TraX will start trading across Europe in January 2009. Interest in the new service is encouraging and we anticipate sales revenue to grow slowly at first, and then speed up in the 2nd quarter 2009.

Although the company is still having to deal with unforeseen setbacks and making very difficult management decisions, it is a testimony to the strength of the board and commitment of its shareholders that we have pressed on with our plans to create a successful platform and growth for the future. After evaluating all the opportunities, risks, and the uncertainties; our plans to expand the company within the telematics industry continue with our R&D program in the UK, which gives us control of our own destiny with regards to technology; as well as acquiring further investment in the company. As a whole the board believes the strategies outlined will ultimately create investor value.

FINANCIAL AND NON- FINANCIAL KEY PERFORMANCE INDICATORS

Due to the present state of operations, the directors consider that analysis of financial and non-financial performance using key performance indicators is not appropriate for this company.

NON CONSOLIDATION

In view of the circumstances that the trading subsidiaries are in liquidation and without prospects of the subsidiaries coming out of the situation, the directors have presented the financial statements as an individual undertaking and not as a group.

DIVIDENDS

No dividends will be distributed for the year ended 31st March 2008.

RESEARCH AND DEVELOPMENT

The company will continue to invest in Software, Communication and other products for the Telematics and Security Industries.

POLICE5 GROUP PLC

REPORT OF THE DIRECTORS **FOR THE YEAR ENDED 31ST MARCH 2008**

FUTURE DEVELOPMENTS

The Police5 Brand and Trade Mark have been registered in the United Kingdom, Europe and North America in class 9, 12, 16, 35, 37, 41, 42 and 45. These give the business every opportunity to develop its Police5 Brand to the full and protect its Innovations, Software and Hardware Developments, and Intellectual Right in the above group of countries. Other countries will be added as required. It is the Company's policy to find join business partners in registered countries.

Please note: - Police5 have the United Kingdom Government's Home Office approval to use the word "Police" in its company name.

DIRECTORS

The directors who served during the year under review were:

P A Walsh
S Pinarbasi
D P Smith (resigned 3.6.2008)
R F Steele

COMPANY'S POLICY ON PAYMENT OF CREDITORS

The company's policy concerning payment of its trade creditors is as follows:-

For all trade creditors, it is the company's policy to:

- Agree the terms of payment at the start of business with that supplier,
- Ensure that suppliers are aware of the terms of payment,
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- Pay in accordance with its contractual and other legal obligations.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare the financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss for that period. In preparing those financial statements, the directors are required to

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

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. They are also responsible for the maintenance and integrity of the corporate and financial information included on the company's website.

POLICES GROUP PLC

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31ST MARCH 2008

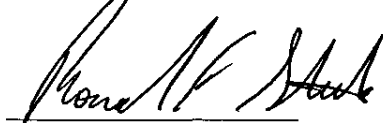
STATEMENT OF DISCLOSURE TO AUDITOR

- (a) so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and
- (b) they have taken all steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Jones & Partners, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD:



Director R F STEELE

Date: 31 MARCH 2009

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
POLICE5 GROUP PLC**

We have audited the financial statements of Police5 Group PLC for the year ended 31 March 2008 set out in pages 7 to 17. These financial statements have been prepared under the accounting policies set out therein.

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

Respective responsibilities of directors and auditors

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

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

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

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' 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 other information.

Basis of audit opinion

We conducted our audit in accordance with International Standard 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.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
POLICE5 GROUP PLC**

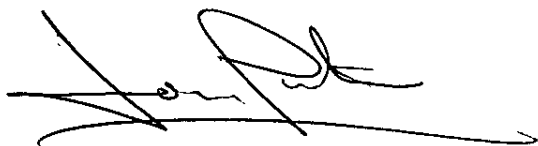
Going concern

In forming our opinion, which is not qualified, we have considered the adequacy of the disclosures made in Note 1 to the financial statements concerning the company's ability to continue as a going concern. The company incurred a net loss of £141,212 during the year ended 31 March 2008 and, at that date, the company's liabilities exceeded its total assets by £838,502. These conditions, along with the other matters explained in Note 1 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern. In view of the significance of this uncertainty, we consider that it should be drawn to your attention, but our opinion is not qualified in this respect.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs at 31 March 2008 and of its loss for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985, as amended, and;
- the information given in the directors' report is consistent with the financial statements.



**Jones & Partners
Chartered Accountants
Registered Auditors
Fifth Floor Julco House
26 – 28 Great Portland Street
London
W1W 8AS**

Date: 1 APRIL 2009

POLICES GROUP PLC

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MARCH 2008

	Notes	2008 £	2007 £
Administrative expenses		(132,732)	(728,781)
		_____	_____
OPERATING LOSS	3	(132,732)	(728,781)
Other interest receivable and similar income	4	4,250	-
Interest payable and similar charges	5	<u>(12,730)</u>	<u>(32,415)</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(141,212)	(761,196)
Tax on loss on ordinary activities	6	<u>-</u>	<u>-</u>
LOSS FOR THE FINANCIAL YEAR AFTER TAXATION		(141,212)	(761,196)
		=====	=====

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

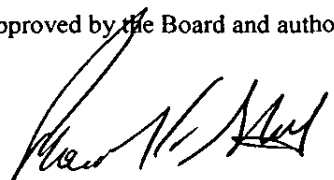
The notes form part of these financial statements

POLICE5 GROUP PLC**COMPANY BALANCE SHEET**
31ST MARCH 2008

		2008		2007	
	Notes	£	£	£	£
FIXED ASSETS					
Investments	7		-		-
CURRENT ASSETS					
Debtors	8	2,750		104,253	
Cash at bank		-		112,503	
		2,750		216,756	
CREDITORS					
Amounts falling due within one year	9	(729,742)		(840,945)	
NET CURRENT LIABILITIES			(726,992)		(624,189)
TOTAL ASSETS LESS CURRENT LIABILITIES			(726,992)		(624,189)
CREDITORS					
Amounts falling due after more than one year	10		(25,000)		(25,000)
Provision for liabilities	11		(86,510)		(199,011)
			(838,502)		(848,200)
CAPITAL AND RESERVES					
Called up share capital	13		5,356,346		5,238,259
Share premium account	14		287,882		255,059
Profit and loss account	14		(6,482,730)		(6,341,518)
SHAREHOLDERS' FUNDS	15		(838,502)		(848,200)

ON BEHALF OF THE BOARD:

Approved by the Board and authorised for issue on 31 MARCH 2009


 Director R.F. STEELE

The notes form part of these financial statements

POLICES5 GROUP PLC**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST MARCH 2008**

	Notes	2008 £	2007 £
Net cash (outflow)/inflow from operating activities	1	(267,400)	(739,951)
Returns on investments and servicing of finance	2	3,880	(18,585)
Net cash (outflow)/inflow before management of liquid resources and financing		(263,520)	(758,536)
Financing	2	150,910	820,940
Increase/(decrease) in cash in the period		<u>(112,610)</u>	<u>62,404</u>
<hr/>			
Reconciliation of net cash flow to movement in net (debt)/funds	3		
Increase/(decrease) in cash in the period		(112,600)	62,404
Cash inflow from increase in debt		<u>-</u>	<u>-</u>
Change in net debt resulting from cash flows		<u>(112,610)</u>	<u>62,404</u>
Movement in net (debt)/funds in the period		(112,610)	62,404
Non cash changes		-	100,000
Net funds/(debt) at 1st April 2007		<u>51,366</u>	<u>(111,038)</u>
Net (debt)/funds at 31st March 2008		<u>(61,244)</u>	<u>51,366</u>

The notes form part of these financial statements

POLICE5 GROUP PLC**NOTES TO THE CASH FLOW STATEMENT**
FOR THE YEAR ENDED 31ST MARCH 2008**1. RECONCILIATION OF OPERATING LOSS TO NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES**

	2008 £	2007 £
Operating loss	(132,732)	(728,781)
(Decrease)/Increase in creditors within one year	(123,670)	93,083
Decrease/(Increase) in debtors	101,503	(104,253)
(Decrease)/Increase in provision for liabilities and charges	(112,501)	-
Net cash (outflow)/inflow from operating activities	<u>(267,400)</u>	<u>(739,951)</u>

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2008 £	2007 £
Returns on investments and servicing of finance		
Interest paid	(370)	(18,585)
Interest received	4,250	-
Net cash inflow/(outflow) for returns on investments and servicing of finance	<u>3,880</u>	<u>(18,585)</u>
 Financing		
Share issue	150,910	820,940
Net cash inflow from financing	<u>150,910</u>	<u>820,940</u>

The notes form part of these financial statements

POLICES GROUP PLC**NOTES TO THE CASH FLOW STATEMENT**
FOR THE YEAR ENDED 31ST MARCH 2008**3. ANALYSIS OF NET (DEBT)/FUNDS**

	At 1/4/07 £	Cash flow £	Other Non cash Changes £	At 31/3/08 £
Net cash:				
Cash at bank	112,503	(112,503)	-	Nil
Bank overdrafts	<u>(36,137)</u>	<u>(107)</u>	-	<u>(36,244)</u>
	<u>76,366</u>	<u>(112,610)</u>	-	<u>(36,244)</u>
Debt:				
Debts falling due after one year	<u>(25,000)</u>	-	-	<u>(25,000)</u>
Net funds/(debt)	<u>51,366</u>	<u>(112,610)</u>	-	<u>(61,244)</u>

The notes form part of these financial statements

POLICES GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS **FOR THE YEAR ENDED 31ST MARCH 2008**

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention.

Going concern

The Company is dependent on recovering its funds currently held by a liquidator, as well as pursuing its compensation claim of nearly £5,000,000, which casts a material uncertainty over the company's ability to meet its liabilities as they fall due. To generate a revenue stream in the short to medium term, the Company has licensed its products and services and is exploring a number of alternatives that include a private placing of New Ordinary Shares or Company Merger or Trade Sale. The accounts have been prepared on a going concern basis, on the assumption that one of these alternatives will be successful, and that adequate funds will be made available to the Company. If this assumption proves to be inappropriate, it may cast a significant doubt on the company's ability to continue as a going concern. Adjustments would have to be made to adjust the value of assets to their recoverable amount, to provide for any further liabilities which might arise and to reclassify fixed assets.

Turnover

Turnover represents the invoiced amounts of goods sold and services provided (stated net of value added tax) and is attributable to the principal activity of the company.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery	- 25% on reducing balance
Fixtures and fittings	- 25% on reducing balance
Computer equipment	- 25% on reducing balance

Intangible fixed assets

Intangible fixed assets comprise development cost. Amortisation is provided at the following annual rates in order to write off each asset over its estimated useful economic life:

Development cost - 15% on cost

Research and development expenditure

Research and development expenditure is written off as incurred, except that development expenditure incurred on an individual project is carried forward when its future recoverability can reasonably be regarded as assured. Any expenditure carried forward is amortised in line with the expected future sales from the related project.

Investments

Fixed asset investments are stated at cost less provision for diminution in value.

Deferred taxation

Deferred tax is provided in full on timing differences which represent a liability at the balance sheet date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income or expenditure in tax computations in periods different from those in which they are included in the financial statements. Deferred tax assets and liabilities are not discounted.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the profit and loss account as incurred.

POLICE5 GROUP PLC**NOTES TO THE FINANCIAL STATEMENTS - continued**
FOR THE YEAR ENDED 31ST MARCH 2008**2. STAFF COSTS**

The company did not incur any staff costs (2007: Nil) and there were no employees apart from the directors

3. OPERATING LOSS

The operating loss is stated after charging:

	2008 £	2007 £
Other operating leases	494	31,817
Auditors' remuneration	2,500	5,000
	<u> </u>	<u> </u>
Directors' emoluments	<u> </u>	<u> </u>

4. INTEREST RECEIVABLE AND SIMILAR INCOME

	2008 £	2007 £
Bank interest	180	-
Other interest	4,070	-
	<u> </u>	<u> </u>
	4,250	-
	<u> </u>	<u> </u>

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2008 £	2007 £
Bank loan and overdraft interest	370	16,465
Other loan interest wholly repayable within five years	12,360	15,950
	<u> </u>	<u> </u>
	12,730	32,415
	<u> </u>	<u> </u>

POLICES GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MARCH 2008

6. TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the year ended 31st March 2008 nor for the year ended 31st March 2007.

7. FIXED ASSET INVESTMENTS

	Shares in subsidiary undertakings £
Cost	
At 1st April 2007 and at 31 March 2008	<u>4,585,400</u>
Provisions for diminution in value	
At 1 April 2007 and at 31 March 2008	4,585,400
Charge for the year	<u>-</u>
At 31st March 2008	<u>4,585,400</u>
Net Book Value at 31 March 2008	<u><u>Nil</u></u>

The principal subsidiaries are as follows:

Name of subsidiary	Principal Activity	Country of incorporation	Percentage holding
Imagetrack Limited (formerly Police5 Ltd)	Provision of computer related advisory and support services (company in liquidation)	England	100%
Utrack Limited (formerly Police5 Technologies Ltd)	Provision of computer related advisory and support services (company in liquidation)	England	100%
Police5 Training Ltd	Provision of computer related advisory and support services (company did not trade and dissolved on 9.12.08)	England	100%

POLICE5 GROUP PLC**NOTES TO THE FINANCIAL STATEMENTS - continued**
FOR THE YEAR ENDED 31ST MARCH 2008**8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2008	2007
	£	£
Other debtors	2,750	104,253
	<u>2,750</u>	<u>104,253</u>

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2008	2007
	£	£
Bank loans and overdrafts (see note 12)	36,244	36,137
8% convertible unsecured loan stock 2007 (see note 12)	100,000	100,000
Social security and other taxes	33,862	49,136
Other creditors	175,228	175,228
Directors' current accounts	133,441	152,527
Accruals and deferred income	<u>250,967</u>	<u>327,917</u>
	<u>729,742</u>	<u>840,945</u>

The bank loans and overdrafts are secured by a fixed and floating charge over the assets of the company.

10. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2008	2007
	£	£
Other loans (see note 12)	25,000	25,000
	<u>25,000</u>	<u>25,000</u>

POLICES GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS - continued **FOR THE YEAR ENDED 31ST MARCH 2008**

11. PROVISION FOR LIABILITIES AND CHARGES

	2008 £
Balance at 1 April 2007	199,011
Movement for the year	(112,501)
	<hr/>
Balance at 31 March 2008	86,510
	<hr/>

The above provision relates to liabilities arising under multilateral bank guarantee given by the company and as a result of its subsidiaries in liquidation.

12. LOANS

	2008 £	2007 £
An analysis of the maturity of loans is given below:		
Amounts falling due within one year or on demand:		
Bank loans and overdrafts	36,244	36,137
8% convertible unsecured loan stock 2007	100,000	100,000
	<hr/>	<hr/>
	136,244	136,137
	<hr/>	<hr/>
Amounts falling due between one and two years:		
Other loans - 1-2 years	25,000	25,000
	<hr/>	<hr/>

After 29 September 2007, the 8% convertible unsecured loan stock is convertible at the option of the holder into 4 million fully paid ordinary shares of the company at £0.025 per ordinary share or may be redeemed at the option of the holder at par.

13. CALLED UP SHARE CAPITAL

Authorised:			2008	2007
Number:	Class:	Nominal value:		
			£	£
800,000,000	Ordinary	£0.025	<u>20,000,000</u>	<u>20,000,000</u>
Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	2008	2007
			£	£
214,253,829	Ordinary	£0.025	5,356,346	5,238,259
(2007 – 209,530,366)			<hr/>	<hr/>

The following shares were allotted and fully paid for cash during the year to finance the company's working capital:

2,723,463 Ordinary shares at an average of £0.0344 each
714,286 Ordinary shares at £0.035 each

1,285,714 Ordinary shares were issued at nominal value in exchange for services rendered by a supplier during the year

POLICE5 GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MARCH 2008

14. STATEMENT OF MOVEMENT ON RESERVES

	Profit and loss account £	Share Premium Account £
At 1st April 2007	(6,341,518)	255,059
Loss for the year	(141,212)	-
Premium on shares issued during the year	-	32,823
At 31st March 2008	<u>(6,482,730)</u>	<u>287,882</u>

15. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2008 £	2007 £
Loss for the financial year	(141,212)	(761,196)
Proceeds from shares issued	<u>150,910</u>	<u>820,940</u>
Net addition/(reduction)/ to shareholders' funds	9,698	59,744
Opening shareholders' funds	<u>(848,200)</u>	<u>(907,944)</u>
Closing shareholders' funds	<u>(838,502)</u>	<u>(848,200)</u>
Equity interests	<u>(838,502)</u>	<u>(848,200)</u>

16. RELATED PARTY TRANSACTIONS
Transactions with Directors

During the year, D. Smith provided consultancy services to the company amounting to £28,425.

17. POST BALANCE SHEET EVENT

As mentioned in the Directors' Report, the company is actively pursuing a claim against a supplier for supplying unreliable products. Since the year end, the company has invoiced the supplier for £1,700,000. No amount of the claim has been received to date and no amount of the claim has been included in the accounts for the year ended 31 March 2008.