

Wireless Information Network Limited

Directors' report and financial statements

Registered number 3212199

31 December 2009



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Directors' Report

The directors present their Directors' Report and financial statements for the year ended 31 December 2009

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.

2009 was a year of further development and transformation such that WIN is now well-positioned to take advantage of the growing market opportunities within the mobile arena. Turnover for the year reached £33.4m (2008: £33.7m). Gross profit was £8.1m (2008: £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

The market for continuing new business remains attractive and WIN is well positioned to take advantage of the opportunities, particularly in the operator market where the company sees increased pressures on the major operators to outsource services in order to reduce costs.

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 dual-site architecture and the dual routing of all traffic. Continued investment into the Next Generation Messaging Platform (NGMP) will also minimise these risks by providing leading-edge technology with greater reliability, substantially increased capacity and lower latency. This investment is necessary if we are to maintain our competitive advantage in these fast changing markets. There are risks if the implementation of NGMP is delayed or if current business is disrupted during the migration.

Competitive pressures are a continuing risk to the company, which could result in losing sales to competitors or a reduction in annual margins. 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. Certain of these contracts are significant and fall due for period renewal, the failure to renew such contracts could have a material impact on the profitability of the Group. Within the premium rate market, increased regulation may inhibit the growth of the market and this may impact the prospects in these markets. The demand for some of our services, in line with our competitors, may vary with the level of general economic activity. However, some of our solutions also allow our customers to reduce their costs and opportunities may be enhanced by the economic environment.

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

Directors' Report *(continued)*

Supplier payment policy

The company aims to maintain good relations with all its trading partners. In particular, it is the company's policy to pay its clients and suppliers in accordance with terms and conditions agreed at inception of contract. At 31 December 2009 the number of days of annual purchases represented by trade creditors amounted to 42 days (2008 38 days)

Proposed dividend

The directors have paid an interim ordinary dividend in respect of the current financial year of £0.34 per ordinary share (2008 £0.28)

The directors have proposed a final ordinary dividend in respect of the current financial year of £1.1 per ordinary share (2008 £0.265)

Directors

The following directors held office during the year

J Rands
G Rivers
LS Moir
RW Joyce (resigned 14 September 2009)

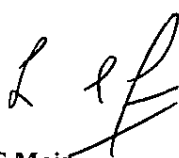
Disclosure of information to auditors

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 March 2010

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).

Under company law the directors must not approve the financial statements unless they are satisfied that they 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 adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.



KPMG Audit Plc
8 Salisbury Square
London
EC4Y 8BB
United Kingdom

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

We have audited the financial statements of Wireless Information Network Limited for the year ended 31 December 2009 set out on pages 6 to 20. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's web-site at www.frc.org.uk/apb/scope/UKNP.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2009 and of its profit for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

M Matthewman (Senior Statutory Auditor)
for and on behalf of KPMG Audit Plc, Statutory Auditor

Chartered Accountants

25 March 2010

Profit and loss account
for the year ended 31 December 2009

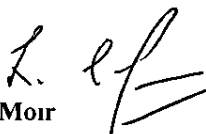
	<i>Note</i>	2009 £	2008 £
Turnover	2	33,364,314	33,737,731
Cost of sales		(25,242,746)	(25,843,083)
Gross profit		8,121,568	7,894,648
Administrative expenses		(6,964,565)	(6,526,897)
Share based payment charge		(3,772)	(29,759)
Operating profit		1,153,231	1,337,992
Interest receivable and similar income	6	13,504	21,767
Interest payable and similar charges	7	(26,091)	(7,997)
Profit on ordinary activities before taxation	3	1,140,644	1,351,762
Tax credit on profit on ordinary activities	8	117,643	248,628
Profit for the financial year	15	1,258,287	1,600,390

The results stated above are all derived from continuing operations

Balance sheet
at 31 December 2009

	<i>Note</i>	2009		2008	
		£	£	£	£
Fixed assets					
Tangible assets	9	2,116,762		1,166,163	
Investments	10	-		-	
		<u>2,116,762</u>		<u>1,166,163</u>	
Current assets					
Debtors	11	9,764,433		10,140,361	
Cash at bank		1,856,505		2,714,663	
		<u>11,620,938</u>		<u>12,855,024</u>	
Creditors: amounts falling due within one year	12	<u>(7,132,368)</u>		<u>(6,250,188)</u>	
Net current assets		<u>4,488,570</u>		<u>6,604,836</u>	
Total assets less current liabilities		<u>6,605,332</u>		<u>7,770,999</u>	
Provisions for liabilities	13	<u>(38,334)</u>		<u>(41,060)</u>	
Net assets		<u>6,566,998</u>		<u>7,729,939</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	916,581		2,079,522	
		<u>6,566,998</u>		<u>7,729,939</u>	
Shareholder's funds	16	<u>6,566,998</u>		<u>7,729,939</u>	

These financial statements were approved by the board of directors on 19 March 2010 and were signed on its behalf by


LS Moir
Director

Statement of Total Recognised Gains and Losses
for the year ended 31 December 2009

	2009 £	2008 £
Profit for the financial year	1,258,287	1,600,390
Total recognised gains and losses relating to the financial year	1,258,287	1,600,390

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 400 of the Companies Act 2006 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.

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.

Notes (continued)

1 Accounting policies (continued)

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 shareholder's 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 shareholder's 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 shareholder's funds (see dividends policy), are dealt with as appropriations in the reconciliation of movements in shareholder's funds.

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.

Notes (continued)

2 Turnover

The turnover was derived from the company's principal activities

3 Profit on ordinary activities before taxation

	2009 £	2008 £
<i>Profit on ordinary activities before taxation is stated after charging</i>		
Depreciation on tangible fixed assets - owned	344,201	437,579
Loss due to obsolete computer software asset written off	-	115,488
Exchange loss	9,019	50,470
Hire of plant and machinery – rentals payable under operating leases	295,032	268,701
Hire of other assets – rentals payable under operating leases	46,116	35,960
	<hr/>	<hr/>
<i>Auditors' remuneration</i>		
Audit of these financial statements	24,950	25,950
	<hr/>	<hr/>

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	
	2009	2008
Management	1	1
Sales and marketing	14	16
Administration	9	10
Operations and development	35	25
	<hr/>	<hr/>
	59	52
	<hr/>	<hr/>

The aggregate payroll costs of these persons were as follows

	2009 £	2008 £
Wages and salaries	3,125,321	2,821,670
Social security costs	322,096	295,156
Other pension costs	67,852	59,833
	<hr/>	<hr/>
	3,515,269	3,176,659
	<hr/>	<hr/>

Notes (continued)

6 Interest receivable and similar income

	2009 £	2008 £
Bank interest receivable	-	2,478
Interest on rent deposit	-	5,628
Early settlement discounts	13,504	13,661
	<u>13,504</u>	<u>21,767</u>

7 Interest payable and similar charges

	2009 £	2008 £
Bank interest paid	-	25
Other	26,091	7,972
	<u>26,091</u>	<u>7,997</u>

The comparative amount has been restated to include foreign exchange losses in Administrative expenses rather than Interest payable and similar charges. This is consistent with the treatment in the current year and with the rest of the WIN plc group.

Notes (continued)

8 Taxation

	2009 £	2008 £
<i>UK corporation tax</i>		
Current tax on income for the period	-	166,875
Adjustment in respect of prior year	(92,608)	(357,236)
Total current tax	(92,608)	(190,361)
<i>Deferred tax</i>		
Origination and reversal of timing differences	(53,393)	(58,437)
Adjustment in respect of previous years	28,358	170
Total deferred tax	(25,035)	(58,267)
Tax on profit on ordinary activities	(117,643)	(248,628)

Factors affecting the tax charge for the current period

The current tax charge for the period is lower (2008 lower) than the standard rate of corporation tax in the UK 28% (2008 28%) The differences are explained below

Current tax reconciliation

	2009 £	2008 £
Profit on ordinary activities before tax	1,140,644	1,351,762
Current tax at 28% (2008 28%)	319,380	378,493
<i>Effects of</i>		
Expenses not deductible for tax purposes	10,289	148,433
Depreciation in excess of / (less than) capital allowances	53,393	(64,966)
Share based payments	(10,368)	1,707
R&D tax credit	(100,000)	(80,000)
Group relief	(272,694)	(211,802)
Reduction in tax rate	-	(4,990)
Adjustment in respect of prior year	(92,608)	(357,236)
Total current tax credit	(92,608)	(190,361)

The adjustment in respect to prior includes £21,853 relating to a cash payment amounting to £111,853 received from HMRC relating to Research and Development tax credits for 2007 (2008 £357,236) of which only £90,000 (2008 £nil) had been previously recognised

Notes (continued)

9 Tangible fixed assets

	Leasehold improvements £	Plant and equipment £	Computer equipment £	Furniture and equipment £	Total £
Cost					
At beginning of year	370,778	209,309	2,691,180	156,895	3,428,162
Additions	-	-	1,293,429	1,371	1,294,800
At end of year	370,778	209,309	3,984,609	158,266	4,722,962
Depreciation					
At beginning of year	352,361	209,309	1,553,784	146,545	2,261,999
Charged in year	11,978	-	325,449	6,774	344,201
At end of year	364,339	209,309	1,879,233	153,319	2,606,200
Net book value					
At 31 December 2009	6,439	-	2,105,376	4,947	2,116,762
At 31 December 2008	18,417	-	1,137,396	10,350	1,166,163

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 2009	-
At 31 December 2008	-

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

Subsidiary undertakings	Country of incorporation	Principal activity	Class and percentage of shares
Bellboy Limited *	England	Dormant	Ordinary 100%
Wireless Information Network Inc (formerly Sprintel Communications Inc) *	USA	Dormant	Ordinary 100%
WIN Financial Limited	England	Dormant	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

Notes (continued)

11 Debtors

	2009 £	2008 £
Trade debtors	3,863,713	2,869,850
Amounts owed by group undertakings	2,004,837	3,351,522
Other debtors	146,266	172,358
Deferred tax asset (see note 13)	158,160	133,125
Corporation tax receivable	193,239	84,158
Prepayments and accrued income	3,398,218	3,529,348
	<u>9,764,433</u>	<u>10,140,361</u>

Other debtors includes £146,266 (2008 £146,266) due after more than one year

12 Creditors: amounts falling due within one year

	2009 £	2008 £
Trade creditors	3,308,615	3,152,192
Taxation and social security	81,266	271,816
Other creditors	470,673	101,754
Accruals and deferred income	3,271,814	2,724,426
	<u>7,132,368</u>	<u>6,250,188</u>

Notes (continued)

13 Provisions for liabilities

	Deferred taxation £	Other provisions £
At beginning of year	133,125	(41,060)
Credit to the profit and loss for the year	25,035	2,726
At end of year	158,160	(38,334)

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 company sub-let the property during the year. The remaining period of the lease is 15 years and the provision is for the onerous element less minimum expected payments under non-cancellable subleases.

The elements of deferred taxation are as follows

	2009 £	2008 £
Difference between accumulated depreciation and capital allowances	158,160	133,125
Deferred tax asset (see note 11)	158,160	133,125

14 Called up share capital

	2009		2008	
	Number	£	Number	£
<i>Allotted, called up and fully paid</i>				
Ordinary shares of 1p each	7,185,894	71,859	7,185,894	71,859

15 Reserves and share premium

	Share premium account £	Profit and loss account £
At beginning of year	5,578,558	2,079,522
Profit for the year	-	1,258,287
Dividends on shares classified in shareholder's funds	-	(2,425,000)
Credit in relation to share based payments	-	3,772
At end of year	5,578,558	916,581

Notes (continued)

16 Reconciliation of movements in shareholder's funds

	2009 £	2008 £
Profit for the financial year	1,258,287	1,600,390
Dividends on shares classified in shareholder's funds	(2,425,000)	(1,997,679)
Share based payment charge	3,772	29,759
Net decrease in shareholder's funds	(1,162,941)	(367,530)
Opening shareholder's funds	7,729,939	8,097,469
Closing shareholder's funds	6,566,998	7,729,939

17 Contingent liabilities

Wireless Information Network Limited has given an unlimited intercompany guarantee and 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

	2009		2008	
	Land and Buildings £	Other £	Land and Buildings £	Other £
Operating leases which expire				
Within one year	194,274	-	-	41,954
2 to 5 years	36,000	4,156	295,032	-
Over five years	-	-	-	-
	<u>230,274</u>	<u>4,156</u>	<u>295,032</u>	<u>41,954</u>

The comparative Land and Buildings amounts have been restated to reflect the non-cancellable element of the operating leases only

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 £67,852 (2008 £59,833)

Contributions amounting to £36 (2008 £2,784) were payable to the scheme and are included in creditors at year end

Notes (continued)

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 2009 the outstanding share options, including those under the long term incentive plan of the parent company, represented 13% (2008: 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 2009 was £3,772 (2008: charge of £29,759). 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	Granted 16/09/2009
Average Fair Value	£0.912	£0.678	£ 0.418	£ 0.205
Share price at Grant	£3.200	£2.300	£ 1.500	£ 0.675
Exercise Price	£3.200	£2.300	£ 1.500	£ 0.675
Vesting Periods	1-4 years	1-4 years	1-4 years	1-4 years
Expected volatility	40%	40%	40%	50%
Expected life	10 years	10 years	10 years	10 years
Expected dividends	0%	0%	0%	0%
Risk-free rate of return	4.67%	5.59%	4.04%	4.00%

Notes (continued)

20 Employee share schemes (continued)

Share based payments (continued)

The number of shares options that were in existence at 31 December 2009 was

Date of grant	At beginning of period	Granted	Exercised	Surrendered	At end of period	Exercise price £	Exercisable at 31/12/09	Date first exercisable	Remaining life - years
30 Sept 2003	69,375	-	-	(6,125)	63,250	£1 262	63,250	30 Sept 2003	4
6 Oct 2004	73,875	-	-	(6,875)	67,000	£2 020	67,000	6 Oct 2005	5
23 Dec 2004	21,500	-	-	(21,500)	-	£1 890	-	23 Dec 2004	5
22 Dec 2005	21,500	-	-	(20,000)	1,500	£2 735	1,500	22 Dec 2006	6
2 Jul 2007	60,000	-	-	(30,000)	30,000	£2 300	15,000	2 July 2008	8
11 Mar 2008	15,000	-	-	-	15,000	£1 500	3 750	11 Dec 2009	9
16 Sept 2009	-	239,125	-	(12,500)	226,625	£0 675	-	16 Sept 2010	10
	261,250	239,125	-	(97,000)	403,375		150,500		

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
23 Dec 2004	21,500	-	-	-	21,500	£1 890	21,500	23 Dec 2005	5
22 Dec 2005	21,500	-	-	-	21,500	£2 735	10,750	22 Dec 2006	7
2 May 2006	50,000	-	-	(50,000)	-	£3 200	-	2 May 2007	8
2 Jul 2007	75,000	-	-	(15,000)	60,000	£2 300	15,000	2 July 2008	9
11 Mar 2008	-	15 000	-	-	15,000	£1 500	-	11 Dec 2009	10
	311,250	15,000	-	(65,000)	261,250		157,031		

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.

The company paid a dividend of £2,425,000 (2008 £1,997,679) to WIN plc during the year.

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 £1,856,505 (2008 £2,714,663) for which the applicable interest rate is 0.1% (2008 0.1%) below the Bank of England base rate with a minimum rate of 0.5%.

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 4,616 EUR (2008 73,983 EUR) for which the UK pound equivalent was £4,092 (2008 £70,465), and 57,932 Australian Dollars (2008 110,114 Australian Dollars) for which the UK pound equivalent was £32,167 (2008 £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 company is a subsidiary undertaking of WIN plc which is the ultimate parent company.

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.