



Annual Report and Accounts

FOR THE YEAR ENDED

30 September 2006

Key performance indicators

Year ended 30 September

	2006	2005
Profit before tax (£'000)	1,879	338
Profit after tax (£'000)	1,035	67
EPS (pence)	6.4	0.4
EPS diluted (pence)	6.1	0.4
Dividend paid in the year (pence)	6.0	5.5
Closing net (debt)/funds (£'000)	(5,178)	2,125

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Chairman's statement

I have pleasure in presenting the results of InvestinMedia for the year ended 30 September 2006. These show a profit before tax of £1,879,000 (2005: £338,000). Our associates Medal Entertainment & Media plc ("MEM") and our recent acquisition Fountain Studios performed in line with our expectations and continue to develop their businesses.

As announced on 28 December 2006 we sold our stake in Complete Communications Corporation Limited ("Complete"), owner of the Worldwide rights in "Who Wants To Be A Millionaire?", to 2 Way Traffic N.V. As part of the restructuring prior to the sale of Complete, the rest of Complete's businesses were sold to its management. The sale was completed on 20 December 2006 producing a profit on our investment of approximately £31 million. The proceeds were 1,534,162 ordinary shares of €0.01 each in 2 Way Traffic N.V. issued at a total subscription price of £1.9 million, £9.4 million held in a retention account, £20.9 million in cash (net of expenses) and a balance due from 2 Way Traffic N.V. based on the final net assets of Complete. Additional consideration may also be receivable depending on the outcome of certain litigation in the United States. Part of the proceeds has been used to pay off the borrowings used to purchase Fountain Studios.

MEM, an AIM quoted media company, published its Interim Announcement, for the six months to 30 September 2006, on 15 December 2006. Its Chairman commented: "Growth in infrastructure costs to service the growing turnover in the DVD division increases the scale of seasonal variations and has resulted in an increased operating loss for continuing divisions in the first six months. The sale of Fountain Studios will enable the group to concentrate its resources on the growth of the core businesses, the first step of which was announced on 2 October 2006 with the acquisition of UGD/Britannia. Current trading and indications for the rest of the year mean that we anticipate being in line with market expectations for the full year."

A small number of opportunities for future investment are being actively considered, which might involve a major acquisition, with its own management team. InvestinMedia has been advised that if a substantial part of the proceeds from the sale of Complete are used for the acquisition of a trading business then it is likely that the proceeds of the Complete disposal should not be subject to Corporation Tax, which would otherwise be chargeable at 30 per cent. Such an acquisition may involve an offer of a mixture of cash and shares to allow some of our cash to be used to reduce the borrowings of the target thus placing less financial constraints on the target's future growth.

Your board views the future of your company and our investment in MEM and the Fountain Studios business with confidence. The board is proposing paying a final dividend of 3.5 pence per share on 10 April 2007, which together with the interim dividend will make a total for the year to 30 September 2006 of 6.0 pence per share.

Richard Murray

Chairman

19 January 2007

Review of Operations

Fountain Studios

Key Performance Indicators

Year ended 30 September

	2006
Turnover (£'000)	281
Operating profit (£'000)	43

The results shown above cover the 24 days following the acquisition of Fountain Studios on 6 September 2006. Trading since the acquisition has been in line with expectations. During the run-up to Christmas the studio was fully utilised with the return of "X Factor" (TalkbackThames/Syco). Indications for the coming months are very encouraging with several returning and new programmes and series already confirmed.

MEM

Key Performance Indicators

Year ended 30 September

	2006	2005
Turnover (£'000)	25,681	15,769
Gross profit (£'000)	12,074	9,502
Overheads (£'000)	12,579	9,718
Operating (Loss) (£'000)	(505)	(216)
Operating (loss) attributable to InvestinMedia plc (£'000)	(178)	(34)

Although this year again produced a loss for MEM, it has achieved a 64.9% growth in turnover compared to the previous year. In its Interim Announcement for the six months to 30 September 2006, published on 15 December 2006, MEM's Chairman commented: "Turnover was £6.7 million, up 22% from the comparative period last year (2005: £5.5 million), with growth coming from all divisions. The first half sales mix in DDHE affected margins with more lower margin third party product being sold. Operating expenses rose by 15% to £5.4 million (2005: £4.7 million) due to higher infrastructure costs in the DVD publishing and distribution business to service the increased turnover going forward. The pre-tax loss was higher than the prior year interim period at £3.3 million (2005: loss £1.9 million), which includes £0.5 million of discontinued operations and £0.3 million of exceptional write-off as a result of the sale of Fountain Television." He also commented: "Current trading and indications for the rest of the year mean that we anticipate being in line with market expectations for the full year."

Complete

Key Performance Indicators Year ended 30 September

	2006	2005
Turnover (£'000)	37,463	34,721
Operating profit (£'000)	4,310	429

As mentioned in the Chairman's statement, Complete was sold after the year end to 2 Way Traffic N.V. The operating profit for the year continued to be affected by costs incurred by Celador Radio in applying for major FM broadcasting licences advertised by Ofcom. Complete also continued with its policy of expensing all costs relating to programme development and externally acquired intellectual properties unless there was a clear future income stream. Celador Films had a successful year with "The Descent" which produced a significant contribution in the year, but the remaining unrecovered costs relating to "Separate Lies" were written off.

Cash

At 30 September 2006 we had net debt of £5,178,000 (2005: Cash at bank £2,125,000). Since the year end this has been repaid and as at 18 January 2007 we had £15 million available for investment in existing or new ventures should an appropriate opportunity arise to enhance shareholder value.

Cameron Maxwell

Chief Executive

19 January 2007

Directors' report

The directors have pleasure in presenting their report and the financial statements for the year to 30 September 2006.

Principal activity and review of the business and future developments

The company and its subsidiaries engage principally in operation of its television studios and the management of their investments. The business is reviewed in the Chairman's statement on page 1 and the Review of Operations on pages 2 and 3 which also include references to the group's future prospects.

Risks and uncertainties

The board regularly considers the risks and uncertainties facing the group companies and believes that processes are in place to manage and minimise their impact. These risks are reviewed and assessed by the board to ensure that adequate measures are being taken to reduce the group's exposure. The risks and uncertainties are particular to each group company.

- a. The disruption that would be caused by the physical destruction of Fountain Studios' plant and buildings although these are covered by comprehensive insurance.
- b. The economic risk to the market value of the investment in AIM quoted MEM.
- c. The economic uncertainties inherent in the warranties and indemnities given in connection with the sale of Complete and the economic risk to the market value of the investment in AIM quoted 2 Way Traffic N.V.

Key Performance Indicators

The group's key performance indicators are profit before and after tax. These, together with other performance indicators, are discussed in the Review of Operations and Chairman's statement. In addition to those financial measures, the board considers a number of other non-financial criteria when evaluating the group companies' performance. Local management and the board review these regularly and appropriate action is taken where necessary. Fountain Studios' key performance indicators are studio usage or utilisation rates and employee retention.

Results and dividends

The results of the group are set out in detail on page 9. The directors recommend payment of a final dividend for the year ended 30 September 2006 of 3.5 pence per ordinary share to be paid on 10 April 2007 to shareholders on the Register on 9 March 2007, making a total dividend for the year of 6.0 pence per ordinary share (2005: 5.5 pence).

Post-balance sheet events

As explained in the Chairman's statement, since the year end we have sold the group's stake in Complete Communications Corporation Limited ("Complete"), owner of the Worldwide rights in "Who Wants To Be A Millionaire?", to 2 Way Traffic N.V., part of the proceeds of which has been used to repay all of the group's borrowings.

Share capital

There were no changes in the company's share capital during the year.

Political and charitable contributions

The group made no contributions for charitable or political purposes during the year.

Payment policy to suppliers

Although the company does not follow a code, the company's policy, which is also applied to the group, is to negotiate payment terms with its suppliers and to abide by the agreed payment terms provided that the supplier has provided the goods and services in accordance with the agreed terms and conditions. The company had no outstanding trade creditors at 30 September 2006 (2005: nil).

Directors and their interests

The interests of the directors who held office at 30 September 2006 in the share capital of the company, all of which are beneficial, were as follows:

	At 30 September 2006 and 19 January 2007		At 30 September 2005	
	Ordinary shares	Options over ordinary shares	Ordinary shares	Options over ordinary shares
RA Murray	3,216,074	652,652	3,216,074	652,652
CA Maxwell	50,000	489,489	50,000	489,489
AP Stirling	14,000	326,326	14,000	326,326

The directors' options over ordinary shares were all granted at 71.1667 pence on 24 February 2004 and are exercisable between 24 February 2007 and 24 February 2011. The closing share price on 30 September 2006 was 162.5 pence. Mr Murray's full surname is Murray-Obodynski but he is referred to in the annual report by the name under which he is generally known in the industry.

Substantial interests

At 19 January 2007, the company had been notified of the following holdings of 3% or more in accordance with sections 198 to 208 of the Companies Act 1985:

	Ordinary shares	Percentage of allotted Ordinary shares
Talpa Beheer B.V.	3,825,125	23.44%
RA Murray	3,216,074	19.71%
Prudential plc	2,487,174	15.24%
J P Morgan Chase & Co.	1,645,850	10.09%
Complete Communications Corporation Limited	1,225,000	7.51%

The holding of Prudential plc includes the shareholding of M&G Investment Management Limited of 1,631,654 ordinary shares, representing 10.00% of the allotted ordinary shares.

The holding of J P Morgan Chase & Co. includes the shareholding of The Fleming Mercantile investment Trust PLC of 1,514,600 ordinary shares, representing 9.28% of the allotted ordinary shares.

Annual General Meeting

Shareholders will see from the notice of the Annual General Meeting as set out on pages 21 and 22 that they are being asked, *inter alia*, to renew the authority given to the directors to allot relevant securities (Resolution 5) and the disapplication of pre-emption rights (Resolution 6). Shareholders are also being asked to pass a resolution to authorise the company to make market purchases of its own shares (Resolution 7). These resolutions comply with ABI guidelines. The directors have no present intention to make any more such purchases. If, however, the directors do exercise such authority the ordinary shares purchased will either be cancelled or held in treasury in accordance with the Companies Act 1985.

Directors' report, continued

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing those financial statements, the directors are required to:

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

The directors are responsible for maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the company and group and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the InvestinMedia plc website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from the legislation in other jurisdictions.

Corporate governance

The board of directors is accountable to shareholders for the good corporate governance of the group. The principles of corporate governance and a code of best practice are set out in the Combined Code. Under the rules of the Alternative Investment Market the group is not required to comply in full with the Code nor to state where it derogates from it. The board has reviewed the requirements of the Combined Code and complies with its principles where possible given the size and nature of the group.

The board comprises the non-executive Chairman, one other non-executive director and the Chief Executive. Because of the board's size, there are currently no separate audit or remuneration committees and the board as a whole considers all matters. The board will continue to review the level of corporate governance appropriate to the group.

The board undertakes a formal assessment of the auditors' independence each year, which includes a review of non-audit services provided to the group, the related fees and a discussion with the auditors about any relationships with the group or its directors that could affect their independence or the perception of independence.

Statement as to disclosure of information to auditors

The directors who were in office on the date of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. All of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

Auditors

Baker Tilly is willing to continue in office. A resolution to reappoint Baker Tilly and to authorise the directors to determine their remuneration will be proposed at the forthcoming annual general meeting.

By order of the board

Watlington Securities Limited

Company Secretary

19 January 2007

Directors and advisers

Richard Alan Murray

Non-executive Chairman, aged 56, founded the company in 1984 and is a non-executive director of MEM and was a non-executive director of Complete until December 2006. He is chairman of Charlton Athletic plc and a non-executive director of Avesco plc and Welsh Industrial Investment Trust plc.

Cameron Anderson Maxwell FCA

Chief Executive, aged 64, joined the board in 1985 and was a non-executive director of Complete until December 2006. He was Finance Director of Avesco plc until 1998 and a non-executive director from then until the Demerger in February 2004. He is a member of the Council of the Institute of Chartered Accountants in England and Wales.

Alfred Patrick Stirling FCA

Non-executive director, aged 70, was appointed to the board in 1984. He is Chairman and Managing Director of Gresham House plc and Welsh Industrial Investment Trust plc.

Company Secretary and Registered Office

Secretary: Watlington Securities Ltd, *Registered Office*: 36 Elder Street, London E1 6BT

e-mail: mail@InvestinMedia.com **Website**: www.InvestinMedia.com

Registered Number 1788363

Share Quotation

The company's shares are quoted on AIM.

Registrars and Transfer Office

Capita Registrars, Northern House, Woodsome Park, Fenay Bridge, Huddersfield, West Yorkshire, HD8 0LA
Tel: 0870 162 313, Tel (overseas): +44 20 8639 3131, Fax: 01484 600 911
e-mail: shareholder.services@capitaregistrars.com

Auditors

Baker Tilly, Chartered Accountants, 2 Bloomsbury Street, London WC1B 3ST

Stockbrokers and Financial Advisers

J. M. Finn & Co. Ltd., Salisbury House, London Wall, London EC2M 5TA

Solicitors

DMH Stallard, Centurion House, 37 Jewry Street, London EC3N 2ER

Principal Bankers

HSBC Bank plc
Anglo Irish Bank Corporation plc

Independent auditors' report to the members of InvestinMedia plc

We have audited the financial statements on pages 9 to 20.

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

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

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

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

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

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. The other information comprises only the Chairman's Statement, the Review of Operations and 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 any other information.

Basis of audit opinion

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

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

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group's and parent company's affairs as at 30 September 2006 and of the group's profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

BAKER TILLY

Registered Auditor

Chartered Accountants

2 Bloomsbury Street, London WC1B 3ST

19 January 2007

Consolidated profit and loss account

For the year ended 30 September	Note	Continuing £'000	Acquisitions £'000	2006 £'000	2005 £'000
Group and share of associates' turnover	2	22,977	281	23,258	19,716
Less: Share of associates' turnover		22,877	—	22,877	19,666
Group turnover		100	281	381	50
Cost of sales		—	90	90	—
Gross profit		100	191	291	50
Administrative expenses		308	148	456	235
Group operating (loss)/profit		(208)	43	(165)	(185)
Share of associates' operating profit		1,924	—	1,924	172
Group and share of associates' operating profit/(loss) before interest and taxation		1,716	43	1,759	(13)
Net investment income/(interest payable)	3			120	351
Profit on ordinary activities before taxation	4			1,879	338
Taxation on ordinary activities	8			844	271
Profit for the year	19			1,035	67
Earnings per share	10				
— Basic				6.4p	0.4p
— Diluted				6.1p	0.4p
Dividends per share	9				
— Paid in year				6.0p	5.5p
— Proposed final				3.5p	3.5p

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the profit and loss account.

Balance sheets

As at 30 September	Note	Group		Company	
		2006 £'000	2005 (Restated) £'000	2006 £'000	2005 (Restated) £'000
Tangible assets	11	7,232	—	—	—
Investments in associates	12	5,889	5,174	—	—
Other investments	12	—	—	15,001	15,000
Fixed assets		13,121	5,174	15,001	15,000
Stocks: Raw materials and consumables		62	—	—	—
Debtors: amounts falling due within one year	14	488	37	41	37
Debtors: amounts falling due after more than one year	14	133	—	9,464	—
Cash at bank and in hand		322	2,125	74	2,125
Current assets		1,005	2,162	9,579	2,162
Creditors: amounts falling due within one year	15	(6,790)	(62)	(8,608)	(62)
Net current (liabilities)/assets		(5,785)	2,100	971	2,100
Net assets		7,336	7,274	15,972	17,100
Capital and reserves					
Called up share capital	17	1,632	1,632	1,632	1,632
Treasury shares	19	(91)	(91)	(91)	(91)
Share premium account	19	12,489	12,489	12,489	12,489
Profit and loss account	19	(6,694)	(6,756)	1,942	3,070
Equity shareholders' funds		7,336	7,274	15,972	17,100

The financial statements on pages 9 to 20 were approved by the board of directors and authorised for issue on 19 January 2007 and were signed on its behalf by:

Richard Murray
Cameron Maxwell
Directors

Consolidated reconciliation of movement in equity shareholders' funds

For the year ended 30 September	2006 £'000	2005 £'000
Opening equity shareholders' funds (as previously stated)	6,706	7,624
Prior year adjustment	568	571
Opening equity shareholders' funds (as restated)	7,274	8,195
Profit for the year	1,035	67
Dividends	(973)	(897)
	62	(830)
Shares purchased into treasury	—	(91)
Net increase/(reduction) in equity shareholders' funds	62	(921)
Closing equity shareholders' funds	7,336	7,274

Consolidated cash flow statement

For the year ended 30 September	2006 £'000	2005 £'000
Net cash flow from operating activities	279	(200)
Dividends from associate	880	1,175
Interest received	76	106
Interest paid	(23)	—
Returns on investments and servicing of finance	53	106
Taxation	—	—
Net cash flow before capital expenditure	1,212	1,081
Purchase of tangible assets	(55)	—
Capital expenditure	(55)	—
Acquisition of subsidiary	(7,053)	—
Investment in associate	(435)	—
Acquisitions	(7,488)	—
Equity dividends paid	(972)	(895)
Net cash flow before use of liquid resources and financing	(7,303)	186
Management of liquid resources:		
Decrease/(increase) in bank term deposits	1,050	(1,050)
Purchase of own shares into treasury	—	(91)
Increase in bank loans	5,500	—
Financing	5,500	(91)
Decrease in cash in the year	(753)	(955)
Reconciliation net cash flow to movement in net (debt)/funds		
Decrease in cash in the year	(753)	(955)
Cash inflow from increase in debt	(5,500)	—
Cash flow from from change in liquid resources	(1,050)	1,050
Movement in net (debt)/funds in the year	(7,303)	95
Opening net funds	2,125	2,030
Closing net (debt)/funds	(5,178)	2,125

Closing net (debt)/funds comprises cash at bank and in hand of £322,000 (2005: £2,125,000) less bank loans of £5,500,000 (2005: nil).

Net cash flow from operating activities

For the year ended 30 September	2006 £'000	2005 £'000
Group operating loss	(165)	(185)
Depreciation, amortisation and impairment	8	—
Change in stocks	2	—
Change in debtors	(264)	(5)
Change in creditors	698	(10)
Net cash flow from operating activities	279	(200)

Notes to the financial statements

1 Accounting Policies

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

Basis of consolidation

The consolidated financial statements include the financial statements of the company and its subsidiaries made up to 30 September 2006. The results of subsidiaries or businesses acquired are included from the date control passes to the group and the results of subsidiaries or businesses disposed of are included up to the date control passes from the group. All intra-group transactions and balances are eliminated on consolidation.

The group accounts for entities in which it has a long-term interest and over which it exercises significant influence, rather than control, as associates. The group uses the equity method of consolidation to account for its associates including the group's share of the profits less losses of the associates in the consolidated profit and loss account and including its interest in their net assets as investments in the consolidated balance sheet.

Change of accounting policies

The group has changed its accounting policy for dividends following the implementation of a new accounting standard FRS 21 'Events after the Balance Sheet date'. Previously the group recognised dividends proposed in respect of the financial year to which they related. Under the new standard, the group will recognise interim dividends when paid and proposed dividends on approval at the Annual General Meeting. The standard requires the change to be retrospective and therefore comparatives have been restated. The effect of this change is that creditors as at 30 September 2006 were decreased by £568,000 (2005: £568,000) and net assets increased by the same amount.

Associates

Complete Communications Corporation Limited ("Complete")

The following additional accounting policy on turnover is relevant to the television programme production and rights exploitation business of Complete.

- a) Income in respect of programme production is recognised as follows:
 - i) Short-term productions made shortly before delivery are recognised on delivery.
 - ii) Income on long-term productions is recognised in proportion to the production work completed.
- b) Licence fees and royalty and distribution advances are spread evenly over the term of the licence until the actual income receivable exceeds the licence fee or advance, when the unexposed portion of the fee is recognised.
- c) Additional fees, royalties receivable and other income are recognised on an accruals basis as they are earned, when they can be reliably estimated and when collection is reasonably assured.
- d) Income in respect of film production is recognised on sale of the film rights. Before delivery, costs incurred are recognised in work in progress to the extent that they are considered to be recoverable in future periods.

Company profit and loss account

The company has taken advantage of the exemption from presenting its own profit and loss account in accordance with section 230(4) of the Companies Act 1985. The loss for the year of the company was £155,000 (2005: profit £1,096,000).

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Leased assets

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term, except where the period to the review date on which the rent is first expected to be adjusted to the prevailing market rate is shorter than the full lease term, in which case the shorter period is used.

Post-retirement benefits

The group operates a defined contribution type pension arrangement for certain of its employees in the UK. Financial institutions hold the assets of these arrangements entirely separately from those of the group. The group provides no other post-retirement benefits.

1 Accounting Policies, continued

Stocks

Stocks are stated at the lower of cost and net realisable value. Costs include all amounts incurred in obtaining the stock and bringing it to its current location and condition. Net realisable value is based on estimated selling price, less further costs expected to be incurred to completion and disposal. Provision is made for obsolete, slow-moving or defective items where appropriate.

Tangible fixed assets

Tangible fixed assets are depreciated at cost, less estimated residual values. All tangible fixed assets except freehold land are depreciated on a straight-line basis over their useful economic lives. The principal annual rates used for this purpose are:

Freehold land	— Not depreciated
Freehold buildings	— Over 50 years
Plant and equipment	— 5–15 years
Motor vehicles	— 3–4 years

The company selects its depreciation rates carefully and reviews them regularly to take account of any changes in circumstances. When setting useful economic lives, the principal factors the company takes into account are the expected rates of technological developments, expected market requirements and the intensity at which the assets are expected to be used.

Turnover and revenue recognition

Turnover represents sales to outside customers at invoiced amounts less value added tax and discounts. Services are supplied proportionally over the duration of the service or hire period and turnover is recognised accordingly on a programme by programme basis.

Web site costs

The group uses web sites principally for communication purposes. Accordingly, all web site costs are recognised in the profit and loss account as incurred.

2 Segmental analysis

The group's business consists of the operation of its television studios and the management of its investments in its two associated companies, Complete Communications Corporation Limited ("Complete"), a television programme production and rights exploitation business based in the United Kingdom, and Medal Entertainment & Media plc ("MEM"), an AIM quoted media company. The results are shown after costs directly relating to each class of business.

	For the year ended 30 September 2006			For the year ended 30 September 2005		
	Turnover	Profit/(loss) before tax	Net assets	Turnover	Profit/(loss) before tax	Net assets
	£'000	£'000	£'000	£'000	£'000	£'000
Our share of Complete	18,357	2,252	4,278	17,013	519	3,703
Our share of MEM	4,520	(261)	1,611	2,653	(102)	1,471
Fountain Studios	281	43	6,678	—	—	—
Other unallocated activities	100	(155)	(5,231)	50	(79)	2,100
Total	23,258	1,879	7,336	19,716	338	7,274
Less: share of associates	(22,877)	(1,991)	(5,889)	(19,666)	(417)	(5,174)
Group total	381	(112)	1,447	50	(79)	2,100

Turnover and profit before tax arise solely in the United Kingdom.

Notes to the financial statements, continued

3 Net investment income/(interest payable)

For the year ended 30 September	2006 £'000	2005 £'000
Group interest payable — Bank loans and overdrafts	(23)	—
Share of associates' interest payable	(101)	(78)
Group and share of associates' interest payable	(124)	(78)
Group interest receivable	76	106
Share of associates' investment income	168	323
Group and share of associates' investment income	244	429
Net investment income/(interest payable)	120	351

4 Profit on ordinary activities before taxation

For the year ended 30 September	2006 £'000	2005 £'000
Profit on ordinary activities before taxation is stated after charging:		
Operating lease payments		
— Land and buildings	5	—
— Plant and equipment	5	—
Depreciation charge		
— Owned tangible assets	8	—
The amounts payable to Baker Tilly, the group's auditors, in respect of both audit and non-audit services:		
Fees payable to Baker Tilly for the audit of the parent company and consolidated accounts	17	16
Fees payable to Baker Tilly for other services:		
Taxation services	8	13
Corporate finance services in respect of acquisition	24	—
All other services	—	17
	49	46

5 Employee information (excluding the directors)

For the year ended 30 September	2006 Number	2005 Number
The average number of persons employed by the group was:		
Operations	1	—
Administration	4	—
Total employees	5	—

The group had 39 employees at 30 September 2006 (2005: no employees).

For the year ended 30 September	2006 £'000	2005 £'000
The aggregate payroll costs of the employees were:		
Wages and salaries	90	—
Social security costs	9	—
Other pension costs	4	—
Total payroll costs	103	—

6 Post-retirement benefits

The group operates a defined contribution type pension arrangement for certain of its employees in Fountain Television Limited. Financial institutions hold the assets of these arrangements entirely separately from those of the group. The cost of these pension arrangements to the group was £4,000 (2005: nil), and £19,000 of contributions were unpaid at the period end (2005: nil). The group provides no other post-retirement benefits.

7 Directors' remuneration

The total emoluments of the directors of the company were fees for the year ended 30 September of:

	2006	2005
	£'000	£'000
Executive director		
CA Maxwell	116	57
Non-executive directors		
RA Murray	77	36
AP Stirling	9	5
Total	202	98

The fees of each of the directors were paid to a company connected with that director.

8 Taxation

Analysis of taxation charge for the year ended 30 September

	2006	2005
	£'000	£'000
UK corporation tax in respect of current year	—	—
Share of associates' current taxation	825	193
Group and share of associates' current taxation	825	193
Deferred tax (note 16)	13	—
Share of associates' deferred taxation	6	78
Group and share of associates' deferred taxation	19	78
Group taxation	13	—
Share of associates' taxation	831	271
Group and share of associates' taxation	844	271

Factors affecting the taxation charge

	2006	2005
	£'000	£'000
The taxation charge for the year is higher than the standard rate of corporation tax in the UK.		
The differences are explained below.		
Profit on ordinary activities before taxation	1,879	338
Profit on ordinary activities before taxation multiplied by the standard rate of UK corporation tax of 30%	564	101
Goodwill amortisation	—	32
Other non-deductible expenses	131	23
Depreciation in excess of capital allowances	19	17
Other timing differences	149	(59)
Other differences	(19)	79
Group and share of associates' current taxation	844	193

9 Dividends

	2006	2005
	£'000	£'000
Paid in the year ended 30 September		
Interim dividend of 2.5p per share (2005: 2.0p per share)	405	326
Final dividend of 3.5p per share (2005: 3.5p per share)	568	571
Total dividend of 6.0p per share (2005: 5.5p per share)	973	897

A final dividend of 3.5p per share is proposed to be paid on 10 April 2007 to shareholders on the Register on 9 March 2007, making a total dividend for the year of 6.0 pence per ordinary share (2005: 5.5 pence).

10 Earnings per share

Basic earnings per share ("EPS") have been calculated by dividing earnings (profit after taxation) by the weighted average number of ordinary shares in issue (excluding treasury shares) during the year.

Weighted average number of shares

	2006	2005
	Number	Number
For the year ended 30 September		
For basic earnings per share	16,223,797	16,304,640
Effect of dilutive share options	654,226	372,210
For diluted earnings per share	16,878,023	16,676,850

Notes to the financial statements, continued

11 Tangible assets

	Freehold Land and buildings £'000	Owned plant and equipment £'000	Total £'000
Cost			
Acquisitions	5,527	1,658	7,185
Additions	—	55	55
As at 30 September 2006	5,527	1,713	7,240
Depreciation			
Charge for the year	5	3	8
As at 30 September 2006	5	3	8
Net book value			
At 30 September 2006	5,522	1,710	7,232
At 1 October 2005	—	—	—

The freehold land and buildings are being used as security for a bank loan between InvestinMedia plc and HSBC Bank plc.

	2006 £'000	2005 £'000
The net book value of land and buildings comprises:		
Freehold land	2,250	—
Freehold buildings	3,272	—
Total	5,522	—

12 Fixed asset investments

	Group Investment in associates £'000	Company Shareholding in subsidiaries £'000
Cost/share of net assets		
At 1 October 2005	5,174	15,593
Additions	435	1
Share of associate's profit after tax	1,160	—
Dividends from associate	(880)	—
At 30 September 2006	5,889	15,594
Provisions for impairment		
At 1 October 2005 and at 30 September 2006	—	593
Net book value		
At 30 September 2006	5,889	15,001
At 1 October 2005	5,174	15,000

Principal subsidiaries

The group's subsidiaries at 30 September 2006, which are registered and operate in England, are InvestinMedia Holdings Ltd and InvestinMedia Investments Ltd (both are investment holding companies, 100% beneficially owned by InvestinMedia plc) and Fountain Television Ltd (which owns and operates Television Studios).

12 Fixed asset investments, continued

Associate undertakings

The group's associates were: Complete Communications Corporation Limited ("Complete"), a company registered in England and Wales and engaged in television programme production and rights exploitation, and Medal Entertainment & Media plc ("MEM"), an AIM quoted media company.

Complete

The group owned 100% of the A ordinary shares which gave the group a 49% economic interest in Complete together with 49% of the voting rights. The group share of the results of Complete for the year ended 30 September was as follows:

	2006	2005
	£'000	£'000
Turnover	18,357	17,013
Profit on ordinary activities before taxation	2,252	519
Taxation on profit on ordinary activities	(797)	(237)
Profit on ordinary activities after taxation	1,455	282
At 30 September	2006	2005
The group share of the net assets of Complete was as follows:	£'000	£'000
Fixed assets	948	3,718
Current assets	11,338	7,348
Creditors: amounts falling due within one year	(8,008)	(7,363)
Net assets	4,278	3,703

The investment in Complete was sold on 20 December 2006. The proceeds were 1,534,162 ordinary shares of €0.01 each in 2 Way Traffic N.V. issued at a total subscription price of £1.9 million, £9.4 million held in a retention account, £20.9 million in cash (net of expenses) and a balance due from 2 Way Traffic N.V. based on the final net assets of Complete. Additional consideration may also be receivable depending on the outcome of certain litigation in the United States.

MEM

The group acquired additional ordinary shares in MEM in the year for £435,000 and now owns 20.74% of the ordinary shares in MEM (2005: 16.83%). The market value of this investment at 30 September 2006 was £1.79 million (2005: £1.76 million). The group share of the results of MEM for the year ended 30 September was as follows:

	2006	2005
	£'000	£'000
Turnover	4,520	2,653
(Loss) on ordinary activities before taxation	(261)	(102)
Taxation on loss on ordinary activities	(34)	(34)
(Loss) on ordinary activities after taxation	(295)	(136)
At 30 September	2006	2005
The group share of the net assets of MEM was as follows:	£'000	£'000
Fixed assets	1,064	1,824
Current assets	1,889	1,768
Creditors: amounts falling due within one year	(1,342)	(1,571)
Creditors: amounts falling due after one year	—	(550)
Net assets	1,611	1,471

Notes to the financial statements, continued

13 Acquisition — Fountain Television Limited

On 6 September 2006 the group acquired a 100% interest in the Ordinary issued share capital of Fountain Television Limited (which owns and operates television studios) for aggregate consideration of £7,053,000. This purchase has been accounted for as an acquisition.

	Net book value £'000	Fair value adjustments £'000	Fair value £'000
Net assets acquired:			
Tangible fixed assets	6,750	435	7,185
Intangible fixed assets	276	(276)	—
Stocks	64	—	64
Debtors	349	—	349
Creditors	(545)	—	(545)
Net assets acquired	6,894	159	7,053
Cash paid			1,500
Acquisition expenses			253
Loan to Fountain Television Limited			5,300
Total Acquisition Cost satisfied in cash			7,053

Pre-acquisition trading

The following table sets out the financial results of Fountain Television Limited for the period from 1 April 2006 to the date it was acquired and the comparative for the year ended 31 March 2006.

	Period from 1 April to 6 September 2006 £'000	Year ended 31 March 2006 £'000
Turnover	1,332	3,199
Cost of sales	(548)	(1,131)
Gross profit	784	2,068
Administration expenses	(1,217)	(2,482)
Exceptional item	538	—
Interest payable	(188)	(11)
(Loss) on ordinary activities before taxation	(83)	(425)

14 Debtors

	Group		Company	
	2006 £'000	2005 £'000	2006 £'000	2005 £'000
At 30 September				
Amounts falling due within one year				
Trade debtors	298	—	—	—
Other debtors	16	16	19	16
Prepayments and accrued income	174	21	22	21
	488	37	41	37
Amounts falling due after more than one year				
Amounts owed by subsidiaries	—	—	9,464	—
Deferred tax asset (note 16)	133	—	—	—
	133	—	9,464	—
	621	37	9,505	37

15 Creditors: amounts falling due within one year

At 30 September	Group		Company	
	2006 £'000	2005 £'000 Restated	2006 £'000	2005 £'000 Restated
Bank loans, since repaid	5,500	—	5,500	—
Trade creditors	209	—	—	—
Amounts owed to subsidiaries	—	—	2,857	—
Other creditors	138	15	138	15
Taxation and social security	220	31	—	31
Accruals and deferred income	723	16	113	16
	6,790	62	8,608	62

16 Deferred taxation

Deferred tax carried forward comprises:	Group 2006 £'000	Group 2005 £'000
Tax losses	645	—
Accelerated capital allowances	(512)	—
	133	—
Movement during the year:	Group 2006 £'000	Group 2005 £'000
Brought forward at 1 April	—	—
Acquisitions	146	—
Charge to profit and loss account	(13)	—
Deferred tax asset at 30 September 2006	133	—

The group has other tax losses carried forward totalling £226,000 (2005: £80,000), which may be available to reduce future tax payments. These losses have not been recognised as deferred tax assets due to uncertainties concerning the extent and timing of recoverability, which are dependent upon the generation of certain classes of taxable profits by certain of the group's operations.

The deferred tax asset recognised in the financial statements will be recoverable against future taxable profits in the relevant subsidiary.

17 Share capital

As at 30 September	2006		2005	
	Number	£'000	Number	£'000
Authorised: Ordinary shares of 10p each	21,000,000	2,100	21,000,000	2,100
Allotted, called up and fully paid: Ordinary shares of 10p each	16,316,297	1,632	16,316,297	1,632

18 Share options

At 30 September 2006, there were 1,468,467 options under the 1997 unapproved executive share option scheme at 71.1667 pence each. These options are exercisable between 24 February 2007 and 24 February 2011. The right to exercise these options was subject to a performance condition that has now been satisfied (2005: 1,468,467).

Notes to the financial statements, continued

19 Capital and reserves

	Share capital account £'000	Shares held in treasury £'000	Share premium account £'000	Profit and loss account £'000	2006 Total £'000	2005 Total £'000
Group						
At 1 October 2005 (as previously stated)	1,632	(91)	12,489	(7,324)	6,706	7,624
Prior year adjustment (note 1)	—	—	—	568	568	571
At 1 October 2005 (as restated)	1,632	(91)	12,489	(6,756)	7,274	8,195
Shares purchased into treasury	—	—	—	—	—	(91)
Dividends paid	—	—	—	(973)	(973)	(897)
Profit for the year	—	—	—	1,035	1,035	67
At 30 September 2006	1,632	(91)	12,489	(6,694)	7,336	7,274
Company						
At 1 October 2005 (as previously stated)	1,632	(91)	12,489	2,502	16,532	16,421
Prior year adjustment (note 1)	—	—	—	568	568	571
At 1 October 2005 (as restated)	1,632	(91)	12,489	3,070	17,100	16,992
Shares purchased into treasury	—	—	—	—	—	(91)
Dividends paid	—	—	—	(973)	(973)	(897)
(Loss)/profit for the year	—	—	—	(155)	(155)	1,096
At 30 September 2006	1,632	(91)	12,489	1,942	15,972	17,100

92,500 ordinary shares are held in treasury representing 0.57% of the ordinary share capital in issue as at 30 September 2006.

20 Financial instruments

The group does not trade in financial instruments. All of the group's financial assets and liabilities are designated in sterling. There is no material difference between their book value and fair value. Financial assets and liabilities referred to in this note exclude short-term debtors and creditors. Financial liabilities at 30 September 2006, which have since been repaid, were:

Sterling bank loans	Interest rate	Balance at 30 September	
		Facility £'000	2006 £'000
Revolving Credit Facility	HSBC Base rate plus 1.75%	2,000	500
Term Loan	HSBC Base rate plus 1.5%	5,000	5,000
Total borrowings			5,500

There were no financial liabilities at 30 September 2005.

Financial assets comprise Sterling deposits of £332,000 (2005: £2,125,000). Variable rate interest receivable on the cash balances is based on the relevant banks' base rates. All financial assets are receivable within one year or less, or on demand.

21 Related party disclosures

As disclosed in note 12, Complete Communications Corporation Limited ("Complete") and Medal Entertainment & Media plc ("MEM") are both associated undertakings of the group. During the period, the group provided services to Complete totalling £100,000 (2005: £50,000), of which nil (2005: nil) was included within debtors at the year end. Over the same period, the group made no sales to MEM (2005: nil), nil of which were included within debtors at the year end (2005: nil). On 6 September 2006, the group acquired Fountain Television Limited from MEM. Further details of the transaction are disclosed in note 13.

There were no other transactions with related parties requiring disclosure under FRS 8. The company has taken advantage of the exemption under FRS 8, which permits the non-disclosure of inter-group transactions with 90% subsidiaries.

22 Commitments and contingent liabilities

The company has given indemnities to and received indemnities from certain former subsidiaries in connection with the Demerger in 2004 and certain transactions prior thereto. It is the view of the directors that such indemnities are not expected to result in financial loss to the group. The group had no capital commitments at the balance sheet date (2005: nil). The company has no operating lease commitments.

23 Post-balance sheet events

As explained in the Chairman's Statement and in note 12, the group sold its stake in Complete to 2 Way Traffic N.V. on 20 December 2006, part of the proceeds of which has been used to repay the group's borrowings.

Notice of meeting

NOTICE is hereby given that the twenty-third Annual General Meeting of InvestinMedia plc will be held at 36 Elder Street, London E1 6BT on the 2nd day of March 2007 at 11.00 a.m. for the following purposes:

Ordinary business

1. To receive the Report of the directors and the Accounts for the year ended 30 September 2006, together with the Report of the auditors.
2. To declare a final dividend on the ordinary 10p shares of the company of 3.5p per share.
3. To re-elect CA Maxwell as director.
4. (a) To reappoint the auditors, Baker Tilly, as auditors of the company to hold office from the conclusion of this meeting until the conclusion of the next general meeting at which accounts are laid before the company.
(b) To authorise the directors to determine the auditors' remuneration.

Special business

To consider and, if thought fit, to pass the following resolutions, of which Resolution 5 will be proposed as an ordinary resolution and Resolutions 6 and 7 as special resolutions:

5. THAT the directors be generally and unconditionally authorised in accordance with section 80 of the Companies Act 1985 (the "Act") to exercise all powers of the company to allot relevant securities (within the meaning of Section 80 of the Act) up to an aggregate nominal amount of £468,370.30. This authority shall expire at the conclusion of the next Annual General Meeting after the passing of this resolution (or 15 months from the passing of this resolution (if sooner)) except that after the date when it expires the directors may use this authority to allot relevant securities in accordance with the terms of any offer or agreement made by the company before that date. All outstanding general authorities under Section 80 of the Act shall be revoked.
6. THAT in accordance with section 95 of the Companies Act 1985 (the "Act"), the directors be given power:
 - (i) to allot equity securities (within the meaning of section 94 of the Act as at the date hereof) pursuant to the authority given by Resolution 5 above; and
 - (ii) to allot equity securities (within the meaning of section 94 of the Act as amended by the Regulations) which are held by the company in treasury;

as if section 89(1) of the Act did not apply to any such allotment, provided that this power shall be limited to the allotment of such equity securities:

- (a) in connection with or which are the subject of an offer or invitation, open for acceptance for a period fixed by the directors, to holders of ordinary shares of 10p each and such other equity securities of the company as the directors may determine on a fixed record date in proportion (as nearly as may be) to their respective holdings of such securities or in accordance with the rights attached thereto (but subject to such exclusions or other arrangements as the directors may deem necessary or expedient to deal with fractional entitlements that would otherwise arise or legal or practical problems under the laws or requirements of any regulatory body or any stock exchange in any territory); and
- (b) (otherwise than pursuant to subparagraph (a) above) up to an aggregate nominal value of £81,581.40;

and shall expire at the conclusion of the next Annual General Meeting of the company after the passing of this resolution (or 15 months from the passing of this resolution (if sooner)) except that after the date when it expires the directors may use this authority to allot such equity securities in accordance with the terms of any offer or agreement made by the company before that date. All outstanding powers under Section 95 of the Act shall be revoked.

For the purposes of this resolution, "the Regulations" means The Companies (Acquisition of Own Shares) (Treasury Shares) Regulations 2004.

7. THAT the company be and is generally and unconditionally authorised to make a market purchase or market purchases (within the meaning of Section 163(3) of the Companies Act 1985) of its own ordinary shares of 10p each ("shares") in such a manner and on such terms as the directors may from time to time determine provided that:
- (a) the maximum aggregate number of shares hereby authorised to be so acquired is 1,631,629 or, if the shares have a nominal value other than 10p each, such number as has an aggregate nominal value equal to £163,162.90;
 - (b) the minimum price which may be paid for each share is 10p (exclusive of expenses) or, if each share has a nominal value other than 10p, that nominal value;
 - (c) the maximum price (exclusive of expenses) which may be paid for each share is not more than 5 per cent above the average of the middle market quotations derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the date of purchase of the shares;
 - (d) the authority hereby conferred shall expire at the conclusion of the Annual General Meeting of the company to be held in 2008 or 18 months from the date this Resolution is passed, whichever is the earlier, unless such authority is revoked, varied or renewed prior to such time; and
 - (e) the company may, prior to the expiry of the authority hereby conferred, enter into a contract to purchase shares which will or may be executed wholly or partly after such expiry, and may purchase shares pursuant to such contract.

TO TRANSACT ANY OTHER BUSINESS
BY ORDER OF THE BOARD

Watlington Securities Ltd, *Secretary*
Registered Office: 36 Elder Street, London E1 6BT

19 January 2007

NOTES:

1. A member entitled to vote at the Meeting is entitled to appoint one or more proxies to attend and, on a poll, vote on his/her behalf. The proxy need not be a member of the company. A form of proxy is enclosed with this Notice for use at the Meeting.
2. To be valid, the instrument appointing a proxy (together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such power or authority) must be deposited at or posted to the office of the Registrars of the company, Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU to be received not less than 48 hours before the time fixed for the Meeting. Completion and return of the form of proxy will not preclude shareholders from attending or voting at the Meeting in person.
3. The company specifies, pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, that those shareholders registered on the register of members of the company as at 11.00 a.m. on 28 February 2007 shall be entitled to attend or vote at the Meeting in respect of the number of shares registered in their name at that time. Changes to entries on the register of members after 11.00 a.m. on 28 February 2007 shall be disregarded in determining the rights of any person entitled to attend or vote at the Meeting.
4. The following documents are available for inspection by members at the registered office of the company on weekdays (except Saturdays) during normal business hours, and at the place of the meeting from not less than 15 minutes before the Meeting to its conclusion:
 - (i) the Register of Directors' Interests required to be kept under Section 325 Companies Act 1985; and
 - (ii) copies of the directors' contracts of service.
5. **Important notice to bearers of share warrants:** You will not be entitled to attend or vote at the Annual General Meeting unless your Share Warrant is converted to registered form by lodging it with the Company Secretary not later than 11.00 a.m. on 27 February 2007.

Form of proxy

FORM OF PROXY FOR THE USE AT THE ANNUAL GENERAL MEETING TO BE HELD AT 36 ELDER STREET, LONDON E1 6BT ON 2nd DAY OF MARCH AT 11.00 a.m.

I/We (block capitals please)
 of
 being (a) members(s) of InvestinMedia plc (the "Company") HEREBY APPOINT the Chairman of the Meeting*

to act as my/our proxy and to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on 2nd day of March 2007 and at any adjournment thereof.

Please indicate with an 'X' in the spaces below how you wish your votes to be cast in respect of each of the resolutions which are set out in the Notice convening the Meeting. If no specified direction as to voting is given, the proxy will vote or abstain as he/she thinks fit.

RESOLUTIONS	FOR	AGAINST
1 To receive the Report of the directors and the Accounts for the year ended 30 September 2006, together with the Report of the auditors.		
2 To declare a final dividend on the ordinary 10p shares of the company of 3.5p per share.		
3 To re-elect CA Maxwell as director.		
4 (a) To reappoint the auditors, Baker Tilly, as auditors of the company to hold office from the conclusion of this meeting until the conclusion of the next general meeting at which accounts are laid before the company. (b) To authorise the directors to determine the auditors' remuneration.		
5 To authorise the directors to allot relevant securities.		
6 To disapply pre-emption rights.		
7 To authorised the company to make market purchases of its own shares.		

I/We authorise my/our proxy to act at his/her discretion in relation to any other business arising at the Meeting (including any resolution to adjourn the Meeting).

Dated thisday of2007

Signature

* If you wish to appoint some other person(s) to be your proxy, delete the words "the Chairman of the Meeting" and insert the name of the proxy.

Notes

- To be valid this form, duly completed and signed, must be deposited, together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such power of attorney or other authority, at the office of the company's registrars, Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU not less than 48 hours before the time fixed for the meeting.
- Any alteration made in this form must be initialled.
- If the appointor is a corporation, this form must be executed under its common seal or under the hand of an officer or attorney duly authorised on its behalf.
- In the case of joint holders a vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other holder or holders of the share(s) and for this purpose seniority shall be determined by the order in which the names stand in the register of members.
- Completion and return of this form does not preclude the shareholder from attending the meeting and voting in person.
- Important notice to bearers of share warrants:** You will not be entitled to attend or vote at the Annual General Meeting unless your Share Warrant is converted to registered form by lodging it with the Company Secretary not later than 11.00 a.m. on 27 February 2007.



Second fold

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2



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