Triad Group Plc
Annual Report & Accounts
2010-2011

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Triad Group Plc

Annual Report for the year ended 31 March 2011

Contents

Chairman's statement

Dr John Rigg, Executive Chairman

Financial highlights

- Revenue for the year ended 31 March 2011: £23.3m (2010: £27.2m)
- Operating loss before exceptional items £0.36m (2010:£0.46m)
- Operating loss after exceptional items £0.77m: (2010: £0.46m)
- Loss before tax £0.92m: (2010: £0.61m)
- Gross profit as a percentage of revenue 15.6%: (2010: 17.4%)

Business performance

As reported in my interim statement dated 29 November 2010, trading conditions in the markets in which the Group operates continue to be challenging. In the year to 31st March 2011 revenues fell by £3.9m, primarily as a consequence of the reduction in public sector expenditure. In order to minimise the impact on the bottom line the Group has continued to take actions to reduce its cost base.

Measures taken in the year to reduce the Group's overhead have seen administrative expenses reduce significantly in the year to £4.4m (2010: £5.2m). This includes exceptional costs relating to the reduction in headcount of £0.4m. The measures taken during the year will generate a further reduction in overheads of 15% in the year ahead. The Group now has a cost base structure able to support a stable business.

Given the size of the fall in revenue, and the consequent impact on gross profit, increased losses after exceptional items could not be avoided. However, whilst the total loss before tax has increased to £0.92m (2010: £0.61m), the cost reduction measures implemented have resulted in a reduction in the operating loss before exceptional items to £0.36m (2010: £0.45m).

Despite the revenues in the Resourcing, Consultancy and Solutions business being affected by further reductions in public sector demand, the segment has broken even, reporting an operating profit after exceptional items for the year of £1,000 (2010: £32,000).

Zubed, Triad's location intelligence business has fallen short of expectations for the year, generating revenues of £281,000 (2010: £503,000). Costs in this business have also been significantly reduced during the year and more focus has been directed to developing and selling a core product set. Further to this an impairment charge of £140,000 has been applied to the carrying value of the Zubed asset (see note 12). Despite the slower than planned take-up of the product, actual and potential customers continue to be very interested in both the core product and the technology that supports it.

Operating review

Market

The Group provides services in the areas of Business Consultancy and Solutions, niche IT Resourcing, Location Intelligence Products & Solutions and Semantic Search. The Group operates from the United Kingdom, with offices in Milton Keynes and Godalming.

Operating summary

Resourcing, consultancy and solutions

The resourcing business saw a steady decline in public sector revenue, as expiring contracts were not replaced by new business: as a result public sector revenue was 50% lower than the previous year. However we have been successful in becoming a supplier under the OGC Framework for non-permanent staff. Whilst this did not impact revenue during the year it is expected that the framework will produce a growing revenue stream over the next year.

In contrast private sector revenue has increased by 2%. This includes encouraging growth through a preferred supplier relationship for the supply of IT resource to a large retail bank.

Despite strong downward market pressures caused by the economic climate margins in the resourcing business held up well, decreasing from 15.8% to 15.0%.

In the final quarter we expanded our offering to clients to include a permanent recruitment service. The Company is already seeing a positive contribution from this business in the first quarter of the new financial year.

Revenue in the consultancy and solutions business has also been impacted by the decline in public sector expenditure. During the year the business has continued to develop and provide its services across a number of key propositions, in both the public and private sectors, which are delivering business benefit to our clients in the form of cost savings, competitive advantage, regulatory compliance, and information security.

Chairman's statement

Dr John Rigg, Executive Chairman

During the year, Triad consultants have;

- implemented intranets, extranets and portals for a number of customers using SharePoint 2007 and 2010 demonstrating our ability to extend the core features of the SharePoint platform and integrate with a range of line of business systems to deliver user centric systems
- delivered complex and secure high-profile systems to central government and enhanced existing systems further to changes in EU regulations
- undertaken business and technical architecture reviews, provided security architecture consultancy to the public sector, and have worked closely with clients in programme and project management roles
- provided the delivery and design capability for secure IT solutions typically adhering to stringent Government security standards.

The on-going strategy is to continue to develop existing and new lines of business to provide a richer capability offering and to develop larger, more profitable projects. Cross selling opportunities across the Group continue to be developed.

Zubed

Zubed Geospatial has focused on key market sectors, namely retail, real estate, central and local government. SaferMK, the community safety partnership for Milton Keynes, led the way in 2011 with the first launch of street-level crime mapping.

Retailers such as Morrisons continue to extend usage of their Zubed product, and one of the country's leading estate agents has recently decided to use Zubed for its internal mapping system. Lloyds Banking Group entered into their third year of association with Zubed.

Economic pressures have had a significant impact on Zubed's revenues and operating performance (note 4), particularly within the public sector where the number of live enquiries reduced dramatically as local authorities reined in their expenditure. Further to these pressures we have standardised the Zubed portfolio enabling us to increase the efficiency of the delivery of solutions to clients. There are now three core platforms: Engage, Present, and Discover – operating either as standalone offerings or an integrated solution.

In addition to this product-line rationalisation and standardisation, Zubed has undertaken a significant number of cost-cutting measures, resulting in operating cost reductions in excess of 50%.

Zubed has established a network of partners that will help generate opportunities in key sectors, including government, construction and retail. Synergies across the group will be used to exploit opportunities, for example, within the Microsoft Sharepoint community.

Outlook

As a result of changes in the management structure of the Group, steps are being taken to integrate Zubed Geospatial with the Consulting and Solutions business. It is anticipated that the Group will benefit from the merging of the location intelligence technology with the expertise and associated technologies of our permanent consulting team, in particular those involved with Microsoft SharePoint and similar products.

The resourcing business will continue to focus on its key strength as a supplier of services across a range of niche market sectors. We have over 300 contractors operating across a range of clients. We are also widening our offering to include permanent recruitment solutions.

The Group's management team is working hard to generate improved revenues from its streamlined businesses, however the market remains challenging.

Director resignation

In July 2010, Triad's Chief Executive Officer, Ian Haynes, gave notice of his resignation from the Company following his decision to emigrate to Australia. Ian resigned as a director on 19 November 2010 when his employment also ended. There is no immediate plan to recruit a replacement, given the need to minimise costs in the current environment. Moreover, the duties are now being satisfactorily covered by the members of the Executive Board and the Group's senior management.

Employees

On behalf of the Board I would like to thank all our staff for their efforts during the past year.

J. C. Rigg

John Rigg
Chief Executive
24 June 2011

Financial review

Nick Burrows, Finance Director

Results

The results for the year to 31 March 2011 reflect another difficult year for the Group with further cost reduction measures needing to be taken in response to the fall in revenue and gross margin. Revenue for the year to 31 March 2011 decreased by 14.3% to £23.3m (2010: £27.2m). Gross margins have been under continued pressure throughout the year with gross margin as a percentage of revenue decreasing to 15.6% (2010: 17.4%).

The Group reports an operating loss before exceptional items of £0.36m (2010: £0.46m). The operational loss after exceptional items was £0.77m (2010: £0.46m). Segmental performance is discussed below.

Operating segments

Resourcing, consultancy and solutions

Revenues for the year to 31 March 2011 decreased by 13.7% to £23.0m (2010: £26.7m). The pre-exceptional operating result for the segment was a profit of £0.15m (2010: £0.03m). The operating result after exceptional items was break even (2010: £0.03m profit). Fee rates and contractor margins have been under pressure throughout the year and utilisation in the consultancy business has been impacted by the reduced demand for services.

Zubed

Revenue for the year to 31 March 2011 was £281,000 (2010: £503,000). The pre-exceptional operating result for the segment was a loss of £509,000 (2010: £487,000). The operating loss after exceptional items was £770,000 (2010: £487,000).

Further to cost cuts and savings made during the year the on-going cost base on the Zubed operations has been significantly reduced.

Overheads

Administrative expenses reduced by 14.8% to £4.4m (2010: £5.2m). Savings have been achieved through a reduction in headcount (average staff numbers have decreased in the year to 89 (2010: 121) – see note 8. Further on-going reductions have been achieved following the decision not to renew the lease at the Group satellite office in London. Operations continue to be run from the Group's offices in Godalming and Milton Keynes.

Cash flows

Despite the reported operating losses the Group's cash borrowings have increased only slightly to £0.79m (2010: £0.67m). This has been achieved through careful management of the Group's cash flows and strong credit control. Capital expenditure on property, plant and equipment, particularly motor vehicles, has been further reduced during the period to £9,000 (2010: £50,000). Net cash outflows from operating activities was £76,000 (2010: inflows of £307,000).

Zubed development

As at 31 March 2011 the net book value of the Zubed capitalised development cost asset was £411,000 (2010: £663,000). Development costs capitalised in the year have reduced significantly to £151,000 (2010: £349,000). Total amortisation relating to Zubed development costs charged to the income statement in the period increased to £263,000 (2010: £201,000). An impairment charge of £140,000 has been applied to the carrying value of the asset, based on projections of future demand for Zubed, which reflect revised expectations of expenditure in the public sector (see note 12).

Nick Burrows
Finance Director
24 June 2011

Directors' report

for the year ended 31 March 2011

The Directors present their report and the audited financial statements for the year ended 31 March 2011.

Principal activities

The principal activities of the Group during the year were that of resourcing, consultancy, software and systems delivery, and location intelligence.

Review of business

A review of the Group's business and future developments is contained within the Chairman's statement on page 2 The financial results of the Group are set out in the statement of comprehensive income and expense on page 9 of these financial statements. The key measures used by the Group to monitor its performance are discussed below. The review of business does not contain information about environmental matters and social and community issues.

Key performance indicators

Financial and non-financial key performance indicators (KPIs) used by the Board to monitor progress are revenue, operating profit, gross margin, net borrowings and headcount. Financial KPIs are discussed in more detail in the Chairman's Statement on page 2.

These KPIs are summarised below;

	2011	2010
Revenue	**£23,298,000**	£27,176,000
Operating loss	**£769,000**	£455,000
Gross margin	**15.6%**	17.4%
Net borrowings at 31 March	**£756,000**	£608,000
Headcount	**89**	121

Principal risks and uncertainties

As with any business in the UK IT services market the Group faces a number of principal risks and uncertainties. These are summarised as follows;

General economic uncertainty and reduction in public sector spending

Like many businesses Triad is at risk of being affected by the continued uncertainty over future economic conditions, in particular the impact on the Group of the reduction in public sector spending on IT projects and consultancy. The Board continually monitors the current and potential impact on the markets in which the Group operates and the Group's liquidity risk.

IT services market

The demand for IT services is affected by UK market conditions. The continual development of the Group's business into new niches and sectors is important in protecting the Group from fluctuations in market conditions.

Revenue visibility

The pipeline of contracted orders for time and materials consultancy work is relatively short. The Board carefully reviews forecasts to assess the level of risk arising from business that is forecast to be won.

Offshore competition

Offshore IT service companies, particularly those located in Asia and Eastern Europe, continue to exert downward pressure on fee rates. The Group continues to develop niche markets and focus on delivering effective solutions where close collaboration with the client is required.

Availability of staff

The ability to recruit and retain staff, and access to a large, appropriately skilled contractor resource are key to ensuring the ability to win and deliver IT services to our clients. The Group continues actively to recruit quality individuals, and ensures the contractor database is constantly updated and expanded.

Corporate governance

The Company's compliance with corporate governance is disclosed in the Corporate Governance Statement on pages 30 to 31, and this is incorporated into the Report of the Directors by reference.

Forward-looking statements

The Chairman's Statement and Operating Review contain forward-looking statements. Due to the inherent uncertainties, including both economic and business risk factors, underlying such forward-looking information, the actual results of operations, financial position and liquidity may differ materially from those expressed or implied by these forward-looking statements.

Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position, are set out in the Chairman's statement, and operating review on pages 2 to 3. The financial position of the Group, its cash flows, liquidity position and borrowing facilities are described in the Chairman's statement on page 2 and in note 18 to the financial statements. In addition note 3 to the financial statements includes the Group's objectives, policies and processes for managing its capital, its financial risk management objectives, details of its financial instruments and hedging activities, and its exposure to credit risk and liquidity risk.As highlighted in note 18 to the financial statements, the Group meets its day to day working capital requirements through an invoice finance facility.

The Group's projections, taking account of reasonably possible changes in trading performance, show that the Group should be able to operate within the level of its current facility. The facility may be terminated by either party with one month's written notice. The board receives regular cash flow and working capital projections to enable it to monitor its available headroom under this facility. These projections indicate that the Group expects to have sufficient resources to meet its reasonably expected obligations. The bank has not drawn to the attention of the Group any matters to suggest that this facility will not be continued on acceptable terms.

After making enquiries, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Financial instruments

The Board reviews and agrees policies for managing financial risk. These policies, together with an analysis of the Group's exposure to financial risks are summarised in note 3 of these financial statements.

Directors' report

for the year ended 31 March 2011

Dividends

The Directors have neither declared an interim dividend nor do they recommend that a final dividend be paid in respect of the year ended 31 March 2011 (2010: nil per 1p ordinary share).

Takeovers directive

The following disclosures are made following the implementation of the EU Takeovers Directive into UK law and where such required information is not already provided elsewhere in this report.

Share capital

As at 31 March 2011, the Company's issued share capital comprised a single class of shares referred to as ordinary shares. Details of the ordinary share capital can be found in note 20 to these financial statements.

Voting rights

The Group's articles provide that on a show of hands at a general meeting of the Company every member who (being an individual) is present in person and entitled to vote shall have one vote and on a poll, every member who is present in person or by proxy shall have one vote for every share held. The notice of the Annual General Meeting specifies deadlines for exercising voting rights and appointing a proxy or proxies to vote in relation to resolutions to be passed at the Annual General Meeting.

Transfer of shares

There are no restrictions on the transfer of ordinary shares in the Company other than as contained in the Articles:

- The Board may, in its absolute discretion, and without giving any reason for its decision, refuse to register any transfer of a share which is not fully paid up (but not so as to prevent dealing in listed shares from taking place) and on which the Company has a lien. The Board may also refuse to register any transfer unless it is in respect of only one class of shares, in favour of no more than four transferees, lodged at the Registered office, or such other place as the Board may decide, for registration, accompanied by a certificate for the shares to be transferred (except where the shares are registered in the name of a market nominee and no certificate has been issued for them) and such other evidence as the Board may reasonably require to prove the title of the intending transferor or his right to transfer the shares

Certain restrictions may from time to time be imposed by laws and regulations, for example:

- Insider trading laws; and
- The Listing Rules of the Financial Services Authority whereby certain employees of the Group require the approval of the Company to deal in the Company's ordinary shares.

Appointment and replacement of directors

The Board may appoint Directors. Any Directors so appointed shall retire from office at the next Annual General Meeting of the Company, but shall then be eligible for re-appointment.

The current Articles require that at the Annual General Meeting one third of the Directors shall retire from office but shall be eligible for re-appointment. The Directors to retire by rotation at each Annual General Meeting shall include any Director who wishes to retire and not offer himself for re-election and otherwise shall be the Directors who, at the date of the meeting, have been longest in office since their last appointment or re-appointment.

A Director may be removed from office by the service of a notice to that effect signed by at least three quarters of all the other Directors.

Amendment of the Company's Articles of Association

The Company's Articles may only be amended by a special resolution passed at a general meeting of shareholders.

Charitable donations

The Group made charitable contributions of £nil (2010: £100).

Creditor payment policy

The Group's current policy concerning the settlement of debts is to make payments to creditors in accordance with agreed terms. The Group's average creditor payment period at 31 March 2011 was 25 days (2010: 25 days).

Substantial shareholdings

In addition to the disclosure on page 32 of the interests of Directors who held office at the end of the financial year, the Company has been notified of the following holdings of 3% or more of the share capital of the Company at 1 June 2011:

	Percentage of issued share capital
M Makar	29.76%
Liontrust Investment Services Ltd	12.35%
The Chatham Trust	4.79%

Employment policies

The Group is committed to equal opportunities and operates employment policies which are designed to attract, retain and motivate high quality staff, regardless of sex, age, race, religion or disability. The Group has a policy of supporting staff in long term career development.

The Group recognises the importance of having effective communication and consultation with, and of providing leadership to, all its employees, who are critical to its future success. The Group promotes the involvement of its employees in understanding the aims and performance of the business.

Research and development activity

Research and development activities are undertaken with the prospect of gaining new technical knowledge and understanding, and developing new software.

Auditors

A resolution to reappoint BDO LLP as auditors of the Company will be proposed at the next Annual General Meeting.

Directors

The Directors who held office during the financial year were:

Executive Directors

John Rigg, Chairman

Nick Burrows, Group Finance Director

Ian Haynes, Group Chief Executive
(resigned 19 November 2010)

Independent non-executive Directors

Alistair Fulton, senior independent non-executive Director

Steven Sanderson

Directors' report

for the year ended 31 March 2011

Biographical details of the present Directors of the Company are shown below:

John Rigg is Chairman. He is a Chartered Accountant. He was a founder of Marcol Group Plc and was its Managing Director from 1983 until 1988. Marcol was floated on the Unlisted Securities Market in 1987. He was Chairman of Vega Group plc from 1989 until 1996, holding the post of Chief Executive for much of this period. Vega floated on the main market in 1992. He was a founder shareholder of Triad and served as the Chairman of the Company from 1988 up to just before its flotation in 1996, when he resigned to develop new business interests overseas. He was appointed as non-executive Chairman in June 1999: in May 2004 he became part-time executive Chairman. Between 4 February 2005 and 5 September 2007 John was acting Group Chief Executive.

Alistair Fulton is a non-executive Director. He is a Chartered Engineer and member of the British Computer Society. He was the founding managing Director of Triad. He continued in this role until February 1997 when he became non-executive Chairman, a position he retained until June 1999, when he took up his present position.

Steven Sanderson is a non-executive Director. He is a Chartered Accountant. He was appointed non-executive Director in January 2007. He has extensive experience at executive director level in the IT services and telecommunications sectors. His background includes public flotations, plc directorship, fund raising, acquisition and disposal activities.

Nick Burrows is a Chartered Accountant who joined Triad in 2001 as Financial Controller of the Systems and Consulting business. He was appointed Company Secretary in 2008 and executive Finance Director in October 2009.

Directors' emoluments are set out in the Remuneration Report on page 33 and are summarised in note 8 to the financial statements. Directors' interests are given in the Remuneration Report on page 32.

Directors interests in contracts

Directors interests in contracts is shown in note 23 to the accounts.

Disclosure of information to auditors

So far as the Directors are aware, there is no relevant audit information of which the auditors are unaware and each Director has taken all reasonable steps to make himself aware of any relevant audit information and to establish that the auditors are aware of that information.

Responsibility statement

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 are required to prepare the Group financial statements and have elected to prepare the Company financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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 Group and Company and of the profit or loss for the Group and Company for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRSs as adopted by the European Union, subject to any material departures disclosed and explained in the financial statements;
- prepare a Director's Report and Director's Remuneration Report which comply with the requirements of the Companies Act 2006.

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 and, as regards the Group financial statements, Article 4 of the IAS Regulation. 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.

Website publication

The Directors are responsible for ensuring the annual report and the financial statements are made available on a website. Financial statements are published on the company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Directors' responsibilities pursuant to DTR4

The Directors confirm to the best of their knowledge:

- The Group financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and Article 4 of the IAS Regulation and give a true and fair view of the assets, liabilities, financial position and profit and loss of the Group.
- The annual report includes a fair review of the development and performance of the business and the financial position of the Group and the Parent Company, together with a description or the principal risks and uncertainties that they face.

By order of the Board

NE Burrows
Company Secretary
24 June 2011

Independent auditors' report

to the members of Triad Group Plc

We have audited the financial statements of Triad Group Plc for the year ended 31 March 2011 which comprise the Group and Parent Company statements of comprehensive income and expense, the Group and Parent Company statements of changes in equity, the Group and Parent Company balance sheets, the Group and Parent Company cash flow statements and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

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 Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's 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 statement of directors' responsibilities, 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, and express an opinion on, 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 website at
www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and the Parent Company's affairs as at 31 March 2011 and of the Group's and the Parent Company's loss for the year then ended;
- the financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and, as regards the Group financial statements, Article 4 of the IAS Regulation.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion:

- the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006; and
- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

We have nothing to report in respect of the following:

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements and the part of the directors' remuneration report to be audited 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.

Under the Listing Rules we are required to review:

- the directors' statement in relation to going concern;
- the part of the corporate governance statement relating to the Company's compliance with the nine provisions of the June 2008 Combined Code specified for our review; and
- certain elements of the report to shareholders by the Board on directors' remuneration.

David Eagle (senior statutory auditor)

For and on behalf of BDO LLP, statutory auditor

London
United Kingdom
Date 27 June 2011

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Statements of comprehensive income and expense

for the year ended 31 March 2011

Group and company	Note	2011 £'000	2010 £'000
Revenue		23,298	27,176
Cost of sales		(19,654)	(22,453)
Gross profit		3,644	4,723
Administrative expenses	5	(4,413)	(5,178)
Operating loss pre exceptional (expense)/credit		(362)	(455)
Exceptional administrative expense: staff termination costs	5	(433)	-
Exceptional administrative expense: impairment of intangible asset	5	(140)	-
Exceptional administrative credit: change in surplus property provision	5	166	-
Operating loss		(769)	(455)
Operating loss	6	(769)	(455)
Finance income	7	2	11
Finance expense	7	(153)	(169)
Loss before tax		(920)	(613)
Tax expense	9	-	-
Loss for the year and total comprehensive expense attributable to equity holders of the parent		(920)	(613)
Basic loss per share	11	(6.07)p	(4.05)p
Diluted loss per share	11	(6.07)p	(4.05)p

All amounts relate to continuing activities.

Statements of changes in equity

for the year ended 31 March 2011

Group

	Share Capital £'000	Share premium account £'000	Capital redemption reserve £'000	Retained earnings £'000	Total £'000
At 1 April 2009	151	562	104	861	1,678
Loss for the year and total comprehensive expense	-	-	-	(613)	(613)
Share-based payments	-	-	-	8	8
At 1 April 2010	151	562	104	256	1,073
Loss for the year and total comprehensive expense	-	-	-	(920)	(920)
Share-based payments	-	-	-	-	-
At 31 March 2011	**151**	**562**	**104**	**(664)**	**153**

Company

	Share Capital £'000	Share premium account £'000	Capital redemption reserve £'000	Retained earnings £'000	Total £'000
At 1 April 2009	151	562	104	856	1,673
Loss for the year and total comprehensive expense	-	-	-	(613)	(613)
Share-based payments	-	-	-	8	8
At 1 April 2010	151	562	104	251	1,068
Loss for the year and total comprehensive expense	-	-	-	(920)	(920)
Share-based payments	-	-	-	-	-
At 31 March 2011	**151**	**562**	**104**	**(669)**	**148**

The share premium account represents the premium paid on the exercise of shares allotted under the Company share option scheme.

The capital redemption reserve represents the nominal value of the purchase and cancellation of its own shares by the Company in 2002.

Retained earnings represents the cumulative net gains and losses recognised in the statement of comprehensive income and expense.

Balance sheets

at 31 March 2011

Registered number: 2285049

	Note	Group 2011 £'000	Group 2010 £'000	Company 2011 £'000	Company 2010 £'000
Non-current assets					
Intangible assets	12	**416**	672	**416**	672
Property, plant and equipment	13	**68**	220	**68**	220
		484	892	**484**	892
Current assets					
Trade and other receivables	15	**4,549**	6,300	**4,549**	6,300
Cash and cash equivalents	16	**33**	65	**33**	65
		4,582	6,365	**4,582**	6,365
Total assets		**5,066**	7,257	**5,066**	7,257
Current liabilities					
Trade and other payables	17	**(2,946)**	(4,016)	**(2,951)**	(4,021)
Bank borrowings	18	**(789)**	(673)	**(789)**	(673)
Short term provisions	19	**(107)**	(250)	**(107)**	(250)
		(3,842)	(4,939)	**(3,847)**	(4,944)
Non-current liabilities					
Long term provisions	19	**(1,071)**	(1,245)	**(1,071)**	(1,245)
		(1,071)	(1,245)	**(1,071)**	(1,245)
Total liabilities		**(4,913)**	(6,184)	**(4,918)**	(6,189)
Net assets		**153**	1,073	**148**	1,068
Shareholders' equity					
Share capital	20	**151**	151	**151**	151
Share premium account		**562**	562	**562**	562
Capital redemption reserve		**104**	104	**104**	104
Retained earnings		**(664)**	256	**(669)**	251
Total shareholders' equity		**153**	1,073	**148**	1,068

The financial statements on pages 9 to 28 were approved by the Board of Directors and authorised for issue on 24 June 2011 and were signed on its behalf by:

NE Burrows SM Sanderson

Triad Group Plc is registered in England and Wales with registered number 2285049.

Cash flow statements

for the year ended 31 March 2011

Group and company	Note	2011 £'000	2010 £'000
Loss for the year		(920)	(613)
Adjustments for:			
Depreciation of property, plant and equipment		120	278
Profit on disposal of property, plant and equipment		(49)	(12)
Amortisation of intangible assets		269	213
Impairment of intangible assts		140	-
Finance income		(2)	(11)
Interest expense		22	28
Share-based payment expense		-	8
Changes in working capital			
Decrease in trade and other receivables		1,751	237
(Decrease)/increase in trade and other payables		(1,070)	329
Decrease in provisions		(317)	(133)
Cash (consumed)/generated by operations		(56)	324
Interest paid		(22)	(28)
Interest received		2	11
Tax paid		-	-
Net cash flows from operating activities		(76)	307
Cash flows used in investing activities			
Purchase of intangible assets		(153)	(352)
Purchase of property, plant and equipment		(9)	(50)
Proceeds from sale of property, plant and equipment		90	104
Net cash flows used in investing activities		(72)	(298)
Cash flows used in financing activities			
Finance lease principal payments		-	(5)
Net cash flows used in financing activities		-	(5)
Net (decrease)/increase in cash and cash equivalents		(148)	4
Cash and cash equivalents at beginning of the period		(608)	(612)
Cash and cash equivalents at end of the period	16	(756)	(608)

Notes to the financial statements
for the year ended 31 March 2011

1. Principal accounting policies

Basis of preparation
The principal accounting policies adopted in the preparation of the financial statements are set out below. The policies have been consistently applied to all the years presented, unless otherwise stated.

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS and IFRIC interpretations), as adopted by the European Union (EU), issued by the International Accounting Standards Board (IASB) with those parts of the Companies Act 2006 applicable to companies preparing their accounts under IFRS.

These financial statements are presented in sterling, the functional currency of the Group.

Basis of consolidation
Where the Company has the power, either directly or indirectly, to govern the financial and operating policies of another entity or business so as to obtain benefits from its activities, it is classified as a subsidiary. The consolidated financial statements present the results of the Company and its subsidiaries ("the Group") as if they formed a single entity. Intercompany transactions and balances between Group companies are therefore eliminated in full.

Property, plant and equipment
Property, plant and equipment are stated at cost, net of accumulated depreciation and any impairment in value.

Depreciation is calculated so as to write off the cost of assets, less their estimated residual values, on a straight line basis over the expected useful economic lives of the assets concerned. The principal annual rates used for this purpose are:

	%
Computer hardware	25-33
Motor vehicles	25-33
Fixtures and fittings	10-33

Intangible assets
Expenditure on internally developed products is capitalised if it can be demonstrated that:

- it is technically feasible to develop the product so that it will be available for use or sale;
- adequate resources are available to complete the development;
- there is an intention to complete the product and use or sell it;
- the product will generate future economic benefits, internally and/or externally; and
- expenditure attributable to the development of the product can be measured reliably.

Intangible assets are stated at cost, net of accumulated amortisation and any impairment in value. The cost of internally developed software is the attributable salary costs and directly attributable overheads.

Amortisation is calculated so as to write off the cost of assets, less their estimated residual values, on a straight line basis over the expected useful economic lives of the assets concerned. Amortisation is charged to administration expenses in the statement of comprehensive income and expense. The principal annual rates used for this purpose are:

	%
Computer software	25-33
Internally developed software	25

Impairment of non-financial assets
Non-financial assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount the asset is written down accordingly. Impairment is charged to administration expenses in the statements of comprehensive income and expense.

Trade and other receivables
Trade and other receivables are recognised initially at fair value, and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

Amounts are charged to an impairment account when there is evidence that an impairment loss has occurred. Amounts are written off against the carrying amount of trade receivables when it is certain that the receivable will not be realised.

Cash
Cash in the balance sheet comprises cash held on demand with banks. For the purpose of the consolidated cash flow statement, cash and cash equivalents consist of cash, as defined above, net of bank borrowings due on demand.

Trade and other payables
Trade and other payables are recognised initially at fair value, and subsequently measured at amortised cost using the effective interest method.

Borrowings
Borrowings are recognised initially at fair value, and subsequently measured at amortised cost using the effective interest method.

The Group does not incur any interest costs that qualify for capitalisation under IAS23 "Borrowing Costs".

Leases
Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Costs in respect of operating leases are charged to the statement of comprehensive income and expense on a straight line basis over the lease term.

Assets held under finance leases are initially recognised as an asset at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments payable over the term of the lease. The corresponding lease commitment is shown as a liability. Lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Foreign currencies
Assets and liabilities expressed in foreign currencies are translated into sterling at the exchange rate ruling on the balance sheet date. Transactions in foreign currencies are recorded at the exchange rate ruling as at the date of the transaction. All differences on exchange are taken to the statement of comprehensive income and expense in the year in which they arise.

Notes to the financial statements
for the year ended 31 March 2011

Revenue
Revenue, which excludes value added tax, represents the invoiced value of goods and services supplied: where a service has been provided, but not yet invoiced, the amount is included in the financial statements as accrued income.

Income from consultancy contracts, which are on a time hire basis, is recognised as the services are delivered.

Income from maintenance and fixed price consultancy and development contracts, is recognised over the life of the contract, using the percentage of completion method, and is deferred to the extent that it has not been earned.

Income from the sale of Zubed licences, or the Zubed licence component of any contract, is fully recognised at the point of sale, less any amounts attributable to maintenance and support, which are recognised over the life of the licence.

Exceptional items
Items which are both material and non-recurring are presented as exceptional items within their relevant category in the statement of comprehensive income and expense. The separate reporting of exceptional items helps to provide a better indication of the Group's underlying business performance. Events which may give rise to the classification of items as exceptional, if of a significantly material value, include non-routine movements in provisions, litigation and similar settlements, and asset impairments.

Taxation
The charge for taxation is based on the profit or loss for the year as adjusted for disallowable items. It is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Full provision is made for deferred tax on all relevant temporary differences resulting from the difference between the carrying value of an asset or liability and its tax base. Deferred tax assets are recognised to the extent that it is probable that the deferred tax asset will be recovered in the foreseeable future. Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled.

Pension costs
Contributions to defined contribution plans are charged to the statements of comprehensive income and expense as the contributions accrue.

Share-based payments
Share-based incentive arrangements are provided to employees under the Group's share option scheme. Share options granted to employees since 7 November 2002 are valued at the date of grant using an appropriate option pricing model and are charged to operating profit over the performance or vesting period of the scheme. The annual charge is modified to take account of shares forfeited by employees who leave during the performance or vesting period and, in the case of non-market related performance conditions, where it becomes unlikely the option will vest.

Provisions
A provision is recognised when the Group has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, expected future cash flows are discounted using a current pre-tax rate that reflects the risks specific to the liability. Calculations of these provisions require judgements to be made, which include forecast consumer demand and inventory loss trends.

Going Concern
The Group's business activities, together with the factors likely to affect its future development, performance and position, are set out in the Chairman's statement, and operating review on pages 2 to 3. The financial position of the Group, its cash flows, liquidity position and borrowing facilities are described in the Chairman's statement on page 2 and in note 18 to the financial statements. In addition note 3 to the financial statements includes the Group's objectives, policies and processes for managing its capital, its financial risk management objectives, details of its financial instruments and hedging activities, and its exposure to credit risk and liquidity risk. As highlighted in note 18 to the financial statements, the Group meets its day to day working capital requirements through an invoice finance facility.

The Group's projections, taking account of reasonably possible changes in trading performance, show that the Group should be able to operate within the level of its current facility. The facility may be terminated by either party with one month's written notice. The board receives regular cash flow and working capital projections to enable it to monitor its available headroom under this facility. These projections indicate that the Group expects to have sufficient resources to meet its reasonably expected obligations. The bank has not drawn to the attention of the Group any matters to suggest that this facility will not be continued on acceptable terms.

After making enquiries, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

New standards and interpretations
Applied

The Group has adopted the following new standards, amendments and interpretations during the year. Adoption of these standards, amendments and interpretations did not have any effect on the financial performance or position of the Group. These standards and interpretations have been adopted from 1 April 2010 unless stated otherwise.

Amendments to existing standards

IFRS 1 Additional Exemptions for First-time Adopters
IFRS 2 Group Cash Settled Share-Based Payment Transactions
IFRS 3 Business Combinations
IAS 27 Consolidated and Separate Financial Statements
IAS32 Classification of Rights Issues
IAS39 Financial Instruments: Recognition and Measurement
Improvements to IFRS 2009

There has been no impact on the results, cash flows, financial position of the Group or their presentation as a result of the adoption of these standards.

International Financial Reporting Interpretations Committee ("IFRIC") interpretations

IFRIC 9 Reassessment of Embedded Derivatives
IFRC 12 Service Concession Arrangements
IFRIC 15 Agreements for the Construction of Real Estate
IFRIC 16 Hedges of a Net Investment in a Foreign Operation
IFRIC 17 Distributions of Non-cash Assets to Owners
IFRIC 18 Transfers of Assets From Customers

The adoption of these interpretations has not led to any changes in the Group's accounting policies.

Notes to the financial statements

for the year ended 31 March 2011

Not applied

At the date of approval of these financial statements, the following relevant standards and interpretations were issued but not yet mandatory for the Group, and have not been applied in these financial statements. These standards and interpretations will be adopted from 1 April 2011 unless stated otherwise.

International Financial Reporting Standards ("IFRS")

IFRS 9 Financial Instruments (effective 1 April 2013)

Amendments to existing standards

IFRS 1 First-time Adoption of International Financial Reporting Standards (effective 1 Apr 2011)
IAS 24 Related Party Transactions (effective 1 Apr 2011)
Improvements to IFRS 2010 (effective 1 Apr 2011)
IFRS 7 Disclosures – Transfers of Financial Assets (effective 1 April 2012)
IFRS 1 Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters (effective 1 April 2012)
IAS 12 Deferred Tax : Recovery of Underlying Assets (effective 1 April 2012)

International Financial Reporting Interpretations Committee ("IFRIC") interpretations

IFRIC 14 & IAS 19 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and Their Interaction (effective 1 Apr 2011)
IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments (effective 1 Apr 2011)

The Directors anticipate that the adoption of the standards, amendments and interpretations in future disclosures, when the relevant standards come into effect.

2. Critical accounting estimates and judgements

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

Critical accounting estimates and assumptions

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

Surplus property

Provision has been made to meet the estimated liabilities of any property surplus to the requirements of the business. All ongoing costs net of estimated future rental income are charged to the provision. The provision is discounted, unless the effect of the time value of money is not material (see note 19).

Management exercises judgement in estimating costs, rental incomes and the discount rate used in the calculation of the provision.

Were the discount rate to increase by 1% this would increase net income and equity by £42,000, and were the discount rate to decrease by 1% this would decrease net income and equity by £44,000.

Were 50% of the vacant property to be let for 3 years at a rental income that was 100% of cost this would increase net income and equity by £235,000.

Deferred tax asset

A deferred tax asset of £2,573,000 (2010: £2,505,000) has not been recognised because of the uncertainty of the timing of future profits. The unrecognised deferred tax asset may result in any future profits being charged to tax below the standard rate.

Revenue recognition

Revenue from maintenance and fixed price consultancy contracts is recognised over the life of the contract, using the percentage of completion method, and is deferred to the extent that it has not been earned. This requires the Group to estimate the services performed to date as a percentage of the total services to be performed. As at the balance sheet date, were the percentage of services performed to total services to be performed to differ by 10%, net income and equity would be increased by £31,000 if the percentage performed were increased, or net income and equity would be decreased by £31,000 if the percentage performed were decreased.

Revenue from consultancy contracts, which are on a time hire basis, is recognised as the services are delivered. This requires an assessment of services performed between the date of the last time sheet received and the balance sheet date. As at the balance sheet date, were the estimated amounts to differ by 10% this would increase/ decrease net income and equity by £8,000.

Revenue from Zubed licences is fully recognised at the point of sale providing there are no outstanding performance obligations. Any revenue attributable to further performance obligations such as maintenance and support, is estimated by attributing an appropriate profit margin to the estimated total cost of those obligations, and is recognised over the lifetime of the licence. As at the balance sheet date, were the estimates of the costs of providing all future performance obligations on recognised Zubed licence revenues to differ by 10%, this would increase/decrease net income and equity by £3,000.

Capitalisation of development costs

The development cost of internally generated software, costing £151,000 has been capitalised during the year. After applying an impairment charge of £140,000 the net book value of capitalised development costs at the year end is £411,000 (2010: £663,000).

Management exercises judgement in estimating:

- the technical feasibility of developing a product so that it will be available for use or sale
- the future economic benefits that the product will generate

Impairment of intangible assets

Intangible assets are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable. When a review for impairment is conducted, the recoverable amount is determined based on value-in-use calculations prepared on the basis of management's assumptions and estimates.

Critical judgements in applying the entity's accounting policies

In applying its accounting policies the Group has not been required to make any judgements, apart from those involving estimates, that have had a significant effect on the amounts recognised in these financial statements.

3. Financial risk management

The Group uses financial instruments that are necessary to facilitate its ordinary purchase and sale activities, namely cash, bank borrowings in the form of a receivables finance facility and trade payables and receivables: the resultant risks are foreign exchange risk, interest rate risk, credit risk and liquidity risk. The Group does not use financial derivatives in its management of these risks.

Notes to the financial statements

for the year ended 31 March 2011

The Board reviews and agrees policies for managing these risks and they are summarised below. These policies are consistent with last year.

3.1 Financial risk factors

Foreign exchange risk

There are a small number of routine trading contracts with both suppliers and clients in euros. In all such circumstances the "back to back" contracts with supplier and client will be in the same currency thereby mitigating the Group's exposure to movements in exchange rates. Payments and receipts are made through a bank account in the currency of the contract: therefore balances held in any foreign currency are to facilitate day to day transactions. With a functional currency of sterling there are the following foreign currency net assets:

Group and company	Note	2011 £'000	2010 £'000
Currency: Euros			
Net cash	16	**33**	65
Trade and other receivables	15	**45**	60
Trade and other payables	17	**(23)**	(31)
		55	94

Any change in currency rates would have no significant effect on results.

Interest rate risk

The Group's interest rate risk arises from its borrowings, which are at a rate that fluctuates in relation to movements in bank base rate. This facility, as detailed in note 18, is secured by way of a debenture over all assets. At the year end borrowing under this facility totalled £789,000 (2010: £673,000).

Cash balances are held in short term interest bearing accounts, repayable on demand: these attract interest rates which fluctuate in relation to movements in bank base rate. This maintains liquidity and does not commit the Group to long term deposits at fixed rates of interest.

A 1% change in interest rates would have changed net income and equity by £8,000.

Credit risk

The Group is mainly exposed to credit risk from credit sales. It is Group policy to assess the credit risk of new customers before entering into contracts. Each new customer is assessed, using external ratings and relevant information in the public domain, before any credit limit is granted. In addition, trade receivables balances are monitored on a regular basis to minimise exposure to bad debts. The amount charged to the income statement during the year in respect of bad debts was £nil, being 0.00% of revenue (2010: £38,000, being 0.14%).

The Group is also exposed to credit risk from accrued income, being revenue earned but not yet invoiced (note 15).

Financial assets that are past due but not impaired are analysed in note 15. Each balance has been reviewed by management to assess its recoverability.

The Group also has credit risk from cash deposits with banks (note 16). The Group only banks with financial institutions with a good credit rating.

The Group's maximum exposure to credit risk is:

	Note	2011 £'000	2010 £'000
Trade and other receivables	15	**3,649**	4,725
Accrued income	15	**657**	1,093
Cash and cash equivalents	16	**33**	65
		4,339	5,883

Liquidity risk

The Group's liquidity risk arises from its management of working capital. The Group has a facility to borrow an amount up to 90% of approved trade debtors subject to a maximum limit of £6.6m. The facility may be terminated by either party with one month's written notice. The Board receives regular cash flow and working capital projections to enable it to monitor its available headroom under this facility. At the balance sheet date these projections indicated that the Group expected to have sufficient liquid resources to meet its reasonably expected obligations. Maturity of financial liabilities is set out in notes 17 and 18.

Capital risk management

The Group's capital comprises both borrowings and shareholders' equity. Its objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to maximise shareholder value. To maintain or adjust the capital structure the Group may adjust the dividend payment to shareholders, return capital to shareholders, issue new shares or alter the level of borrowings.

3.2 Fair value estimation

The carrying value of financial assets and liabilities approximate their fair values.

Notes to the financial statements

for the year ended 31 March 2011

4. Segmental reporting

The Group derives its revenue from two operating segments, which offer different services, being resourcing, consultancy, software and systems delivery and the Group's location intelligence business, Zubed. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker has been identified as the Board of Directors.

	Resourcing, consultancy and solutions 2011 £'000	Zubed 2011 £'000	Total 2011 £'000
Revenue	23,017	281	23,298
Operating profit/(loss) before exceptional items	147	(509)	(362)
Exceptional administrative expense: staff termination costs	(312)	(121)	(433)
Exceptional administrative expense: impairment of intangible asset	-	(140)	(140)
Exceptional administrative credit: change in surplus property provision	166	-	166
Operating profit/(loss) after exceptional items	1	(770)	(769)
Intangible assets: internally developed software:			
Additions	-	151	151
Amortisation	3	260	263
Impairment	-	140	140

	Resourcing, consultancy and solutions 2010 £'000	Zubed 2010 £'000	Total 2010 £'000
Revenue	26,673	503	27,176
Exceptional items	-	-	-
Operating profit/(loss) after exceptional items	32	(487)	(455)
Intangible assets: internally developed software:			
Additions	-	349	349
Amortisation	5	196	201
Impairment	-	-	-

Assets, other than internally developed software, are not reported internally by segment as management do not require such information to manage the business, so no such segmental information is presented.

The Group operates solely in the UK. All material revenues are generated in the UK.

25% (2010: 34%) of revenue was generated in the public sector. The largest single customer contributed 15% (2010: 9%) of Group revenue and was in the private sector.

Notes to the financial statements

for the year ended 31 March 2011

5. Administrative expenses

There is an exceptional administrative charge of £433,000, in respect of the termination costs of employees following restructuring of the business.

There is an exceptional administrative charge of £140,000 in respect of an impairment of the carrying value of intangible assets (note 12).

There is an exceptional administrative credit of £166,000 in respect of a reduction in the provision for vacant property costs as a result of an agreement with the landlords for a one year rent holiday on the vacant property, which commenced on 25 March 2011.

	Note	2011 £'000	2010 £'000
Administrative expenses		4,006	5,178
Exceptional administrative charge: staff termination costs		433	-
Exceptional administrative charge: impairment of intangible assets	12	140	-
Exceptional administrative credit: vacant property provision	19	(166)	-
Total administrative expenses		4,413	5,178

6. Operating loss

	2011 £'000	2010 £'000
Operating loss is stated after charging/(crediting):		
Profit on disposal of property, plant and equipment	(49)	(12)
Depreciation of owned assets	120	273
Depreciation of leased assets	-	5
Amortisation of intangible assets	269	213
Impairment of intangible assets	140	-
Operating leases for land and buildings	607	661
Impairment of receivables	-	38
Auditors' remuneration:		
Audit of financial statements: Group and company	45	42
Other services	4	5

7. Finance income and expense

	2011 £'000	2010 £'000
Finance income		
Interest receivable	2	11
Net foreign exchange gain	-	-
Total finance income	2	11
Finance expense		
Bank interest payable	(22)	(28)
Finance lease interest	-	-
Total interest expense	(22)	(28)
Unwinding of discount on provisions	(125)	(135)
Net foreign exchange loss	(6)	(6)
Total finance expense	(153)	(169)
Net finance expense recognised in profit and loss	(151)	(158)

Notes to the financial statements

for the year ended 31 March 2011

8. Employees and Directors

Group and company	2011 Number	2010 Number
Average number of persons (including executive Directors) employed		
Senior management	**6**	7
Fee earners	**44**	59
Sales	**20**	32
Administration and finance	**19**	23
	89	121

Staff costs for the above persons (including executive Directors)	£'000	£'000
Wages and salaries	**4,878**	5,923
Social security costs	**525**	659
Defined contribution pension costs	**260**	234
Equity settled share-based payments	**-**	8
	5,663	6,824

Directors	£'000	£'000
Emoluments	**351**	328
Money purchase pension contributions	**16**	14
	367	342

Two Directors (2010: two) had retirement benefits accruing under money purchase pension schemes.

9. Tax expense

	2011 £'000	2010 £'000
Tax expense in income statement	**-**	-

The tax expense for the year differs from the standard rate of corporation tax in the UK (28%). The differences are explained below:

	2011 £'000	2010 £'000
Loss before tax	**(920)**	(613)
Loss before tax multiplied by standard rate of corporation tax in the UK of 28% (2010: 28%)	**(258)**	(172)
Effects of:		
Expenses not deductible for tax purposes	**12**	12
Movement in unrecognised deferred tax asset in respect of operating losses	**226**	155
Movement in unrecognised deferred tax asset in respect of temporary differences	**20**	5
Total tax charge for the year	**-**	-

Notes to the financial statements
for the year ended 31 March 2011

A deferred tax asset of £2,573,000 (2010: 2,508,000) has not been recognised because of the uncertainty of the timing of future profits. The unrecognised deferred tax asset may result in any future profits being charged to tax below the standard rate.

Group and company	2011 £'000	2010 £'000
Accelerated depreciation	**111**	98
Other temporary differences	**(1)**	1
Losses carried forward indefinitely	**2,463**	2,409
Unrecognised deferred tax asset	**2,573**	2,508

10. Dividends
No dividends have been paid or proposed for year ended 31 March 2011 (2010: nil).

11. Loss per ordinary share
Loss per share have been calculated on the loss for the year divided by the weighted average number of shares in issue during the period based on the following:

	2011	2010
Loss for the year	**£(920,000)**	£(613,000)
Average number of shares in issue	**15,149,579**	15,149,579
Effect of dilutive options *	**-**	-
Average number of shares in issue plus dilutive options	**15,149,579**	15,149,579
Basic loss per share	**(6.07)p**	(4.05)p
Diluted loss per share	**(6.07)p**	(4.05)p

* The share options have no dilutive effect in either the current or previous years. Potentially dilutive share options are disclosed in Note 21.

Notes to the financial statements
for the year ended 31 March 2011

12. Intangible assets

Group and company	Purchased software	Internally developed software	Total
	£'000	£'000	£'000
Cost			
At 31 March 2009	568	1,076	1,644
Additions	3	349	352
Disposals	-	-	-
At 31 March 2010	571	1,425	1,996
Additions	2	151	153
Disposals	-	-	-
At 31 March 2011	**573**	**1,576**	**2,149**
Accumulated amortisation/impairment			
At 31 March 2009	550	561	1,111
Charge for the year	12	201	213
Disposals	-	-	-
At 31 March 2010	562	762	1,324
Charge for the year	6	263	269
Impairment	-	140	140
Disposals	-	-	-
At 31 March 2011	**568**	**1,165**	**1,733**
Net book value			
At 31 March 2011	**5**	**411**	**416**
At 31 March 2010	9	663	672

The impairment of the carrying value of internally developed software results from projections of future demand for Zubed software which reflect revised expectations of expenditure in the public sector.

Notes to the financial statements

for the year ended 31 March 2011

13. Property, plant and equipment

Group and company	Computer hardware £'000	Fixtures & fittings £'000	Motor vehicles £'000	Total £'000
Cost				
At 31 March 2009	533	953	822	2,308
Additions	15	4	31	50
Disposals	-	-	(288)	(288)
At 31 March 2010	548	957	565	2,070
Additions	9	-	-	9
Disposals	(29)	-	(376)	(405)
At 31 March 2011	**528**	**957**	**189**	**1,674**
Accumulated depreciation				
At 31 March 2009	472	910	386	1,768
Charge for the year	38	28	212	278
Disposals	-	-	(196)	(196)
At 31 March 2010	510	938	402	1,850
Charge for the year	25	9	86	120
Disposals	(28)	-	(336)	(364)
At 31 March 2011	**507**	**947**	**152**	**1,606**
Net book value				
At 31 March 2011	**21**	**10**	**37**	**68**
At 31 March 2010	38	19	163	220

The net carrying amount of property, plant and equipment does not include any amounts in respect of assets held under finance leases.

14. Investments

Company

Investments are:

(a) Generic Software Consultants Limited ("Generic"), a 100% subsidiary undertaking, in respect of both voting rights and issued shares, which is registered in England and Wales and has an issued share capital of 5,610 US$1 ordinary shares.The investment is stated in the Company's books at £440.

Up to 31 March 2009 Generic acted as an agent for the business, but did not enter into any transactions in its own right: its business was included within the figures reported by the Company. On 1 April 2009 the agency agreement was terminated and all business is now conducted directly by the parent company through its Generic business.

(b) Triad Special Systems Limited, Generic Online Limited, Zubed Geospatial Limited, Zoobed Limited, Zubed Sales Limited, Zubed Saas Limited, Zubed Caas Limited and Zubed Analytics Limited are all 100% subsidiaries which are registered in England and Wales. They are dormant companies, which have never traded. Each has a share capital of £1.

15. Trade and other receivables

Group and company	2011 £'000	2010 £'000
Trade receivables	**3,628**	4,757
Less: provision for impairment of trade receivables	**-**	(38)
Trade receivables-net	**3,628**	4,719
Other debtors	**21**	6
Prepayments and accrued income	**900**	1,575
	4,549	6,300

The fair value of trade and other receivables approximates closely to their book value.

Trade receivables are normally on 30 days payment terms. As at 31 March 2011 trade receivables of £1,327,000 (2010: £1,433,000) were past due but not impaired. They relate to customers with no default history. The total number of customer ledger balances at 31 March 2011 was 148 (2010: 161). The ageing analysis of these receivables is as follows:

Group and company	2011 £'000	2010 £'000
Up to 30 days past due	**912**	1,017
30 to 60 days past due	**265**	249
Over 60 days past due	**150**	167
	1,327	1,433

Notes to the financial statements

for the year ended 31 March 2011

Movements on the provision for impairment of trade receivables is as follows:

Group and company	2011 £'000	2010 £'000
At beginning of the year	38	6
Charged to income statement	-	38
Credited to income statement	(9)	(1)
Receivables written off as uncollectable	(29)	(5)
At end of the year	-	38

The carrying amount of the Group's trade and other receivables are denominated in the following currencies:

Group and company	2011 £'000	2010 £'000
Sterling	4,504	6,240
Euros	45	60
	4,549	6,300

Debtor days are calculated by matching year end debtor balances to most recent sales on a day by day basis.

16. Cash and cash equivalents

Group and company	2011 £'000	2010 £'000
Cash available on demand	33	65

The fair value of cash and cash equivalents approximates closely to their book value.

The carrying amount of the Group's cash and cash equivalents is denominated in the following currencies:

Group and company	2011 £'000	2010 £'000
Sterling	-	-
Euros	33	65
	33	65

For the purpose of the consolidated cash flow statement, cash and cash equivalents consist of cash, as detailed above, net of bank borrowings repayable on demand.

Group and company	2011 £'000	2010 £'000
Cash available on demand	33	65
Bank borrowings repayable on demand	(789)	(673)
	(756)	(608)

Notes to the financial statements

for the year ended 31 March 2011

17. Trade and other payables

	Group		Company	
	2011 £'000	2010 £'000	2011 £'000	2010 £'000
Trade payables	1,510	1,669	1,510	1,669
Other taxation and social security	440	735	440	735
Owed to subsidiary	-	-	5	5
Accruals and deferred income	996	1,612	996	1,612
	2,946	4,016	2,951	4,021

The maturity date of the Group's trade and other payables is as follows:

	2011 £'000	2010 £'000
Up to 3 months	2,774	3,783
3 to 6 months	66	87
6 to 12 months	106	146
	2,946	4,016

The fair value of trade and other payables approximates closely to their book value.

The carrying amount of the Group's trade payables is denominated in the following currencies:

Group and company	2011 £'000	2010 £'000
Sterling	2,923	3,985
Euros	23	31
	2,946	4,016

Creditor days are calculated with reference to purchases in the last quarter of the financial year.

18. Bank and other borrowings

Group and company	2011 £'000	2010 £'000
Current		
Bank borrowings	789	673
	789	673

The fair value of bank borrowings approximates closely to their book value.

The carrying amount of the Group's financial liabilities is all denominated in sterling.

Bank borrowings are in the form of a receivables finance facility to borrow an amount up to 90% of approved trade debtors subject to a maximum limit of £6.6m. This facility is secured by way of a debenture over all assets, being £5.1m at 31 March 2011. Bank borrowings are repayable upon demand.

Notes to the financial statements
for the year ended 31 March 2011

19. Provisions

Group and company	Provision for vacant properties £'000	Provision for property dilapidation £'000	Total £'000
At 1 April 2010	1,475	20	**1,495**
Charged to income statement	-	34	**34**
Utilised in year	(254)	(2)	**(256)**
Unused amounts reversed	(53)	(1)	**(54)**
Exceptional rent waiver (note 5)	(166)	-	**(166)**
Unwinding of discount: passage of time (note 7)	125	-	**125**
At 31 March 2011	1,127	51	1,178

Group and company	Provision for vacant properties £'000	Provision for property dilapidation £'000	Total £'000
The maturity profile of the present value of provisions is as follows:			
Current	62	45	**107**
Non-current	1,065	6	**1,071**
	1,127	51	**1,178**

The provision for vacant properties covers the anticipated future costs of rent, rates and other outgoings in respect of unoccupied property, less anticipated future rental income. It has been calculated on the basis of when the property is anticipated to be sub-let. These liabilities have been discounted therefore there is no material difference between the value of the provision recorded in the accounts and the fair value. The maturity profile of the carrying amount of this provision as at 31 March 2011 is as follows:

Group and company	2011 £'000	2010 £'000
In one year or less	**62**	234
In more than one year, but not more than 2 years	**211**	218
In more than 2 years, but not more than 5 years	**549**	567
In more than 5 years	**305**	456
	1,127	1,475

The provision for property dilapidation covers the estimated future costs required to meet obligations under property leases to redecorate and repair property.

20. Share capital

	2011	2010
Ordinary shares of 1p each		
Issued, called up and fully paid:		
Number	**15,149,579**	15,149,579
Nominal value	**£151,496**	£151,496

Notes to the financial statements

for the year ended 31 March 2011

21. Share-based payments

At 31 March 2011 973,900 options granted under employee share option schemes remain outstanding:

Number	Exercise price	Performance criteria	Period options exercisable
417,900	26.5p	1	25 September 2005 to 25 September 2012
283,000	51.5p	1	8 March 2009 to 8 March 2016
273,000	14.0p	2	7 August 2011 to 7 August 2018

1 **Performance criteria:** that, the Company shall have achieved a positive basic earnings per share (subject to adjustment to exclude identified exceptional items), as reported in its audited annual accounts, in any financial year commencing at least one year after the date of grant.

2 **Performance criteria:** that if, but only if, the total Earnings per Share of the Company in the period of the three years ending 31 March 2011 exceeds 9.5p per share, and the amount of Earnings per Share for each of those years is a positive amount, then an Option shall become exercisable in respect of 50% of the shares over which it subsists. If, but only if, the total Earnings per Share of the Company in the period of three years ending 31 March 2011 exceeds 19p per share, and the amount of Earnings per Share for each of those years is a positive amount, then an Option shall become exercisable in respect of 100% of the shares over which it subsists.

The options outstanding at 31 March 2011 had a weighted average remaining contractual life of 2.6 years.

Options have been valued using the Black-Scholes option-pricing model. No performance conditions were included in the fair value calculations. In accordance with the transition provisions, IFRS 2 has been applied to all grants after 7 November 2002 that were unvested as of 1 January 2006.

There were no options granted during the year (2010: nil). The total expense recognised in the year is £nil (2010: £8,285).

A reconciliation of option movements over the year to 31 March 2011 is shown below:

	2011		2010	
	Number of options	Weighted average exercise price Pence	Number of options	Weighted average exercise price Pence
Outstanding at start of year	**1,460,504**	**30.0**	1,545,496	37.5
Granted	**-**	**-**	-	-
Forfeited	**(473,604)**	**24.6**	(84,992)	35.1
Lapsed	**(13,000)**	**208.9**	-	-
Outstanding at end of year	**973,900**	**30.3**	1,460,504	30.0
Exercisable at end of year	**700,900**	**36.6**	1,025,504	36.8

There were no options exercised during the year. The above figures include options held by Directors which are set out in the Directors' Remuneration Report on page 33.

Notes to the financial statements

for the year ended 31 March 2011

22. Commitments and contingent liabilities

The Group had capital commitments totalling £41,000 at 31 March 2011 (31 March 2010: nil).

The future aggregate minimum lease payments under non-cancellable operating leases, all of which relate to property, is:

	2011 £'000	2010 £'000
Not later than 1 year	**313**	563
Later than 1 year and no later than 5 years	**1,580**	1,580
Later than 5 years	**790**	1,185
	2,683	3,328

23. Related party transactions

The Group rents two of its offices under contracts expiring in 2018. The current annual rents of £395,000 were fixed, by independent valuation, for a five year period at the last rent review in 2008. A rent holiday has been agreed with the landlords for one of the offices for a period of one year commencing from 25 March 2011. Therefore the rent payable during this period is reduced to £215,000 (see note 5). JC Rigg, a Director, has notified the Board that he has a 50% beneficial interest in these contracts. The balance owed at the year end was £nil (2010: £nil).

Key management comprises the Board of Directors and their remuneration is set out in the Directors' Remuneration Report on page 32.

Five year record

Consolidated income statement

Years ended 31 March	2011 £'000	2010 £'000	2009 £'000	2008 £'000	2007 £'000
Revenue	**23,298**	27,176	32,770	33,294	36,081
Gross profit	**3,644**	4,723	6,218	6,078	6,290
Loss on ordinary activities before taxation	**(920)**	(613)	(40)	(698)	(995)
Taxation on loss on ordinary activities	**-**	-	-	-	(206)
Loss on ordinary activities after taxation	**(920)**	(613)	(40)	(698)	(1,201)
Dividends	**-**	-	-	-	-
Sustained loss for the financial year	**(920)**	(613)	(40)	(698)	(1,201)
Basic loss per ordinary share of 1p each (pence)	**(6.07)**	(4.05)	(0.26)	(4.61)	(7.93)

Balance sheet

As at 31 March	2011 £'000	2010 £'000	2009 £'000	2008 £'000	2007 £'000
Non-current assets	**484**	892	1,073	1,071	737
Current assets	**4,582**	6,365	6,623	7,571	9,333
Current liabilities	**(3,842)**	(4,939)	(4,656)	(5,512)	(6,417)
Non-current liabilities	**(1,071)**	(1,245)	(1,362)	(1,418)	(1,271)
Net assets	**153**	1,073	1,678	1,712	2,382
Share capital	**151**	151	151	151	151
Share premium account	**562**	562	562	562	562
Capital redemption reserve	**104**	104	104	104	104
Retained earnings	**(664)**	256	861	895	1,565
Equity shareholders' funds	**153**	1,073	1,678	1,712	2,382

Corporate governance

The Board has considered the principles and provisions of the Combined Code (2008) ("the Code") as set out in the Financial Services Authority's Listing Rules and applicable for this financial period. The following statement sets out the Group's application of the principles of the Code and the extent of compliance with the Code's provisions, made in accordance with the requirements of the Listing Rules.

Board composition and structure

At the date of this Report the Board has four members: the executive Chairman, one executive Director and two independent non-executive Directors.

The Board exercise full and effective control of the Group.

The Board has a formal schedule of matters specifically reserved to it for decision, including responsibility for formulating, reviewing and approving Group strategy, budgets and major items of capital expenditure.

Regularly the Board will consider and discuss matters which include, but are not limited to:

- Strategy
- Financial performance and forecast
- Human resources; and
- City and compliance matters

During the period under review, and to date, the Chairman has held, and continues to hold, no significant commitments outside the Group.

Alistair Fulton is the nominated senior independent non-executive Director. He has long standing industry experience. He is also free from any business or other relationship which could materially interfere with the exercise of his independent judgement. The Board benefits from this experience and independence, when he brings his individual judgement to Board decisions. He has been a non-executive Director for ten years but the Board consider that he continues to remain independent for the reasons stated above.

The Group has a procedure for Directors to take independent professional advice in connection with the affairs of the Group and the discharge of their duties as Directors.

The Chairman and the non-executive Directors are subject to a notice period of one month.

Directors' training

Any new Board members are made fully aware of their duties and responsibilities as Directors of listed companies, and are supported in understanding and applying these by established and more experienced Directors. Further training is available for any Director at the Group's expense should the Board consider it appropriate in the interests of the Group.

Relations with shareholders

Substantial time and effort is spent by Board members on meetings with and presentations to existing and prospective investors. The views of shareholders derived from such meetings is disseminated by the Chairman to other Board members.

Private shareholders are invited to attend and participate at the Annual General Meeting.

Audit Committee

The Board has an Audit Committee, comprised of the Chairman John Rigg, and the independent non-executive Directors, Alistair Fulton and Steven Sanderson. The Committee is chaired by Alistair Fulton.

The Board believe that John Rigg and Steven Sanderson, both Chartered Accountants with broad experience of the IT industry, and Alistair Fulton, who has been a Director of companies in the IT sector for over 20 years, have recent and relevant financial experience, as required by the Code.

The Audit Committee is responsible for reviewing the Group's annual and interim financial statements and other announcements. It is also responsible for reviewing the Group's internal financial controls and its internal control and risk management systems.

It considers the appointment and fees of external auditors, and discusses the audit scope and findings arising from audits. The Committee is also responsible for assessing the Group's need for an internal audit function.

Staff may contact the senior independent non-executive Director, in confidence, to raise genuine concerns of possible improprieties in financial reporting or other matters.

Remuneration Committee

The Board has a Remuneration Committee, comprised of the Chairman John Rigg, and the independent non-executive Directors, Alistair Fulton and Steven Sanderson. The Committee is chaired by Alistair Fulton.

Its key role is to determine executive Directors' remuneration. Details of how the aspects of the Code relating to Directors' remuneration are applied are disclosed in the Directors' Remuneration Report on page 32.

Terms of reference

The terms of reference of the Audit and Remuneration Committees are available on request from the Company Secretary.

Board attendance

The following table shows the attendance of Directors at scheduled meetings of the Board and Audit and Remuneration Committees during the year ended 31 March 2011.

	Board	Audit committee	Remuneration committee
Number of meetings held	16	2	1
Number of meetings attended			
Executive Directors:			
John Rigg (Chairman)	16	2	1
Ian Haynes	7	n/a	n/a
Nick Burrows	16	n/a	n/a
Non-executive Directors:			
Alistair Fulton	16	2	1
Steven Sanderson	16	2	1

Corporate governance

Accountability and audit

Going concern

After making appropriate inquiries, the Directors have reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. See Directors' Report on page 5.

Internal controls

The Board has applied the internal control provisions of the Combined Code by establishing a continuous process for identifying, evaluating and managing the significant risks faced by the Group. The Board regularly reviews the process, which has been in place from the start of the year to the date of approval of this report and which is in accordance with internal control: Guidance for Directors on the Combined Code. The Board is responsible for the Group's system of internal control and for reviewing its effectiveness. Such a system is designed to manage rather than eliminate risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against misstatement or loss.

In compliance with the Combined Code, the Audit Committee regularly reviews the effectiveness of the Group's system of internal financial control. The Board's monitoring covers all controls, including financial, operational and compliance controls and risk management. It is based principally on reviewing reports from management to consider whether significant weaknesses are promptly remedied and indicate a need for more extensive monitoring.

The Board has also performed a specific assessment for the purpose of this annual report. This assessment considers all significant aspects of internal control arising during the period covered by the report.

The key elements of the internal control system are described below:

- Clearly documented procedures contained in a series of manuals covering Group operations and management, which are subject to internal project audit and external audit as well as regular Board review.
- An appropriate budgeting process where the business prepares budgets for the coming year, which are approved by the Board.
- Close involvement in the day to day management of the business by the executive Directors.
- Regular meetings between the Chairman and full-time executive Directors to discuss and monitor potential risks to the business.

The Audit Committee has considered the need for a separate internal audit function this year but does not consider it appropriate in view of the above controls, and in light of the size of the Group. The Group is certified to ISO 9001: 2000.

Statement of compliance

The Board considers that it has been compliant with the provisions of Section 1 of the Code for the whole of the period, except as detailed below:

A.2.1	*The roles of chairman and chief executive should not be exercised by the same individual.* Ian Haynes was Chief Executive until his departure from the Company on 19 November 2010; a replacement has not been appointed. John Rigg is the Executive Chairman.
A.4.1/ 4.6	*There should be a nominations committee which should lead the process for board appointments and make recommendations to the board.* The Board considers that because of its size, the whole Board should be involved in Board appointments.
A.6	*The board should undertake a formal and rigorous annual evaluation of its own performance and that of its committees and individual directors.* There is a process of continuous informal evaluation, due to the small size of the Board.
A.7.2	*Non-executive directors should be appointed for specified terms.* Although not appointed for fixed terms, Non-executive Directors are subject to re-election by rotation every three years at the Annual General Meeting. Their contracts are subject to a notice period that does not exceed one month. *Non-executive directors may serve longer than nine years, subject to annual re-election.* The Board consider that because of its size, re-election by rotation every three years at the Annual General Meeting is sufficient.

By order of the Board

NE Burrows
Company Secretary
24 June 2011

Directors' remuneration report

Unaudited information

Remuneration committee

The Remuneration Committee has, during the year, been comprised of the Chairman and the independent non-executive Directors. These are:

A M Fulton (Chairman of the Remuneration Committee)

J C Rigg

S M Sanderson

The Group's Remuneration Committee is authorised to take appropriate counsel to enable it to discharge its duty to make recommendations to the Board in respect of all aspects of the remuneration package of Directors.

Remuneration policy

The Group's remuneration policy is to provide remuneration packages which secure and retain management of the highest quality. Therefore when determining the remuneration packages of executive Directors, the Remuneration Committee considers a number of factors including:

- the salaries and benefits available to executive Directors of comparable companies;
- the need to ensure executive Directors' commitment to the continued success of the Group;
- the experience of each executive Director; and
- the nature and complexity of the work of each executive Director.

The resultant remuneration packages for executive Directors comprise the following elements:

- a competitive basic salary;
- contributions to personal pension schemes or a cash alternative;
- employment related benefits including the provision of a company car or car allowance, life assurance and medical assurance;
- discretionary share options; and
- discretionary performance-related remuneration

It is the Group's policy to contribute to the personal pension scheme of each executive Director. A Director may elect to receive an equivalent cash alternative.

There is no scheme providing entitlement to share options, and there is no long-term incentive scheme. The Group does not believe that performance related bonuses are appropriate at the present time. The executive Directors' existing interest in shares and share options are expected to align their interests with those of shareholders.

In setting the Executive Directors' remuneration the Committee takes into account the pay and employment conditions applicable across the Group in the reported period. In common with the fact that there were no general pay increases for employees elsewhere in the Group, no increases were made in the period to Directors' remuneration terms since the prior year.

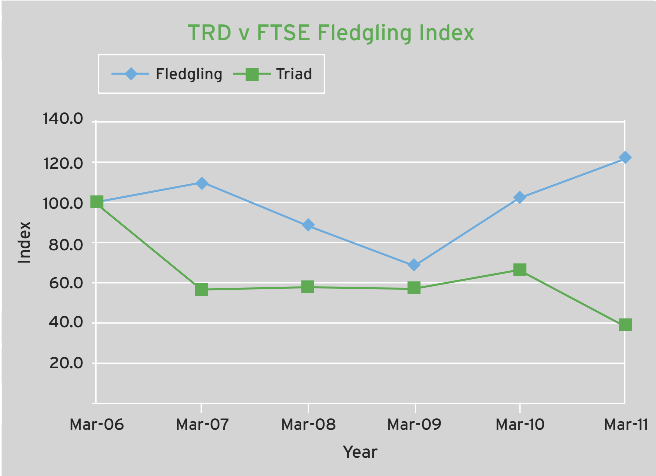
It is the Group's policy in relation to Directors' contracts that:

- executive Directors should have contracts with an indefinite term providing for a maximum of six months notice by either party.
- non-executive Directors should have terms of engagement for an indefinite term providing for one month notice by either party.
- there is no provision for termination payments to Directors.

The remuneration of the non-executive Directors is agreed by the Board. However no Director is involved in deciding their own remuneration.

Performance graph

The following graph shows the Group's performance, measured by total shareholder return, compared with the performance of the FTSE Fledgling Index ("FTSEFI") also measured by total shareholder return ("TSR"). The FTSEFI has been selected for this comparison because it is an index of companies with similar current market capitalisation to Triad Group Plc.



Directors' contracts

The details of the Directors' contracts are summarised as follows:

	Date of contract	Notice period
J C Rigg	01/07/1999	1 month
A M Fulton	19/02/1997	1 month
S M Sanderson	01/01/2007	1 month
N E Burrows	19/10/2009	6 months

All contracts are for an indefinite period. No contract has any provision for the payment of compensation upon the termination of that contract.

Directors' interests in shares

The Directors who held office at the end of the financial year had the following beneficial interests in the ordinary shares of the Company. No change has occurred between the year end and the date of this report.

	1 April 2010	31 March 2011
A M Fulton	354,100	354,100
J C Rigg	4,509,400	4,509,400
S M Sanderson	86,106	86,106
N E Burrows	7,893	7,893

Directors’ remuneration report

Audited information

Directors' emoluments

The emoluments of each of the Directors for the period they served as a Director are set out below:

Director	Basic salary and fees	Discretionary bonus	Expense allowances	Benefits in kind	2011 Total	2010 Total
	£’000	£’000	£’000	£’000	**£’000**	£’000
Executive						
J C Rigg	25	-	-	-	**25**	25
I M Haynes (resigned 19.11.10)	166	-	8	4	**178**	215
N E Burrows (appointed 19.10.09)	95	-	-	10	**105**	43
Non-executive						
A M Fulton	25	-	-	-	**25**	25
S M Sanderson	20	-	-	-	**20**	20
	331	-	8	14	**353**	328

Expense allowances include car allowances and payments in lieu of pensions and other benefits.

Benefits in kind include the provision of medical insurance.

Directors’ pension entitlements are shown on page 34.

Directors’ share options

The interests of executive Directors in share options were as follows:

	At beginning of year	Granted during year	Forfeited during year	At end of year	Exercise price	Exercise period
I M Haynes:						
granted 04.10.02	200,000	-	(200,000)	**-**	25.0p	04.10.05 to 04.10.12
granted 07.08.08	100,000	-	(100,000)	**-**	14.0p	07.08.11 to 07.08.18
N E Burrows :						
granted 25.09.02	15,000	-	-	**15,000**	26.5p	25.09.05 to 25.09.12
granted 07.03.06	20,000	-	-	**20,000**	51.5p	07.03.09 to 07.03.16
granted 07.08.08	25,000	-	-	**25,000**	14.0p	07.08.11 to 07.08.18
	360,000	-	(300,000)	**60,000**		

Directors' remuneration report

Share options are exercisable provided that the relevant performance requirement has been satisfied.

- The performance requirement in relation to the options granted in 2002 and 2006 is that the Group shall have achieved positive earnings per share in any financial year commencing at least one year after the date of grant of the option. This performance requirement is the same as that applying to employee share options granted at the same time.
- The performance requirement in relation to the options granted in 2008 is that if, but only if, the total Earnings per Share of the Group in the period of the three years ending 31 March 2011 exceeds 9.5p per share, and the amount of Earnings per Share for each of those years is a positive amount, then an Option shall become exercisable in respect of 50% of the shares over which it subsists. If, but only if, the total Earnings per Share of the Group in the period of three years ending 31 March 2011 exceeds 19p per share, and the amount of Earnings per Share for each of those years is a positive amount, then an Option shall become exercisable in respect of 100% of the shares over which it subsists.

The total share based payment expense recognised in the year in respect of Directors' share options is £nil (2010: £2,723).

The market price of the Company's shares was 17.0p at 31 March 2011 and the range during the year was between 15.0p and 31.5p.

Directors' pension entitlement

Two Directors are members of money purchase schemes into which the Group made contributions during the year. The contributions paid by the Group in respect of these Directors is as follows:

	2011 £'000	2010 £'000
I M Haynes (resigned 19.11.10)	7	10
N E Burrows (appointed 19.10.09)	9	4

Pension contributions for N Burrows are greater than the 5% of salary shown as it includes an additional amount of £4,000 relating to the Group's salary exchange scheme. This reflects a sacrifice from his salary plus the resulting National Insurance saving for the company (12.8% of the sum sacrificed).

Long term incentive scheme

The Group does not operate a long term incentive scheme.

Compliance

This report has been prepared in accordance with the Directors' Remuneration Report Regulations 2003. The report also meets the relevant requirements of the Financial Services Authority's Listing Rules and describes how the Board has applied the Principles of Good Governance relating to Directors' remuneration. As required by the Regulations, a resolution to approve the report will be proposed at the Annual General Meeting.

By order of the Board

NE Burrows
Company Secretary
24 June 2011

Shareholders' information and financial calendar

Share register

Equiniti maintain the register of members of the Company. If you have any questions about your personal holding of the Company's shares, please contact:

Equiniti
PO Box 4630
Aspect House
Spencer Road
Lancing
West Sussex
BN99 6QQ

Telephone: 0870 6015366

If you change your name or address or if the details on the envelope enclosing the report, including your postcode, are incorrect or incomplete, please notify the registrar in writing.

Shareholders' enquiries

If you have an enquiry about the Group's business, or about something affecting you as a shareholder (other than queries which are dealt with by the registrar) you should contact the Company Secretary, by letter or telephone at the Company's registered office.

Company Secretary and registered office:

Nick Burrows
Triad Group Plc
Weyside Park
Catteshall Lane
Godalming
Surrey
GU7 1XE

Telephone: 01483 860222
Fax: 01483 860198
Email: investors@triad.co.uk

Financial calendar

Annual general meeting	Summer 2011
Financial year ended 31 March 2012: expected announcement of results	
Half year	November 2011
Full year preliminary announcement	June 2012

Corporate information

Executive Directors

John Rigg, Chairman
Nick Burrows

Non-executive Directors

Alistair Fulton
Steven Sanderson

Secretary and registered office

Nick Burrows
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Telephone: 01483 860222
Fax: 01483 860198
Email: investors@triad.co.uk

Country of incorporation and domicile of parent company

United Kingdom

Legal form

Public limited company

Company number

2285049

Registered Auditors

BDO LLP
55 Baker Street
London
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Solicitors

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One Bishops Square
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E1 6AO

Bankers

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City Office
11-15 Monument Street
London

EC3V 9JA

Stockbrokers

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EC2V 7AN

Registrars

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