

Date: 2 June 2009  
On behalf of: First Property Group plc (“First Property” or “the Group”)  
Embargoed: 0700hrs

### **First Property Group plc**

Preliminary results for the year ended 31 March 2009

First Property Group plc (AIM: FPO), the AIM-listed property services group specialising in commercial property fund management, today announces its preliminary results for the year ended 31 March 2009.

#### **Financial Highlights:**

- Assets under management increased to £310 million (2008: £290 million)
- Profit on ordinary activities before taxation at £3.86 million (2008: £6.28 million)
- Operating profit before performance fees at £3.61m million (2008: £2.62 million)
- Diluted earnings per share were 2.74p (2008: 3.81p)
- Increased final dividend for the year of 0.7 pence per share (2008: 0.65 pence per share) making a total of 1 pence per share for the year (2008: 0.8 pence per share)
- The Group ended the year with net assets of over £13.6 million (2008: £12.1million) and a cash balance of £10.1 million (2008: 6.2 million)

#### **Operational Highlights:**

- For the three years to 31 December 2008, the portfolio of properties managed by First Property in Central and Eastern Europe (“CEE”) ranked as the top performer in the IPD Benchmark for that region
- The portfolio of properties managed by First Property in CEE also outperformed the IPD Benchmark for that region by some 4.1% in 2008 (our funds earned an un-gearred total return of 4.9% vs. the benchmark value of 0.8%)
- During the course of 2008 the Group actively extended tenant leases and increased rents so that over 70% of the leases in the portfolio (by value) now expire after the end of 2012 and rent on the portfolio increased by some 3%
- The Group recently completed, on behalf of funds managed, the purchase of a new warehouse, let to Indesit, in Radomsko, Poland, at a value of some Eur 22 million and a number of other property purchases are under consideration

**A briefing for analysts will be held at 09:30hrs today at Redleaf Communications, 11-33 St Johns Street, London, EC1M 4AA**

**Commenting on the results, Ben Habib, Chief Executive of First Property, said:**

“The Group has navigated the financial crisis very well thus far, as evidenced by the performance of the portfolio of properties we manage, which ranked at the top of the IPD Benchmark for this region over the last three years. The current year and next year are bound to be more challenging but our finances are robust, both at a corporate and fund level and we possess the necessary skills to continue to navigate our way through this period. We made the right decision to move away from the UK in 2005. Poland was, and remains, a compelling investment proposition and we will continue to invest in that country. I believe we are also right to be planning a return to investment in the UK.

“We have an excellent team at First Property, both in the UK and Poland. We have recently recruited a debt and an equity specialist to assist us in raising new funds to manage. In order to be able to give effect to our expansion plans it is important that we possess these skills in-house and I am positive they will make an impact during the current year.

“Given all of the above I remain very confident in the Group’s prospects and the Directors have resolved to recommend an increased final dividend for the year of 0.7 pence per share.”

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- **Publication quality photos are available from Redleaf Communications**

**Notes to editors**

- First Property Group plc was established in March 2000 by Chief Executive Ben Habib, to provide a number of property services which include property fund management, property trading, and facilities management.
- The Company listed its shares on the Alternative Investment Market (AIM) in December 2000.
- First Property Group plc is a property services group which consists of the following core services:
  - Property Fund Management - established in August 2002 and provided by a wholly owned subsidiary, First Property Asset Management Ltd (FPAM), now with operations in the UK, CEE;
  - Property Trading - established in August 2001 also provided by FPAM, now with operations in the UK, CEE;
  - Facilities Management - acquired 60% of First Property Services Ltd in February 2006, with operations in the UK and clients including: Credit Suisse, Canary Wharf, the BBC, Coutts Bank and Exxon Mobil.
- Further information about the Company and its products can be found at: [www.fprop.com](http://www.fprop.com).

## **CHIEF EXECUTIVE'S STATEMENT**

### **Results and dividend**

I am pleased to report the results for the year to 31 March 2009.

Revenue amounted to £11,226,000 (2008: £15,573,000), yielding a profit on ordinary activities before taxation of £3,862,000 (2008: £6,285,000). The profit on ordinary activities before taxation for the year to 31 March 2009 included a performance fee of £589,000, which was significantly lower than the performance fee earned in the prior year of £5,650,000.

Diluted earnings per ordinary share were 2.74 pence (2008: 3.81 pence). The reduction in EPS was a direct consequence of the lower level of performance fees earned during the year.

The Group ended the year with net assets of over £13.6 million (2008: £12 million) and a cash balance of £10 million (2008: 6.2 million).

Assets under management at 31 March 2009 amounted to £310 million (2008: £290 million).

### Dividend

On the basis of these results, and our confidence in the Company's future, the Directors have resolved to recommend an increased final dividend for the year of 0.7 pence per share, which together with the interim dividend of 0.3 pence per share equates to a dividend for the year of 1 pence per share (2008: 0.8 pence per share). The final dividend, if approved, will be paid on 25 September 2009 to shareholders on the register at 21 August 2009.

### **Review of operations**

#### Property fund management

Revenue earned by First Property Asset Management amounted to £4,571,000 (2008: £8,341,000). Of these fees earned, £589,000 (2008: £5,650,000) was in respect of performance fees and £3,982,000 (2008: £2,691,000) in respect of annual management fees. Our annual management fees are now running at some £4.2 million per annum.

We have over £310 million of property assets under management (2008: £290 million). Of these, 95% by number and value are located in CEE.

The value of assets under management reduced by some 5% during the first quarter of 2009 and we expect that they will slip further in value as the year progresses. We do not expect these reductions to be as severe as those experienced in the UK but it is not possible to be precise in this regard.

During the course of 2008 we decided to actively extend tenant leases and increase rents wherever possible. As a result of this initiative we were able to increase the rent on the portfolio by some 3% and over 70% of

the leases in the portfolio (by value) now expire after the end of 2012. We therefore enter this more testing period in good shape.

It is worth noting that the assets we manage on behalf of our clients in CEE outperformed the IPD Benchmark for that region by some 4.1% in 2008 (our funds earned an un-gearred total return of 4.9% vs. the Benchmark value of 0.8%). It is also worth noting that for the three years to 31 December 2008, our portfolio had the best performance amongst the portfolios of properties comprising the IPD Benchmark for the CEE region.

As a result of market volatility, evaluating prospective property purchases has been difficult. Consequently, we have made very few property purchases for our funds in the last 12 months. We have recently completed the purchase, on behalf of Fund 7 (the fund we manage for the Universities Superannuation Scheme ("USS")), of a new warehouse, let to Indesit, in Radomsko, Poland, at a value of some Eur 22 million, and we have a number of other property purchases under consideration, but the growth of our assets under management has rightly slowed.

We still have some £40 million of equity remaining to be invested on behalf of Fund 7. We are in no hurry to invest this capital but it does allow us to take advantage of well priced property purchases when they become available.

The immediate future for First Property Asset Management, our main operating division, turns on our ability to successfully manage our existing portfolio of properties, to make opportunistic acquisitions as and when these are identified and raise new funds to further take advantage of the current low prices of property. We are working on all these fronts.

#### Property trading

Revenue from this activity was £1,202,000 (2008: £2,116,000), producing an operating profit of £849,000 (2008: £771,000).

The Group currently owns two properties, both of which are office blocks located in Warsaw. The first of these is located in the suburbs of Warsaw and was acquired in 2007 for PLN 11.5 million (£2.3 million). The property is un-gearred and earns net rental income of some PLN 1.3 million per annum (£260,000 per annum), a yield of 11.3%.

The second of these is located in the Central Business District of Warsaw; it was acquired in late 2008 for USD 12.5 million (£7.8 million), has a loan against it (on a non-recourse basis) of USD 10.6 million (£6.6 million) and earns a net rental income of some USD 1.2 million per annum (£750,000 per annum), a yield of 9.6%. After the interest costs of gearing, the return we are earning from this property is some USD 670,000 per annum (£418,750 per annum) representing a return on equity of some 28% per annum.

Both properties are let on relatively low rents and both have scope to increase both rents and values. It is our intention to hold these properties until the investment market improves and then to sell them. We are also seeking consent for the conversion, of the first of these properties, to residential use. In the meantime we are working, with a good degree of success, on increasing the income we earn from them.

Shareholders should note that we hold trading properties on the balance sheet at the lower of cost or value and we have not assumed any gain in the value of these properties. Any fluctuations in the value of these properties, resulting from foreign currency movements, are taken to the foreign exchange translation reserve in the balance sheet. The Sterling equivalents provided above are based upon exchange rates at the time of writing and are not the same as those prevailing at 31 March 2009.

#### First Property Services Ltd (“FPS”)

FPS, in which we acquired a 60% interest in February 2006, is engaged mainly in the installation of air cooling and heating systems and to a lesser extent their facilities management.

For the year to 31 March 2009, FPS earned revenues of £5,355,000 (2008: £4,938,000) and an operating profit of £613,000 (2008: £737,000).

While FPS’s profit is lower than last year, this is a remarkably good performance given that its operations are entirely located in the South East of England and that it operates in an economically sensitive sector. It has started the current year well and given the depth of experience of its management team and the specialist nature of its business, we have confidence that it should earn a satisfactory profit this year. .

#### **The UK, Central and Eastern European economies and investment markets**

The Global economy has gone through a period of tremendous volatility over the last 12 months. In spite of these difficult times we have performed relatively well for our clients.

Our chosen area of investment for the last four years has been Poland, where 88% of our assets under management are located. As a country, Poland proved resilient in 2008, ending that year with GDP growth of 4.8%, a low budget deficit of some 2% of GDP and a low current account deficit of some 4%. Its commercial property investment markets also fared relatively well and we earned an annualised rate of return on equity for our clients of over 12% for the year to 31 December 2008.

However, the current year has started poorly for CEE, with a flight of capital from the region, as reflected in a marked weakening in the regions’ currencies. Some of that weakness has now been recovered but the regions’ currencies remain significantly weaker against the Euro compared to the levels of 2008. The flight of capital and reduced demand for exports from the region have also resulted in weakening economies and growth rates are forecast to dip sharply this year. Poland is still doing relatively well but it has not been able to escape this turbulence. This all has a bearing on the property markets. We therefore expect 2009 to be a more testing year for the funds we manage on behalf of our clients.

However, we remain confident in the prospects for CEE and more particularly Poland. The convergence of these economies still has a long way to run even though the current Global economic woes have set them back.

The UK economy is going through a sharp contraction and debt levels are high at a Government and consumer level. However, we have been looking at the UK market again, our natural home market, where yields on commercial property have increased substantially over the last two years, with a total reduction in asset values of some 40%. There are also signs in the UK that some confidence is returning to the property

investment market. Rents are likely to remain under pressure for the next few years but the yield adjustment has been substantial enough to make opportunistic acquisitions of investment property an attractive proposition again. We are therefore considering the launch of a new fund aimed at UK commercial investment properties.

## **Outlook**

I am pleased by the manner in which we have thus far navigated ourselves, and the capital of our clients with which we are entrusted, through these difficult economic times. The current year and next year are bound to be more challenging but our finances are robust, both at a corporate and fund level, and we possess the necessary skills to do well over this period. We made the right decision to move away from the UK in 2005. Poland was, and remains, a compelling investment proposition and we will continue to invest in that country. I believe we are also right to be planning a return to investment in the UK.

Our earnings for the year to 2010 are likely to be affected by the reduction in value of properties during the year. In addition, the £10 million of cash that we hold on the Group balance sheet, is not meaningfully contributing to our earnings given the very low interest rate environment. These are short term effects and do not impact the underlying strength of the Group.

We have an excellent team at First Property Group, both in the UK and Poland. We have recently recruited a debt and an equity specialist to assist us in raising new funds to manage. In order to be able to give effect to our expansion plans it is important that we possess these skills in-house and I am positive they will make an impact during the current year.

Given all of the above I remain very confident in the Group's prospects.

**Ben Habib**

**Chief Executive**

2 June 2009

# CONSOLIDATED INCOME STATEMENT

for the year ended 31 March 2009

		2009	2008
	Notes		
	1	£'000	£'000
<b>Revenue</b>	2	<b>11,226</b>	15,573
<b>Cost of sales</b>		<b>(4,350)</b>	(4,948)
<b>Gross profit</b>		<b>6,876</b>	10,625
<b>Operating expenses</b>		<b>(3,442)</b>	(4,648)
<b>Operating profit</b>	2	<b>3,434</b>	5,977
Share of associated company's profit after tax		<b>135</b>	109
Interest income		<b>408</b>	225
Interest expense		<b>(115)</b>	(26)
<b>Profit on ordinary activities before taxation</b>		<b>3,862</b>	6,285
Taxation on ordinary activities		<b>(642)</b>	(1,624)
<b>Profit for the year</b>		<b>3,220</b>	4,661
<b>Earnings per Ordinary 1p share -</b>			
<b>- basic</b>	4	<b>2.81p</b>	4.04p
<b>- diluted</b>	4	<b>2.74p</b>	3.81p

# CONSOLIDATED BALANCE SHEET

at 31 March 2009

		2009	2008
	Notes	Group £'000	Group £'000
<b>Non-current Assets</b>			
Goodwill		25	25
Tangible assets		109	125
Investments – including share of associates net assets	5	146	(39)
Deferred tax assets		89	11
<b>Total Non - current Assets</b>		<b>369</b>	<b>122</b>
<b>Current Assets</b>			
Inventories – land and buildings		11,130	2,912
Trade and other receivables	6	2,874	8,155
Cash and cash equivalents		10,096	6,245
<b>Total current assets</b>		<b>24,100</b>	<b>17,312</b>
<b>Current liabilities :</b>			
Trade and other payables	7	(3,135)	(4,216)
Current tax liabilities		(166)	(315)
<b>Total current liabilities</b>		<b>(3,301)</b>	<b>(4,531)</b>
<b>Net current assets</b>		<b>20,799</b>	<b>12,781</b>
<b>Total assets less current liabilities</b>		<b>21,168</b>	<b>12,903</b>
<b>Non -Current Liabilities:</b>			
Other payables		(7,452)	(36)
Deferred tax liabilities		(112)	(798)
<b>Net assets</b>		<b>13,604</b>	<b>12,069</b>
<b>Equity</b>			
Called up share capital	8,9	1,116	1,116
Share premium	9	5,307	5,298
Merger reserve	9	-	5,823
Foreign exchange translation reserve	9	169	780
Share-based payment reserve	9	80	71
Retained earnings	9	6,806	(1,102)
Equity minority interest	9	126	83
<b>Equity shareholders' funds</b>	10	<b>13,604</b>	<b>12,069</b>



# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

at 31 March 2009

Group	Share capital	Share premium	Merger reserve	Share-based payment reserve	Foreign Exchange Translation Reserve	Purchase of own Shares	Retained Earnings	Equity Minority Interest
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
At 1 April 2008	1,116	5,298	5,823	71	780	(634)	(468)	83
Profit for the period	-	-	-	-	-	-	3,220	-
Transfer of merger reserve	-	-	(5,823)	-	-	-	5,823	-
Movement on foreign exchange Translation reserve	-	-	-	-	(611)	-	-	-
Purchase of treasury shares	-	9	-	-	-	70	-	-
Equity share options issued	-	-	-	9	-	-	-	-
Equity minority interest	-	-	-	-	-	-	(178)	178
Dividends paid	-	-	-	-	-	-	(1,027)	(135)
<b>At 31 March 2009</b>	<b>1,116</b>	<b>5,307</b>	<b>-</b>	<b>80</b>	<b>169</b>	<b>(564)</b>	<b>7,370</b>	<b>126</b>
At 1 April 2007	1,116	5,298	5,823	44	80	(86)	(4,567)	24
Profit for the period	-	-	-	-	-	-	4,661	-
Movement on foreign exchange Translation reserve	-	-	-	-	700	-	-	-
Purchase of treasury shares	-	-	-	-	-	(548)	-	-
Equity share options issued	-	-	-	27	-	-	-	-
Equity minority interest	-	-	-	-	-	-	(203)	203
Dividends paid	-	-	-	-	-	-	(359)	(144)
<b>At 31 March 2008</b>	<b>1,116</b>	<b>5,298</b>	<b>5,823</b>	<b>71</b>	<b>780</b>	<b>(634)</b>	<b>(468)</b>	<b>83</b>

# CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 March 2009

	2009	2008
Notes	Group £'000	Group £'000
<b>Cash flows from operating activities</b>		
Operating profit	3,434	5,977
Adjustments for:		
Depreciation of tangible assets	77	73
Profit/loss on sale of tangible assets	2	17
Profit/loss on sale of investments	2	(30)
Impairment loss on investments	11	13
Share based payments	9	27
Share of profit before tax in associate not recognized	-	378
Foreign currency translation	(611)	700
Increase/decrease in inventories	(8,218)	(598)
Increase/decrease in trade and other receivables	5,281	(3,888)
Increase/decrease in trade and other payables	(1,066)	3,142
<b>Cash generated from operations</b>	<b>(1,079)</b>	<b>5,811</b>
Income taxes paid	(1,555)	(645)
Share of tax paid in associate not recognized	-	(44)
<b>Net cash flow from operating activities</b>	<b>(2,634)</b>	<b>5,122</b>
<b>Cash flow from investing activities</b>		
Proceeds on disposal of investments	35	106
Purchase of investments	(98)	-
Proceeds on disposal of tangible assets	7	5
Purchase of tangible assets	(70)	(28)
Interest received	408	225
Interest paid	(115)	(26)
<b>Net cash flow from investing activities</b>	<b>167</b>	<b>282</b>
<b>Cash flow from financing activities</b>		
Proceeds from bank borrowings	7,400	-
Repayment of bank borrowings	-	(645)
Repayment of finance lease	1	15
Sale/Purchase of shares held in treasury	79	(548)
Dividends paid	(1,027)	(359)
Dividends paid to minority interest	(135)	(144)
<b>Net cash flow from financing activities</b>	<b>6,318</b>	<b>(1,681)</b>
<b>Net increase in cash and cash equivalents</b>	<b>3,851</b>	<b>3,723</b>
<b>Cash and cash equivalents at the beginning of period</b>	<b>6,245</b>	<b>2,522</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>11</b>	<b>6,245</b>

## ABBREVIATED NOTES TO THE FINANCIAL STATEMENTS

### 1. Basis of preparation and presentation of financial statements

The figures for the year ended 31 March 2009 are unaudited and are not full financial statements. The figures for the years ended 31 March 2009 and 31 March 2008 are non-statutory. The figures for the year ended 31 March 2008 are extracts from the full financial statements delivered to the Registrar of Companies. The report of the auditors on those financial statements was unqualified and contained no statements under either Section 237(2) or 237(3) of the Companies Act 1985.

The consolidated financial statements have been prepared in accordance with applicable International Financial Reporting Standards as adopted by the EU and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). These financial statements are presented in Sterling since that is the currency in which the Group transacts a substantial part of its business and is the currency considered most convenient for shareholders.

### 2. Segmental analysis

#### Segment Reporting 2009

	Property fund Management	Property Trading	Property facilities management	Other fees & income	Unallocated central overheads	<b>TOTAL</b>
	£'000	£'000	£'000	£'000	£'000	£'000
Revenue	4,571	1,202	5,355	98	-	<b>11,226</b>
Depreciation and amortisation	14	2	52	1	8	<b>77</b>
Operating profit	3,457	849	613	8	(1,493)	<b>3,434</b>
Analysed as:						
Before performance fees and related items	2,962	860	653	8	(869)	<b>3,614</b>
Performance fees	589	-	-	-	-	<b>589</b>
Staff bonus	(94)	(11)	(40)	-	(624)	<b>(769)</b>
Hedging cost	-	-	-	-	-	<b>-</b>

#### Segment Reporting 2008

	Property fund Management	Property Trading	Property facilities management	Other fees & income	Unallocated central overheads	<b>TOTAL</b>
Revenue	8,341	2,116	4,938	178	-	<b>15,573</b>
Depreciation and amortisation	17	2	44	1	25	<b>88</b>
Operating profit	5,735	771	737	(36)	(1,230)	<b>5,977</b>
Analysed as:						
Before performance fees and related items:	2,305	771	806	(36)	(1,230)	<b>2,616</b>
Performance fees	5,650	-	-	-	-	<b>5,650</b>
Staff bonus	(1,734)	-	(69)	-	-	<b>(1,803)</b>
Hedging cost	(486)	-	-	-	-	<b>(486)</b>

### 3. Dividend on ordinary shares

	2009 £'000	2008 £'000
Interim dividends paid during year (2009:0.30pence, 2008:0.15pence)	325	166
Approved final Dividend for the year ended 31 March 2008 0.65 pence (2007: 0.175 pence per share)	702	193
	<b>1,027</b>	359

### 4. Earnings per share

	2009	2008
Basic earnings per share	<b>2.81p</b>	4.04p
Diluted earnings per share	<b>2.74p</b>	3.81p

The calculation of basic earnings per share is based on the profit for the year after taxation and minority interest, and on the weighted average number of ordinary shares in issue during the period (excluding shares held as Treasury Shares).

The figures in the tables below have been used in the calculations:

	2009 Number	2008 Number
Weighted average number of ordinary shares in issue	<b>108,079,973</b>	110,223,796
Potentially dilutive share options	<b>3,100,000</b>	7,437,500
	<b>111,179,973</b>	117,661,296

	2009 £'000	2008 £'000
Basic earnings	<b>3,042</b>	4,458
Diluted earnings assuming full dilution	<b>3,046</b>	4,489

### 5. Investments

The Group had the following investments:

	2009 Group £'000	2008 Group £'000
<b>Associated companies and Unlisted securities</b>		
At 1 April	(39)	274
Additions	98	-
Disposals	(37)	(75)
Share of associated company's profit after tax	135	109
Impairment loss	(11)	(13)
Less: Share of profit after tax on sale of property in associate	-	(334)
At 31 March	<b>146</b>	(39)
	<b>146</b>	(39)

## 6. Trade and other receivables

	2009	2008
	Group	Group
	£'000	£'000
Trade receivables	1,475	1,794
Amounts due from undertakings in which the company has a participating interest	230	203
Other receivables	200	422
Prepayments and accrued income	969	5,736
Other taxation	-	-
	<b>2,874</b>	<b>8,155</b>

Trade receivables include £nil (2008: £252,000) due from 366 HS Ltd, an undertaking in which the company had a participating interest.

## 7. Payables

	2009	2008
	Group	Group
	£'000	£'000
<b>Amounts falling due within one year</b>		
Bank loans	-	-
Trade payables	1,392	914
Other taxation and social security	180	269
Other payables and accruals	1,453	2,910
Deferred income	85	83
Finance Leases	25	40
	<b>3,135</b>	<b>4,216</b>

	2009	2008
	£'000	£'000
<b>Amounts falling due after more than one year</b>		
Bank loans	7,400	-
Finance leases	52	36
	<b>7,452</b>	<b>36</b>

	2009	2008
	£'000	£'000
<b>Net obligations under bank loans and finance leases</b>		
Repayable within one year	27	44
Repayable within one and five years	123	42
Repayable within one and five years	7,337	-
	<b>7,487</b>	<b>86</b>
Finance charges and interest allocated in future accounting periods	(10)	(10)
	<b>7,477</b>	<b>76</b>

Bank loans totalling £7,400,000 (2008: £Nil) included within creditors are secured against properties owned by the Group shown under inventories at the lower of purchase cost, together with incidental costs of acquisition and any subsequent development costs, and net realisable value.

## 8. Called-up share capital

	2009 £'000	2008 £'000
Authorised		
240,000,000 (2008: 240,000,000) Ordinary shares of 1p each	2,400	2,400
Allotted, called up and fully paid		
111,601,115 (2008: 111,601,115) Ordinary shares of 1p each	1,116	1,116

Of the issued share capital, 3,430,588 Ordinary shares (2008: 3,757,685) are held in treasury.  
The Company had 9,437,500 options outstanding at 31 March 2009 (2008: 8,437,500).

## 9. Share premium account and reserves

	Share premium account	Foreign Exchange Translation reserve	Merger reserve	Share- based Payment Reserve	Purchase of own shares	Retained earnings	Minority interest
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>At 1 April 2008</b>	<b>5,298</b>	<b>780</b>	<b>5,823</b>	<b>71</b>	<b>(634)</b>	<b>(468)</b>	<b>83</b>
Profit for the financial period	-	-	-	-	-	3,220	-
Transfer of merger reserve	-	-	(5,823)	-	-	5,823	-
Increase in foreign exchange translation reserve	-	(611)	-	-	-	-	-
Sale /Purchase of treasury shares	9	-	-	-	70	-	-
Payment of dividends	-	-	-	-	-	(1,027)	(135)
Equity share options issued	-	-	-	9	-	-	-
Minority interest	-	-	-	-	-	(178)	178
<b>At 31 March 2009</b>	<b>5,307</b>	<b>169</b>	<b>-</b>	<b>80</b>	<b>(564)</b>	<b>7,370</b>	<b>126</b>

## 10. Reconciliation of movements in equity shareholders' funds

	<b>Group</b>	
	<b>2009</b>	2008
	<b>£'000</b>	£'000
		(Restated)
Opening shareholders' funds as previously reported	<b>12,069</b>	7,664
Prior Period Adjustment (IFRS - minority interest)	-	24
Prior period adjustment (IFRS – share-based payments)	-	44
Opening shareholders' funds as restated	<b>12,069</b>	7,732
Profit for the financial year before dividends after minority interest	<b>3,220</b>	4,661
Equity minority interest dividend paid	<b>(135)</b>	(144)
Decrease/Increase in foreign exchange translations reserve	<b>(611)</b>	700
Equity share options issued	<b>9</b>	27
Sale/Purchase of own treasury shares	<b>79</b>	(548)
Dividends paid	<b>(1,027)</b>	(359)
Closing shareholders' funds	<b>13,604</b>	12,069

## 11. Reconciliation of movement in net funds

	1 April 2008 £'000	Cash flow £'000	31 March 2009 £'000
Cash at bank and in hand	6,245	3,851	<b>10,096</b>
Short term deposits	(3,972)	(5,422)	<b>(9,394)</b>
Cash (excluding short term deposits)	2,273	(1,571)	<b>702</b>
Short term deposits	3,972	5,422	<b>9,394</b>
<b>Debt due within one year</b>			
Finance leases	(40)	15	<b>(25)</b>
Property loan	-	-	-
<b>Debt due after one year</b>			
Finance leases	(36)	(16)	<b>(52)</b>
Property loan	-	(7,400)	<b>(7,400)</b>
	6,169	(3,550)	<b>2,619</b>

## 12. Report circulation

Copies of this preliminary results announcement are available from the Company's registered office at 17 Quayside, William Morris Way, London SW6 2UZ.

Copies of the Annual Report and Accounts will be sent to shareholders by 6 August 2009 for approval at the Annual General Meeting to be held on a date to be announced and will also be available at the Company's registered office.