OXECO PLC

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 JANUARY 2009

Company Number: 5969271

OXECO PLC
DIRECTORS AND OFFICERS

DIRECTORS

Michael Bretherton *(Executive Chairman)*
Professor Stephen Davies *(Non-Executive Director)*
Professor William Graham Richards CBE *(Non-Executive Director)*

COMPANY SECRETARY

Nigel Raymond Gordon

COMPANY NUMBER

5969271 (England & Wales)

COMPANY WEBSITE

www.oxecoplc.com

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The Registry
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NOMINATED ADVISER AND BROKER

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LEGAL ADVISER

Fasken Martineau LLP
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London
W1S 1HU

AUDITOR

Baker Tilly UK Audit LLP
Chartered Accountants
2 Bloomsbury Street
London
WC1B 3ST

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OXECO PLC
CHAIRMAN'S STATEMENT

Oxeco plc ("Oxeco" or the "Company") was established in October 2006 and subsequently admitted to trading on the AIM market in December 2006. Oxeco raised net proceeds of £2.84 million in cash with a stated strategy of seeking investments in or acquiring assets, businesses or companies in the technology and science sectors.

Oxeco currently has one subsidiary, Oxray Limited ("Oxray"), which was acquired in June 2007 as a start up business and which aimed to become a leading provider of molecular structure determination services to both industry and academic institutions.

At the time of the Company's acquisition of Oxray, the Directors advised that the ongoing investment strategy would be to continue to identify opportunities in the technology and science sectors and especially those which are complementary to the X-ray crystallography molecular structure determination business. The Board has reviewed a number of investment opportunities that are in areas complementary to the Oxray business although none were considered to offer sufficiently attractive prospects for shareholders.

Oxray has now substantially completed the development of its novel X-ray crystallography structure determination software but the results of marketing efforts to establish a solid customer base have been disappointing. In addition, Oxray has not been able to strengthen and develop its product service offering through licensing-in Intellectual Property and making bolt-on acquisitions in this field as originally envisaged. The Directors have therefore undertaken a review of the Oxray business and have concluded that this is not a market to which the Company intends to commit significant further resource.

Accordingly, the Directors now intend to revert to seeking further opportunities within the general technology and science sectors and the Board is reviewing its options in relation to the current Oxray business.

Following the recent strategic review, Jussi Westergren, who joined the Company at the time of the Oxray acquisition, has resigned as Chairman of Oxeco and I have been appointed to the role of replacement Chairman. I will also continue to be responsible for the finance function.

The consolidated trading loss for the year after taxation and before impairment of goodwill was £228,000 compared to a loss of £63,000 for the comparable period from incorporation on 17 October 2006 to 31 January 2008. Goodwill in relation to the Oxray business has been impaired to a nil value with the write-off generating an exceptional expense of £2,120,000 to give a reported loss for the year after taxation and impairment of £2,348,000. Consolidated net assets at 31 January 2009 amounted to £2.52 million including cash balances of £2.53 million compared with net assets of £4.87 million and cash balances of £2.76 million a year earlier at 31 January 2008. The cash outflow for the Group during the year to 31 January 2009 amounted to £227,000 and cash balances continue to be managed prudently, with tight cost control.

Oxeco Plc is well capitalised and I am confident that the renewed focus on science and technology investment strategy will enable your Company to exploit acquisition opportunities afforded by difficult financial markets.

Michael Bretherton
Executive Chairman

17 April 2009

OXECO PLC
DIRECTORS' REPORT

The Directors submit their report and the financial statements of Oxeco Plc for the year to 31 January 2009.

PRINCIPAL ACTIVITIES

Oxeco Plc is an AIM listed investment company incorporated and domiciled in the UK. The Group's principal activities are to invest in or acquire assets or companies in the technology and science sectors as well as to develop businesses in this field.

BUSINESS REVIEW

A review of the Group's performance and future prospects is included in the Chairman's Statement on page 3.

KEY PERFORMANCE INDICATORS

Key Group performance indicators are set out below:

	Year to 31 January 2009 £000	Period to 31 January 2008 £000
Net assets	2,522	4,870
Loss attributable to equity holders		
- Loss pre goodwill impairment	(228)	(63)
- Loss post goodwill impairment	(2,348)	(63)
Cash and cash equivalents	2,534	2,761

RESULTS AND DIVIDENDS

The consolidated trading loss for the year after taxation and before impairment of goodwill was £228,000 (period to 31 January 2008: £63,000). The loss of £2,348,000 after impairment of goodwill (period to 31 January 2008: £63,000) has been transferred to reserves. The Director's do not recommend the payment of a dividend.

Goodwill of £2,120,000 arose on the acquisition of Oxray Limited in June 2007. Since that time Oxray has substantially completed the development of its novel X-ray crystallography structure determination software but the results of marketing efforts to establish a solid customer base have been disappointing. In addition, Oxray has not been able to strengthen and develop its product service offering through licensing-in IP and making bolt-on acquisitions in this field as originally envisaged.

The Directors have undertaken an impairment review taking into account the above factors and consider that this intangible goodwill asset has been impaired to a nil value. Consequentially the goodwill associated with this company has been written off in full generating an exceptional expense of £2,120,000 in the year.

SOFTWARE DEVELOPMENT

The Company's subsidiary, Oxray Limited, is in the process of completing the development of X-ray crystallography structure determination software and intends to use a web portal to maximise the extent to which the service can be automated.

DIRECTORS AND THEIR INTERESTS

The Directors who held office during the year are given below:

Jussi Westergren	(resigned 18 March 2009)	(Executive Chairman)
Michael Bretherton		(Finance Director)
David Norwood	(resigned 31 December 2008)	(Non-Executive Director)
Professor Stephen Davies		(Non-Executive Director)
Professor William Graham Richards CBE		(Non-Executive Director)

Michael Bretherton was appointed as Executive Chairman after the resignation of Jussi Westergren.

A directors' indemnity insurance policy is in place for the Directors.

Directors' interests

Directors' interests in the shares of the company, including family interests at 31 January 2009, were as follows:

	Ordinary shares of 0.1p each		Percentage of the issued share capital	
	2009 Number	2008 Number	2009 %	2008 %
Jussi Westergren*	Nil	Nil	Nil	Nil
Michael Bretherton	2,000,000	2,000,000	0.33	0.33
Professor Stephen Davies	56,000,000	56,000,000	9.33	9.33
Professor William Graham Richards CBE	1,000,000	1,000,000	0.17	0.17

* IPX Global Limited, one of the beneficiaries of which is Jussi Westergren holds 56,000,000 (2008: 56,000,000) shares in the Company. Jussi Westergren resigned on 18 March 2009.

Directors' remuneration
The remuneration of the individual Directors who served in the year to 31 January 2009 was:

	Salaries & fees	
	2009	2008
	£000	£000
Jussi Westergren (resigned on 18 March 2009)*	-	6
Michael Bretherton	10	11
David Norwood (resigned on 31 December 2008)	9	11
Professor Stephen Davies	10	6
Professor William Graham Richards CBE	10	11

*fees of £10,000 were paid to Pembroke House Technologies Ltd. in the year on behalf of Jussi Westergren (2008: £nil)

All of the Directors were appointed on letters of appointment which may now be terminated on not less than 3 months notice thereafter. The basic fee payable to each of the Directors is £10,000 per annum.

Profile of the Directors

Michael Anthony Bretherton, BA, ACA, Aged 53, Executive Chairman
Michael Bretherton graduated in Economics from University of Leeds and then worked as an accountant and manager with PricewaterhouseCoopers for 7 years in both London and the Middle East. He subsequently worked for The Plessey Company Plc before being appointed finance director of the fully listed Bridgend Group Plc in 1988 where he held the position for 12 years. More recently, he has worked at the property and services company, Mapeley Limited as financial operations director and then at the entertainment software games developer, Lionhead Studios Limited, where he helped to complete a trade sale of the business to Microsoft in March 2006. Michael is currently finance director of Ora Capital Partners Limited.

Professor Stephen Graham Davies, MA, DPhil, DSc, CChem, MRSC, Aged 58, Non-executive Director
Steve is currently chairman of the Department of Chemistry at the University of Oxford. He has published over 420 research papers, and has been the recipient of numerous awards for his contribution to organic synthesis, including the Hickinbottom Fellowship (1984), the Pfizer Award for Chemistry (both 1985 & 1988), the Royal Society of Chemistry Award for Organometallic Chemistry (1987).

In 1992 Steve founded the spin-out chemistry service company Oxford Asymmetry, followed in 1995 by the Combinatorial chemistry company Oxford Diversity. These were combined in 1998 for the flotation of Oxford Asymmetry International which was subsequently merged in 2000 with Evotec (to form Evotec-OAI) for £316 million. In early 2003, Steve became a founding shareholder of VASTox Limited, the holding company of which floated on AIM in 2004

Professor William Graham Richards, CBE, MA, DPhil, DSc, CChem, FRSC, Aged 68 Non-executive Director

Graham Richards graduated in Chemistry from Brasenose College, Oxford in 1962. Graham has been a lecturer in the University of Oxford for over 35 years where he was also Chairman of Chemistry from 1997 to July 2006. Graham is a leading figure in the field of computer-aided drug design and is the author of over 300 scientific articles and 15 books. He was awarded the Royal Society Mullard Award for his work on the development of the methods of computer aided molecular design, their application and exploitation and has been named as the recipient of the American Chemical Society's award for computers in chemical and pharmaceutical research. Graham has also been a visiting professor at Stanford University and at the University of California, Berkeley.

Graham has consulted for a number of major pharmaceutical companies and was a director of Catalyst Biomedica Limited, the technology transfer company of the Wellcome Trust, from 1998 to 2002. Graham is the scientific founder of Oxford Molecular Group Plc of which he was Chairman from 1989 to 1994 and Inhibox Limited of which he remains a director. Graham is also a director of the University of Oxford technology transfer company Isis Innovation Limited and is senior Non Executive at IP Group Plc.

SUBSTANTIAL SHAREHOLDERS

The Company is aware that, in addition to the holdings disclosed under Directors' interests in shares above, at 31 January 2009 the following persons had an interest in three per cent. or more of the issued Ordinary Share capital of the Company:

Name	Number of Ordinary Shares of 0.1p each	Percentage of the issued share capital
Ora Capital Limited (formerly Ora Capital Partners Plc)	271,500,000	45.25%
Bainunah Trading Limited	76,000,000	12.67%
David Norwood	56,500,000	9.41%
Stephen James	31,715,000	5.29%
David Watkin	20,000,000	3.33%

CORPORATE GOVERNANCE

Ora Capital Limited holds, as at 31 January 2009, shares representing approximately 45.25 per cent. of the Company's issued share capital. The Directors are satisfied that the Company is capable of carrying on its business independently of Ora and that all transactions and relationships between Ora and the Company are and will continue to be at arm's length and on commercial terms.

To ensure that Shareholders are adequately protected in this regard, the Company has entered into a relationship agreement with Ora pursuant to which it has given certain undertakings to the Company to the effect that the Board can amongst other things operate on an independent basis.

The Directors recognise the importance of sound corporate governance and intend that the Company will comply with the main principles of the QCA Guidelines insofar as they are appropriate given the Company's size and stage of development.

The Board is responsible for formulating, reviewing and approving the Company's strategy, budgets and corporate actions. The Directors hold Board meetings quarterly and at other times as and when required.

The Company has established audit and remuneration committees of the Board with formally delegated duties and responsibilities.

The Board
The Board currently comprises two executive and two non-executive Directors.

Audit Committee
The Board has established an audit committee with formally delegated duties and responsibilities. The audit committee comprises the two non-executive Directors, Stephen Davies and Graham Richards with Stephen as Chairman. The committee meets not less than twice in each financial year.

Remuneration Committee
The remuneration committee comprises the two non-executive Directors, Stephen Davies and Graham Richards, with Graham as Chairman. It meets as required and at least annually to consider all aspects of the remuneration of the executive Directors of the Company.

Internal Control
The Board is responsible for maintaining a sound system of internal control. The Board has in place measures designed to manage, not eliminate risk and to provide reasonable but not absolute assurance against material misstatement or loss.

Some key features of the internal control system are:

(i) Management accounts information and business risk issues are regularly reviewed by the Board who meet at least 4 times per year;
(ii) The Company has operational, accounting and employment policies in place;
(iii) There is a clearly defined organisational structure and there are well-established financial reporting and control systems; and
(iv) Accounting systems and procedures will be reviewed at least annually as the business grows in order to ensure that they are appropriate to the size and complexity of the business.

Going Concern
Having made reasonable enquiries, the Directors are satisfied that the current cash balance of £2,534,000 is sufficient to cover all known financial liabilities for at least the 12 months after the date of this report. The Directors therefore confirm that they are satisfied that the Company and Group have adequate resources to continue in business for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

RISK MANAGEMENT

Financial instruments
The Group's financial instruments include cash, trade receivables and trade payables arising directly from its operations. The existence of these financial instruments exposes the Group to a number of financial risks, which are described in more detail below.

The main risks arising from the Group's financial instruments are interest rate risk, credit risk and liquidity risk. The Directors review and agree policies for managing risk at least annually.

Interest rate risk
The Group has no external financing facilities therefore its interest rate risk is limited to the level of interest received on its cash surpluses. Interest rate risk on cash and cash equivalents is mitigated by using fixed-rate deposit accounts.

Liquidity risk
The Group seeks to manage liquidity risk by ensuring sufficient funds are available to meet foreseeable needs and to invest cash assets safely and profitably. The Group had net cash balances of £2,534,000 as at 31 January 2009 (2008: £2,761,000).

Credit risk
The Group's principal financial asset is cash. The credit risk associated with cash is limited as the Group only uses financial institutions with AAA credit ratings.

POLICY ON PAYMENT OF SUPPLIERS

It is Group and Company policy is to agree and clearly communicate the terms of payment as part of the commercial arrangements negotiated with suppliers and then to pay according to those terms based on the timely receipt of an accurate invoice.

Creditor days for the Group at 31 January 2009 are 20 days (period to 31 January 2008: 60 days). Creditor days for the Company at 31 January 2009 are 30 days (period to 31 January 2008: 30 days).

EMPLOYMENT POLICIES

The Group supports employment of disabled people wherever possible through recruitment, by retention of those who become disabled and generally through training, career development and promotion.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

UK Company law requires the Directors to prepare Group and Company financial statements for each financial year. Under that law the Directors are required to prepare Group financial statements in accordance with International Financial Reporting Standards, as adopted by the European Union, ("IFRS") and have elected to prepare the Company financial statements in accordance with IFRS.

The Group financial statements are required by law and IFRS to present fairly the financial position and performance of the group; the Companies Act 1985 provides in relation to such financial statements that references in the relevant part of that Act to financial statements giving a true and fair view are references to their achieving a fair presentation.

The Company financial statements are required by law to give a true and fair view of the state of affairs of the Company.

In preparing each of the Group and Company financial statements, the Directors are required to:

a. select suitable accounting policies and then apply them consistently;

b. make judgements and estimates that are reasonable and prudent;

c. state whether they have been prepared in accordance with IFRS; and

d. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business.

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

The Directors are also responsible for the maintenance and integrity of the Oxeco website, www.oxecoplc.com.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO THE AUDITOR

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

AUDITOR

In accordance with section 489 of the Companies Act 2006, a resolution to reappoint Baker Tilly UK Audit LLP, Chartered Accountants will be put to the members at the Annual General Meeting.

By order of the board

Nigel Gordon
Company Secretary

17 April 2009

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OXECO PLC

We have audited the Group and Parent Company financial statements on pages 13 to 31.

This report is made solely to the Company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an 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

The Directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and International Financial Reporting Standards, as adopted by the European Union, ("IFRS") are set out in the Statement of Directors' Responsibilities.

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

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

The information given in the Directors' Report includes that specific information presented in the Chairman's Statement that is cross referenced from the Business Review section in the Directors' Report.

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

We read other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. The other information comprises only the Directors' Report and Chairman's Statement. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

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

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

Opinion

In our opinion:

- the Group financial statements give a true and fair view, in accordance with IFRS as adopted by the European Union, of the state of the Group's affairs as at 31 January 2009 and of its loss for the year then ended;
- the Parent Company financial statements give a true and fair view, in accordance with IFRS as adopted by European Union as applied in accordance with the provisions of the Companies Act 1985, of the state of the Parent Company's affairs as at 31 January 2009;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

Baker Tilly UK Audit LLP

BAKER TILLY UK AUDIT LLP

Registered Auditor
Chartered Accountants
2 Bloomsbury Street
London WC1B 3ST

17 April 2009

OXECO PLC
CONSOLIDATED INCOME STATEMENT
For the year ended 31 January 2009

	Notes	Year to 31 January 2009 £000	Period to 31 January 2008 £000
Revenue		18	7
Administrative expenses		(376)	(243)
Impairment of goodwill		(2,120)	-
Operating loss	2	(2,478)	(236)
Finance income	3	127	178
Loss before taxation		(2,351)	(58)
Taxation	5	3	(5)
Loss for the year/period		(2,348)	(63)
Attributable to:			
Equity holders of the parent		(2,348)	(63)
Loss per share:			
Basic and diluted – post impairment of goodwill	6	(0.39)p	(0.01)p
Basic and diluted – pre impairment of goodwill	6	(0.04)p	(0.01)p

Comparative figures relate to the period from incorporation on 17 October 2006 to 31 January 2008.

The loss for the year arises from the Group's continuing operations.

OXECO PLC
STATEMENTS OF CHANGES IN EQUITY
For the year ended 31 January 2009

The Group	Attributable to the equity holders of the parent Share Capital £000	Share Premium £000	Retained Deficit £000	Total Equity £000
At 17 October 2006	-	-	-	-
Loss for the period	-	-	(63)	(63)
Total recognised income and expense	-	-	(63)	(63)
Issue of shares	600	4,500	-	5,100
Expenses of issue of shares	-	(167)	-	(167)
At 31 January 2008	600	4,333	(63)	4,870
Loss for the year	-	-	(2,348)	(2,348)
At 31 January 2009	**600**	**4,333**	**(2,411)**	**2,522**

The Company	Attributable to the equity holders of the parent Share Capital £000	Share Premium £000	Retained Earnings/ (Deficit) £000	Total Equity £000
At 17 October 2006	-	-	-	-
Profit for the period	-	-	21	21
Total recognised income and expense	-	-	21	21
Issue of shares	600	4,500	-	5,100
Expenses of issue of shares	-	(167)	-	(167)
At 31 January 2008	600	4,333	21	4,954
Loss for the year	-	-	(2,432)	(2,432)
At 31 January 2009	**600**	**4,333**	**(2,411)**	**2,522**

OXECO PLC
BALANCE SHEETS
As at 31 January 2009

	Notes	Group 2009 £000	Group 2008 £000	Company 2009 £000	Company 2008 £000
ASSETS					
Non-current assets					
Property, plant and equipment	7	2	2	-	-
Intangible assets - goodwill	8	-	2,120	-	-
Investment in subsidiary undertaking	9	-	-	-	2,100
		2	2,122	-	2,100
Current assets					
Trade and other receivables	10	28	29	21	223
Cash and cash equivalents	11	2,534	2,761	2,524	2,646
		2,562	2,790	2,545	2,869
TOTAL ASSETS		2,564	4,912	2,545	4,969
LIABILITIES					
Current liabilities					
Trade and other payables	12	(42)	(37)	(23)	(10)
Current taxation	5	-	(5)	-	(5)
TOTAL LIABILITIES		(42)	(42)	(23)	(15)
NET ASSETS		2,522	4,870	2,522	4,954
EQUITY					
Attributable to equity holders of the parent					
Share capital	13	600	600	600	600
Share premium	14	4,333	4,333	4,333	4,333
Retained (deficit)/earnings		(2,411)	(63)	(2,411)	21
TOTAL EQUITY		2,522	4,870	2,522	4,954

Approved by the board of Directors and authorised for issue on 17 April 2009 and signed on its behalf by:

M A Bretherton
Executive Chairman

OXECO PLC
CASH FLOW STATEMENTS
For the year ended 31 January 2009

	Notes	Group 2009 £000	Group 2008 £000	Company 2009 £000	Company 2008 £000
OPERATING ACTIVITIES					
Operating loss		(2,478)	(236)	(2,562)	(152)
Depreciation on plant and equipment		1	1	-	-
Impairment of goodwill		2,120	-	-	-
Impairment of investment		-	-	2,100	-
Impairment of loan to subsidiary undertaking		-	-	300	-
Decrease/(increase) in trade and other receivables		1	(29)	(98)	(223)
(Decrease)/increase in trade and other payables		4	(16)	14	10
Tax paid		(2)	-	(2)	-
Net cash outflow from operations		(354)	(280)	(248)	(365)
INVESTING ACTIVITIES					
Purchase of property, plant and equipment		-	(2)	-	-
Acquisition of subsidiary		-	(100)	-	(100)
Cash in subsidiary at acquisition		-	32	-	-
Interest received		127	178	126	178
Net cash inflow from investing activities		127	108	126	78
FINANCING ACTIVITIES					
Proceeds from issue of share capital		-	3,100	-	3,100
Expenses of issue of share capital		-	(167)	-	(167)
Net cash inflow from financing activities		-	2,933	-	2,933
(DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(227)	2,761	(122)	2,646
Cash and cash equivalents at start of year		2,761	-	2,646	-
CASH AND CASH EQUIVALENTS AT 31 JANUARY 2009	11	2,534	2,761	2,524	2,646

Comparative figures comprise the period from incorporation on 17 October 2006 to 31 January 2008.

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention in accordance with International Financial Reporting Standards, as adopted by the European Union ("IFRS").

CONSOLIDATION

The consolidated financial statements incorporate those of Oxeco Plc and its subsidiary undertaking, Oxray Ltd.

Subsidiaries
Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than half of the voting rights. The existence and effects of potential voting rights are considered when assessing whether the Group controls the entity. Subsidiaries are fully consolidated from the date control passes.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The costs of an acquisition are measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are initially measured at fair value at acquisition date irrespective of the extent of any minority interest. The difference between the cost of acquisition of shares in subsidiaries and the fair value of the identifiable net assets acquired is capitalised as goodwill and reviewed annually for impairment. Any deficiency of the cost of acquisition below the fair value of identifiable net assets acquired (i.e. discount on acquisition) is recognised directly in the income statement.

All intra-group transactions, balances, and unrealised gains on transactions between Group companies are eliminated on consolidation. Subsidiaries' accounting policies are amended where necessary to ensure consistency with the policies adopted by the Group. All financial statements are made up to 31 January 2009.

As provided by section 230 of the Companies Act 1985, no income statement is presented for Oxeco Plc. The loss after tax, but before impairment of investment and receivable from subsidiary, dealt with in the income statement of the Company for the year ended 31 January 2009 was £32,000 (period ended 31 January 2008: profit of £21,000), and a loss of £2,432,000 after impairment of investment and receivable from subsidiary (period ended 31 January 2008: profit of £21,000).

SEGMENTAL REPORTING

The Group's activities are considered to comprise one business and one geographical segment which consists of the provision of molecular structure determination software services to both industry and academic institutions in the UK.

REVENUE

Revenue is measured at the fair value of the consideration received or receivable in the normal course of business, net of discounts, VAT and other sales related taxes and is recognised to the extent that it is probable that the economic benefits associated with the transaction will flow in to the Group.

SOFTWARE DEVELOPMENT

All costs associated with the development of software are expensed to the income statement as incurred until such time that the following criteria are met:

- it is technically feasible to complete the product;
- management intends to complete the product and use or sell it;
- there is an ability to use or sell the product;
- it can be demonstrated how the product will generate probable future economic benefits;
- adequate technical, financial and other resources are available to complete the development, use and sale of the product; and
- expenditure attributable to the product can be reliably measured.

Once the criteria are met, development costs directly attributable to the product are recognised as intangible assets and amortised, once available for use or sale, over their useful economic life.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at historical cost.

Depreciation is provided on all property, plant and equipment assets at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life, as follows:-

Office furniture and equipment: over 3 years

INVESTMENTS

Investments in subsidiaries are stated in the balance sheet of the parent company at cost less provision for any impairment.

INTANGIBLE ASSETS - GOODWILL

Goodwill arising on consolidation of subsidiaries represents the excess of fair value of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities at the date of acquisition.

Goodwill on acquisition of subsidiaries is included in intangible assets and allocated from acquisition date to each of the Group's cash-generating units ("CGU") that are expected to benefit from the business combination in which the goodwill arose. The Group allocates goodwill to each business segment in each country in which it operates

Goodwill is tested for impairment annually and whenever there is an indication that the asset may be impaired.

IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

At each balance sheet date, the Group reviews the carrying amounts of its property, plant and equipment and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset, being the higher of its fair value less costs to sell and its value in use, is estimated in order to determine the extent of the impairment loss (if any).

Discounted cash flow valuation techniques are generally applied for assessing value in use using 3-5 year forward looking cash flow projections and terminal value estimates, together with discount rates appropriate to the risk of the related asset or cash generating unit to which the asset belongs.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

FINANCIAL ASSETS AND LIABILITIES

Trade and other receivables

Trade and other receivables do not carry any interest and are initially recognised at fair value. They are subsequently measured at amortised cost using the effective interest rate method, less any provision for impairment.

Impairment provisions are recognised when there is objective evidence that the Group will be unable to collect all of the amounts due under the terms of the receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable.

Trade and other payables

Trade and other payables are not interest bearing and are initially recognised at fair value. They are subsequently measured at amortised cost using the effective interest method.

Cash and cash equivalents

Cash and cash equivalents comprise cash at hand and deposits on a term of not greater than 3 months.

Share capital
Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax from proceeds.

PENSION COSTS
Contributions by the Group to personal pension schemes are charged to the income statement on a straight-line basis as they become due.

TAXATION

The tax expense represents the sum of the tax currently payable and deferred tax.

The tax payable is based on taxable profit for the year. The Group's liability for current tax is calculated by using tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable loss, and is accounted for using the balance sheet liability method.

Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Deferred tax is calculated at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled based upon rates enacted and substantively enacted at the balance sheet date. Deferred tax is charged or credited in the income statement, except when it relates to items credited or charged directly to equity, in which case the deferred tax is also dealt with in equity.

CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The estimates and assumptions in relation to goodwill impairment reviews are considered to have the most significant effect on the carrying amount of the assets in the financial statements as discussed in note 8. The Group is required to test at least annually whether goodwill has suffered any impairment. The recoverable amount is determined using value in use calculations. The use of this method requires the estimation of future cash flows and the selection of a suitable discount rate in order to calculate the present value of these cash flows.

ACCOUNTING STANDARDS AND INTERPRETATIONS NOT APPLIED

At the date of authorisation of these financial statements, the following Standards and Interpretations relevant to the operations of the Group, which have not yet been applied in these financial statements, were in issue but not yet effective:

		Effective for periods commencing on or after
IFRS 3	Business Combinations (revision)	1 July 2009
IFRS 5	Non-current Assets Held for Sale and Discontinued Operations (amendments)	1 July 2009
IFRS 7	Financial Instruments: Disclosures (amendments)	1 January 2009
IFRS 8	Operating Segments	1 January 2009
IAS 1	Presentation of Financial Statements (revision)	1 January 2009
IAS 1	Presentation of Financial Statements (amendments)	1 January 2009
IAS 7	Statement of Cash Flows (amendments)	1 January 2009
IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors (amendments)	1 January 2009
IAS 10	Events after the Reporting period (amendments)	1 January 2009
IAS 18	Revenue (amendments)	1 January 2009
IAS 19	Employee Benefits (amendments)	1 January 2009
IAS 27	Consolidated and Separate Financial Statements (revision)	1 July 2009
IAS 27	Consolidated and Separate Financial Statements (amendments)	1 January 2009
IAS 32	Financial Instruments: Presentation (amendments)	1 January 2009
IAS 36	Impairment of Assets (amendments)	1 January 2009
IAS 38	Intangible Assets (amendments)	1 January 2009
IAS 39	Financial Instruments: Recognition and Measurement (amendments)	1 January 2009

The Directors do not anticipate that the adoption of these Standards and Interpretations will have a material impact on the financial statements of the Group.

2) OPERATING LOSS

	Year ended 31 January 2009 £000	Period to 31 January 2008 £000
Operating loss is stated after charging:		
Depreciation of property, plant and equipment	1	1
Operating lease rentals on land and buildings	12	4
Other operating lease rentals	5	3
Software development consultancy costs	41	76
Research costs	33	-
Staff costs (see note 4)	150	73
Auditor's remuneration:		
Fees payable to the Company's auditor for the audit of the parent company and consolidated financial statements	16	10
Fees payable to the Company's auditor for the audit of the financial statements of the subsidiary	12	7
Other services pursuant to legislation	-	38
Total auditor's remuneration	28	55

3) FINANCE INCOME

	Year ended 31 January 2009 £000	Period to 31 January 2008 £000
Bank interest receivable	127	178

4) STAFF COSTS

	Year ended 31 January 2009 Number	Period to 31 January 2008 Number
The average monthly number of persons (including Directors) employed by the Group during the year was:		
Administration and management	7	6

	Year ended 31 January 2009 £000	Period to 31 January 2008 £000
The aggregate remuneration comprised:		
Wages and salaries	130	70
Contributions to personal pension scheme	6	-
Social security costs	14	3
	150	73
Director's remuneration included in the aggregate remuneration above comprised:		
Emoluments for qualifying services	49	44

5) TAXATION

The Group	Year ended 31 January 2009 £000	Period to 31 January 2008 £000
Current tax:		
UK corporation tax on losses for the year/period	-	5
Prior period adjustment	(3)	-
	(3)	5
Deferred tax:		
Origination and reversal of timing differences	-	-
Tax on loss on ordinary activities	(3)	5
Factors affecting tax charge for the year		
The tax assessed for the year varies from the standard rate of corporation tax as explained below:		
Loss on ordinary activities before tax	(2,351)	(58)
Loss on ordinary activities multiplied by the standard rate of corporation tax 28% (2008: 30%)	(659)	(17)
Effects of:		
Expenses not deductable for tax purposes	594	8
Prior period adjustment	3	-
Unutilised tax losses	65	14
Tax (credit)/charge for the year	(3)	5

The Group has estimated losses of £398,000 available for carry forward against future trading profit (period to 31 January 2008: £163,000). The Group has not recognised deferred tax assets of £111,000 relating to these losses as their recoverability is uncertain (period to 31 January 2008: £45,000).

6) LOSS PER SHARE

Basic loss per share of 0.39p is based on the net loss for the year of £2,348,000 divided by the weighted average number of ordinary shares in issue during the year of 600,000,000, (period to 31 January 2008: loss of £63,000 divided by 456,050,955 ordinary shares). Fully diluted loss per share is the same as basic loss per share.

Basic loss per share before impairment of goodwill of 0.04p (2008: 0.01p) is based on the net loss for the year before impairment of goodwill of £228,000 divided by the weighted average number of ordinary shares in issue during the year of 600,000,000 (period to 31 January 2008: loss of £63,000 divided by 456,050,955 ordinary shares).

7) PROPERTY, PLANT AND EQUIPMENT

The Group	Fixtures and equipment £000
Cost	
At 17 October 2006	-
Acquisition of subsidiary	1
Additions	2
At 31 January 2008	3
Additions	1
At 31 January 2009	**4**
Depreciation	
At 17 October 2006	-
Charge for the period	1
At 31 January 2008	1
Charge for the year	1
At 31 January 2009	**2**
Net book value	
At 31 January 2009	**2**
At 31 January 2008	2
At 17 October 2006	-

8) INTANGIBLE ASSETS - GOODWILL

The Group	£000
Cost and net book value	
At 17 October 2006	-
Arising on acquisition of subsidiary	2,120
At 31 January 2008	2,120
Impairment	(2,120)
At 31 January 2009	-

Goodwill of £2,120,000 arose on the acquisition of Oxray Limited in June 2007. Since that time Oxray has substantially completed the development of its novel X-ray crystallography structure determination software but the results of marketing efforts to establish a solid customer base have been disappointing. In addition, Oxray has not been able to strengthen and develop its product service offering through licensing-in IP and making bolt-on acquisitions in this field as originally envisaged.

The Directors have undertaken an impairment review taking into account the above factors and consider that this intangible goodwill asset has been impaired to a nil value. Consequentially the goodwill associated with this company has been written off in full generating an exceptional expense of £2,120,000 in the year.

9) INVESTMENT IN SUBSIDIARY

The Company	£000
Cost and book value	
At 17 October 2006	-
Additions	2,100
At 31 January 2008	2,100
Impairment (see note 8)	(2,100)
At 31 January 2009	-

At 31 January 2009 the Company had an investment in the following subsidiary where it holds 50% or more of the issued share capital. Oxray Limited is incorporated in England and Wales and operates wholly or mainly in the country of incorporation.

			Share of issued ordinary share capital and voting rights	
Undertaking	**Sector**	**Website**	**31 January 2009 %**	**31 January 2008 %**
Oxray Ltd	Technology	www.oxray.com	100	100

All subsidiaries have been included in the consolidated financial statements.

10) TRADE AND OTHER RECEIVABLES

	Group 2009 £000	Group 2008 £000	Company 2009 £000	Company 2008 £000
Trade and other receivables	6	6	4	-
Prepayments and accrued income	22	23	17	23
Amounts owed by subsidiary undertaking	-	-	-	200
	28	29	21	223

The Directors consider that the carrying amount of trade and other receivables approximates to their fair value.

11) RISK MANAGEMENT OF FINANCIAL ASSETS AND LIABILITIES

Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders. The Group's overall strategy remains unchanged from 2008 to minimise costs and liquidity risk.

The capital structure of the Group consists of equity attributable to equity holders of the parent, comprising issued share capital, reserves and retained earnings as disclosed in notes 13 and 14 and in the Group Statement of Changes in Equity.

The Group is exposed to a number of risks through its normal operations, the most significant of which are market, credit and liquidity risks. The management of these risks is vested in the Board of Directors.

Categorisation of financial instruments

Financial assets/(liabilities)

	Loans and receivables	Financial liabilities at amortised cost	Total
	£000	£000	£000
At 31 January 2009			
Trade and other receivables	6	-	6
Cash and cash equivalents	2,534	-	2,534
Trade and other payables	-	(38)	(38)
TOTAL	2,540	(38)	2,502
At 31 January 2008			
Trade and other receivables	6	-	6
Cash and cash equivalents	2,761	-	2,761
Trade and other payables	-	(35)	(35)
TOTAL	2,767	(35)	2,732

Disclosures relating to financial instruments are only provided on a Group consolidated basis as the only Company balance that is materially different is the 2008 amount owed by the subsidiary undertaking, which is categorised as loans and receivables. Therefore the Directors do not believe there is any material benefit in providing this additional information for the Company.

Management of market risk
The most significant area of market risk to which the Group and Company are exposed is interest risk.

As the Group has no significant borrowings its risk is limited to the reduction of interest received on cash surpluses held. This risk is mitigated by using fixed-rate deposit accounts. The principal impact to the Group is the result of interest-bearing cash and cash equivalent balances held as set out below:

	31 January 2009			31 January 2008		
	Fixed rate £000	Floating rate £000	Total £000	Fixed rate £000	Floating rate £000	Total £000
Cash and cash equivalents	1,524	1,010	2,534	2,111	650	2,761

The impact of a 10 per cent. increase/decrease in the average base rates on the total cash and cash equivalents balances equates to £19,000 (period ended 31 January 2008: £51,000).

Management of credit risk

The Group and Company's principal financial assets are bank balances and cash.

The Group deposits surplus liquid funds with counterparty banks that have high credit ratings.

The maximum exposure to credit risk on the Group's financial assets is represented by their carrying amounts as outlined in the categorisation of financial instruments table above.

The Group does not consider that any changes in fair value of financial assets or liabilities in the year are attributable to credit risk.

No aged analysis of financial assets is presented as no significant financial assets are past due at the reporting date with the exception of trade receivables and other receivables, which the Directors do not consider to be material.

Management of liquidity risk

The Group seeks to manage liquidity risk by regularly reviewing cash flow budgets and forecasts to ensure that sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. The Group deems there is sufficient liquidity for the foreseeable future.

The Group and the Company had cash and cash equivalents at 31 January 2009 of £2,534,000 (2008: £2,761,000) and £2,524,000 (2008: £2,646,000) respectively.

As at 31 January 2009 all financial assets and liabilities mature for payment within one year.

12) TRADE AND OTHER PAYABLES

	Group 2009 £000	Group 2008 £000	Company 2009 £000	Company 2008 £000
Trade payables	12	17	8	-
Other taxes and social security	4	2	1	-
Accruals	26	18	14	10
	42	37	23	10

The Directors consider that the carrying amount of trade and other payables approximates to their fair value.

13) SHARE CAPITAL

The Group and the Company

	Number	£000
Authorised ordinary shares of 0.1p		
At 31 January 2008 and 31 January 2009	1,000,000,000	1,000
Allotted, issued and fully paid ordinary shares of 0.1p		
At 17 October 2006	-	-
Proceeds from issue of shares	600,000,000	600
At 31 January 2008 and 31 January 2009	**600,000,000**	**600**

14) SHARE PREMIUM ACCOUNT

The Group and the Company

	£000
At 17 October 2006	-
Premium on issue of shares in the period	4,500
Expenses of issue of shares	(167)
At 31 January 2008 and 31 January 2009	**4,333**

15) COMMITMENTS UNDER OPERATING LEASES

At 31 January 2009, the Company had no commitments under non-cancellable leases and the Group had commitments falling due as follows:

Motor Vehicles	2009 £000	2008 £000
Not later than one year	-	5
Later than one year and not later than five years	-	5
Total commitments	-	10

16) RELATED PARTY TRANSACTIONS

Trading transactions

During the year the Company entered into the following transactions with Ora Capital Limited which as at 31 January 2009 holds 45.25per cent. of the Company's issued share capital:

	Group 2009 £000	Group 2008 £000	Company 2009 £000	Company 2008 £000
Consultancy fees charged by Ora Capital Limited in the year	12	18	12	18

The outstanding balance owed to Ora Capital Limited at the balance sheet date was £1,150 (2008: £1,175).

During the year, Oxray Limited borrowed £100,000 from the Company for working capital purposes (period to 31 January 2008: £200,000). The loan is unsecured and non-interest bearing and it is repayable on demand. The outstanding balance at 31 January 2009 was £300,000 (2008: £200,000), which was fully provided against in the year, resulting in a charge to the Company's income statement of £300,000.

Transactions with Key Management Personnel

The Group's key management personnel comprised only the Directors of the Company.

During the year Group companies entered into the following transactions in which the Directors had an interest:

i. Directors' remuneration.
The remuneration of the individual Directors are shown below

Short-term employment benefits	Salaries & fees £000	2009 Employer's national insurance £000	Total £000	2008 Total £000
Jussi Westergren*	-	-	-	6
Michael Bretherton	10	1	11	11
David Norwood**	9	1	10	11
Professor Stephen Davies	10	1	11	6
Professor William Graham Richards	10	1	11	11

*resigned on 18 March 2009, fees of £10,000 were paid to Pembroke House Technologies Ltd. in the year on behalf of Jussi Westergren (2008: £nil)
**resigned on 31 December 2008

ii. Directors' had investments in Ora Capital Limited, which holds 45.25 per cent. of the Company's share capital, as follows as at 31 January 2009:

Director	% of issued share capital of Ora held
Michael Bretherton	0.06 %

Michael Bretherton is a Director of Ora Capital Limited.

17) ULTIMATE CONTROLLING PARTY

The Directors do not believe that there is an ultimate controlling party.

NOTICE IS HEREBY GIVEN that the 2009 Annual General Meeting of Oxeco Plc will be held at the offices of Fasken Martineau LLP, Fourth Floor, 17 Hanover Square, London W1S 1HU on Wednesday, 20 May 2009 at 10.30 a.m. to transact the following business:

ORDINARY BUSINESS

1. To receive and adopt the Directors' Report, the Audited Statement of Accounts and Auditors' report for the year ended 31 January 2009.
2. To re-elect Stephen Graham Davies as a director of the Company, who retires by rotation pursuant to the Articles of Association of the Company.
3. To re-elect William Graham Richards as a director of the Company, who retires by rotation pursuant to the Articles of Association of the Company.
4. To re-appoint Baker Tilly UK Audit LLP as auditors of the Company and to authorise the Directors to determine their remuneration.

SPECIAL BUSINESS

As special business to consider and, if thought fit, pass the following resolutions, of which Resolutions 5 and 6 will be proposed as ordinary resolutions and Resolutions 7, 8 and 9 will be proposed as special resolutions:

Investment strategy

5. THAT the Company be and is hereby authorised to continue with its investment strategy.

Allotment of shares

6. THAT the Directors be and they hereby are generally and unconditionally (in substitution for all previous powers granted thereunder) to allot relevant securities (within the meaning of section 80 of the Companies Act 1985) up to an aggregate nominal amount of £200,000.00 provided that this authority shall expire at the conclusion of the annual general meeting of the Company to be held in 2010 or 31 July 2010 (whichever is the earlier), unless and to the extent that such authority is renewed, varied, revoked or extended prior to such date, that the Company may before such expiry make an offer or agreement which would, or might, require relevant securities to be allotted after such expiry and the directors may allot relevant securities in pursuance of such offer or agreement as if the authority conferred hereby has not expired. This authority shall be in substitution for any other authority to allot relevant securities but is without prejudice to the continuing authority of the Directors to allot relevant securities in pursuance of an offer or agreement made before the expiry of the authority pursuant to which such offer or agreement was made.

Disapplication of pre-emption rights

7. THAT the Directors be and they hereby are authorised and empowered pursuant to section 95 of the Act (in substitution for all previous powers granted thereunder) to allot equity securities (within the meaning of section 94 of the Companies Act 1985) (the "Act") for cash pursuant to the authority conferred by the ordinary resolution at Resolution 6 above as if section 89(1) of the Act did not apply to such allotment provided that this power shall be limited to:

a. the allotment of equity securities on a pro rata basis in favour of shareholders where the equity securities respectively attributable to the interests of such shareholders are proportionate (as nearly as maybe) to the respective number of ordinary shares held by them, but subject to such exclusions and other arrangements as the Directors may deem necessary or expedient to deal with legal or practical problems in respect of overseas holders, fractional entitlements or otherwise;

b. the allotment (other than pursuant to sub-paragraph (a) above) of equity securities having in the case of relevant shares (as defined for the purpose of section 89 of the Act) a nominal amount or, in the case of other equity securities, giving the right to subscribe for or convert into relevant shares having a nominal amount not exceeding £60,000.00 (representing 10% of the issued share capital of the Company at the date of this notice) in aggregate;

provided that this power shall expire at the conclusion of the annual general meeting of the Company to be held in 2010 or 31 July 2010 (whichever is earlier) unless and to the extent that such authority is renewed, varied, revoked or extended prior to such date that the Company may, before expiry of this power, make any offer or agreement which would or might require equity securities to be allotted after the expiry of this power and the directors may allot equity securities in pursuance of such offer or agreement as if the power had not expired.

Buy-back of shares

8. THAT the Company be and is hereby generally and unconditionally authorised, pursuant to section 166 of the Companies Act 1985 to make market purchases (as defined in section 163 of the Companies Act 1985) of its own ordinary shares of 0.1p each ("Ordinary Shares") on such terms and in such manner as the directors of the Company shall determine; the general authority conferred by this resolution shall:

a. be limited to a maximum of 89,940,000 Ordinary Shares (being 14.99 per cent of the issued share capital of the Company as at 17 April 2009);

b. not permit payment of a price per Ordinary Share, exclusive of expenses of less than 1p or more than 105% of the average price at which business was done in the Ordinary Shares of the Company in the five business days preceding the purchase;

c. expire on the earlier of the conclusion of the annual general meeting of the Company to be held in 2010 or 31 July 2010 (whichever is earlier) save that the Company may before the expiry of the power hereby conferred contract to purchase its own Ordinary Shares which contract requires or might require the purchase of such Ordinary Shares wholly or partly after such expiry.

Amendment to Articles

9. That the Articles of Association of the Company be amended by the insertion, with effect from the conclusion of the 2009 annual general meeting of the Company, of the following as Article 108A immediately following Article 108:

"108A.1 For the purposes of section 175 CA 2006 the Board may authorise any matter which would, if not so authorised, involve a breach of duty by a Director under that section, including, without limitation, any matter which relates to a situation in which a Director has, or can have, an interest which conflicts, or possibly may conflict, with the interests of the Company. Any such authorisation will be effective only if:

108A.1.1 any requirement as to quorum at the meeting at which the matter is considered is met without counting the Director in question or any other interested Director; and

108A.1.2 the matter was agreed to without their voting or would have been agreed to if their votes had not been counted.

108A.2 The Board may (whether at the time of the giving of the authorisation or subsequently) make any such authorisation subject to any limits or conditions it expressly imposes but such authorisation is otherwise given to the fullest extent permitted.

108A.3 The Board may vary or terminate any such authorisation at any time.

108A.4 For the purposes of these Articles, a conflict of interest includes a conflict of interest and duty and a conflict of duties, and interest includes both direct and indirect interests.

108A.5 Provided that a Director has disclosed to the Board the nature and extent of his interest in accordance with CA 2006, a Director notwithstanding his office:

108A.5.1 may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise (directly or indirectly) interested;

108A.5.2 may act by himself or his firm in a professional capacity for the Company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a Director;

108A.5.3 may be a director or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise interested in, any body corporate in which the Company is otherwise (directly or indirectly) interested.

108A.6 A Director shall not, by reason of his office, be accountable to the Company for any remuneration or other benefit which he derives from any office or employment or from any transaction or arrangement or from any interest in any body corporate:

108A.6.1 the acceptance, entry into or existence of which has been approved by the Board pursuant to article 108A.1 (subject, in any such case, to any limits or conditions to which such approval was subject); or

108A.6.2 which he is permitted to hold or enter into by virtue of articles 108A.5.1 to 108A.5.3 above;

nor shall the receipt of any such remuneration or other benefit constitute a breach of his duty under section 176 CA 2006.

108A.7 Any disclosure required by article 108A.5 may be made at a meeting of the Board, by notice in writing or by general notice or otherwise in accordance with CA 2006.

108A.8 A Director shall be under no duty to the Company with respect to any information which he obtains or has obtained otherwise than as a Director of the Company and in respect of which he owes a duty of confidentiality to another person. However, to the extent that his relationship with that other person gives rise to a conflict of interest or possible conflict of interest, this article applies only if the existence of that relationship has been approved by the Board pursuant to article 108A.1. In particular, the Director shall not be in breach of the general duties he owes to the Company by virtue of sections 171 to 177 CA 2006 because he fails:

108A.8.1 to disclose any such information to the Board or to any Director or other officer or employee of the Company; and/or

108A.8.2 to use or apply any such information in performing his duties as a Director of the Company.

108A.9 Where the existence of a Director's relationship with another person has been approved by the Board pursuant to article 108A.1 and his relationship with that person gives rise to a conflict of interest or possible conflict of interest, the Director shall not be in breach of the general duties he owes to the Company by virtue of sections 171 to 177 CA 2006 inclusive because he:

108A.9.1 absents himself from meetings of the Board at which any matter relating to the conflict of interest or possible conflict of interest will or may be discussed or from the discussion of any such matter at a meeting or otherwise; and/or

108A.9.2 makes arrangements not to receive documents and information relating to any matter which gives rise to the conflict of interest or possible conflict of interest sent or supplied by the Company and/or for such documents and information to be received and read by a professional adviser; for so long as he reasonably believes such conflict of interest or possible conflict of interest subsists.

108A.10 The provisions of articles 108A.8 and 108A.9 are without prejudice to any equitable principle or rule of law which may excuse the Director from:

108A.10.1 disclosing information, in circumstances where disclosure would otherwise be required under these articles; or

108A.10.2 attending meetings or discussions or receiving documents and information as referred to in article 108A.9, in circumstances where such attendance or receiving such documents and information would otherwise be required under these articles."

By order of the Board

Nigel Gordon
Secretary

17 April 2009

Registered office:
Fifth Floor
17 Hanover Square
London W1S 1HU

Entitlement to attend and vote

1. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that only those members registered on the Company's register of members at:
   - 10:30am on Monday, 18 May 2009; or,
   - if this Meeting is adjourned, at 10:30am on the day two days prior to the adjourned meeting, shall be entitled to attend and vote at the Meeting.

Appointment of proxies

2. If you are a member of the Company at the time set out in note 1 above, you are entitled to appoint one or more proxies to exercise all or any of your rights to attend, speak and vote at the Meeting and you should have received a proxy form with this notice of meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form.

3. A proxy does not need to be a member of the Company but must attend the Meeting to represent you. Details of how to appoint the Chairman of the Meeting or another person as your proxy using the proxy form are set out in the notes to the proxy form. If you wish your proxy to speak on your behalf at the Meeting you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them.

4. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If you either select the "Discretionary" option or if no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the Meeting.

Appointment of proxy using hard copy proxy form

5. The notes to the proxy form explain how to direct your proxy how to vote on each resolution or withhold their vote.
   To appoint a proxy using the proxy form, the form must be:

   - completed and signed;
   - sent or delivered to Capita Registrars (Proxies), The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU; and received by Capita Registrars no later than 10:30 am on Monday, 18 May 2009.

   In the case of a member which is a company, the proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.

   Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.

Appointment of proxy by joint members

6. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).

Changing proxy instructions

7. To change your proxy instructions simply submit a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments (see above) also apply in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded.

   Where you have appointed a proxy using the hard-copy proxy form and would like to change the instructions using another hard-copy proxy form, please contact Capital Registrars (Proxies), The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU.
   If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

Termination of proxy appointments

8. In order to revoke a proxy instruction you will need to inform the Company by sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment as above. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice.

   The revocation notice must be received by Capita Registrars no later than 10:30 am on Monday, 18 May 2009. If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to the paragraph directly below, your proxy appointment will remain valid.

   Appointment of a proxy does not preclude you from attending the Meeting and voting in person. If you have appointed a proxy and attend the Meeting in person, your proxy appointment will automatically be terminated.

Issued shares and total voting rights

9. As at 6.00 pm on 16 April 2009, the Company's issued share capital comprised 600,000,000 ordinary shares of 0.01p each. Each ordinary share carries the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company as at 6.00 pm on 16 April 2009 is 600,000,000.

   Documents on display

10. The following documents will be available for inspection at the registered office of the Company during normal business hours on any weekday (weekends excepted) from the date of this notice until 20 May 2009 and at the place of the Meeting for 15 minutes prior to and during the Meeting:

    a. copies of the service contracts of executive directors of the Company; and
    b. copies of letters of appointment of the non-executive directors of the Company