3870101

Directors' report and financial statements

for the year ended 31 December 2008

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Company information

Registered Office	Unit 611 Highgate Studios 53-79 Highgate Road London NW5 1TL
Registration Number	3780101 (England and Wales)
Auditors	Royce Peeling Green Limited The Copper Room Deva Centre Trinity Way Manchester M3 7BG
Nominated Adviser and Broker	John East & Partners Limited 10 Finsbury Square London EC2A 1AD
Bankers	National Westminster Bank Plc 9 th Floor 3 Shortlands Hammersmith London W6 8DA
	Bank Hapoalim B.M. 25 Savile Row London W1S 2ES
Registrars	Capita Registrars The Registry 34 Beckenham Road Beckenham Kent BR3 4TU

Chairman's statement

Group Overview

The Group comprises two UK based business divisions; a digital marketing agency, Totally Communications and a publishing division, Jewish News & Media Group.

Totally Communications has three main service sectors:

1. Website and software design & development
2. Consultancy & systems integration
3. Online marketing

Jewish News & Media Group publishes on and offline media for the UKs Jewish community including:

1. A weekly newspaper 'Jewish News'
2. A quarterly lifestyle magazine, 'Pulse'
3. An annual Celebrations magazine, 'TotallyJewishSimchas'
4. A community portal, 'www.TotallyJewish.com'

Disposal of Trading Subsidiary

As a result of a strategic review the company chose to focus primarily on its core UK businesses and in September 2008 disposed of its US based publishing business, Jewish Advocate Publishing Corporation, to the Grand Rebbe Korff. The board believed that its financial position had worsened from prior years. During the period under review it incurred an operating loss of £43,000 for the period to 31 August 2008.. The Independent Directors believed that a long term decline in the business of Jewish Advocate would have a serious effect on the financial prospects of the Company and would be a major distraction to the management.

In consideration for the sale, 20,500,000 million ordinary shares, which were held by the Grand Rebbe Korff, were redesignated as deferred shares and warrants to subscribe for 4,394,350 ordinary shares, which were also held by the Grand Rebbe Korff, were cancelled. The deferred shares are for all practical purposes worthless and have no voting rights, they carry no entitlement to attend general meetings of the Company nor do they have the right to receive dividends.

The disposal was carried out in a tax efficient manner but created a loss of £968,000 in the group income statement as the group was obliged to cancel the ordinary shares from the Grand Rebbe and recognise the deferred shares at nominal value therefore no consideration has been recognised in respect of the disposal.

Financial Summary

- During the period under review the Group's turnover from continuing operations was £1.68 million (2007: £1.84 million).

- Operating loss from continuing operations improved by £0.39 million to £0.064million (2007: £0.45 million)

- Administrative expenses for continuing operations before non-cash charges for amortisation and depreciation reduced by £0.28 million to £1.29million (2007: £1.55 million).

- Wages and staff costs reduced by £0.21 million to £1.12 million (2207: £1.34 million)

- Head office charges reduced by £0.21 million from £0.53 million to £0.32 million.

- Operating profit for the group's publishing division improved by £0.15 million to £0.073 million (2007: loss £0.078 million)

- Operating profit for the group's digital marketing division improved by £0.02 million to £0.18 million (2007: £0.16 million)

- Combined operating profit for the group's continuing operations minus head office charges improved by £0.17 million to £0.26 million (2007: £0.09 million).

Chairman's statement
(continued)

Financial Summary (continued)

- Group EBITDA from continuing operations for the period before head office charges was £0.29 million (2007: £0.35 million).
- Cash generated from continuing operations improved by £0.096 million to £0.023million (2007: loss £0.019 million).
- Basic loss per share on continuing operations improved by 0.3p per share to £0.1p (2007: £0.4p)

The group's balance sheet does not attribute any goodwill to the titles of the Publishing division. The board believes that this does not show an accurate representation of their true position.

Board, Staff and Clients

I would like to thank Totally's board and staff for their efforts over the period under review as well as our clients.

Prospects

Trading since the beginning of the current financial year has, despite the general economic climate, been stable and the Board anticipates a positive outcome for the full year.

Dr Michael Sinclair
Non-Executive Chairman

24nd June 2009

Directors' report

The Directors present their report and the financial statements for the year to 31 December 2008.

Principal activities
The Group's principal activities have been the provision of digital marketing services and publishing.

Totally Communications Limited is a digital marketing agency which has provided website design and development services as well as more general application development, consultancy, internet marketing and creative services.

The Groups' publishing division comprises a portfolio of publications which have included the Jewish news, a weekly newspaper distributed in London, the Jewish Advocate, a paid for weekly newspaper distributed in the USA in Boston, Massachusettes and the community website www.TotallyJewish.com and its various online derivatives. The Group has sold its interest in the Jewish Advocate during the year.

The Group continues to consolidate its position as a leading publisher and services provider to the UK Jewish community whilst at the same has started to explore and exploit organic growth opportunities in the Digital Marketing sector.

Business review
The Chairman's statement on page 2 gives a review of the business and the likely future developments.

The Group incurred a loss for the year under review of £1,086,000. In the previous year the Group made a loss for the year of £343,000.

Results and dividends
The results for the year are set out on page 10.

No interim dividend has been paid and the Directors do not recommend a final dividend.

Share capital
Details of the changes in the authorised and the issued share capital are set out in note 18 to the financial statements.

Directors' report

Directors and their interests
The Directors who held office during the year were as follows:

	Warrants to subscribe for Ordinary shares of 1p each held 31 December 2008	Ordinary shares of 1p each held 31 December 2008	Warrants to subscribe for Ordinary shares of 1p each held 31 December 2007	Ordinary shares of 1p each held 31 December 2007
The Zvhil-Mezbuz Rebbe, Grand Rabbi Y.A. Korff of Boston (non executive)- resigned 24 October 2008	4,351,159	6,514,000	8,745,509	27,014,000
Daniel J Assor (Chief Executive)	4,088,633	2,554,214	4,088,633	2,544,214
Dr Michael J Sinclair (non-executive Chairman)*	40,517,825	14,509,791	5,517,825	14,509,791
Robin Morgan (non executive)	-	-	-	-

*Dr MJ Sinclair's interests are held by him personally and by Sinclair Montrose Trust Limited. Sinclair Montrose Trust Limited is a company in which Dr MJ Sinclair and his immediate family have a controlling interest.
According to the register of Directors' interests, no rights to subscribe for shares in or debentures of the Company or any other Group company were granted to any of the Directors or their immediate families, or exercised by them, during the financial year (except as indicated below):

	Number of options during the year			Exercise Price	Date from which
	At start of year	Granted	At end of year	Pence	exercisable
Daniel J Assor	1,000,000	-	1,000,000	1.5	21/11/2003
	1,250,000	-	1,250,000	3.62	15/10/2006
	700,000	-	700,000	4.375	18/06/2007
	1,000,000	-	1,000,000	2.5	17/11/2008
	3,950,000	-	**3,950,000**		
Robin Morgan	1,000,000	-	1,000,000	2.375	16/05/2008

Substantial interests
The Company has been notified, as at 4 June 2009, of the following interests in 3 per cent or more of the ordinary shares in issue:

	Ordinary shares	Percentage
Dr Michael J Sinclair	14,509,791	15.78
Hoodless Brennan Plc	12,195,319	13.26
Barclayshare Nominees Limited	10,039,062	10.92
Chase Nominees Limited	9,872,656	10.74
Mr Leopold Noe	6,666,666	7.25
The Zvhil-Mezbuz Rebbe, Grand Rabbi Y.A. Korff of Boston	6,514,000	7.08
Pershing Keen Nominees Limited	4,042,999	4.44

Creditor payment policy
It is the Company's policy to abide by terms of payment agreed with suppliers. In many cases the terms of payment are as stated in the supplier's own literature. In other cases the terms of payment are determined by specific written or oral agreement. The number of supplier days represented by trade creditors at 31 December 2008 was 75 days (2007: 74 days).

Financial instruments
The Group's financial instruments principally comprise bank borrowings. It is, and has been throughout the period under review, the Group's policy that no trading in financial instruments shall be undertaken.

Directors' report

The main risks arising from the Group's financial instruments are interest rate risk and liquidity risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below. These policies have remained unchanged throughout the year.

Interest rate risk
The Group finances its operations through a mixture of shareholders' funds and borrowings. The Group borrows principally in Sterling at floating rates of interest. At the year end, none of the Group's external borrowings were at fixed rates.

Liquidity risk
The Group's policy is to maintain a balanced financing structure. Any necessary short term flexibility is achieved by the use of overdraft facilities.

Political and charitable contributions
The Company made neither political contributions, nor donations to UK charities, during the year.

Auditors
In accordance with Section 385 of the Companies Act 1985, a resolution for the appointment of Royce Peeling Green Limited as auditors of the Company is to be proposed at the forthcoming Annual General Meeting.

By order of the Board

Dan Assor
Director

24 June 2009

Board report on Corporate Governance

for the year ended 31 December 2008

As an AIM listed company, Totally plc is not required to comply with the provisions of the Combined Code that apply to companies with a full London Stock Exchange Listing. The Board is accountable to the Company's shareholders for good corporate governance. This statement describes how the principles of corporate governance are applied to the Company and the Company's compliance with the Code provisions set out in Section 1 of the Combined Code prepared by the Committee on Corporate Governance.

The workings of the Board and its committees

During the year the Board comprised the non-executive Chairman, the Chief Executive and two other non-executive Directors. The Board is responsible to shareholders for the proper management of the Group. A statement of the Directors' responsibilities in respect of the accounts is set out on page 8.

The Board has a formal schedule of matters specifically reserved to it for decision. It meets at least ten times a year, reviewing trading performance, ensuring adequate funding, setting and monitoring strategy, examining acquisition opportunities and reporting to shareholders. The non-executive Chairman has a particular responsibility to ensure that the strategies proposed by the executive Directors are fully considered and also ensures that the Directors take independent professional advice as required.

The Remuneration Committee and the Audit Committee is comprised exclusively of the non-executive Chairman and Company Secretary. During the period they were as follows:

Dr M J Sinclair
P Stacey

Remuneration Committee

The Remuneration Committee is responsible for making recommendations to the Board, within agreed terms of reference, on the Company's framework of executive remuneration and its cost. The Committee determines the contract terms, remuneration and other benefits for each of the executive Directors, including performance-related bonus schemes, grant of share options, pension rights and compensation payments. The Board itself determines the remuneration of the non-executive Directors and Company Secretary.

Further details of the Company's policies on remuneration and service contracts are set out on page 7.

Audit Committee

The Audit Committee provides a forum for reporting by the Group's external auditors. The Committee is responsible for reviewing a wide range of matters, including half year and annual results before their submission to the Board and for monitoring the internal controls that are in force to safeguard shareholders' investment and the Company's assets. The Committee advises the Board on the appointment of external auditors and on their remuneration for both audit and non-audit work, and discusses the nature, scope and results of the audit with the external auditors. The Committee keeps under review the cost effectiveness and the independence and objectivity of the external auditors.

Internal control and risk management

The Board is responsible for establishing and maintaining the Group's financial and non-financial controls. Internal control systems are designed to meet the particular needs of the Group and the risks to which it is exposed and by their nature can provide reasonable but not absolute assurance against material misstatement or loss.

The Board has overall responsibility for the Group and there is a formal schedule of matters specifically reserved for decision by the Board. Each executive Director has responsibility for specific aspects of the Group's affairs. The executive Directors constitute the management committee which meets regularly to discuss day-to-day operational matters.

The key procedures which the Directors have established with a view to providing effective internal control are set out below.

Board report on Corporate Governance
(continued)

Corporate accounting and procedures
Responsibility levels are communicated throughout the Group, setting out the ethos of the Group, delegation of authority and authorisation levels, segregation of duties and other control procedures together with accounting policies and procedures.

Quality and integrity of personnel
The competence and integrity of personnel are ensured through high recruitment standards and subsequent training. High quality of personnel is seen as an essential part of the control environment.

Identification of business risks
The Board is responsible for identifying the major business risks faced by the Group and for determining the appropriate course of action to manage those risks.

Budgetary process
Each year the Board approves the annual budget and key risk areas identified. Performance is monitored and relevant action taken throughout the year through the monthly reporting to the Board of variances from budget, updated forecasts for the year and information on the key risk areas.

Investment appraisal
Capital expenditure is regulated by the budgetary process and authorisation levels.

Going concern
The Directors have prepared the financial statements on a going concern basis, as explained in Note 3.

Directors' remuneration
The Board is responsible for an overall remuneration package for executive Directors and other senior executives capable of achieving the Group's objectives and approved by the remuneration committee. The remuneration package is designed to attract, retain and motivate executive Directors of the right calibre.

Fees
The fees for non-executive Directors are determined by the Board within the limits stipulated in the Articles of Association. The non-executive Directors are not involved in any discussions or decisions about their own remuneration.

Details of amounts received by the Directors during the year ended 31 December 2008 are set out in note 7 to the financial statements.

Contracts of service
The current executive Director, DJ Assor, has a service contract with the Company which can be terminated with a notice period of one year by either party. The Company considers that this is appropriate for the executive Directors.

Share options
Details regarding share options are set out in note 19 to the financial statements.

Statement of Directors' Responsibilities

The Directors are responsible for preparing the annual report and the Company's and the Group's financial statements in accordance with applicable United Kingdom Law and those International Financial Reporting Standards ("IFRS") as adopted by the European Union.

The Directors are required to prepare Company and the Group financial statements for each year which present fairly the financial position of the Company and the Group and the financial performance of the Company and the Group for that period. In Preparing those financial statements, the Directors are required to:

- Select suitable accounting policy in accordance with IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors and then apply them consistently;
- Present information, including accounting policies, in a manner that provides relevant, comparable and understandable information;
- Provide additional disclosures when compliance with the specific in IFRS is insufficient to enable users to understand the impact of the particular transactions, other events and conditions on the Company's financial position and financial performance; and
- State that the Company has complied with IFRS, subject to any material departures disclosed and explained in the financial statements.
- Make judgements and estimates that are reasonable and prudent.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Parent 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 Companies Act 1985. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors' statement as to disclosure of information to auditors
The Directors who were members of the Board at the time of approving the Directors' report are listed on page 3. Having made enquiries of fellow Directors and of the Company's and the Group's auditors each of these Directors confirms that:

- to the best of each Director's knowledge and belief, there is no information relevant to the preparation of their report of which the Company's and the Group's auditors are unaware; and
- each Director has taken all the steps a Director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the Company's and the Group's auditors are aware of that information.

Responsibility statement
We confirm that to the best of our knowledge:-

- the financial statements, prepared in accordance with IFRSs as adopted by the EU, give a true and fair view of the assets, liabilities, financial position and loss of the Company and Group; and
- the management report, comprising the chairman's statement and directors' report, includes a fair review of the development and performance of the business and the position of the Company and Group, together with a description of the principal risks and uncertainties that they face.

Approved by the Board of Directors
and signed on behalf of the Board

Dan Assor
Director

24 June 2009

Independent auditors' report to the members of Totally plc

We have audited the Company's and the Group's financial statements on pages 13 to 38.

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 are responsible for preparing the Annual report and the financial statements in accordance with applicable United Kingdom law and International Financial Reporting Standards ("IFRS") as adopted by the European Union are set out in the Statement of Directors' Responsibilities on page 8.

Our responsibilities, as independent auditors, are established in the United Kingdom by statute, and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' report is not consistent with the financial statements, if the Company and the Group have 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 transactions with the Company is not disclosed.

We read the other information accompanying the financial statements and consider whether it is consistent with those statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of audit opinion

We conducted our audit in accordance with International Auditing Standards (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 Company's and Group's circumstances, consistently applied and adequately disclosed.

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

Independent auditors' report to the members of Totally plc

(continued)

Opinion

In our opinion the financial statements:

- give a true and fair view in accordance with IFRS as adopted by the European Union as applied in accordance with provisions of the Companies Act 1985, of the state of affairs of the Company and the Group as at 31 December 2008 and of the loss of the Company and the Group for the year then ended;
- 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.

Emphasis of Matter

Going concern
In forming our opinion, we have considered the adequacy of the disclosures made in note 3 to the financial statements concerning the uncertainty as to the adequacy of the future funding of the Company and Group. In view of the significance of this uncertainty we consider that it should be drawn to your attention but our opinion is not qualified in this respect.

Royce Peeling Green Limited

Royce Peeling Green Limited
Chartered Accountants
Registered Auditor
Manchester

24 June 2009

Group income statement

for the year ended 31 December 2008

	Note	2008 £000	2007 £000
Continuing operations			
Revenue		1,684	1,836
Cost of Sales		(430)	(462)
Gross profit		1,254	1,374
Administrative expenses		(1,287)	(1,555)
Loss before interest, tax, depreciation and amortisation		(33)	(181)
Depreciation		(9)	(6)
Amortisation		(22)	·(89)
Impairment		-	(176)
Operating loss	7	(64)	(452)
Finance costs	10	(40)	(39)
Loss before taxation		(104)	(491)
Income tax	9	18	24
Loss for the year from continuing operations		(86)	(467)
Discontinued operations			
(Loss)/Profit for the year from discontinued operations	6	(1,000)	124
Loss for the year attributable to Equity shareholders		(1,086)	(343)
Loss per share			
Basic			
Continuing operations	18	0.1p	0.4p
Discontinued operations	18	0.9p	(0.1p)
		1.0p	0.3p
Diluted			
Continuing operations	18	0.1p	0.4p
Discontinued operations	18	0.9p	(0.1p)
		1.0p	0.3p

The accompanying notes on page 18 to 38 form part of the financial statements

Group Statement of Changes in Equity

for the year ended 31 December 2008

Group	Share capital £000	Share premium account £000	Translation Reserve £000	Profit and loss account £000	Equity share-holders' funds £000
At 31 December 2006	901	3,107	2	(3,625)	385
Loss for the year	-	-	-	(343)	(343)
Share capital issued	223	246	-	-	469
Currency translation differences on					(1)
foreign currency net investments	-	-	(1)	-	15
Credit on issue of share options	-	-	-	15	6
Credit on issue of warrants	-	-	-	6	
At 31 December 2007	1,124	3,353	1	(3,947)	531
Loss for the year	-	-	-	(1,086)	(1,086)
Currency translation differences on	-	-	(1)	1	-
foreign currency net investments			-	12	12
Credit on issue of share options	-	-	-	6	6
Credit on issue of warrants	-	-			
At 31 December 2008	1,124	3,353	-	(5,014)	(537)

The accompanying notes on page 18 to 38 form part of the financial statements

Group balance sheet

at 31 December 2008

	Note	2008 £000	2008 £000	2007 £000	2007 £000
Non current assets					
Goodwill and intangible fixed assets	11	51		1,014	
Property, plant and equipment	12	7		27	
			58		1,041
Current assets					
Inventories		-		8	
Trade and other receivables	14	290		433	
Cash and cash equivalents		14		94	
			304		535
Total assets			362		1,576
Current liabilities					
Trade and other payables	15		(338)		(475)
Borrowings – financial liabilities	16		(561)		(542)
			(899)		(1,017)
Non current liabilities					
Investment in joint venture	13		-		(28)
Total Liabilities			(899)		(1,045)
Net (liabilities)/assets			(537)		531
Shareholders' Equity					
Called up share capital	18		1,124		1,124
Share premium account	18		3,353		3,353
Translation reserve	18		-		1
Retained earnings	18		(5,014)		(3,947)
Equity shareholders (deficit)/funds			(537)		531

These financial statements were approved by the Board of Directors on 24 JUNE 2009 and were signed on its behalf by:

Dan Assor
Director

The accompanying notes on page 18 to 38 form part of the financial statements

Company balance sheet

at 31 December 2008

	Note	2008 £000	2008 £000	2007 £000	2007 £000
Non current assets					
Property, plant and equipment	12	-		-	
Investments in subsidiaries	13	-		929	
			-		929
Current assets					
Debtors	14	76		61	
Cash and cash equivalents		39		12	
			115		
Total assets			115		73
					1,002
Current liabilities					
Trade and other payables	15		(1,179)		(816)
Borrowings – financial liabilities	16		(561)		(511)
Total Liabilities			(1,740)		(1,327)
Net liabilities			(1,625)		(325)
Shareholders' Equity					
Called up share capital	18		1,124		1,124
Share premium account	18		3,353		3,353
Retained earnings	18		(6,102)		(4,802)
Equity shareholders funds	20		(1,625)		(325)

These financial statements were approved by the Board of Directors on 24 June 2009 and were signed on its behalf by:

Dan Assor
Director

The accompanying notes on page 18 to 38 form part of the financial statements

Group cash flow statement

for the year ended 31 December 2008

	Note	2008 £000	2007 £000
Cash flows from operating activities			
Operating loss from continuing operations		(64)	(349)
Option charge		18	21
Share of joint venture loss		-	(4)
Amortisation and depreciation		31	270
Increase in inventories		1	1
Decrease/(increase) in trade and other receivables		69	(21)
Decrease in trade and other payables		(32)	(37)
Cash generated/(utilised) from continuing operations		**23**	**(119)**
Loss/Profit before taxation from discontinued operations		(43)	31
Depreciation		3	4
Movement in working capital from discontinued operations		32	(9)
Cash (utilised)/generated from discontinued operations	21	**(8)**	**26**
R&D tax credit		18	24
Foreign tax on subsidiary profit		(5)	(7)
Net cash generated/(utilised) by operating activities		**28**	**(76)**
Cash flows from investing activities			
Purchase of non current asset		(8)	(80)
Cash disposed with subsidiary	21	(35)	-
Costs on disposal of subsidiary		(44)	-
Net cash utilised by investing activities		**(87)**	**(80)**
Cash outflow before financing		(59)	(156)
Cash flows from financing activities			
Interest paid		(40)	(38)
Issue of ordinary share capital		-	467
Receipt for exercise of share options		-	2
Net cash (utilised)/generatedfrom financing activities		(40)	431
Net (decrease)/increase in cash and cash equivalents		**(99)**	**275**
Cash and cash equivalents at beginning of year		(448)	(723)
Cash and cash equivalents at 31 December	21	**(547)**	**(448)**
Cash and cash equivalents comprise:-			
Cash and short term deposits		14	94
Bank overdrafts		(561)	(542)
		(547)	(448)

The accompanying notes on page 18 to 38 form part of the financial statements

Notes to the financial statements

for the year ended 31 December 2008

1. General information

Totally plc is a public limited company ("Company") incorporated in the United Kingdom under the Companies Act 1985 (registration number 3870101). The Company is domiciled in the United Kingdom and its registered address is Unit 611 Highgate Studios, 53-79 Highgate Road, London NW5 1TL. The Company's Ordinary Shares are traded on the AIM Market of the London Stock Exchange ("AIM")

The Group's principal activities have been publishing and the provision of internet and communication services. The Company's principal activity is to act as a holding company for its subsidiaries.

2. Authorisation of financial statements and statement of compliance with IFRS

The Company's financial statements for the period ended 31 December 2008 were authorised for issue by the Board of Directors and the balance sheet were signed on the Board's behalf by D Assor on 19 June 2009.

The Company's financial statements have been prepared with IFRS and International Financial Reporting Interpretations Committee ("IFRIC") interpretations as endorsed by the European Union, and with those parts of the Companies Act 1985 and 2006 applicable to companies reporting under IFRS. The Company's financial statements have been prepared on the same basis and as permitted by Section 230(3) of the Companies Act 1985, no income statement is presented for the Company. The Company incurred a loss of £1,317,000 for the year ended 31 December 2008 (2007: loss £538,000).

3. Basis of preparation

The financial year represents the 366 days to 31 December 2008, and the prior financial year, 365 days to 31 December 2007. The financial statements are presented in sterling and all values are rounded to the nearest thousand pounds (£000) except when otherwise indicated.

The accounting policies set out in note 4 have been applied consistently to all periods presented in these consolidated financial statements and in preparing an opening balance sheet at 31 December 2005 for the purposes of transition to IFRS.

The financial statements are prepared on a going concern basis which the Directors believe to be appropriate for the following reasons. The Group currently meets its day to day working capital requirements through two overdraft facilities which are repayable on demand.

The Group has confirmed the availability of a facility of £700,000 with Bank Hapoalim which was renewed on 22 September 2008 until 30 June 2009. As security for the facility, the bank has obtained the unlimited Joint and Several Guarantees of Dr. Michael J. Sinclair (non-executive Chairman), and Mr Leo Noe.

In addition, a working capital facility of £50,000 has been agreed with Natwest which is secured on the Group's debtor book. This facility is due for renewal on 30 September 2009.

The Directors have prepared projected cash flow information for the period ending 12 months from the date of their approval of these financial statements

On the basis of cash flow forecasts and discussions with the Group's bankers, the Directors consider that the Group will be able to operate within the facilities currently agreed.

Inherently, there can be no certainty in relation to these matters, but the Directors believe that the going concern basis of preparation continues to be appropriate.

Notes to the financial statements
(continued)

4. Accounting policies

Basis of consolidation
The Group's financial statements include the results of the Company and all its subsidiaries, together with the Group's share of the post-tax results of its joint ventures all of which are prepared up to the same date as the parent company. Uniform accounting policies are adopted by all companies in the Group.

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 one half of the voting rights. The results of subsidiaries are included in the Group income statement from the date of acquisition until the date that such control ceases. Intercompany transactions and balances between Group companies are eliminated upon consolidation. The results of The Jewish Advocate Publishing Corporation have been included to 1 September 2008.

Joint ventures
Joint ventures are jointly controlled entities in which the Group has an interest. The Group's share of the results of its joint ventures is included in the Group income statement using the equity method of accounting.

Investments in joint ventures is carried in the Group balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the entity, less any impairment in value.

Investments in subsidiaries and joint ventures are carried at cost less any impairment loss in the financial statements of the Company.

Revenue recognition
Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

Revenue represents the amounts (excluding valued added tax) derived from advertising, marketing and technical services. Revenue is recognised in the profit and loss account on the accruals basis.

Finance costs
Finance costs comprise interest payable on the bank overdrafts and are recognised on an accruals basis.

Goodwill and intangible assets
a) Computer software
Computer software is carried at cost less accumulated amortisation and any impairment loss. Externally acquired computer software and software licences are capitalised at the costs incurred to acquire and bring into use the specific software. These assets are considered to have finite useful lives and are amortised on a straight line basis over the estimated useful economic lives of each of the assets, considered to be between three and five years. Computer software is carried at cost less accumulated amortisation and any impairment loss. Costs relating to development of computer software are capitalised once the recognition criteria are met. When the software is available for its intended use, these costs are amortised over the estimated useful life of the software.

The carrying values of intangible assets are reviewed for impairment whenever events or changes in circumstances indicate the carrying value may not be recoverable.

b) Goodwill
Goodwill arising on consolidation represents the excess of the cost of an acquisition over the fair value of the Group's share of the identifiable net assets of the acquired subsidiary at the date of acquisition. Goodwill is recognised as an asset on the Group's balance sheet in the year in which it arises. Goodwill is not amortised and is tested for impairment at least annually and more frequently if events or changes indicate that the carrying value may be impaired and is carried at cost less accumulated impairment losses.

4. Accounting policies (continued)

Property, plant and equipment
Furniture and equipment is carried at cost less accumulated depreciation and any recognised impairment in value. Cost comprises the aggregate amount paid to acquire asset and includes costs directly attributable to making the asset capable of operating as intended

Depreciation is calculated to write down the cost of the assets to their residual values by equal instalments over the estimated useful economic lives as follows:

Computer equipment	-	2 and 5 years
Fixtures and fittings	-	2 and 3 years
Short leasehold property	-	lease term

The assets' residual values, useful lives and methods of depreciation are reviewed, and adjusted if appropriate on an annual basis. An item of furniture and equipment is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement in the period that the asset is derecognised.

Impairment of assets
At each balance sheet date, the Company reviews amounts of its tangible fixed assets to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the assets, which is 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. Where the asset does not generate cash flows that are independent from other assets, the company estimates the recoverable amount of the cash-generating unit ("CGU") to which the asset belongs. For tangible and intangible assets excluding goodwill, the CGU is deemed to be cash generating asset or the trading company whichever is the smaller CGU. For goodwill, the CGU is deemed to be the business acquired.

An impairment charge is recognised in the income statement in the period in which it occurs. Where an impairment loss subsequently reverses due to a change in its original estimate, the carrying amount of the asset is increased to the revised estimate of its recoverable amount. The increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior periods.

The Group is required to assess whether goodwill has suffered any impairment loss, based on the recoverable amount of its CGUs. The recoverable amount of the CGUs have been determined based on value in use calculations and these calculations require the use of estimates in relation to future cash flows and suitable discount rates as disclosed in note 11. Actual outcomes could vary from these estimates.

Inventories
Inventories are valued at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less any further costs expected to be incurred on disposal.

Trade and other receivables
Trade receivables, which are generally received on end of month following terms, are recognised and carried at the lower of their original invoiced value and recoverable amount. Provision is made when it is likely that the balance will not be recovered in full. Balances are written off when the probability of recovery is considered remote.

Cash and cash equivalents
Cash and cash equivalents in the balance sheet comprise cash at bank and short-term deposits with an original maturity of three months or less. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as components of cash and cash equivalents for the purposes of the cash flow statement.

4. Accounting policies (continued)

Foreign currencies
a) Foreign operations
On consolidation, assets and liabilities of foreign operations are translated into sterling at year-end exchange rates. The results of foreign operations are translated into sterling at average rates of exchange for the year. The average US dollar to sterling exchange rate for the period to 1 September 2008 was 1.97 (Year to 31 December 2007: 2.00). Exchange differences arising from the retranslation at year-end exchange rates of the net investment in foreign operations are taken to equity and are reported in the statement of recognised income and expense.

b) Foreign currency transactions
Transactions denominated in foreign currencies are translated at the exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at
the balance sheet date are translated at the exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement.

Leased assets
Leases are classified as finance leases when the terms of the lease transfer substantially all the risks and rewards of ownership to the Group. All other leases are classified as operating leases.

The Company has a short lease on its premises. This is accounted for as an 'operating lease' and the rental charges are charged to the income statement on a straight line basis over the life of the lease. Other operating leases are treated in the same manner.

Internally generated intangible assets – research and development expenditure
Expenditure on research activities is recognised as an expense in the period in which it is incurred. An internally-generated intangible asset arising from the Group's technology development is recognised only if all of the following conditions are met:
- An asset is created that can be identified;
- It is probable that the asset created will generate future economic benefits; and
- The development cost of the asset can be measured reliably.

Internally generated intangible assets are amortised on a straight-line basis over their useful economic lives. Where no internally-generated intangible asset can be recognised, development expenditure is recognised as an expense in the period in which it is incurred.

Share-based payments
The Group provides benefits to employees (including Directors) of the Group in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ('equity-settled transactions').The fair value of the employee services rendered is determined by reference to the fair value of the shares awarded or options granted, excluding the impact of any non-market vesting conditions. All share options are valued using an option-pricing model (Black-Scholes). This fair value is charged to the income statement over the vesting period of the share-based payment scheme, with the corresponding increase in equity.

The value of the charge is adjusted in the income statement over the remainder of the vesting period to reflect expected and actual levels of options vesting, with the corresponding adjustment made in equity.

Notes to the financial statements

(continued)

4. Accounting policies (continued)

Income taxes
Current income tax assets and liabilities are measured at the amount expected to be recovered or paid to the taxation authorities based on tax rates and laws that are enacted or substantively enacted by the balance sheet date. Deferred income tax is recognised using the balance sheet liability method, providing for temporary differences between the tax bases and the accounting bases of assets and liabilities. Deferred income tax is calculated on an undiscounted basis at the tax rates that are expected to applying the period when the liability is settled of the asset is realised, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Deferred income tax liabilities are recognised for all temporary differences, except for an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred income tax is charged or credited to the income statement, except when it relates to items charged or credited to equity, in which case the deferred tax is also dealt with in equity. Deferred income tax assets and liabilities are offset against each other only when the Company has a legally enforceable right to do so.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences can be utilised.

Use of assumptions and estimates
The Company makes judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The resulting accounting estimates calculated using these judgements and assumptions will, by definition, seldom equal the related actual results but are based on historical experience and expectations of future events. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision effects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

The estimates and assumption that have a significant effect on the amounts recognised in the financial statements are those related to establishing depreciation and amortisation periods for the Company and the estimates in relation to future cash flows and discount rates utilised in impairment testing.

New standards and interpretations not applied
The following standards and interpretations have been adopted by the European Union but are not effective for the year ended 31 December 2008 and have not been applied in preparing the financial statements.
International Accounting Standards (IAS/IFRSs) Effective Date
IFRS 8: "Operating Segments" 1 January 2009
IAS 1: "Presentation of Financial Statements" 1 January 2009
IAS 23: "Borrowing costs"(Revised) 1 January 2009
IFRS 3 "Business Combinations" (Revised) 1 January 2009
IAS 27 "Consolidations" (Revised)" 1 July 2009
IFRS 2 "Amendments to IFRS 2 – Vesting Conditions and Cancellations" 1 January 2009

The Directors do not anticipate that the adoption of these standards and interpretations, where relevant for the Group, will have a material impact on the Group's financial statements in the period of initial application.

Notes to the financial statements
(continued)

5. Segmental analysis

Primary reporting format – business segments
The table below sets out information for the group's business segments for the years ended 31 December 2008 and 2007. Segment revenue represents revenue from external customers arising from the sale of goods and services.

The type of products sold by each segment is detailed in the Business Review.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Analysis by business segment 2008

	Head Office £000	UK Publishing £000	Digital marketing £000	Total Continued Operations £000	Discontinued Operations £000	Total £000
Revenue	-	1,076	608	1,684	471	2,155
EBITDA	(322)	101	188	(33)	(40)	(73)
Depreciation	-	(6)	(3)	(9)	(3)	(12)
Amortisation	-	(22)	-	(22)	-	(22)
Operating (loss)/profit	(322)	73	185	(64)	(43)	(107)
Loss on disposal of subsidiary	-	-	-	-	(968)	(968)
Share of joint venture loss	-	-	-	-	(10)	(10)
Profit on disposal of joint venture	-	-	-	-	21	21
Finance costs	(40)	-	-	(40)	-	(40)
(Loss)/Profit before tax	(362)	73	185	(104)	(1,000)	(1,104)
Income tax	-	18	-	18	-	18
(Loss)/Profit after tax	(362)	91	185	(86)	(1,000)	(1,086)
Segment assets	115	129	118	362	-	362
Segment liabilities	(598)	(182)	(119)	(899)	-	(899)
Other segment information:						
Capital expenditure						
Property, plant and equipment	-	5	3	8	-	8
Goodwill	-	-	-	-	-	-
Other intangible assets	-	-	-	-	-	-

Notes to the financial statements

(continued)

5. Segmental analysis (continued)

Analysis by business segment 2007

	Head Office	UK Publishing	Digital marketing	Total Continued Operations	Discontinued Operations	Total
	£000	£000	£000	£000	£000	£000
Revenue	-	1,165	671	1,836	808	2,644
EBITDA	(535)	190	164	(181)	137	(44)
Depreciation	-	(5)	(1)	(6)	(3)	(9)
Amortisation	(1)	(87)	(1)	(89)	-	(89)
Impairment losses	-	(176)	-	(176)	-	(176)
Operating profit/(loss)	(536)	(78)	162	(452)	134	(318)
Finance costs	(40)	1	-	(39)	1	(38)
Share of Joint Venture loss	-	-	-	-	(4)	(4)
(Loss)/Profit before tax	(576)	(77)	162	(491)	131	(360)
Income tax	-	24	-	24	(7)	17
(Loss)/Profit after tax	(576)	(53)	162	(467)	124	(343)
Segment assets	49	243	184	476	1,072	1,548
Segment liabilities	(572)	(284)	(63)	(919)	(98)	(1,017)
Other segment information:						
Capital expenditure						
Property, plant and equipment	-	1	6	7	8	15
Goodwill	-	-	-	-	-	-
Other intangible assets	-	65	-	65	-	65

Notes to the financial statements
(continued)

5. Segmental analysis (continued)

Secondary reporting format - Geographical segments
Analysis by geographical segment

	UK operations		US operations		Total	
	2008 £000	**2007 £000**	**2008 £000**	**2007 £000**	**2008 £000**	**2007 £000**
Revenue	1,684	1,836	471	808	2,155	2,644
Segment assets	362	504	-	1,044	362	1,548
Other segment information:						
Capital expenditure						
Property, plant and equipment	8	7	-	8	8	15
Goodwill	-	-	-	-	-	-
Other intangible assets	-	65	-	-	-	65

Segment revenue by geographical segment represents revenue from external customers based upon the geographical location of the customer. The analyses of segment assets and capital expenditure are based upon the location of the assets.

6. Discontinued operations

Discontinued operations in the year comprise the sale of The Jewish Advocate Publishing Corporation to The Zvhil-Mezbuz Rebbe, Grand Rabbi Y.A Korff of Boston ("the Rebbe") on 1 September 2008. In consideration for the sale 20,500,000 1p Ordinary Shares held by the "Rebbe" have been redesignated as Deferred Shares.

The Deferred Shares issued carry no voting rights, no rights to attend general meetings of the Company, and no rights to receive dividends. The Deferred Shares do carry a right to participate in any return of capital to the extent of 0.01 pence per Deferred Share but only after each Ordinary Share has received in aggregate capital repayments totalling £1,000,000 per Ordinary Share.

Therefore it is the opinion of the Board that the Deferred Shares are, for all practical purposes, valueless.

In addition warrants held by the Rebbe to subscribe for 4,394,350 Ordinary Shares have been cancelled as part of the sale.

Furthermore under the terms of the agreement the Rebbe will pay additional consideration to the Company in the event of:-

1) a sale of the whole or a substantial number of the Jewish Advocate Shares; or
2) a sale of the whole or a substantial proportion of the business and assets of the Jewish Advocate.

This will be 40 per cent of the difference between the consideration received by the Rebbe at the time of such sale and the value of the Consideration shares (20,500,000 1p Ordinary Shares) on 1 September 2008 if the sale is effected within one year or 33 per cent of the difference in the event that such sale is effected within two years.

The directors believe that the likelihood of such a disposal is not probable, and therefore no asset has been recognised in the financial statements.

Notes to the financial statements
(continued)

6. Discontinued operations (continued)

The results of discontinued operations that have been included in the consolidated income statement are as follows. The 2008 results are to the date of disposal, 1 September 2008, whilst 2007 results are for the full year to 31 December 2007:-

	2008 £000	2007 £000
Revenue	471	808
Cost of sales	(31)	(26)
Gross profit	440	782
Administrative expenses	(480)	(645)
(Loss)/Earnings before interest, tax, depreciation and amortisation	(40)	137
Depreciation	(3)	(3)
Operating (loss)/profit	(43)	134
Finance costs	-	1
(Loss)/Profit before taxation	(43)	135
Income tax	-	(7)
(Loss)/Profit for the period/ year	(43)	128

The net cash flows attributable to discontinued operations are as follows:-

	2008 £000	2007 £000
Operating cash flows	(13)	25
Investing cash flows	(35)	(11)
Net cash (outflow)/inflow	(48)	16

The basic earnings per share on discontinued operations is a loss of 0.9 pence (2007: 0.1 pence earnings per share)

Details of the sale of The Jewish Advocate are analysed as follows:-

	£000
Sales proceeds	-
Net assets disposed of:	
Goodwill	(941)
Property, plant and equipment	(17)
Cash at bank	(35)
Working capital – inventories, receivable and payables	74
Tax creditor	(5)
Costs of disposal	(44)
Loss on disposal	(968)

Notes to the financial statements

(continued)

7. Loss on operating activities before taxation

	2008 £000	2007 £000
Loss on ordinary activities before and after taxation is stated After charging:		
Auditors' remuneration for audit services	21	20
Auditors' remuneration for non-audit services- tax services	3	3
Auditors' remuneration for non-audit services - due diligence	-	15
Operating lease charges- land and buildings	75	76
Operating lease charges- other assets	7	8
Depreciation	12	9
Amortisation	22	89
Impairment loss – Software	-	176

Auditors' remuneration includes £6,000 (2007: £6,000) for the Company.

8. Employee information

The average number of persons employed by the Company (including Directors) during the year, analysed by category, was as follows:

	Number of employees	
	2008	2007
Management	3	3
Technical and production	10	10
Editorial	10	14
Sales and marketing	8	10
Administrative	2	2
	33	39

Staff costs for the above employees during the year amounted to:

	2008 £000	2007 £000
Wages and salaries	1,015	1,211
Social security costs	110	131
	1,125	1,342

Directors' emoluments

	2008 £000	2007 £000
Directors' emoluments	125	115
Compensation for loss of office	-	78
Aggregate emoluments	125	193
Gain made on exercise of share options	-	-
Number of directors entitled to share options	3	3

Notes to the financial statements
(continued)

8. Employee information (continued)

Not included in directors emoluments above is a service contract with The Jewish Advocate Publishing Corporation which entitles The Zvhil-Mezbuz Rebbe, Grand Rabbi Y.A. Korff of Boston to consultancy fees of 166,667 US Dollars per annum (2007: 250,000 US Dollars).

Included in wages and salaries is a total charge for share based payments of £18,000 (2007: £21,000) which arises wholly in both years from transactions accounted for as equity settled share based payment.

9. Taxation

a) Taxation charge	2008 £000	2007 £000
Overseas income tax on subsidiary undertakings	-	7
Research and development tax credit	(18)	(24)
Total current income tax credit charged in the income statement	(18)	(17)

b) Taxation reconciliation

The current income tax credit for the period is explained below:	2008 £000	2007 £000
Loss before tax	(1,086)	(360)
Taxation at the standard UK income tax rate of 28 per cent (2007: 30 per cent)	(304)	(108)
Research and Development tax credit	(18)	(24)
Deferred Tax movement not provided for	304	108
Foreign tax adjustment	-	7
Total income tax credit charged in the income statement	(18)	(17)

c) Deferred tax

Tax losses of £3,861,000 (2007: £3,776,000) are available to relieve future profits of the Group. A deferred tax asset has not been recognised in respect of these losses on the grounds of uncertainty in respect of when and the rate the losses will be recovered at.

10. Finance costs	2008 £000	2007 £000
On bank overdrafts	40	38

Notes to the financial statements
(continued)

11. Goodwill and intangible fixed assets

Group	Software £000	Goodwill £000	Total £000
Cost			
At 1 January 2008	460	941	1,401
Additions	-	-	-
Disposals	-	(941)	(941)
At 31 December 2008	460	-	460
Amortisation			
At 1 January 2008	387	-	387
Amortisation during the year	22	-	22
At 31 December 2008	409	-	409
Net carrying value			
At 31 December 2008	51	-	51
At 31 December 2007	73	941	1,014

Company	Software £000	Total £000
Cost		
At 1 January 2008	5	5
Additions	-	-
At 31 December 2008	5	5
Amortisation		
At 1 January 2008	5	5
Amortisation during the year	-	-
At 31 December 2008	5	5
Net carrying value		
At 31 December 2008	-	-
At 31 December 2007	-	-

Notes to the financial statements

(continued)

12. Property, plant and equipment

Group	Short leasehold property £000	Computer equipment £000	Fixtures and fittings £000	Total £000
Cost				
At beginning of year	54	127	103	284
Additions	-	3	5	8
Disposed with subsidiary	-	-	(57)	(57)
At end of year	54	130	51	235
Depreciation				
At beginning of year	54	124	79	257
Charge for year	-	5	8	13
Disposed with subsidiary	-	-	(42)	(42)
At end of year	54	129	45	228
Net book value				
At 31 December 2008	-	1	6	7
At 31 December 2007	-	3	24	27

Company	Short leasehold property £000	Computer equipment £000	Fixtures and fittings £000	Total £000
Cost				
At beginning and end of year	54	7	11	72
Depreciation				
At beginning and end of year	54	7	11	72
Net book value				
At 31 December 2008	-	-	-	-
At 31 December 2007	-	-	-	-

Notes to the financial statements
(continued)

13. Investments

Group

Equity investments in joint ventures	**Total £000**
Cost	(28)
Share of retained loss for the period to the date of disposal	(10)
Charge against receivable from Joint Venture	17
Release of profit on disposal	21
At end of year	-

On 13 November 2008 the Group sold its 50 per cent interest in Totally Jewish Travel Inc. for a nominal consideration. The Group is entitled to receive consideration for the sale if the purchaser sells either:-

1) more than 75 per cent of the share capital of Totally Jewish Travel Inc.
2) any of the shares acquired from Totallyjewish.com Limited
3) the business of Totally Jewish Travel Inc as a going concern or
4) any asset of Totally Jewish Travel Inc. which comprises more than 40 per cent of the asset value of Totally Jewish Travel Inc.

In the event of a disposal on or before 31 October 2010, the further consideration to Totallyjewish.com Limited will comprise 66 per cent of the total consideration received by the purchaser. In the event of a disposal between 1 November 2010 but before 31 October 2013, the further consideration to Totallyjewish.com Limited will comprise 50 per cent of the total consideration received by the purchaser.

Additionally the Company agreed to write off a receivable of £17,000 owed by Totally Jewish Travel Inc. This charge has been included within the profit on disposal of £21,000.

The directors believe that the likelihood of such a disposal is not probable, and therefore no asset has been recognised in the financial statements.

The Group's only joint venture interest was as follows:

Joint ventures held through a subsidiary company	**Country of incorporation**	**Percentage of equity capital Held**	**Nature of business**
Totally Jewish Travel Inc.	USA	50	Online media

Notes to the financial statements
(continued)

13. Investments (continued)

The Group disposed of this investment on 13 November 2008. The Group's share of the results and net assets of its joint venture company for the period to the date of disposal and for the year ended 31 December 2007 are as follows:

	2008 £000	2007 £000
Income	32	59
Expenses	(42)	(63)
Loss before tax	(10)	(4)
Tax	-	-
Loss after tax	(10)	(4)

	2008 £000	2007 £000
Non current assets	-	3
Current assets	-	20
Current liabilities	-	(51)
Net liabilities	-	(28)

Company

Investments in share capital of wholly owned subsidiaries	Total £000
Cost	
At beginning of year	929
Disposals	(929)
At end of year	-

The subsidiary companies, all of which have been consolidated at 31 December 2008 are as follows:

	Country of incorporation	Percentage of equity capital Held	Nature of business
Subsidiary undertakings held directly			
Totally Jewish.com Limited	England	100	Online media
The Jewish News Limited	England	100	Print media
Totally Communications Limited	England	100	Technical and marketing services
London Jewish News Limited	England	100	Dormant

14. Trade and other receivables

	Group 2008 £000	Group 2007 £000	Company 2008 £000	Company 2007 £000
Trade receivables	192	354	-	-
Amount due from group undertakings	-	-	-	24
Other debtors	65	19	9	18
Other taxation and social security	-	-	56	-
Prepayments and accrued income	33	60	11	19
	290	433	76	61

15. Trade and other payables

	Group 2008 £000	Group 2007 £000	Company 2008 £000	Company 2007 £000
Current				
Trade payables	122	271	28	23
Amounts owed to group undertakings	-	-	1,142	764
Other taxes and social security	127	96	-	-
Accruals and deferred income	89	108	9	29
	338	475	1,179	816

16. Financial liabilities - Borrowings

	Group 2008 £000	Group 2007 £000	Company 2008 £000	Company 2007 £000
Current				
Bank overdrafts	561	542	561	511

Secured liabilities

The Group's financial liabilities during the year ended 31 December 2008 were represented by two overdraft facilities, repayable in less than one year. One overdraft is secured by a debenture over the Group's trade debtors aged under 90 days, with a limit of £50,000 charging interest at 2.75 per cent above bank base rate per annum. As security for the second facility, the bank has obtained the unlimited Joint and Several Guarantees of Dr Michael J. Sinclair (non-executive Chairman), and Mr Leo Noe. The second facility has a limit of £700,000 charging interest at 2 per cent above bank base rate per annum. At 31 December 2008 there was no difference between the book and fair value of the Group's financial liabilities.

There were no fixed rate liabilities during the year.

All monetary assets and liabilities at the balance sheet date are held in Sterling, the Group's functional currency.

Notes to the financial statements
(continued)

17. Financial instruments

The Group's financial instruments comprise cash and various items, such as trade receivables and trade payables, that arises directly from its operations. The main purpose of these financial instruments is to raise finance for the Group's operation.

Fair values of financial instruments
For the following financial assets and liabilities: long-term borrowings, short-term borrowings, trade and other payables, trade and other receivables and cash at bank and in hand, the carrying amount approximates the fair value of the instrument due to the instrument bearing interest at market rates and/or the short-term nature of the instrument.

Maturity of financial liabilities	**Group 2008 £000**	**Group 2007 £000**	**Company 2008 £000**	**Company 2007 £000**
Current				
Amounts payable within one year	561	542	561	511

18. Share capital and reserves	**31 December 2008 £000**	**31 December 2007 £000**
Authorised		
125,000,000 ordinary shares of 1p each (2007: 125,000,000)	1,250	1,250
20,500,000 deferred shares of 1p each (2007: nil)	205	-
Allotted, called up and fully paid		
91,947,934 ordinary shares of 1p each (2007: 112,447,900)	919	901
20,500,000 deferred shares of 1p each (2007: nil)	205	-

Issue of deferred shares
On 30 September 2008 20,500,000 1p Ordinary Shares were redesignated as Deferred Shares.

The Deferred Shares issued carry no voting rights, no rights to attend general meetings of the Company, and no rights to receive dividends. The Deferred Shares do carry a right to participate in any return of capital to the extent of 0.01 pence per Deferred Share but only after each Ordinary Share has received in aggregate capital repayments totalling £1,000,000 per Ordinary Share.

Loss per share
The calculation of the basic loss per share is based on the loss of £1,086,000 (2007: £343,000) and on 107,322,909 (2007: 107,135,514) ordinary shares being the weighted average number of shares in issue during the period. The diluted loss per share is the same as the basic loss per share, in accordance with IAS33 which prescribes that potential ordinary shares should only be used as dilutive when, and only when, their conversion to ordinary shares would decrease net profit or increase net loss per share from continuing operations.

Share options
1,000,000 share options were issued by the Company on 30 April 2008 (see note 19).

Warrants currently in issue
The Company currently has 90,123,013 warrants in issue with a range of terms and vesting periods as disclosed below:-

On 21 May 2002, in conjunction with a share placing, subscribers to the placing shares were issued 4,583,329 warrants (one warrant for every four shares subscribed). The warrants are exercisable at 5 pence per ordinary share. The warrants are exercisable in the 45 day periods following either publication of the Company's half year results or adoption of the Company's annual accounts. The last exercise period is the earliest of either the 45 day period following the adoption of the Company's accounts for the year ended 31 December 2008 or, subject to certain exceptions, on a winding up of the Company where there is a surplus payable to the ordinary share holders. 2,499,997 of these warrants issued have been surrendered, leaving 2,083,332 in issue at 31 December 2008.

18. Share capital and reserves (continued)
On 18 June 2004, 10,000,000 warrants were issued at an exercise price of 5 pence per ordinary share and 4,394,350 warrants were issued at an exercise price of 4.375 pence per ordinary share. The warrants are exercisable from the date of issue up to 18 June 2011. The 4,394,350 warrants have been cancelled on 30 September 2008 as part of the disposal of The Jewish Advocate Publishing Corporation (see note 6). 5,712,857 of the 10,000,000 warrants have also been surrendered leaving 4,287,143 in issue at 31 December 2008.

On 4 November 2006, 7,000,000 warrants were issued at an exercise price of 2 pence per ordinary share. The warrants are exercisable from the date of issue up to 4 November 2012. 4,000,000 of these warrants have been surrendered leaving 3,000,000 in issue at 31 December 2008.

On 15 February 2006, 2,000,000 warrants were issued at an exercise price of 2.25 pence per ordinary share. The warrants are exercisable from the date of issue up to 15 February 2013.

On 11 April 2007, 11,306,015 new warrants were issued at an exercise price of 5 pence per ordinary share of which 7,053,477 warrants are exercisable 2 years from the date of issue up to 11 April 2017 and 4,252,538 are exercisable from the date of issue up to 11 April 2017. The 7,053,477 warrants have been surrendered leaving, 4,252,538 in issue at 31 December 2008.

On 2 July 2008 4,500,000 warrants were issued at an exercise price of 1.25 pence per ordinary share. The warrants are exercisable three years from the date of issue and expire on 2 July 2021.

On 30 September 2008 70,000,000 warrants were issued at an exercise price of 1 pence per ordinary share. The warrants are exercisable from the date of issue and have no fixed expiry date.

Share premium account
The share premium account represents the amounts received by the Company on the issue of Ordinary Shares that are in excess of the nominal value of the issued shares.

Translation reserve
The translation reserve represents the accumulated exchange differences arising from the impact of the translation of subsidiaries with a functional currency other than pounds sterling.

19. Share-based payment

During the year ended ending 31 December 2008 the Group and Company had two share based payment arrangements as described below

a) Employee Share Options

Totally plc Enterprise Management Incentive Plan

The estimated fair value of each option has been calculated using the Black Scholes option pricing model for different options granted between 17 December 2002 and 30 September 2008. The estimated fair value of options varies between £0.0121 and £0.001. The model inputs are share price at grant date, exercise price, expected volatility of 29 per cent, no expected dividends, contractual life of three years, and a risk free interest rate of four per cent. It has been estimated that 21% of options granted will be forfeited due to employees leaving during the three year vesting period. A three year contractual life has been used as a discount to reflect the non-transferability of the options compared to the actual contractual life of 10 years. A reconciliation of option movements over the year is shown below:

19. Share-based payment (continued)

	Number '000s	2008 Weighted average price Pence	Number '000s	2007 Weighted average price Pence
Outstanding at 1 January	13,867	2.89	11,784	3.01
Granted	1,000	1.00	3,533	2.70
Surrendered	(2,624)	3.33	(1,300)	3.63
Exercised	-	-	(150)	4.00
Expired				
Outstanding at 31 December	12,243	2.64	13,867	2.89
Exercisable	12,093	2.62	8,367	3.04

	2008	2007
Range of exercise price (Pence)	1.00 – 4.00	2.70 – 4.00
Weighted average exercise price (Pence)	2.64	2.89
Number of shares - 000's	12,243	13,867
Weighted average remaining life years – Expected	3	3
Weighted average remaining life years – Contractual	3	3

b) Warrants

The estimated fair value of each warrant has been calculated using the Black Scholes option pricing model for different warrants granted on 4 November 2005, 11 April 2007 and 30 September 2008. The estimated fair value of warrants are £0.009, £0.001 and £0.0001 respectively. The model inputs are share price at grant date, exercise price, expected volatility of 29 per cent, no expected dividends, contractual life of three years, and a risk free interest rate of four per cent. A three year contractual life has been used to reflect the non-tradability of the warrants compared to the actual contractual life of seven years. The full cost of the warrants is recognised at the date of grant.

Expenses charged to the profit and loss in the year in respect of share based payments are as follows for the Group and Company:

	2008	2007
Expense arising from share option plans	9	15
Expense arising from issue of share option warrants	9	6

20. Company changes in equity

Company	Share Capital Deferred Shares £000	Share Capital Deferred Shares £000	Share premium account £000	Profit and loss account £000	Equity share holders' funds £000
At 1 January 2008	1,124	-	3,353	(4,802)	(325)
Share transfer	(205)	205	-	-	-
Loss for the year	-	-	-	(1,318)	(1,318)
Credit on issue of share options	-	-	-	9	9
Credit on issue of warrants	-	-	-	9	9
At 31 December 2008	919	205	3,353	(6,102)	(1,625)

Notes to the financial statements

(continued)

21. Notes to the cash flow statement

(i) Cash flows relating to discontinued operations	2008 £000	2007 £000
Cash flows from operating activities		
Profit before taxation from discontinued operations	(43)	31
Depreciation	3	4
Increase in inventories	6	(4)
Increase in trade and other receivables	28	10
Decrease in trade and other payables	(2)	(15)
	(8)	26
Foreign tax on subsidiary profit	(5)	(1)
Net cash (utilised)/generated by operating activities	(13)	25
Cash flows from investing activities		
Purchase of non current assets	-	(10)
Cash disposed with subsidiary	(35)	-
Net cash utilised by investing activities	(35)	(10)
Cash outflow before financing	(48)	15
Cash flows from financing activities		
Interest received	-	1
Net cash from financing activities	-	1
Net (decrease)/increase in cash and cash equivalents	(48)	16
Cash and cash equivalents at beginning of year	48	32
Cash and cash equivalents at 31 December	-	48

22. Commitments

a) Capital expenditure commitments
At 31 December 2008 the Group had no capital commitments.

b) Operating leases agreements
At 31 December 2008 the Group had the following annual commitments under non-cancellable operating leases:

	Land and buildings 2008 £000	Other Assets 2008 £000	Total 2008 £000	Total 2007 £000
Commitments which expire:				
Within 1 year	11	3	14	9
Between 1 and 2 years	-	-	-	3
Between 2 and 5 years	-	3	3	4
Greater than 5 years	-	-	-	45
	11	6	17	61

Notes to the financial statements

(continued)

23. Related party transactions

The Group has taken advantage of the exemption available under IAS 24, "Related Party Disclosures", not to disclose details of transactions with its subsidiary undertakings.

The following related party transactions have been carried out at arms length and are required to be disclosed in accordance with IAS24.

As set out in note 1, Dr Michael Sinclair, and Mr Leo Noe have provided guarantees in respect of the Group's current overdraft facility.

In 2008, purchases of £nil (2007: £3,714), on an arm's length basis were made from N Assor, wife of D Assor who is a board member of this Company. A balance of £nil (2007: £nil) is included in trade creditors at year end.

In 2008, purchases of £4,270 (2007: £3,030), on an arm's length basis were made from J Margolis, mother of A Margolis who is a director of Totallyjewish.com Limited. A balance of £1,000 (2007: £80) is included in trade creditors at year end.

Included in trade debtors is an amount of £30,194 (2007: £65,952) due from Totally Jewish Travel Inc., a company in which the Group had a joint venture interest, that was sold during the year. Sales of £53,515 (2007: £59,553) relating to the recharge of services to Totally Jewish Travel Inc have been made in the year. Balances of £17,584 due from Totally Jewish Travel Inc. (2007: £nil) have been written off during the year.

Included in trade debtors is an amount due of £nil (2007: £1,439) from Friends of Laniado UK, a registered charity of which Dr Michael Sinclair is also the chairman. Sales during the year amounted to £nil (2007: £734). At the year end a bad debt provision of £nil (2007: £1,439) was made in the accounts against outstanding trade debtor balances.

In 2008 fees of £25,000 (2007: £nil) have been charged by BDS Management Limited, a company where Dr Michael Sinclair is a director.

24. Contingent liabilities

The company is party to a group banking arrangement which includes a debenture, unlimited corporate guarantee and letters of offset between Totally plc, Totally Communications Limited, The Jewish News Limited and TotallyJewish.com Limited. Totally plc has a contingent liability in respect of these borrowings which at 31 December 2008 amounted to £nil (2007: £nil).

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Totally plc will be held at the offices of Totally plc, Unit 611 Highgate Studios, 53-79 Highgate Road, Kentish Town, London NW5 1TL on 11 August 2009 at 4:00 p.m. for the transaction of the following business:

As Ordinary Business to consider and, if thought fit, pass the following resolutions which will be proposed as Ordinary Resolutions:

1. To receive and adopt the report of the directors of the Company and the audited accounts for the Company for the year ended 31 December 2008;

2. To re-appoint Dan Assor as director of the Company, who retires in accordance with Article 14 of the Company's Articles of Association;

3. To re-appoint Royce Peeling Green Limited as auditors of the Company and to authorise the directors to fix their remunerations.

As Special Business to consider and, if thought fit, pass the following resolutions of which Resolution 4 will be proposed as an Ordinary Resolution and Resolution 5 will be proposed as a special Resolution:

4. That for the purpose of section 80 of the Companies Act 1985 (the "Act") (and so that expressions used in this resolution shall bear the same meanings as in the said section 80) the Directors be and are hereby generally and unconditionally authorised to exercise all powers of the Company to allot relevant securities of the Company during the period exploring at the end of the next annual general meeting of the Company to be held after the date of the passing of this resolution or, if earlier, fifteen months from the date of the passing of this resolution provided that such power be limited to:

   (a) the allotment of up to 90,123,013 Ordinary Shares pursuant to or in connection with warrant instruments entered into on or prior to the date of this resolution

   (b) the allotment of up to 12,243,333 Ordinary Shares pursuant to or in connection with share options granted on or prior to the date of this resolution; and

   (c) the allotment of relevant securities (other then pursuant to paragraphs (a) and (b) above) up to an aggregate nominal amount of £900,000, to such person or persons and on such terms as they think fit;

and that the Company be and is hereby authorised to make prior to the expiry of such period referred to in this Resolution 4 any offer or agreement which would or might require relevant securities to be alloted after the expiry of the said period and the Directors may allot relevant securities in pursuance of any such offer or agreement notwithstanding the expiry of the authority given by this Resolution, provided that this resolution shall not affect the right of the Directors to allot relevant securities in pursuance of any offer or agreement entered into prior to the date hereof.

5. That subject to the passing of Resolution 4 set out above the Directors be and are empowered in accordance with Section 95 of the Act to allot equity securities (as defined in Section 94 of the Act) for cash pursuant to the authotity conferred on them to allot relevant securities (as defined in Section 80 of the Act) by that Resolution, as if Section 89 (1) of the Act did not apply to such allotment provided that the power conferred by this Resolution shall be limited to:

   (a) the allotment of up to 90,123,013 Ordinary Shares pursuant to or in connection with warrant instruments entered into on or prior to the date of this resolution

   (b) the allotment of up to 12,243,333 Ordinary Shares pursuant to or in connection with share options granted on or prior to the date of this resolution; and

   (c) the allotment of relevant securities (other then pursuant to paragraphs (a) and (b) above) up to an aggregate nominal amount of £900,000, to such person or persons and on such terms as they think fit;

and that this power, unless renewed, shall expire at the end of the next annual general meeting of the Company to be held after the date of the passing of this resolution or, if earlier, fifteen months from the date of the passing of this resolution but shall extend to the making, before such expiry, of an offer or agreement which would or might require equity securities to be allotted after such expiry and the conferred hereby had not expired.

By order of the Board

Paul Stacey
Company Secretary

Registered Office:
Unit 611, Highgate Studios
53-79 Highgate Road
London NW5 1TL

Dated: 24 June 2009

Notes:
1. Please indicate how you wish your votes to be cast in respect of the resolutions to be proposed at the said meeting. If you do not indicate how you wish your proxy to use your votes, the proxy will exercise his discretion both as to how he votes and as to whether or not he abstains from voting. Your proxy will have the authority to vote at his discretion on any amendment or other motion proposed at the meeting, including any motion to adjourn the meeting.

2. If you prefer to appoint some other person or persons as your proxy, strike out the words "the Chairman of the Meeting, or" and insert in the blank space the name or names preferred and initial the alteration. A proxy need not be a member of the Company. Completion of a form of proxy will not preclude a member from attending and voting in person.

3. In the case of joint holders, the signiture of the holder whose name stands first in the relevant register of members will suffice as the vote of such holder and shall be accepted to the exclusion of the votes of the other joint holders. The names of all joint holders should, however, be shown.

4. If a member is a corporation, this form must be executed either under its common seal or under the hand of an officer or agent duly authorised in writing. In the case of an individual the proxy must be signed by the appointor or his agent, duly authorised in writing.

This form of proxy has been sent to you by post, it may be returned by post or courier or by hand to the Company's Registrars, Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU. CREST members should use the CREST electronic proxy appointment service and refer to note 5 below in reletion to the submission of a proxy appointment via CREST.

In each case the proxy appointment must be received not less than 48 hours before the time for the holding of the meeting or adjourned meeting together (exept in the case of appointments made electronically) with any authority(or a notarially certified copy of such authority) under which it is signed.

5. CREST members who wish to appoint a proxy or proxies througn the CREST electronic proxy appointment service may do so for the Annual General Meeting to be held on the above date and any adjournment(s) thereof by using the procedures described in the CREST manual. CREST personal members or other CREST sponsered members who have appointed a voting service provider(S), who will be able to take the appropriate action on their behalf.

Notice of Annual General Meeting

(continued)

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST proxy instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions as described in the CREST manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the Company's agent (ID: RA10) by the latest time (S) for receipt of proxy appointments specified in the notice of meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST applications host) from which the Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST proxy instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or votint service provider(s) take(s) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST proxy instruction in the circumstances set out in regulation 35(5) (a) of the Uncertificated Securities Regulations 2001.

6. Pursuant to regulation 41 (1) of the Uncertificated Securities Regulations 2001 (2001 No. 3755) the Company has specified that only those members registered on the register of members of the Company at 6pm on 9 August 2009 shall be entitled to attend and vote at the AGM in respect of the number of Ordinary Shares registered in their name at the time. Changes to the register of members after 6pm on 9 August 2009 shall be disregarded in determining the rights of any person to attend and vote at the AGM.

Form of proxy

For use at the Annual General Meeting of the Company convened for 11 August 2009 at 4pm.

You may submit your proxy electronically at www.capitashareportal.com

I/We, the undersigned, being (a) member/member(s) of Totally plc ("the Company"), hereby appoint the Chairman of the meeting or,

Name of Proxy ______________________ Number of shares ______________

as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at Unit 611, Highgate Studios, 53-79 Highgate Road, Kentish Town, London NW5 1TL on 11 August 2009 at 4pm and at any adjournment thereof. I/We wish my/our proxy to vote as shown below in respect of the resolutions set out in the Notice of Meeting.

☐ Please indicate by ticking the box if this proxy appointment is one of multiple appointments being made. For the appointment of one of more proxy, please refer to explanatory note 2 (below).

Ordinary Resolutions	**For**	**Against**	**Vote Witheld**
1. To receive the Report of the Directors and the Accounts for the year ended 31 December 2008, together with the Report of the Auditors.	☐	☐	☐
2. To re-elect Dan Assor as a Director of the Company.	☐	☐	☐
3. To re-elect Royce Peeling Green Limited as Auditors to the Company.	☐	☐	☐
4. To authorise the Directors of Totally plc to make allotments of shares in accordance with section 80 (1) of the Companies Act 1985.	☐	☐	☐
Special Resulutions			
5. To authorise the disapplication of the statutory pre-emption rights pursuant to Section 95 of the Companies Act 1985.	☐	☐	☐

If you want your proxy to vote in a certain way on the resolutions specified, please place an "X" in the appropriate box. If you fail to select any of the given options your proxy can vote as he/she chooses or can decide not to vote at all. The proxy can also do this on any other resolution that is put to the meeting.

Signature ______________________ Dated ____________ day of ____________ 2009

Name ______________________

Address ______________________

*You may, if you wish, in the space provided insert the name(s) of the person(s) of your choice to attend and vote at the meeting on your behalf.

**Please note that if the "Vote Withheld" box is marked with a "X", the Shareholder will not be counted in the calculation of votes "For" and "Against" and the Shareholder will not be taken to have given his/her/their discretion to the Proxy, on how to vote.

Notes:

1. Every holder has the right to appoint some other person(s) of their choice, who need not be a shareholder as his proxy to exercise all or any of his rights, to attend, speak and vote on their behalf at the meeting. If you wish to appoint a person other than the Chairman, please insert the name of your chosen proxy holder in the space provided (see above). If the proxy is being appointed in relation to less than your full voting entitlement, please enter in the box next to the proxy holder's name (see above) the number of shares in relation to which they are authorised to act as your proxy. If left blank your proxy will be deemed to be authorised in respect of your full voting entitlement (or if this proxy form has been issued in respect of a designated account for a shareholder, the full voting entitlement for that designated account).
2. To appoint more than one proxy you may photocopy this form. Please indicate the proxy holder's name and the number of shares in relation to which they are authorised to act as your proxy (which, in aggregate, should not exceed the number of shares held by you). Please also indicate if the proxy instruction is one of multiple instructions being given.
3. The 'Vote Withheld' option overleaf is provided to enable you to abstain on any particular resolution. However, it should be noted that a 'Vote Withheld' is not a vote in law and will not be counted in the calculation of the proportion of the votes 'For' and 'Against' a resolution.
4. Pursuant to regulation 41 of the Uncertificated Securities Regulations 2001, entitlement to attend and vote at the meeting and the number of votes which may be cast thereat will be determined by reference to the Register of Members of the Company at 6pm on the day which is two days before the day of the meeting or adjourned meeting. Changes to entries on the Register of Members after that time shall be disregarded in determining the rights of any person to attend and vote at the meeting.
5. To appoint one or more proxies or to give an instruction to a proxy (whether previously appointed or otherwise) via the CREST system, CREST messages must be received by the issuer's agent (ID number RA10) not later than 48 hours before the time appointed for holding the meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp generated by the CREST system) from which the issuer's agent is able to retrieve the message. The Company may treat as invalid a proxy appointment sent by CREST in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
6. The completion and return of this form will not preclude a member from attending the meeting and voting in person. If you attend the meeting in person, your proxy appointment will automatically be terminated.
7. To be effective, all votes must be lodged not less than 48 hours before the time of the meeting at the office of the Company's registrars at: Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU. Alternatively, you may also submit your proxy electronically using the shareportal service at www.capitashareportal.com. If not already registered for the shareportal you will need your investor code which can be found on your share certificate.

BUSINESS REPLY SERVICE
Licence No. MB 122

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Capita Registrars
(PROXIES)
PO Box 25
Beckenham
Kent
BR3 4BR