Group Financial Summary and Highlights

	2008 £'000	2007 £'000	2006 £'000 (see note)
Revenue	**40,835**	**34,326**	37,986
Adjusted profit before taxation and IFRS 2 charge	**2,159**	**1,635**	1,452
Profit before taxation	**2,046**	**1,540**	1,404
Taxation charge	**(657)**	**(308)**	(416)
Profit transferred to reserves	**1,389**	**1,232**	988
Dividend	**(338)**	**(295)**	(276)
Earnings per share			
Basic before IFRS 2 charge	**2.45p**	**2.16p**	1.69p
Basic	**2.26p**	**2.01p**	1.61p
Dividend per share	**0.55p**	**0.48p**	0.45p

Note: The Group has adopted IFRS for the first time in the year ended 30 June 2008. The results for the year ended 30 June 2007 have been restated within this announcement. The results for the year ended 30 June 2006 have also been restated and are unaudited.

Financial Highlights

- Adjusted PBT (before IFRS 2 charge) increased by 32 % to £2.159 m (2007: £1.635 m).
- Revenue increased by 19 %.
- Gross margin improved to 32.3 % (2007: 30 %).
- Operating cash flow of £0.8 m (2007: £3.7 m).
- After funding IT spend of £1.5 m, borrowings increased by £1.1 m to £3.0 m (2007: £1.9 m). The Group remains lowly geared (22 % vs. 16 % in 2007).
- In line with continued growth in earnings, adjusted Basic EPS (before IFRS 2 charge) increased by 0.29 p, or 13 %, to 2.45 p (2007: 2.16 p).
- Proposed final dividend increased by 17 % to 0.34 p per share (2007: 0.29 p per share). Interim and final dividend in respect of 2008 increased by 15 % to 0.60 p (2007: 0.52 p).

Operational Highlights

- Implementation of an innovative major non-fault contract with a Top 3 Motor Insurer.
- During the year, Ai worked with 10 of the Top 20 motor insurers and all of the Top 5.
- Pilot with leading vehicle manufacturer commenced.

Group Financial Summary and Highlights
continued

- The innovative 'Defenda' product grew strongly, and was used by 9 of the Top 20 motor insurance companies.
- Signing of 2 year fixed price contracts with multiple vehicle suppliers gives Ai access to unprecedented levels of vehicles at competitive prices which will enable us to comfortably meet our growth plans whilst protecting against the risks of owning a fleet of vehicles.
- Debtor days of 82 continue to reflect Ai's strong relationships with the insurance market (2007: 55 days) and outperform our major quoted competitors.
- Expanded into a third building on Ai's Blackpool campus.
- The Ai Repair network, the first UK network to mandate the new Industry Kitemark, continued to expand and now includes 170 repairers.
- Continued roll out of the Claims Administration and Recovery System.

For further information, please contact:-

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Dru Danford – Shore Capital and Corporate Limited (NOMAD to the Company)	0207 468 7905

Chairman's Statement

The Group has once again continued to improve its financial performance in terms of balance sheet strength, profits and margin, whilst building capacity to continue to grow through investment in systems and people, process improvements and innovative commercial propositions to partner the motor claims market.

Results

Adjusted profit before tax (before IFRS 2 charge) was £2.159 m (2007: £1.635 m). The result was, as expected, biased towards the second half of the year.

Revenue increased 19 %, from £34.3 m to £40.8 m. Hire revenue increased to 60 % of total revenue from 53 % whilst repair income fell from 37 % to 27 % over the same period. Gross margin increased from 30 % to 32 %.

During the second half of the year, Ai implemented a significant new contract with a major motor insurer. Fee based income rose by £2.2 m from £0.3 m to £2.5 m as a result of Defenda expansion and our contract to manage the repairs to Avis' UK fleet.

Our cash generation continued to be strong with £0.8 m generated from operating activities (2007: £3.7 m). Our debtor days, which we calculate using the countback method, average 82 days (2007: 55 days), which remains substantially better than our quoted competitors. This reflects the success of Ai's collaborative way of working with the insurance market, managing its own claim costs down and the emphasis placed on cash collection to enable further expansion and development of Ai's business model. Debtor days were affected by the need to transfer some claims settlement resource to support the rapid growth of the Defenda product during the period. This is a transitional arrangement and we expect a reduction in debtor days going forward.

Borrowings increased by £1.1 m during the year, after absorbing £1.5 m of capital expenditure on IT and infra-structure development to support the growth in headcount and the roll out (in October 2007) and ongoing development of the new Claims Administration and Recovery System (CARS). Our gearing (debt as a proportion of shareholder funds) remains low at 22 % (2007: 16 %).

Strategy

Most insurance companies now offer like for like vehicle replacement to their not at fault customers utilising Credit Hire. At the same time these companies are concerned with the total costs of credit hire and are actively seeking to manage claims cost leakage. Their relationships with some of the more aggressive players in the credit hire market remains fractious. Ai has always had a participative, long term approach to working with the insurance market and developing innovative products to manage claims costs effectively, and will continue to do so. As such Ai continues to have excellent relationships with Insurers who are increasingly recognising our business model as being different.

Ai has flexibility in its operational gearing, through running a cash efficient model, and outsourcing the provision of a vehicle fleet – thereby avoiding the financing cost and residual value risk and providing greater flexibility in both range and volume of vehicles. The current difficulties in the credit market do not restrict Ai's ambition of significant growth.

Ai has invested substantially over the last three years in both people and technology and we are now realising the benefits in terms of both operating costs and flexibility.

Board Change

Charles Good retired as Chairman of the company with effect from 1 July 2008. On behalf of the board, I would like to express our sincere thanks to Charles for his stewardship since the company floated at the end of 1999; I inherit as Chairman a company which is well positioned for the future.

Ai continues to strengthen its management team to facilitate further growth and performance improvements. This is covered in more detail in the Chief Executive's Review.

Several other changes at the operating company level have enhanced Ai's management strength and leave the business well poised to continue its recent success.

Chairman's Statement
continued

Dividends

The Board is pleased to propose a final dividend of 0.34 p per share for the year to 30 June 2008 to be paid on 7 January 2009 to shareholders on the register at 12 December 2008, an increase in the year of 17 %, taking total dividends in respect of 2007-08 to 0.60 p – an increase of 15 % over the previous year.

Future Prospects

As the pressure on the insurance market increases to generate revenue and control costs, credit hire has moved up the agenda with Insurance Company executives which means they are likely to be increasingly discerning as to who they work with in the future. We believe this to be an encouraging development as our business model is more aligned to the needs of both brokers and insurers compared with many of our competitors. The general financial climate is of course extremely hostile at the moment but we have no exposure to falling second hand car values, we have low debt, significant borrowing headroom and can offer low cost outsourcing options to insurers looking to cut costs and headcount.

We have increased our focus on the broker market and the manufacturing sector and have good prospects of building on recent successes in these areas although the market remains highly competitive and we are not taking success for granted.

2006 was a turn-round year for the Company and 2007 enabled us to consolidate that position with further profit growth. 2008 has proved the best year so far with good growth in revenues and even better growth in profits. Despite the hostile economic climate we believe we can continue to make further progress in the coming year.

It is a testament to our people and the commitment shown by them across all levels of the business that this progress has been achieved and I pass on my sincere thanks on behalf of the Board.

Steve Broughton
Chairman

Chief Executive's Review

Introduction

I am delighted to report that Ai has continued its strong financial performance, with a 19 % increase in revenue and a 32 % increase in adjusted PBT. There have been a number of developments in the market this year which have given Ai the opportunity to introduce products and take advantage of our innovative approach to claims management.

Market Developments

Motor insurance companies remain challenged in producing a profitable underwriting result. Whilst the frequency of accidents is reducing, the cost per claim continues to rise above the rate of inflation. Although the frequency and cost of Personal Injury claims continues to be a factor, credit hire is now firmly on the executive agenda.

With both the frequency and cost of credit hire claims continuing to rise, it is of no surprise that insurers will continue to seek alternatives to the cost inflation they are seeing. Against the backdrop of a continuing soft market, claims cost inflation and insurers desire to reduce expense, Ai is commercially and operationally well positioned to provide solutions, by continuing to work co-operatively with the motor insurance market.

The GTA rate review was a tortuous process, with mediation failing to achieve an agreed result, but resulted in a rate improvement of 3.5 % from 1 June 2008, with an agreement to develop a better mechanism to manage future price increases and a more formal governance process. Whilst the GTA is an established mechanism for the handling of credit hire claims, it is misleading to assume that there is a standard approach to raising a credit hire claim against the insurance market.

Governance, interpretation, process and policy adherence remain sporadic which leads to a mistrust between traditional Credit Hire Organisations and the insurers. This drives unproductive behaviours such as increased cost, conflict, litigation and mistrust – which we have experienced whilst managing incoming Credit Hire claims on behalf of insurers through our Defenda product.

Business and Commercial Development

Ai continues to broaden its distribution strategy, and to develop the range of products it offers to the insurance and automotive sectors. In highly competitive market conditions Ai is making solid progress and our brand awareness amongst insurance broker and the automotive sectors is leading to an increase in invitations to tender and pre-tender dialogue.

It is a testament to this progress that Ai has won a contract with a Top 3 motor insurance company to provide accident management services to their customers. This contract is innovative both operationally and financially, leading to a better customer journey than other Credit Hire offerings.

I am especially proud of the success of our Defenda product. This leverages Ai's expertise in the credit hire market on behalf of our referrer clients, to defend incoming credit hire claims on their behalf. This product was short listed as the 'Claims Initiative of the Year' at the British Insurance Awards 2008 and the Insurance Times Awards 2008. This product has been used by 9 of the Top 20 insurers. The demand for Defenda has been considerable and has placed operational challenges on us to manage the growth. We invested in our people and systems to deliver a more robust service and we are continuing to enhance the proposition to include further value added components. Whilst our customers buy for a variety of reasons, such as to provide additional capacity, benchmark in-house teams and strategic outsourcing, I believe that our investment will enable us to yield valuable financial benefits for our customers at the same time as reducing the cost of delivery.

The broker sector is largely already contracted to traditional Credit Hire Organisations however we are witnessing significant tender activity as brokers look to achieve more favourable terms. Ai is enhancing its commercial offering, building upon its ethical reputation, and offering competitive commission levels to develop this area.

We have strengthened our automotive sales team and are actively exploring the potential of this sector. We have also commenced a pilot with a leading vehicle manufacturer to provide accident management services to their customers.

Ai was the first motor claims management company to mandate the new PAS 125 Kitemark accreditation for its repair network. The network continues to deliver good service with a keen eye on cost control.

Chief Executive's Review
continued

We have secured our rental requirements for the medium term through our partner Avis, supported by additional providers National/Guy Salmon and Nexus in non–core fleet areas. This provides pricing certainty and favourable payment terms as well as securing the highest level of service to our customers. In the current economic climate it is important that Ai is also protected from the risk of falling car values.

Our market leading Claims Administration and Recovery System (CARS) went live in October 2007 and is being rolled out on a customer by customer basis. This system was built in house, specific to Ai's needs, around technologically advanced workflow software. The flexibility of the system allows us to receive work electronically and drive process efficiencies.

People

Chris Shaw has been appointed Commercial Director of the Group's Operating company. Chris has worked at Ai for 7 years and was previously Claims Director. Our Sales Director, Chris Brown, left the business in September 2008.

Replacing Chris as Claims Manager is Steve Hunter, previously Collections Manager at Albany, a subsidiary of Helphire. Steve worked at Ai for 3 years up to 2006 and the fact that he has chosen to return to Ai demonstrates confidence in Ai's strategy and approach.

Jim Monteith, previously Technical Services Director, has become Automotive Director, responsible for managing the Groups vehicle supply channels and repair network. Jim is also responsible for the Automotive sales channel. This enables the Group to maximise Jim's considerable experience in these areas.

We have also strengthened our key support functions, with the appointment of Peter Taylor as IT Director. Peter joins from Deloitte where he was a senior manager in the IT practice, having previously worked at Ernst & Young and ICI. Peter has extensive insurance sector experience and his appointment is a key addition to the team as Ai develops as an innovative business partner to the insurance sector.

Lesley Heatley also joined the business as Head of HR. Lesley has worked in a number of HR roles at companies including O2 and Abbey Santander.

Ai invests in the development of staff at all levels. The Talent Academy is an internal MBA type course managed and run by the senior management of the business. This programme won the Best Training Award at the North West Call and Contact Centre Awards in 2007. A further nine employees graduated from the Academy last year and the selection process for this years intake, which has been heavily oversubscribed by our staff, has just been completed.

Operational Performance

Referral levels increased overall by 59 % during the year including the significant growth in the Defenda product. Specifically on non fault, referrals increased by 11 % and the new insurer non fault contract continued to develop during the year. Hire conversion levels were consistent with the previous year across the whole book.

We succeeded in reducing hire durations across both the Reserva and Mobilisa products from 18 days on both schemes during 2007 to 15 days and 16 days respectively during 2008. The reduction in Reserva durations was assisted by the strong repair network performance. On the Mobilisa side, through innovative process design we have been able to deliver considerable cost savings to the general market whilst improving the customer journey at the same time. The non fault hire duration is one of the lowest in the market place, at least a third lower than the recorded durations of other credit hire operators in the sector.

The operational feedback from customers and referrers continues to be excellent and we again achieved over 95% satisfaction rating from our own surveys.

Although our debtor days increased from 55 days to 82 days this was as expected as resources were transferred to our fast growing Defenda team. Debt collection performance continues to be significantly better than most Credit Hire Organisations and this is down to Ai's ethical approach to working in partnership with the insurance sector.

This year we have increased our average number of employees from 256 to 328 (28 %) in line with business growth, whilst maintaining sub 30% attrition and we currently employ 423 people. Efficiency savings will flow from the implementation of the workflow methodologies embodied in the new CARS system. On the back of

Chief Executive's Review

continued

growth, we have taken on an additional building on our Blackpool campus to house several support functions and enable core operational areas further room to grow.

We are striving to be the employer of choice on the Fylde coast and are proud to be in the Top 10 employers in this area. I am also proud of our commitment to local charities; during the year Ai and its staff paid £5,000 to fund local good causes.

Outlook

I write this report at a time of considerable macro-economic instability. The effects of the credit crunch and ripple effects flowing through the financial sector make it difficult to predict future market developments. However I believe there are significant commercial opportunities for Ai which we are well positioned to exploit, through our commercial, financial and operating models and ethical way of working with the insurance market.

I therefore look forward to Ai continuing to grow across our broader commercial footprint. Whilst the sector remains challenging it is very enjoyable and I have a good, technically competent, dedicated team around me.

David Sandhu
Chief Executive

Finance Director's Review

Financial Overview

The Group generated a pre-tax profit of £2.046 m in the year (2007: £1.540 m) an increase of 33%. Profit before tax and IFRS2 charge was £2.159 m (2007: £1.635 m).

Revenue of £40.8 m increased by 19 % over the previous year due to growth in Ai's core vehicle replacement services and the continued expansion of the new Defenda product. Hire revenue increased by 36 % compared to the previous year and Defenda income amounted to £1.6 m. These changes together with a reduction in the volume and proportion of lower margin repair business improved margins from 30 % to 32 %.

Administrative expenses of £11.1 m increased by 30 % over the previous year, in line with profit and a 28 % increase in FTE's. Expenses also included amortisation of the new Claims and Recovery System (CARS) and growth related costs such as marketing and recruitment.

Financing

Net financing costs reduced by 58 % to £89,000 (from £213,000) due to tighter working capital management.

Taxation

The Group expects to make a corporation tax payment of £49,000 as brought forward losses were fully utilised. Due to profits made during the year, the deferred tax asset of £744,000 has now fallen to £152,000 and represents deferred expenditure and timing differences on capital allowances.

Earning Per Share

Basic Earnings Per Share (EPS) increased by 0.25 p to 2.26 p (2007: 2.01 p). Adjusted EPS, which measures EPS before IFRS 2 charge, increased by 0.29 p to 2.45 p (2007: 2.16 p).

Dividends

The dividend charge of £338,000 is composed of the payment of a final dividend in relation to the year ended 31 June 2007 of 0.29 p and declaration of an interim dividend in respect of the 6 months to 31 December 2007 of 0.26 p. The Board have proposed the payment of a final dividend for the year of £289,000 (0.34 p per share), payable on 7 January 2009 to shareholders on the share register at 12 December 2008.

In line with accounting standards, only dividends declared in a financial period are reflected in the financial statements for that period. Accordingly, the proposed payment of £289,000 is not reflected in these financial statements.

Cashflow and Working Capital

Net cash inflow from operating activities was £0.8 m (2007: £3.7 m). Cash collection was affected by a short term transfer of claims resource to support the growth in the Defenda product. Accordingly debtor days increased from a low of 55 in June 2007 to 82 days in June 2008. These staff have now returned to their previous duties and the Defenda team is fully resourced. We would accordingly expect to be able to reduce debtor days over the coming year

The Group's net working capital (trade and other receivables less trade and other payables) increased from £2.3 m in June 2007 to £4.4 m in June 2008. This represents 39 days income (2007: 22 days income).

Intangible Assets

Intangible asset additions of £1.2 m relate to the ongoing development of Ai's in-house system, CARS, which went live as planned in October 2007. A new software suite was built to enable Defenda to operate on the new platform from April 2008. Amortisation of the system amounted to £0.2 m during the year.

Property, Plant and Equipment

In line with an increase in the average number of employees from 256 to 328, the Group has invested £0.3 m in enhanced office space, including the refurbishment of an additional building on Ai's Blackpool campus, and IT equipment.

Finance Director's Review

continued

Capital Structure and Financing

Borrowings stand at £3.0 m (2007: £1.9 m). Borrowings consist of a bank overdraft of £1.8 m and structured finance in the form of a property loan and computer leases. The Group has a revolving overdraft funding facility with Yorkshire Bank calculated as 80 % of sub 240 day trade receivables, capped at £10 m.

The business differentiates itself from Credit Hire Organisations by operating a lean financial model based around rapid collection and strong management of debt, whilst avoiding the risks of maintaining a fleet of vehicles. Accordingly balance sheet gearing remains low, with a ratio of debt to shareholders funds of 22 % (2007: 16 %).

Interest charges on the overdraft and property loan are variable, linked to Yorkshire Bank's base rate.

Financial Risk Management

The Group does not enter into derivative transactions and does not trade in financial instruments. The main risk arising from financial instruments is interest rate risk, which is linked to movements in Yorkshire Bank's base rate.

The Group enters into contracts with customers, for which vehicle provision and repair labour prices may be prescribed for periods of up to 12 months. The Group secures supply arrangements with rental companies and repairers to mitigate the impact of volatility in prices over broadly similar periods. In relation to non-fault hires, the company is a subscriber to the ABI's General Terms of Agreement (GTA). GTA rates are agreed between insurers and credit hire companies annually. When pricing contracts, the company takes account of key potential sensitivities.

Interest Rate Risk

The Group finances its operations from a mixture of equity, bank borrowings and lease financing. The Group borrows at floating rates of interest up to 1.5% above Yorkshire Bank base rate. No interest rate caps or swaps are used to manage exposure to interest rate fluctuations.

Liquidity Risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the Group uses a mixture of short and long term debt finance.

Implementation of International Financial Reporting Standards

As an AIM listed company the Group has reported under International Financial Reporting Standards (IFRS) for the year ended 30 June 2008. The Group issued re-stated financial statements for the year ended 30 June 2007 during December 2007.

Peter Harrison
Group Finance Director

Consolidated Income Statement

for the year ended 30 June 2008

	Note	**2008**	2007
		£000	£000
Revenue		**40,835**	34,326
Cost of sales		**(27,629)**	(24,043)
Gross profit		**13,206**	10,283
Administrative expenses		**(11,071)**	(8,530)
Operating profit		**2,135**	1,753
Financial income	1	**21**	-
Financial expenses	1	**(110)**	(213)
Net financing costs		**(89)**	(213)
Profit before tax		**2,046**	1,540
Taxation	2	**(657)**	(308)
Profit for the year		**1,389**	1,232
Basic earnings per ordinary share	3	**2.26p**	2.01p
Diluted earnings per ordinary share	3	**2.23p**	2.00p

Consolidated Balance Sheet
at 30 June 2008

	2008	2007
	£000	£000
Assets		
Non-current assets		
Goodwill	**6,726**	6,726
Other Intangible assets	**2,679**	1,665
Property, plant and equipment	**2,610**	2,936
Deferred tax assets	**152**	745
	12,167	12,072
Current assets		
Trade and other receivables	**17,446**	13,161
Cash and cash equivalents	**53**	6
	17,499	13,167
Total assets	**29,666**	25,239
Current liabilities		
Financial liabilities - borrowings	**(1,956)**	(806)
Trade and other payables	**(13,011)**	(10,863)
Current tax liabilities	**(49)**	-
	(15,016)	(11,669)
Non-current liabilities		
Financial liabilities – borrowings	**(1,027)**	(1,126)
	(1,027)	(1,126)
Total liabilities	**(16,043)**	(12,795)
Net assets	**13,623**	12,444
Shareholders' equity		
Share capital	**6,142**	6,142
Share premium account	**1,579**	1,579
Other reserves	**271**	158
Retained earnings	**5,631**	4,565
Total shareholders' equity	**13,623**	12,444

Consolidated Cash Flow Statement

for the year ended 30 June 2008

	Note	**2008**	2007
		£000	£000
Cash flows from operating activities			
Profit for the year		**1,389**	1,232
Adjustments for:			
Depreciation of property, plant and equipment		**621**	632
Amortisation of other intangible assets		**171**	
Gain on sale of property, plant and equipment		**-**	(2)
Share compensation charge		**113**	95
Financial income	*1*	**(21)**	-
Financial expense	*1*	**110**	213
Taxation	*2*	**657**	308
Increase in trade and other receivables		**(4,285)**	(772)
Increase in trade and other payables		**2,148**	2,244
Interest paid	*1*	**(110)**	(213)
Net cash from operating activities		**793**	3,737
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		**-**	6
Interest received	*1*	**21**	-
Purchases of property, plant and equipment		**(295)**	(492)
Purchases of other intangible assets		**(1,185)**	(1,079)
Net cash from investing activities		**(1,459)**	(1,565)
Cash flows from financing activities			
Proceeds from the issue of share capital		**-**	12
Proceeds of borrowings		**1,278**	-
Repayment of borrowings		**(48)**	(1,653)
Payment of finance lease liabilities		**(179)**	(234)
Dividends paid		**(338)**	(295)
Net cash from financing activities		**713**	(2,170)
Net increase in cash and cash equivalents		**47**	2
Cash and cash equivalents at 1 July		**6**	4
Cash and cash equivalents at 30 June		**53**	6

Consolidated Statement of Changes in Equity

for the year ended 30 June 2008

	Share capital £000	Share premium £000	Other reserve £000	Retained earnings £000	Total £000
At 1 July 2006	6,136	1,573	63	3,628	11,400
Profit for the year	-	-	-	1,232	1,232
Issue of ordinary share capital	6	6	-	-	12
Equity-settled share based payment transactions	-	-	95	-	95
Dividends	-	-	-	(295)	(295)
At 30 June 2007	6,142	1,579	158	4,565	12,444
At 1 July 2007	6,142	1,579	158	4,565	12,444
Profit for the year	-	-	-	1,389	1,389
Equity-settled share based payment transactions	-	-	113	-	113
Deferred tax on share options	-	-	-	15	15
Dividends	-	-	-	(338)	(338)
At 30 June 2008	**6,142**	**1,579**	**271**	**5,631**	**13,623**

Notes

1. Finance income and expense

	2008	2007
	£000	£000
Bank interest receivable	**21**	-
Financial income	**21**	-
Interest expense on bank loans and overdrafts	**98**	181
Interest expense on obligations under finance lease and similar hire purchase contracts	**12**	32
Financial expenses	**110**	213

2. Taxation

Analysis of charge for the year

	2008	2007
	£000	£000
Current tax expense		
Current year	**49**	-
Deferred tax expense		
Origination and reversal of temporary differences	**608**	308
	657	308
Total tax in income statement	**657**	308

Reconciliation of effective tax rate

	2008	2007
	£000	£000
Profit for the period	**1,389**	1,232
Total tax expense (including tax on discontinued operations and equity accounted investees)	**657**	308
Profit excluding taxation	**2,046**	1,540
Tax using the UK corporation tax rate of 30 % (2007: 30 %)	**614**	462
Non-deductible expenses	**69**	67
Adjustments for tax rate changes	**6**	-
Adjustments to deferred tax to reflect changes to prior charge	**(19)**	(221)
Marginal relief	**(13)**	-
Total tax expense	**657**	308

Notes

3. Earnings per share

Basic earning per ordinary share

The calculation of basic earnings per ordinary share at 30 June 2008 is based on the profit for the period attributable to equity holders of the parent and a weighted average number of ordinary shares outstanding during the year, calculated as follows:

	2008	*2007*
Profit for the year attributable to ordinary shareholders	***£1,389,000***	*£1,232,000*
Weighted average number of ordinary shares	***61,416,189***	*61,416,189*
Basic earnings per share	***2.26p***	*2.01p*

Diluted earnings per ordinary share

The calculation of diluted earnings per ordinary share at 30 June 2008 is based on the profit for the period attributable to equity holders of the parent and a weighted average number of ordinary shares outstanding during the year including share options with a dilutive effect, calculated as follows:

	2008	*2007*
Profit for the year attributable to ordinary shareholders	***£1,389,000***	*£1,232,000*
Weighted average number of potential ordinary shares - diluted	***62,157,956***	*61,663,517*
Basic earnings per share	***2.23p***	*2.00p*

4. Preliminary Announcement

The unaudited preliminary statement, which has been agreed with the auditors, was approved by the Board of Directors on 22 September 2008. It is not the Company's statutory accounts. Copies of the Group's audited statutory accounts for the year ended 30 June 2008 will be despatched to shareholders and the AIM Team shortly. The auditors have not yet reported on these accounts. Copies will also be available to the public at the Company's registered office; Indemnity House, Sir Frank Whittle Way, Blackpool Business Park, Blackpool, FY4 2FB.

The statutory accounts for the period ended 30 June 2007 received an unqualified audit report and did not contain statements under Section 237 (2) or Section 237 (3) of the Companies Act 1985. The statutory accounts for the period ended 30 June 2007 have been delivered to the Registrar of Companies.