



Triad Group Plc

Annual Report for the year ended 31 March 2012

Contents

	Page
Chairman's statement	2
Financial review	4
Directors' report	5
Corporate governance report	8
Directors' remuneration report	10
Independent auditors' report	13
Statements of comprehensive income and expense	14
Statements of changes in equity	15
Statements of financial position	16
Statements of cash flows	17
Notes to the financial statements	18
Five year record	34
Shareholders' information and financial calendar	35
Corporate Information	36

Chairman's statement

Dr John Rigg, Executive Chairman

Financial highlights

- Revenue for the year ended 31 March 2012 £19.4m: (2011: £23.3m)
- Operating profit £0.04m: (2011: £0.77m loss)
- Earnings before interest, tax, depreciation and amortisation (EBITDA): £0.3m (2011: £0.2m loss).
- Profit after tax £0.20m: (2011: £0.92m loss)
- Gross profit as a percentage of revenue 16.7%: (2011: 15.6%)

Business performance

I am delighted to report that as a result of measures taken during the financial year ended 31 March 2011 to strengthen the financial performance of the business, the Group reports substantially improved operating results for the year ended 31 March 2012. At the level of operating profit we have transformed a loss of £0.77m to a profit of £0.04m. This is the first operating profit reported for three years. While our size, measured in terms of revenue, has reduced, the Group is now fitter and leaner than it has been for a number of years.

Revenue decreased to £19.4m (2011: £23.3m) primarily due to a continued reduction in public sector spending and our decision to focus on business offering relatively high margins. Earnings before interest, tax, depreciation and amortisation (EBITDA) has shown significant improvement to £0.3m profit (2011: £0.2m loss). The Group reports a profit after tax of £0.2m (2011: £0.92m loss).

Gross margin has also improved to 16.7% (2011: 15.6%) further to measures taken to reduce employment costs and improve utilisation in the Consulting & Solutions business, and a continuing effort to preserve gross margin in the Resourcing business.

Year end cash borrowings have reduced to £0.5m (2011: £0.8m).

It is of course a matter for the market to decide, but I would hope as Chairman, that this very substantial improvement in trading performance, now that it has been reported, may have a beneficial effect on the share price, which is currently disappointing.

As reported in my interim statement Triad's Board and management team have, during the year, taken steps to unify the Group's brand and strengthen its presence in the market place under the Triad name. Triad's resourcing business is now trading as 'Triad Resourcing' having previously traded under the 'Generic' name. The Zubed operations are now managed within the Consulting & Solutions business. There has been a very positive reaction to these changes from both staff and clients.

In line with these changes the Group's segmental performance is reported accordingly across two segments, Resourcing and Consulting & Solutions (note 4).

Operating review

Resourcing

The markets in which the Resourcing business operates continue to be highly competitive.

Reductions in government spending have continued to impact the public sector business. Whilst we have been successful in being awarded contracts on both the Government Procurement Service NPS Framework and the Health Trust Europe Framework, we have seen very few requirements through these channels during the year, although recently there has been a modest increase in the usage of these Frameworks.

We continue to work closely with strategic partners to develop new and existing markets. In the private sector we have continued to identify and nurture niche markets where margins are more resilient to the general downward market pressures.

In response to client demand a permanent recruitment sales team was established in early 2011, enabling us to provide clients with a comprehensive recruitment service. This offering has now been extended to a wider market.

Consulting and solutions

The Consulting & Solutions business has been through an extensive phase of consolidation during the last financial year. We have focused on our core competencies of ICT consultancy, development of intranets and extranets, business and location intelligence and support services.

We have successfully assimilated the Zubed location intelligence suite of products into our Consulting & Solutions portfolio, enabling us to offer a unique combination of technology and services with clients expressing an increasing interest in our ability to integrate Zubed location intelligence into our Microsoft SharePoint and Business Intelligence offering.

With a strong suite of products and services based around the Microsoft portfolio, we have also developed a range of offerings based on open source software; an area where we are seeing increasing interest within the public sector. We have also successfully developed a range of services within the mobile arena, with apps available on all of the major platforms including Apple and Android.

New business in the year included organisations such as the Construction Skills Council, the Sovereign Military Order of Malta, The British Museum and Morrisons.

Solutions included client portals within the legal sector, mapbased document management for local authorities, an extranet for a leading UK business school, and a works commissioning system for a leading construction company.

Chairman's statement

Dr John Rigg, Executive Chairman

Services included security consultancy for a key government agency, strategic projects for the GSMA, programme management for a leading housing management organisation, and a range of support services around messaging and infrastructure.

Our Resourcing business provides us with a unique edge, enabling us to augment internal resources with additional external resources in a very cost-effective manner.

Business Model

The Group provides services in the areas of contract and permanent IT resourcing, and the provision of IT consultancy and solutions, incorporating location intelligence services. The Group operates from the United Kingdom, with offices in Milton Keynes and Godalming.

The contract resourcing business earns fees from the provision of independent contractors on a time hire basis to clients. Contractors are paid on the same basis at a lower rate. The difference in client and contractor fee rates generates gross profit. The permanent resourcing business sources and selects candidates for permanent positions with clients. A fee is earned from our client when they successfully recruit a candidate.

The consultancy and solutions business earns fees from charging the time of its employees to clients or delivering projects to clients. In addition some income is earned from licencing software that we have developed.

Strategy & Outlook

The restructuring exercise undertaken by the Group is enabling the business to offer its range of services in a more unified and structured manner than ever before. Key to our success is the building of long term relationships with customers across the business. Strategic partnerships form an important part of our business model, enabling us to mobilise expert teams across a range of sectors and disciplines to provide a compelling proposition to a range of clients.

In the Resourcing Business the experienced Contract sales team continues to identify and nurture new niche markets. The permanent recruitment team established at the beginning of the last financial year continues to make steady progress. The ability to provide both permanent and contract resourcing services is being well received by both existing and new customers.

The Consulting & Solutions business continues to demonstrate the benefit of establishing effective relationships through the provision of highly experienced consultants able to understand the challenges facing our clients across a variety of market sectors. We will continue to build upon the platforms we have created this year, as we move into the next phase of development. We believe that there remains considerable untapped potential within our areas of core competence and our sales and marketing efforts will be directed at, and focused on, delivering more within these sectors.

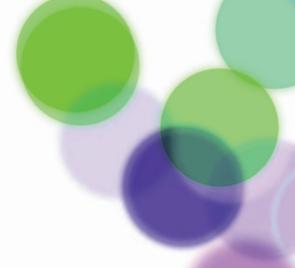
Whilst the economic climate remains uncertain, the Board believes that the business is now on a more stable financial base, and with the organisational and structural changes firmly established, the Group is well placed to move forward.

Employees

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

J. b. Kigg

John Rigg Chairman 31 May 2012



Financial review

Nick Burrows, Finance Director

Operating segments

In accordance with IFRS 8 'Operating Segments' further to changes in the organisational structure of the Group and how operating performance is reported to the Board, the Group has presented revised segmental reporting for the year ended 31 March 2012. Reporting is across two segments, Resourcing and Consulting & Solutions (see note 4). The Consulting & Solutions segment incorporates the Zubed operations that had, in prior years, been reported as a separate operating segment.

Resourcing

Revenue for the financial year to 31 March 2012 has decreased to £16.7m (2011: £19.3m). This decrease is predominantly due to a few relatively large GIS mapping projects in both the public and private sectors coming to a natural end in the final quarter of the previous financial year. The continued decline in public sector spending has also contributed with contracts not being extended, and very few new requirements being received through established frameworks.

The segment, commendably, reports an operating profit of £0.6m (2011: £0.6m profit).

Consulting & Solutions

Revenue in the Consulting & Solutions segment has reduced to £2.7m (2011: £4.0m). Again, the impact of the decline in public sector spending has been the primary cause of this.

Significant cost cutting measures have taken place within the segment resulting in a substantially reduced operating loss of £0.6m (2011: £1.4m loss). Utilisation of the consultants has improved compared to the previous financial year.

Overheads

Further to costs cutting measures undertaken in the previous financial year significant savings in both staff and property costs have been achieved with administrative expenses reducing by 27.5% to £3.2m (2011: £4.4m). Average headcount for the year reduced to 66 (2011: 89) and staff costs reduced by 34.1% to £3.7m (2011: £5.7m). Directors' emoluments reduced to £0.2m (2011: £0.4m) following the departure of former Chief Executive, lan Haynes, in November 2010.

Cash flows

Cash borrowings have reduced in the period to £0.5m (2011: £0.8m). There was a net cash inflow from operating activities of £0.3m (2011: £0.1m net cash outflow). The net cash outflow from investing activities was £0.03m (2011: £0.07m).

Intangible assets

As at 31 March 2012 the net book value of the Zubed capitalised development cost asset was £205,000 (£2011: £411,000). There were no development costs capitalised during the year (2011: £151,000). Total amortisation related to Zubed development costs charged to the income statement in the period reduced to £206,000 (2011: £263,000).

Tax Credit

A tax credit of £277,000 (2011: £nil) relating to research and development expenditure on Zubed has been recognised in the year. This amount has been paid, in full, by HMRC after the year end.

Share Options

On 23 September 2011 the Board granted 1,025,000 share options to management and staff under the Company's EMI Share Option Scheme. An expense of £5,842 has been recognised in the year.

Nick Burrows

Finance Director 31 May 2012

Directors' report

for the year ended 31 March 2012

The Directors present their report and the audited financial statements for the year ended 31 March 2012.

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 and the Financial Review on page 4. The financial results of the Group are set out in the statement of comprehensive income and expense on page 14 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;

	2012	2011
Revenue	£19,447,000	£23,298,000
Operating profit/(loss)	£37,000	£(769,000)
Gross margin	16.7%	15.6%
Net borrowings at 31 March	£497,000	£756,000
Headcount	66	89

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

Like many businesses Triad is at risk of being affected by the continued uncertainty over future economic conditions and the level of public sector expenditure. 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 Report on page 9, 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.

Directors' insurance and indemnities

The Company maintains directors' and officers' liability insurance which gives appropriate cover for any legal action brought against its directors and officers. The directors also have the benefit of the indemnity provisions contained in the Company's Articles of Association. These provisions, which are qualifying third-party indemnity provisions as defined by Section 236 of the Companies Act 2006, were in force throughout the year and are currently in force.

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 page 2. 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.

Directors' report

for the year ended 31 March 2012

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.

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 2012 (2011: 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 2012, 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 (2011: £nil).

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 2012 was 29 days (2011: 25 days).

Substantial shareholdings

In addition to the disclosure on page 10 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 2012:

Percentage of issued share capital

M Makar 29.76% Liontrust Investment Services Ltd 10.37% 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

Directors' report

for the year ended 31 March 2012

Independent non-executive Directors

Alistair Fulton, senior independent non-executive Director Steven Sanderson

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. He is currently a director of Enabled City Ltd.

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 Consulting & Solutions 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 10 and are summarised in note 8 to the financial statements. Directors' interests in shares are given in the Remuneration Report on page 10.

Directors interests in contracts

Directors' interests in contracts are shown in note 23 to the accounts.

Disclosure of information to auditors

All of the current Directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the Company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

Statement of Directors' Responsibilities

The Directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors 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 31 May 2012

Corporate governance report

The Board has considered the principles and provisions of the UK Corporate Governance Code (2010) ("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.

The Executive Chairman, John Rigg, is responsible for the leadership and efficient operation of the Board. This entails ensuring that Board meetings are held in an open manner, and allow sufficient time for agenda points to be discussed. It also entails the regular appraisal of each director, providing feedback and reviewing any training or development needs.

The Board meets regularly with senior management to discuss operational matters. The Non-Executive Directors must satisfy themselves on the integrity of financial information and that financial controls and systems of risk management are robust. Following presentations by senior management and a disciplined process of review and challenge by the Board, clear decisions on the policy or strategy are adopted. The responsibility for implementing Board decisions is delegated to management on a structured basis and monitored at subsequent meetings.

During the period under review, and to date, the Executive 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 eleven 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 Executive 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 Executive 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. BDO LLP has confirmed to the Audit Committee that they remain independent and have maintained internal safeguards to ensure that the objectivity of the engagement partner and audit staff is not impaired.

The Audit Committee has considered the level of non-audit fees and the nature of non-audit services provided and is satisfied that auditor independence has been maintained.

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 Executive 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 10.

Terms of reference

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

Corporate governance report

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 2012 and shows that the Board are able to allocate sufficient time to the company to discharge their responsibilities effectively.

	Board	Audit committee	Remuneration committee
Number of meetings held	10	1	2
Number of meetings atter	nded		
Executive Directors:			
John Rigg (Chairman)	10	-	1
Nick Burrows	10	n/a	n/a
Non-executive Directors:			
Alistair Fulton	10	1	2
Steven Sanderson	10	1	2

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 and risk management

The Board has applied the internal control and risk management provisions of the 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: Revised 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 Code, the Audit Committee regularly reviews the effectiveness of the Group's systems of internal financial control and risk management. 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 and risks are effectively managed and, if applicable, considering the 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 and risk management arising during the period covered by the report.

The key elements of the internal control and risk management systems 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 executive Chairman, executive Director and senior managers to discuss and monitor potential risks to the business, and to implement mitigation plans to address them.

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: 2008.

Statement of compliance

The Board considers that it has been compliant with the provisions 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. Triad's former Chief Executive, Ian Haynes, resigned as a director on 19 November 2010. There are currently no plans to recruit a replacement, given the need to minimise costs in the current environment. Moreover, the duties are being satisfactorily covered by members of the Executive Board and the Group's senior management. John Rigg is the Executive Chairman.
- B2. 1/2.4 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.
- B.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.
- B.2.3 Non-executive directors should be appointed for specified terms subject to re-election. Although not appointed for fixed terms, Non-executive Directors are subject to re-election in accordance with the Company's Articles of Association at the Annual General Meeting. Their contracts are subject to a notice period that does not exceed one month.
- B.7.1 Non-executive directors who have served longer than nine years should be subject to annual re-election.

 The Board consider that because of its size, re-election by rotation in accordance with the Company's Articles of Association at the Annual General Meeting is sufficient.

By order of the Board

NE Burrows Company Secretary 31 May 2012

Directors' remuneration report

Unaudited information

Remuneration committee

The Remuneration Committee has, during the year, been comprised of the Executive 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 full time 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 interests 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.

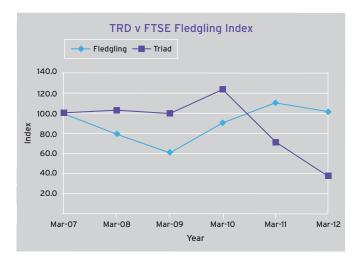
It is the Group's policy in relation to Directors' contracts that:

- 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 2011	31 March 2012
A M Fulton	354,100	354,100
J C Rigg	4,509,400	4,509,400
S M Sanderson	86,106	104,089
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:

					2012	2011
Director	Basic salary and fees	Discretionary bonus	Expense allowances	Benefits in kind	Total	Total
	£'000	£'000	£'000	£′000	£′000	£'000
Executive						
J C Rigg	25	-	-	-	25	25
N E Burrows	94	-	-	11	105	105
I M Haynes (resigned 19.11.10)	-	-	-	-	-	178
Non-executive						
A M Fulton	25	-	-	-	25	25
S M Sanderson	20	-	-	-	20	20
	164	-	-	11	175	353

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 12.

Directors' share options

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

N E Burrows :	At beginning of year	Granted during year	Forfeited during year	At end of year	Exercise price	Exercise period
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
granted 23.09.11	-	100,000	-	100,000	13.5p	23.09.14 to 23.09.21
	60,000	100,000	-	160,000		

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, 2006 and 2011 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 £814 (2011: £ nil).

The market price of the Company's shares was 9p at 31 March 2012 and the range during the year was between 7.5p and 19p.

Directors pension entitlement

One Director is a member of a money purchase scheme into which the Group made contributions during the year. The contributions paid by the Group in respect of this Director is as follows:

	2012	2011
	£'000	£′000
NE Burrows	14	9

Pension contribution for NE Burrows is 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 (13.8% 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 UK Corporate Governance Code (2010) and with Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008. 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 31 May 2012

Independent auditors' report

to the members of Triad Group Plc

We have audited the financial statements of Triad Group PIc for the year ended 31 March 2012 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 statements of financial position, the Group and Parent Company statements of cash flows 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 2012 and of the Group's and the Parent Company's profit 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 UK Corporate Governance 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 31 May 2012

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 2012

Group and company	Note	2012 £'000	2011 £'000
Revenue		19,447	23,298
Cost of sales		(16,208)	(19,654)
Gross profit		3,239	3,644
Administrative expenses	5	(3,202)	(4,413)
Profit/(loss) from operations	6	37	(769)
Finance income	7	-	2
Finance expense	7	(113)	(153)
Loss before tax		(76)	(920)
Income tax credit	9	277	-
Profit/(loss) for the year and total comprehensive income/(expense) attributable to equity holders of the parent		201	(920)
Basic earnings/(loss) per share	11	1.33p	(6.07)p
Diluted earnings/(loss) per share	11	1.33p	(6.07)p

All amounts relate to continuing activities.

Statements of changes in equity

for the year ended 31 March 2012

Group	Share Capital	Share premium account	Capital redemption reserve	Retained earnings	Total
	£'000	£'000	£'000	£′000	£′000
At 1 April 2010	151	562	104	256	1,073
Loss for the year and total comprehensive expense	-	-	-	(920)	(920)
Share-based payments	-	-	-	-	-
At 1 April 2011	151	562	104	(664)	153
Profit for the year and total comprehensive income	-	-	-	201	201
Share-based payments	-	-	-	6	6
At 31 March 2012	151	562	104	(457)	360
Company	Share Capital	Share premium	Capital redemption	Retained earnings	Total
Company			,		Total
	Capital £'000	premium account £'000	redemption reserve £'000	earnings £'000	£'000
Company At 1 April 2010	Capital	premium account	redemption reserve	earnings	
	Capital £'000	premium account £'000	redemption reserve £'000	earnings £'000	£'000
At 1 April 2010	Capital £'000	premium account £'000	redemption reserve £'000	earnings £'000 251	£'000 1,068
At 1 April 2010 Loss for the year and total comprehensive expense	Capital £'000 151	premium account £'000	redemption reserve £'000	earnings £'000 251 (920)	£'000 1,068 (920)
At 1 April 2010 Loss for the year and total comprehensive expense Share-based payments	Capital £'000 151 -	premium account £'000	redemption reserve £'000	earnings £'000 251 (920)	£'000 1,068 (920)
At 1 April 2010 Loss for the year and total comprehensive expense Share-based payments At 1 April 2011	Capital £'000 151 -	premium account £'000	redemption reserve £'000	earnings £'000 251 (920) - (669)	£'000 1,068 (920) - 148

Share capital represents the amount subscribed for share capital at nominal value.

The share premium account represents the amount subscribed for share capital in excess of the nominal value.

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.

Statements of financial position

at 31 March 2012

Registered number: 2285049

		Group		Company	
	Note	2012 £'000	2011 £'000	2012 £'000	2011 £'000
Non-current assets					
Intangible assets	12	262	416	262	416
Property, plant and equipment	13	29	68	29	68
		291	484	291	484
Current assets					
Trade and other receivables	15	4,166	4,549	4,166	4,549
Tax receivable	9	277	-	277	-
Cash and cash equivalents	16	48	33	48	33
		4,491	4,582	4,491	4,582
Total assets		4,782	5,066	4,782	5,066
Current liabilities					
Trade and other payables	17	(2,694)	(2,946)	(2,699)	(2,951)
Bank borrowings	18	(545)	(789)	(545)	(789)
Short term provisions	19	(235)	(107)	(235)	(107)
		(3,474)	(3,842)	(3,479)	(3,847)
Non-current liabilities					
Long term provisions	19	(948)	(1,071)	(948)	(1,071)
		(948)	(1,071)	(948)	(1,071)
Total liabilities		(4,422)	(4,913)	(4,427)	(4,918)
Net assets		360	153	355	148
Shareholders' equity					
Share capital	20	151	151	151	151
Share premium account	20	562	562	562	562
Capital redemption reserve		104	104	104	104
Retained earnings		(457)	(664)	(462)	(669)
Total shareholders' equity		360	153	355	148

The financial statements on pages 14 to 33 were approved by the Board of Directors and authorised for issue on 31 May 2012 and were signed on its behalf by:

NE Burrows SM Sanderson

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

Statements of cash flows

for the year ended 31 March 2012

Group and company	Note	2012 £'000	2011 £'000
Loss for the year before taxation		(76)	(920)
Adjustments for:			
Depreciation of property, plant and equipment		27	120
Profit on disposal of property, plant and equipment		(18)	(49)
Amortisation of intangible assets		215	269
Impairment of intangible assts		-	140
Finance income		-	(2)
Interest expense		28	22
Share-based payment expense		6	-
Changes in working capital			
Decrease in trade and other receivables		383	1,751
Decrease in trade and other payables		(252)	(1,070)
Increase/(decrease) in provisions		5	(317)
Cash generated/(consumed) by operations		318	(56)
Interest paid		(28)	(22)
Interest received		-	2
Net cash flows from operating activities		290	(76)
Cash flows used in investing activities			
Purchase of intangible assets		(61)	(153)
Purchase of property, plant and equipment		(15)	(9)
Proceeds from sale of property, plant and equipment		45	90
Net cash flows used in investing activities		(31)	(72)
Net increase/(decrease) in cash and cash equivalents		259	(148)
Cash and cash equivalents at beginning of the period		(756)	(608)
Cash and cash equivalents at end of the period	16	(497)	(756)

for the year ended 31 March 2012

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) and with those parts of the Companies Act 2006 applicable to companies preparing their accounts under IFRS.

These financial statements have been prepared on a historical cost basis and 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
Fixtures and fittings	10-33
Motor vehicles	25-33

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:

	%
Purchased 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 objective 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

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.

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.

for the year ended 31 March 2012

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 provided.

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 page 2. 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 2011 unless stated otherwise.

Amendments to existing standards

IAS 24 Related Party Transactions Improvements to IFRS 2010

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

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

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 2012 unless stated otherwise.

for the year ended 31 March 2012

International Financial Reporting Standards ("IFRS")

IFRS 10 - Consolidated Financial Statements (effective 01 April 2013)*

IFRS 11 - Joint Arrangements (effective 01 April 2013)*
IFRS 12 - Disclosure of Interests in Other Entities (effective 01 April 2013)*

IFRS 13 - Fair Value Measurement (effective 01 April 2013)*
IFRS 9 - Financial Instruments (effective 01 April 2015)*

Amendments to existing standards

amendment (effective O1 April 2014)*

IAS 12 - Deferred Tax: Recovery of Underlying Assets IAS 1 - Presentation of Items of Other Comprehensive Income Amendment (effective 01 April 2013)*

IAS 27 - Separate Financial Statements Amendment (effective 01 April 2013)*

IAS 28 - Investments in Associates and Joint Ventures Amendment (effective 01 April 2013)*

IAS 19 - Employee Benefits Amendment (effective 01 April 2013)*

IFRS 7 - Disclosures - offsetting financial assets and financial liabilities amendment (effective 01 April 2013)*
IAS 32 - Offsetting financial assets and financial liabilities

*These standards and interpretations are not endorsed by the EU at present.

The Directors do not anticipate that the adoption of the standards and amendments will have a material impact on the Group's financial statements in the period of initial application.

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 £34,000 and were the discount rate to decrease by 1% this would decrease net income and equity by £35,000.

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 £319,000.

Deferred tax asset

A deferred tax asset of £2,155,000 (2011: £2,573,000) 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 £19,000 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 £3,000.

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 £2,000.

Capitalisation of development costs

There has been no capitalisation of development costs of internally generated software during the year (2011: £151,000). The net book value of capitalised development costs at the year end is £205,000 (2011: £411,000).

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.

for the year ended 31 March 2012

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	2012 £'000	2011 £'000
Currency: Euros			
Net cash	16	48	33
Trade and other receivables	15	27	45
Trade and other payables	17	(27)	(23)
		48	55

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 £545,000 (2011: £789,000).

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 £9,000 (2011: £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 £19,000, being 0.1% of revenue (2011: £nil, being 0.0%).

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:

		4,077	4,339
Trade and other receivables Accrued income Cash and cash equivalents	15 15 16	3,668 361 48	3,649 657 33
	Note	2012 £'000	2011 £'000

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 £3.96m. 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.

for the year ended 31 March 2012

4. Segmental reporting

The Group derives its revenue from two operating segments, which offer different services, being Resourcing and Consulting & Solutions. 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.

The Zubed location intelligence business is no longer reported as a separate segment, but is now included within the Consulting & Solutions segment, which is reported separately from the Resourcing segment.

	Resourcing 2012 £'000	Consulting & Solutions 2012 £'000	Total 2012 £'000
Revenue	16,713	2,734	19,447
Operating profit/(loss) before exceptional items Exceptional items	649	(612) -	37
Operating profit/(loss) after exceptional items	649	(612)	37
	Resourcing 2011 Restated £'000	Consulting & Solutions 2011 Restated £'000	Total 2011 Restated £'000
Revenue	19,291	4,007	23,298
Operating profit/(loss) before exceptional items Exceptional administrative expense: staff termination costs Exceptional administrative expense: impairment of intangible asset Exceptional administrative credit: change in surplus property provision	624 (24) -	(986) (409) (140) 166	(362) (433) (140) 166
Operating profit/(loss) after exceptional items	600	(1,369)	(769)

Assets and liabilities 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.

20% (2011: 25%) of revenue was generated in the public sector. The largest single customer contributed 21% (2011: 15%) of Group revenue, was in the private sector, and is reported within the Resourcing segment.

for the year ended 31 March 2012

5. Administrative expenses

There was an exceptional administrative charge in 2011 of £433,000, in respect of the termination costs of employees following restructuring of the business.

There was an exceptional administrative charge in 2011 of £140,000 in respect of an impairment of the carrying value of intangible assets (note 12).

There was an exceptional administrative credit in 2011 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.

Administrative expenses Exceptional administrative charge: staff termination costs Exceptional administrative charge: impairment of intangible assets Exceptional administrative credit: vacant property provision	12 19	3,202	4,006 433
Exceptional administrative charge: impairment of intangible assets		-	122
EXCEDITORIAL AUTHINISTI ALIVE CLEUIT. VACATIL DI ODELLA DI DAVISIONI	19		(166)
ZAGOPTIONAL GAMMINION OF GAMMINION TO STORE THE PROPERTY PROPERTY.			(166)
Total administrative expenses		3,202	4,413
6. Operating profit/(loss)		2012	2011
		£'000	£'000
Operating profit/(loss) is stated after charging/(crediting):			
Profit on disposal of property, plant and equipment		(18)	(49)
Depreciation of owned assets		27	120
Amortisation of intangible assets		215	269
Impairment of intangible assets		-	140
Operating leases for land and buildings Impairment of receivables		354 19	607
Auditors' remuneration:		19	
Audit of financial statements: Group and company		47	41
Other services pursuant to legislation		4	4
Other services relating to tax		37	4
7 Finance income and evange		2012	2041
7. Finance income and expense		2012 £'000	2011 £'000
Finance income			
Interest receivable		_	2
Total finance income		-	2
Finance expense			
Bank interest payable		(28)	(22)
Total interest expense		(28)	(22)
Unwinding of discount on provisions		(85)	(125)
Net foreign exchange loss		-	(6)
Total finance expense		(113)	(153)
Net finance expense recognised in income and expense		(113)	(151)

for the year ended 31 March 2012

8. Employees and Directors

Group and company	2012 Number	2011 Number
Average number of persons (including executive Directors) employed		
Senior management	5	6
Fee earners	32	44
Sales Administration and finance	18 11	20 19
Administration and finance	"	19
	66	89
Staff costs for the above persons (including executive Directors)	£'000	£'000
Wages and salaries	3,149	4,878
Social security costs	375	525
Defined contribution pension costs Equity settled share-based payments	200 6	260
Equity Settled Share based payments		
	3,730	5,663
Directors	£'000	£'000
Emoluments	175	353
Money purchase pension contributions	14	16
	189	369
One Director (2011: two) had retirement benefits accruing under money purchase pension schemes.		
9. Tax credit	2012	2011
	£′000	£'000
Tax credit in income statement	277	-
The tax credit for the year differs from the standard rate of corporation tax in the UK (26%; 2011: 28%). The d	ifferences are expla	ained below:
	2012	2011
	£'000	£'000
Loss before tax	(76)	(920)
Loss before tax multiplied by standard rate of corporation tax in the UK of 26% (2011: 28%)	(20)	(258)
Effects of:		
Research & development tax credit	(277)	- 10
Expenses not deductible for tax purposes Movement in unrecognised deferred tax asset in respect of operating losses	12 12	12 226
Movement in unrecognised deferred tax asset in respect of temporary differences	(4)	20
Total tax credit for the year	(277)	_

for the year ended 31 March 2012

A research and development tax credit of £277,000 has been recognised in respect of qualifying research and development costs relating to location intelligence. The claim has been made in the current period and is in relation to costs incurred in years ended 31 March 2010 and 2011.

£34,000 has been accrued for professional fees associated with the preparation and submission of the claim, and is included in administrative expenses.

A deferred tax asset of £2,155,000 (2011: £2,573,000) 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	2012 £'000	2011 £'000
Accelerated depreciation	98	111
Other temporary differences	1	(1)
Losses carried forward indefinitely	2,056	2,463
Unrecognised deferred tax asset	2,155	2,573

10. Dividends

No dividends have been paid or proposed for year ended 31 March 2012 (2011: nil).

11. Earnings/(loss) per ordinary share

Earnings/(loss) per share have been calculated on the profit/(loss) for the year divided by the weighted average number of shares in issue during the period based on the following:

	2012	2011
Profit/(loss) for the year	£201,000	£(920,000)
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 earnings/(loss) per share	1.33p	(6.07)p
Diluted earnings/(loss) per share	1.33p	(6.07)p

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

for the year ended 31 March 2012

12. Intangible assets

Group and company	Purchased software	Internally developed software	Total
	£'000	£'000	£'000
Cost			
At 31 March 2010	571	1,425	1,996
Additions	2	151	153
Disposals	-	-	-
At 31 March 2011	573	1,576	2,149
Additions	61	-	61
Disposals	-	-	-
At 31 March 2012	634	1,576	2,210
Accumulated amortisation/impairment			
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
Charge for the year	9	206	215
Disposals	-	-	-
At 31 March 2012	577	1,371	1,948
Net book value			
At 31 March 2012	57	205	262
At 31 March 2011	5	411	416

Internally developed software has a useful economic life of one year remaining.

for the year ended 31 March 2012

13. Property, plant and equipment

Group and company	Computer hardware	Fixtures & fittings	Motor vehicles	Total
	£′000	£'000	£'000	£'000
Cost				
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
Additions	10	5	-	15
Disposals	-	-	(164)	(164)
At 31 March 2012	538	962	25	1,525
Accumulated depreciation				
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
Charge for the year	14	6	7	27
Disposals	-	-	(137)	(137)
At 31 March 2012	521	953	22	1,496
Net book value				
At 31 March 2012	17	9	3	29
At 31 March 2011	21	10	37	68

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

for the year ended 31 March 2012

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	2012 £'000	2011 £'000
Trade receivables	3,680	3,628
Less: provision for impairment of trade receivables	(12)	-
Trade receivables-net	3,668	3,628
Other debtors	-	21
Prepayments and accrued income	498	900
	4,166	4,549

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 2012 trade receivables of £1,260,000 (2011: £1,327,000) were past due but not impaired. They relate to customers with no default history. The total number of customer ledger balances at 31 March 2012 was 119 (2011: 148). The ageing analysis of these receivables is as follows:

Group and company	2012 £'000	2011 £'000
Up to 30 days past due	785	912
30 to 60 days past due	288	265
Over 60 days past due	187	150
	1,260	1,327

for the year ended 31 March 2012

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

Group and company	2012 £'000	2011 £'000
At beginning of the year	-	38
Charged to income statement	19	-
Credited to income statement	-	(9)
Receivables written off as uncollectable	(7)	(29)
At end of the year	12	-
The carrying amount of the Group's trade and other receivables are denominated in the following currence	ies:	
Group and company	2012	2011
	£'000	£'000
Sterling	4,139	4,504
Euros	27	45
	4,166	4,549
Debtor days are calculated by matching year end debtor balances to most recent sales on a day by day ba	usis.	
16. Cash and cash equivalents		
Group and company	2012	2011
ordap and company	£'00	£'000
Cash available on demand	48	33
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	2012	2011
	£'000	£'000
Sterling	-	-
Euros	48	33
	48	33
For the purpose of the consolidated cash flow statement, cash and cash equivalents consist of cash, as de borrowings repayable on demand.	tailed above, ne	t of bank
Group and company	2012 £'000	2011 £′000
Cash available on demand	48	33
Bank borrowings repayable on demand	(545)	(789)
	(497)	(756)

for the year ended 31 March 2012

	Group		Company	
17. Trade and other payables	2012 £'000	2011 £'000	2012 £'000	2011 £'000
Trade payables	1,775	1,510	1,775	1,510
Other taxation and social security	321	440	321	440
Owed to subsidiary	-	-	5	5
Accruals and deferred income	598	996	598	996
	2,694	2,946	2,699	2,951
The maturity date of the Group's trade and other payables is as fo	llows:			
			2012 £'000	2011 £'000
Up to 3 months			2,553	2,774
3 to 6 months			55	66
6 to 12 months			86	106
			2,694	2,946
The fair value of trade and other payables approximates closely to The carrying amount of the Group's trade payables is denominate		ncies:	2,694	2,946
		ncies:	2,694 2012 £'000	2,946 2011 £'000
The carrying amount of the Group's trade payables is denominate		ncies:	2012	2011
The carrying amount of the Group's trade payables is denominate Group and company		ncies:	2012 £'000	2011 £'000
The carrying amount of the Group's trade payables is denominate Group and company Sterling		ncies:	2012 £'000 2,667	2011 £'000 2,923
The carrying amount of the Group's trade payables is denominate Group and company Sterling		ncies:	2012 £'000 2,667 27	2011 £'000 2,923 23
The carrying amount of the Group's trade payables is denominate Group and company Sterling Euros 18. Bank borrowings		ncies:	2012 £'000 2,667 27	2011 £'000 2,923 23 2,946
The carrying amount of the Group's trade payables is denominate Group and company Sterling Euros		ncies:	2012 £'000 2,667 27	2011 £'000 2,923 23
The carrying amount of the Group's trade payables is denominate Group and company Sterling Euros 18. Bank borrowings Group and company Current		ncies:	2012 £'000 2,667 27 2,694	2011 £'000 2,923 23 2,946
The carrying amount of the Group's trade payables is denominate Group and company Sterling Euros 18. Bank borrowings Group and company		ncies:	2012 £'000 2,667 27 2,694	2011 £'000 2,923 23 2,946

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 £3.96m. This facility is secured by way of a debenture over all assets, being £4.78m at 31 March 2012. Bank borrowings are repayable upon demand.

The receivables finance facility is included as part of cash and cash equivalents for the purpose of the cash flow statement as it forms an integral part of the Group's cash management.

for the year ended 31 March 2012

19. Provisions

Group and company	Provision for vacant properties	Provision for property dilapidation	Total
	£′000	£'000	£′000
At 1 April 2011	1,127	51	1,178
Charged to income statement	-	8	8
Utilised in year	(67)	(13)	(80)
Unused amounts reversed	-	(8)	(8)
Unwinding of discount: passage of time (note 7)	85	-	85
At 31 March 2012	1,145	38	1,183

Group and company	Provision for vacant properties	Provision for property dilapidation	Total
	£′000	£'000	£′000
The maturity profile of the present value of provisions is as follows:			
Current	229	6	235
Non-current	916	32	948
	1,145	38	1,183

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 2012 is as follows:

Group and company	2012 £'000	2011 £'000
In one year or less	235	62
In more than one year, but not more than 2 years	220	211
In more than 2 years, but not more than 5 years	572	549
In more than 5 years	156	305
	1,183	1,127

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

Ordinary shares of 1p each	2012	2011
Issued, called up and fully paid:		
Number	15,149,579	15,149,579
Nominal value	£151,496	£151,496
Authorised:		
Number	33,500,000	33,500,000
Nominal value	£335,000	£335,000

for the year ended 31 March 2012

21. Share-based payments

At 31 March 2012 1,635,412 options granted under employee share option schemes remain outstanding:

Number	Exercise price	Performance criteria	Period options exercisable
214,412	26.5p	1	25 September 2005 to 25 September 2012
198,000	51.5p	1	8 March 2009 to 8 March 2016
203,000	14.0p	2	7 August 2012 to 7 August 2018
1,020,000	13.5p	1	23 September 2014 to 23 September 2021

- 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 2012 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 2012 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 2012 had a weighted average remaining contractual life of 7.3 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 1,025,000 options granted during the year (2011: nil).

In respect of the options granted during the year the fair value per option granted and the assumptions used in the calculation were as follows;

Date of grant:	23 September 2011
Number of options granted:	1,025,000
Weighted average share price:	13.5p
Weighted average exercise price:	13.5p
Expected volatility:	40%
Expected life:	4 years
Risk free rate:	2.5%
Expected dividends:	0
Fair value:	4.67p

The expected volatility is based on historic volatility over the last three years. The expected life is the expected period to exercise. The risk free rate of return is the yield on zero-coupon UK government bonds of a term consistent with the assumed option life.

The total expense recognised in the year is £5,842 (2011: £ nil).

for the year ended 31 March 2012

A reconciliation of option movements over the year to 31 March 2012 is shown below:

	2012		2011	
	Number of options	Weighted average exercise price Pence	Number of options	Weighted average exercise price Pence
Outstanding at start of year	973,900	30.3	1,460,504	30.0
Granted	1,025,000	13.5	-	
Forfeited	(363,488)	29.8	(473,604)	24.6
Lapsed	-		(13,000)	208.9
Outstanding at end of year	1,635,412	19.9	973,900	30.3
Exercisable at end of year	615,412	30.4	700,900	36.6

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 10.

22. Commitments

The Group had capital commitments totalling £nil at 31 March 2012 (31 March 2011: 41,000).

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

	2012	2011
	£'000	£'000
Not later than 1 year	475	313
Later than 1 year and no later than 5 years	1,827	1,580
Later than 5 years	395	790
	2,697	2,683

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 was 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 was 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 (2011: £nil).

Key management comprises the Board of Directors and their remuneration is set out in the Directors' Remuneration Report on page 10.

Five year record

Consol	lidated	income	sta	tement	

Years ended 31 March	2012	2011	2010	2009	2008
Davis	£'000	£′000	£'000	£'000	£′000
Revenue	19,447	23,298	27,176	32,770	33,294
Gross profit	3,239	3,644	4,723	6,218	6,078
Loss on ordinary activities before taxation	(76)	(920)	(613)	(40)	(698)
Taxation on loss on ordinary activities	277	-	-	-	-
Profit/(loss) on ordinary activities after taxation	201	(920)	(613)	(40)	(698)
Dividends	-	-	-	-	-
Sustained loss for the financial year	201	(920)	(613)	(40)	(698)
Basic profit/(loss) per ordinary share of 1p each (pence)	1.33	(6.07)	(4.05)	(0.26)	(4.61)
Balance sheet					
As at 31 March	2012	2011	2010	2009	2008
	£′000	£′000	£'000	£′000	£′000
Non-current assets	291	484	892	1,073	1,071
Current assets	4,491	4,582	6,365	6,623	7,571
Current liabilities	(3,474)	(3,842)	(4,939)	(4,656)	(5,512)
Non-current liabilities	(948)	(1,071)	(1,245)	(1,362)	(1,418)
Net assets	360	153	1,073	1,678	1,712
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	(457)	(664)	256	861	895
Equity shareholders' funds	360	153	1,073	1,678	1,712
			.,	., = . •	.,

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 2012		
Financial year ended 31 March 2013: expected announcement of results			
Half year	November 2012		
Full year preliminary announcement	June 2013		

Corporate information

Executive Directors

John Rigg, Chairman Nick Burrows

Non-executive Directors

Alistair Fulton Steven Sanderson

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

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 W1U 7EU

Solicitors

Allen & Overy LLP One Bishops Square London E1 6AO

Bankers

Lloyds TSB Bank plc City Office 11-15 Monument Street London EC3V 9JA

Registrars

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





Triad Group Plc

Weyside Park Catteshall Lane Godalming Surrey GU7 1XE

T. 01483 860222 F. 01483 860198

