PSG Solutions plc

ANNUAL REPORT AND ACCOUNTS 2009

contents

chairman's statement
As at 31 March 2009

PSG Solutions ('the Group')

A breakdown of the operating profit between the Group's activities for the years ended 31 March 2009 and 2008 is as follows:

	2009 £'000	2008 £'000
Property Information Services	**519**	3,075
Audiotel	**724**	274
Moore & Buckle	**218**	387
Patersons Financial Services	**137**	273
	1,598	4,009
Less		
Head Office costs	**(458)**	(798)
	1,140	3,211
Add		
Finance income	**112**	58
	1,252	3,269
Exceptional credits/(expenses)	**81**	(28)
Total pre-tax profit	**1,333**	3,241

I am able to report a profit before tax for the year of £1,332,465 compared with a profit before tax of £3,240,738 last year.

Turnover for the year was £10,109,136 compared with £14,467,419 last year.

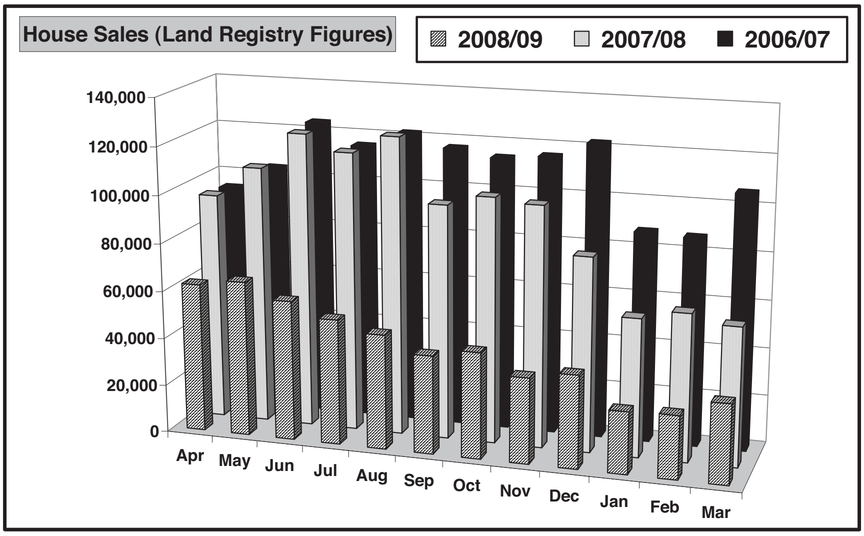
For the Group's main Property Information Services business (PSG), operating profit fell by 83%.

PSG has established itself as one of the largest providers to the residential property market of home information packs (HIPs) and their components, including local searches and energy performance certificates (EPCs).

A major factor attributable to the fall in profit is the drop in residential house sales. According to Land Registry figures these have fallen from 1,128,195 in the period April 2007 to March 2008 to 532,345 in the same period of 2008/09, a drop of 53% year on year.

In addition margins have been squeezed due to:

- Poor, if non-existent, enforcement of regulations by Trading Standards within the HIP market place. This



Month	2008/09	2007/08	2006/07
Apr	62,393	95,272	94,078
May	65,017	108,042	103,840
Jun	58,616	123,385	124,228
Jul	52,565	116,817	115,541
Aug	48,017	124,567	121,892
Sep	41,171	98,087	116,861
Oct	44,356	102,597	114,072
Nov	35,846	100,731	115,872
Dec	38,883	81,299	122,412
Jan	25,900	57,843	87,685
Feb	26,420	61,626	86,788
Mar	33,161	57,929	106,153
Year	**532,345**	**1,128,195**	**1,309,422**

chairman's statement

As at 31 March 2009

has led to a plethora of low cost HIP suppliers providing poor quality and often non-compliant products to the unsuspecting general public.

- Estate agents under the HIP regime have replaced solicitors as the main processors of the HIP. Whereas solicitors are forbidden from adding any premiums to the cost price of the HIP, estate agents can, and often do, add and retain for themselves substantial margins.

- Increased competition from other sections of the property marketplace that have diversified into HIPs and EPCs as the numbers of transactions reduced.

- Introduction of additional regulations in the search industry that, yet again, have not been enforced by the appropriate regulatory bodies and have provided Local Authorities with the means and the opportunity to use and sometimes abuse their dominant market position as the monopoly supplier of data for Local Search reports.

Audiotel had an impressive performance increasing its operating profit by 164% to £723,570.

Sales in the year encompassed the comprehensive range of counter surveillance products and newly enhanced 'Stealth Evolution' surveillance systems. The prospect of building on this is encouraging, as continual market sensitive product enhancements are made to the range of products and improved technical marketing resource has been introduced.

Moore & Buckle operating profit fell by 44% to £218,260. Recent attainment of BRC/IOP accreditation at the highest level enables the business to service higher margin pharmaceutical business.

Despite the difficult conditions the Group Balance Sheet continues to strengthen with net cash funds at the year end of £3,211,648 (2008: £2,254,877).

PSG

Considering the turbulence felt throughout the housing sector and the subsequent enormous pressure placed on the business, it is heartening to note that PSG together with its Franchisees has remained at the forefront of the Property Information industry. It is also noteworthy that its position as one of the market leaders has been achieved without any dilution of quality of product or quality of service in a changing market place dominated by lowest cost. Both PSG and its Franchisees have had to make substantial adjustments to their businesses to compete and it is highly commendable that they end the year with a trend indicating that they are gaining market share, albeit in a very diminished market as a whole, with transactions down by over 50%.

PSG's wholly-owned West Yorkshire Franchise in Huddersfield has almost completed the process of acquiring the highly successful neighbouring Doncaster Franchise. The de facto integration of Doncaster with West Yorkshire has already been implemented and its operations are now based in Barnsley. The larger PSG franchise is already benefitting from the merger both from material cost savings, excellent management infusion and enhanced critical mass, enabling it to handle large contracts and improve marketing. It is pleasing to record that the owner of the Doncaster Franchise, Andrea Glover, is joining the PSG management team. She will have particular responsibility for PSG Energy an area where the Doncaster Franchise had been an early entrant. Her expertise and total commitment to PSG's overall business will be beneficial.

The network of Franchisees has been placed under considerable pressure through the factors outlined earlier. Enhanced Business Development guidance and Franchise support has been provided to assist the Franchisees where practicable. Inevitably some Franchisees have ceased trading and where this has been the case their area postcodes have been allocated to neighbouring Franchisees. Despite this the PSG nationwide service has continued uninterrupted. Regional Franchisee meetings have been held around the country to tackle major strategic issues and to ensure up to date feedback is received from the Franchisee Network.

PSG Energy

PSG Energy has been set up to combine the energy assessment resources of the Franchisee Network and to market this powerful resource directly to clients in the form of commercial and domestic EPCs. In addition PSG Energy is able to supply the full range of energy related products including energy saving consultancy services if required.

PSG Energy's directly employed team of assessors, together with the PSG Franchisee network of directly employed assessors provide a guaranteed quality service to clients. Such high standards cannot be matched by panel management facilities who offer the services of freelance assessors, where the quality can vary greatly on a day by day basis.

In the commercial EPC sector the total lack of regulatory enforcement is widely reported by all stakeholders. A conservative estimate on non-compliance indicates that over 80% of properties which are required by law to have an EPC are currently failing to do so.

Additionally the regulatory shortfalls and lack of quality monitoring has led to surveys being completed by unapproved assessors, enabling unscrupulous companies to offer commercial EPCs at cost levels way below the norm. This makes the production of these highly technical reports nothing more than a box ticking exercise that is auctioned out at the lowest possible cost. As the market matures and regulatory bodies become more effective, it can be expected that PSG will improve market share and margins.

Patersons Financial Services ('PFS')

PFS derives most of its income from providing insurance services to PSG. The revenue from this service has been declining through lower volumes of search. Post the year end the government introduced a law banning the use of insurance against the non provision of data by Local Authorities in searches for HIPs. In order to protect the consumer, this insurance is essential where Local Authorities continue to restrict lawful access to public records by personal searchers.

Training

PSG now has its own purpose-designed training centre in Barnsley, known as The Learning Curve. It is an essential facility offering continuous training for Franchisees in all aspects of their business. Training courses vary from technical training on regulatory matters to improve product quality, marketing training on existing and new products and Energy Assessment training for both commercial and domestic energy assessors.

Audiotel

Audiotel continued to build on the strong start to the year and delivered a solid sales performance, finishing the year with an operating profit of £723,570 from a turnover of £2,669,149.

One of the main successes of the period was the increased sales in their extended Stealth Evolution range of products both in the UK and overseas.

Traditional TSCM (Technical Surveillance Counter Measures) product sales also held up in a competitive marketplace with excellent sales performance both in the UK and overseas with a particularly strong performance from the Far East.

The first production units of the new Scanlock M3 were delivered, on schedule, in late March and have been well received. The extensive worldwide user base of the Scanlock range of products has expressed great interest in this innovative counter surveillance receiver.

In difficult market conditions, Audiotel is optimistic regarding performance next year with a solid order book, a good prospect list, excellent product range, continuing development of new products, a loyal distributor base and a brand renowned throughout the world as the market leader in electronic countermeasures.

Moore & Buckle

A year of tough trading in the Flexible Packaging market, definitely the worst market conditions since Moore & Buckle began trading 28 years ago, resulted in turnover down to £1,286,391 (2008: £1,368,121) and operating profit of £218,260 (2008: £387,284).

Despite these below par results the business has been strengthened by the attainment of BRC/IOP Accreditation at the highest level. This will enable Moore & Buckle to service higher margin business. The purchase of a further specialist pouch machine has been made to supply the Medical/Pharmaceutical market.

After a difficult start, the Barrier Foil Products department has been successfully integrated into the business and was one of the encouraging growth areas, increasing exports to over 20 countries worldwide.

With the extra production facilities and the BRC/IOP approval, Moore & Buckle are in a strong position to take advantage of any upturn in the economy.

Investment Disposal

Post the year end the Group disposed of its interest in Avatar Systems Inc. for an amount of £389,800. This followed an unsuccessful attempt by the Avatar major shareholders to sell the whole business.

Employees

The continuing pressures on the Group's business require constant review. This has in turn placed considerable pressure on the employees. The Board is grateful for both their loyalty and hard work across all the Group operations.

Outlook

Current trading for the Group is reasonably stable and remains profitable.

The continual drop in house sales on a month by month basis has now bottomed out and we appear to have a stable marketplace, albeit at levels of transactions 70% lower than two years ago.

There are a number of factors which would make a material positive difference to trading:

- An upturn in the volume of housing transactions. Current annual rate is estimated to be less than 400,000 per annum for 2009/10 compared with an average of over 1,000,000 for the past ten years. Although this dip is cyclical and the market has always recovered in the past, it may be 2010/11 or 2011/12 before we start to see real growth on a month by month basis.
- Effective enforcement of regulatory compliance which would offer PSG the opportunity to increase business volumes and margins.
- The likely changes following a new government would be to ensure that the participants in a property transaction see value in the quality of the products and processes.
- Consolidation of the PSG business through further franchise consolidation.
- Audiotel having an enhanced opportunity to grow through its continual product development, improved marketing and ability to manufacture in house. Acquisitions of other businesses making compatible products for similar markets is under review.

Despite market upheavals, the Group's balance sheet and net cash position have improved, monthly trading is stable and profitable, company re-organisations are complete and costs associated with downsizing are fully expensed. The Franchisee Network has done the same. Our workforce remains loyal, the quality and service ethos remain strong and the management team are focused on exploiting opportunities as we come out of this downturn.

Jonathan Mervis
Chairman
15 July 2009

directors, secretary and advisors

directors

Jonathan Philip Mervis
Chairman

John Arthur Warwick FCA
Finance Director

Tweedie McGarth Brown CBE
Deputy Chairman

Bernard Cavan Connor
Chief Executive

John David Gawain Holme FCA
Non-executive Director

William James Rae
Non-executive Director

All of whose business address is
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registered office

133 Ebury Street
London SW1W 9QU

company secretary

John Arthur Warwick FCA

auditors

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Chartered Accountants
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Deane Gate Avenue
Taunton
Somerset TA1 2UH

registrars

Capita Registrars
The Registry
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Beckenham
Kent BR3 4TU

nominated advisor and broker

FinnCap
4 Coleman Street
London EC2R 5TA

solicitors to the company

Irwin Mitchell LLP
2 Wellington Place
Leeds LS1 4BZ

principal bankers

Lloyds TSB Bank plc
Corporate Markets
1st Floor
25 Gresham Street,
London EC2V 7HN

directors' report

The directors present herewith their annual report and the audited financial statements for the year ended 31 March 2009.

principal activities

The principal activities of the Group are those of the sale and operation of property search franchises together with other property information services, manufacture and sale of specialist electronic equipment, manufacture of flexible packaging products, and financial services.

review of business

A report on the business of the Group is provided in the Chairman's statement.

future plans

Future plans for the Group are referred to in the Chairman's statement.

results

The Group's consolidated income statement for the year is set out on page 11 of the financial statements.

principal risks and uncertainties facing the Group

If the economic realities of the credit crunch and the current situation in the property market do not ease our property information business and our packaging solutions business will continue to face increased competition and reduced margins causing a further adverse impact on our results.

As far as our specialist electronics business is concerned turnover is generated from a mix of small and large orders. The timing of the order placement and delivery of larger orders is inherently difficult to predict, potentially causing material fluctuations in actual results compared with expectations.

dividends

The directors do not recommend payment of a dividend.

research and development

Audiotel International Limited continues its policy of investment in research and development in order to retain a competitive position in its market.

directors and their interests

The directors of the Company during the financial year were:

J P Mervis
J A Warwick
T M Brown
B C Connor
J D G Holme
W J Rae

contracts for directors' services and emoluments

The principal terms of the contracts entered into by directors for the provision of their services are summarised below:

	Effective date of contract	Current annual remuneration £	Director's Position
J P Mervis	5 January 2006	60,000	Chairman
J A Warwick	5 January 2006	48,000	Finance Director
T M Brown	10 January 2005	50,000	Deputy Chairman
B C Connor	29 February 2008	120,000	Chief Executive
J D G Holme	4 April 2008	15,000	Non-executive Director
W J Rae	—	—	Non-executive Director

directors' report

substantial shareholders

On 8 July the Company's register of shareholders showed the following interests in 3% or more of the Company's issued share capital:

	20p ordinary shares	%
Southwind Limited	4,735,010	17.42
J P Mervis	2,837,500	10.44
Artemis Investment Management Limited	2,635,000	9.69
Groundlinks Limited	2,075,000	7.63
Seraffina Holdings Limited	1,973,770	7.26

directors' shareholdings

On 8 July the Directors had the following interests in the Company's issued share capital:

	20p ordinary shares	%
J P Mervis	2,837,500	10.44
J D G Holme	401,500	1.48
J A Warwick	150,000	0.55
T M Brown	80,000	0.29

payment of creditors

The Group's policy in relation to all of its suppliers is to agree payment terms with individual suppliers in advance, and ensure that these suppliers are aware of those terms and abide by such terms.

The Group's payment days as at 31 March 2009 for trade creditors were 49 days (2008: 52 days).

acquisition of the Company's own shares

Further to the shareholders resolution dated 20 August 2008, the Company purchased 981,000 ordinary shares of 20p each with a nominal value of £196,200 for a consideration of £614,544 representing 3.61% of the Company's issued share capital. The reason for the purchase was to reduce surplus cash balances and to enhance earnings per share. Currently 1,625,583 shares are held in treasury representing 5.98% of the Company's issued share capital.

financial risk management

The principal financial risks to which the Group is exposed relate to funding and liquidity risk, interest rate risk, and credit risk. The policies and strategies for managing these risks are summarised as follows:

(a) funding and liquidity risk

The Group actively maintains committed facilities that are designed to ensure the Group has sufficient available funds for operations and planned expansions.

(b) interest rate risk

The interest rate risk profile of financial liabilities is as detailed in Note 27.

(c) credit risk

Credit risk refers to the risk that a counterparty will default on a contract resulting in a financial loss to the Group. The Group has adopted a policy of only dealing with credit worthy counterparties as a means of mitigating financial risks from defaults. Nevertheless risk has increased due to the current situation in the property market.

The Group's principal financial assets are bank balances, cash and trade receivables. The Group has no significant concentration of credit risk with exposure spread over a large number of customers. Credit risk is managed by monitoring the aggregate amount and duration of exposure to any one customer depending upon their credit rating. The amounts presented in the balance sheet

directors' report

are net of allowances for doubtful debts, estimated by the Group's management, based on prior experience and their assessment of the current economic environment.

directors' indemnities

The Group has taken out third party indemnity insurance for the benefit of the directors during the year which remains in force at the date of this report.

directors' responsibilities

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

The directors are required under company legislation to prepare financial statements for each financial year. Under that law the directors have elected to prepare the Group financial statements in accordance with International Financial Reporting Standards ('IFRS') as adopted by the European Union which are required by law to give a true and fair view of the state of affairs of the Group and of its profit or loss for that year. In preparing these financial statements, directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable IFRSs as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Group will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and the Group 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 Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The directors have reasonable expectations that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

The directors are responsible for ensuring that the directors' report and other information included in the annual report is prepared in accordance with company law in the United Kingdom. They are also responsible for ensuring that the annual report includes information required by the AIM Rules.

The maintenance and integrity of the corporate and financial information on the Group's website is the responsibility of the directors. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Board's statement on Corporate Governance is set out on page 9.

auditors

A resolution proposing that Milsted Langdon LLP be re-appointed as auditors of the Company will be put to the Annual General Meeting.

There is no relevant audit information of which the Company's auditors are unaware, and the directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

By order of the Board

John Warwick
Company Secretary
15 July 2009

corporate governance

For the year ended 31 March 2009

Being a Company whose shares are admitted to AIM, the Company is not a listed Company and therefore is not required to comply with the Combined Code. The Board has however adopted the following:

Board committees

The Board has two sub-committees, the Audit Committee and the Remuneration Committee, both of which include the Finance Director.

the Audit Committee

The Audit Committee is chaired by J D G Holme FCA, with its other members being J A Warwick FCA and W J Rae. Any director may attend by invitation. The external auditors may be invited to attend the meetings and have direct access to members of the Committee. The Audit Committee may examine any matters relating to the financial affairs of the Group including reviews of the annual and interim financial statements, announcements, internal control procedures and accounting policies.

the Remuneration Committee

The Remuneration Committee, which is chaired by J D G Holme FCA, reviews the performance of the executive directors, considers and approves all Board and senior executive appointments, remuneration and benefits including share options and service contracts. J A Warwick FCA and W J Rae are the other members of the Committee.

internal financial control

The directors are responsible for the Group's system of internal financial control. A system can only provide reasonable and not absolute assurance regarding:

- the safeguarding of assets against unauthorised use or disposition;
- the minimisation of risk of material loss whilst in pursuit of the Group's business objectives; and
- the maintenance of proper accounting records and the reliability of financial information within the business or for publication.

Due to the size of the Group, a key control procedure during the year was the close day-to-day supervision by the executive directors.

auditor independence

The Audit Committee reviews the services provided by the external auditors at least on an annual basis. This review includes consideration of the confirmation of independence which the external auditors provide to the Company on an annual basis and of the services which they provide to the Group, in order to ensure that their independence is not compromised.

relations with shareholders

The directors seek to ensure that all shareholders are kept informed about the Group and its activities. A comprehensive annual report and accounts and an interim report are sent to shareholders and there is frequent dialogue with institutional investors. The Annual General Meeting provides shareholders with the opportunity to meet and question directors. Details of the resolutions to be proposed at the Annual General Meeting, to be held on 19 August 2009, are set out in the notice of Annual General Meeting which is attached to this report.

going concern

The directors consider, after making appropriate enquiries, that the Company and Group have adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

independent auditors' report to the members of PSG Solutions plc

For the year ended 31 March 2009

We have audited the Group and Parent Company financial statements (the "financial statements") of PSG Solutions plc for the year ended 31 March 2009 which comprise the Group Income Statement, the Group and Parent Company Statements of Changes in Equity, the Group and Parent Company Balance Sheets, the Group and Parent Company Cash Flow Statements, and the related notes. These financial statements have been prepared under the accounting policies set out therein.

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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body for our audit work, for this report or for the opinions we have formed.

respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union are set out in the Statement of Directors' Responsibilities.

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

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is consistent with the financial statements. The information given in the Directors' Report includes that specific information presented in the Chairman's Statement that is cross referred from the Review of Business and Future Plans section of the Directors' Report.

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

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

basis of opinion

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

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

opinion

In our opinion:

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

Milsted Langdon LLP
Chartered Accountants and Registered Auditors
Taunton
15 July 2009

consolidated income statement

For the year ended 31 March 2009

	Note	2009 £	2008 £
Revenue	2	**10,109,136**	14,467,419
Cost of sales		**(4,873,271)**	(6,914,973)
Gross profit		**5,235,865**	7,552,446
Administrative expenses		**(4,096,141)**	(4,341,893)
Operating profit before exceptional items		**1,139,724**	3,210,553
Exceptional administrative credits/(expenses)	3	**80,856**	(28,114)
Operating profit	4	**1,220,580**	3,182,439
Finance costs	8	**(76,834)**	(133,361)
Finance income	9	**188,719**	191,660
Profit on ordinary activities before taxation		**1,332,465**	3,240,738
Income tax expense	10	**(414,176)**	(808,828)
Profit on ordinary activities after taxation		**918,289**	2,431,910
Basic earnings per share	12	**3.59p**	9.16p
Diluted earnings per share	12	**3.59p**	8.99p

The consolidated income statement has been prepared on the basis that all operations are continuing operations.

The Group has no recognised gains or losses other than the profit for the current year and the profit for the previous year.

The notes on pages 17 to 38 form part of these financial statements.

statements of changes in equity

For the year ended 31 March 2009

Group	Share capital £	Retained earnings £	Share premium £	Special reserve £	Total equity £
At 1 April 2007	5,436,648	2,334,514	8,529,769	—	16,300,931
Purchase of ordinary share capital for treasury	—	(413,413)	—	—	(413,413)
Share based payments	—	181,305	—	—	181,305
Deferred tax on share based payments	—	(11,102)	—	—	(11,102)
Net profit for the year	—	2,431,910	—	—	2,431,910
At 31 March 2008	5,436,648	4,523,214	8,529,769	—	18,489,631
Transfer	—	—	(8,529,769)	8,529,769	—
Purchase of ordinary share capital for treasury	—	(614,545)	—	—	(614,545)
Share based payments	—	43,379	—	—	43,379
Deferred tax on share based payments	—	(1,195)	—	—	(1,195)
Net profit for the year	—	918,289	—	—	918,289
At 31 March 2009	**5,436,648**	**4,869,142**	**—**	**8,529,769**	**18,835,559**

Company	Share capital £	Retained earnings £	Share premium £	Special reserve £	Total equity £
At 1 April 2007	5,436,648	1,194,938	8,529,769	—	15,161,355
Purchase of ordinary share capital for treasury	—	(413,413)	—	—	(413,413)
Share based payments	—	181,305	—	—	181,305
Deferred tax on share based payments	—	(11,102)	—	—	(11,102)
Net profit for the year	—	373,719	—	—	373,719
At 31 March 2008	5,436,648	1,325,447	8,529,769	—	15,291,864
Transfer	—	—	(8,529,769)	8,529,769	—
Purchase of ordinary share capital for treasury	—	(614,545)	—	—	(614,545)
Share based payments	—	43,379	—	—	43,379
Deferred tax on share based payments	—	(1,195)	—	—	(1,195)
Net profit for the year	—	724,796	—	—	724,796
At 31 March 2009	**5,436,648**	**1,477,882**	**—**	**8,529,769**	**15,444,299**

The notes on pages 17 to 38 form part of these financial statements.

consolidated balance sheet

As at 31 March 2009

	Note	2009 £	2009 £	2008 £	2008 £
Non-current assets					
Goodwill	13		**13,026,920**		13,027,978
Other intangible assets	14		**468,550**		512,064
Property, plant and equipment	15		**605,963**		615,016
Financial assets	16		**—**		300,000
Assets held for sale	16		**300,000**		—
			14,401,433		**14,455,058**
Current assets					
Inventories	18	**749,808**		590,812	
Trade and other receivables	19	**2,224,078**		4,390,728	
Current tax asset		**121,534**		6,717	
Deferred tax asset	20	**—**		142,047	
Cash and cash equivalents		**4,334,923**		3,938,943	
		7,430,343		9,069,247	
Current liabilities					
Trade and other payables	21	**(1,587,247)**		(2,836,290)	
Borrowings	22	**(550,000)**		(552,079)	
Current tax liability		**(285,695)**		(514,318)	
		(2,422,942)		(3,902,687)	
Net current assets			**5,007,401**		5,166,560
Total assets less current liabilities			**19,408,834**		19,621,618
Non-current liabilities					
Borrowings	22		**(573,275)**		(1,131,987)
Net assets			**18,835,559**		18,489,631
Represented by:					
Capital and reserves attributable to equity holders					
Called up share capital	23		**5,436,648**		5,436,648
Share premium account	25		—		8,529,769
Special reserve account	25		**8,529,769**		—
Retained earnings			**4,869,142**		4,523,214
Total equity			**18,835,559**		18,489,631

Approved by the Board on 15 July 2009.

Jonathan Mervis
Director

John Warwick
Director

The notes on pages 17 to 38 form part of these financial statements.

company balance sheet

As at 31 March 2009

	Note	2009 £	2009 £	2008 £	2008 £
Non-current assets					
Plant and equipment	15		**53,685**		63,078
Investments in subsidiaries	16		**15,590,613**		15,590,615
Financial assets	16		**—**		300,000
Assets held for sale	16		**300,000**		—
			15,944,298		15,953,693
Current assets					
Trade and other receivables	19	**66,016**		860,502	
Deferred tax asset	20	**—**		113,775	
Cash and cash equivalents		**1,083,571**		1,052,063	
		1,149,587		2,026,340	
Current liabilities					
Trade and other payables	21	**(452,088)**		(1,006,182)	
Borrowings	22	**(550,000)**		(550,000)	
Current tax liability		**(74,223)**		—	
		(1,076,311)		(1,556,182)	
Net current assets			**73,276**		470,158
Total assets less current liabilities			**16,017,574**		16,423,851
Non-current liabilities					
Borrowings	22		**(573,275)**		(1,131,987)
Net assets			**15,444,299**		15,291,864
Represented by:					
Capital and reserves attributable to equity holders					
Called up share capital	23		**5,436,648**		5,436,648
Share premium account	25		**—**		8,529,769
Special reserve account	25		**8,529,769**		—
Retained earnings			**1,477,882**		1,325,447
Total equity			**15,444,299**		15,291,864

Approved by the Board on 15 July 2009.

Jonathan Mervis
Director

John Warwick
Director

The notes on pages 17 to 38 form part of these financial statements.

cash flow statements

For the year ended 31 March 2009

	Group		Company	
	2009 **£**	2008 £	**2009** **£**	2008 £
Cash flows from operating activities				
Profit before taxation	**1,332,465**	3,240,738	**918,163**	319,327
Adjustments for:				
Depreciation of property, plant and equipment	**140,871**	130,557	**4,168**	4,168
Amortisation of other intangible assets	**346,791**	231,358	**5,225**	7,573
Loss on interest rate swap	**—**	31,415	**—**	31,415
Loss/(profit) on disposal of tangible assets	**44**	(1,744)	**—**	—
Loss on disposal of financial assets	**—**	28,114	**—**	28,114
Interest expense	**76,384**	133,361	**71,286**	132,612
Interest receivable	**(188,719)**	(223,075)	**(62,175)**	(55,497)
Share based payment expense	**43,379**	181,305	**43,379**	181,305
Adjustments in changes in working capital:				
Decrease/(increase) in receivables	**2,201,650**	(716,582)	**794,488**	685,861
Increase in inventories	**(158,996)**	(6,381)	**—**	—
(Decrease)/increase in payables	**(1,249,043)**	241,919	**(554,094)**	(109,893)
Cash generated from operations	**2,544,826**	3,270,985	**1,220,440**	1,224,985
Interest paid	**(76,384)**	(133,361)	**(71,286)**	(132,612)
Income tax paid	**(616,764)**	(1,311,082)	**(6,564)**	—
Net cash from operating activities	**1,851,678**	1,826,542	**1,142,590**	1,092,373
Cash flow from investing activities				
Payment of deferred consideration	**—**	(330,000)	**—**	(330,000)
Payment to acquire goodwill	**(33,942)**	(87,500)	**—**	—
Purchase of tangible assets	**(131,862)**	(229,976)	**—**	—
Purchase of other intangible assets	**(303,277)**	(362,011)	**—**	—
Proceeds from the sale of tangible assets	**—**	10,500	**—**	—
Proceeds from the sale of financial assets	**—**	322,369	**—**	322,369
Interest rate swap proceeds received	**—**	52,500	**—**	52,500
Interest received	**188,719**	223,075	**62,175**	55,497
Net cash (used in)/generated from investing activities	**(280,362)**	(401,043)	**62,175**	100,366
Cash flows from financing activities				
Purchase of own shares	**(614,545)**	(413,413)	**(614,545)**	(413,413)
Payment of debt	**(560,791)**	(504,544)	**(558,712)**	(500,783)
Net cash used in financing activities	**(1,175,336)**	(917,957)	**(1,173,257)**	(914,196)
Net increase in cash and cash equivalents	**395,980**	507,542	**31,508**	278,543
Cash and cash equivalents at beginning of period	**3,938,943**	3,431,401	**1,052,063**	773,520
Cash and cash equivalents at end of period	**4,334,923**	3,938,943	**1,083,571**	1,052,063

The notes on pages 17 to 38 form part of these financial statements.

note to the cash flow statements

For the year ended 31 March 2009

analysis of net funds

Group	At 1 April 2008 £	Cash flow £	Other adjustments £	**At 31 March 2009 £**
Cash and cash equivalents	3,938,943	395,980	—	**4,334,923**
Debt due within one year	(550,000)	550,000	(550,000)	**(550,000)**
Debt due after one year	(1,131,987)	8,712	550,000	**(573,275)**
Finance lease	(2,079)	2,079	—	**—**
	2,254,877	956,771	—	**3,211,648**

Company	At 1 April 2008 £	Cash flow £	Other adjustments £	**At 31 March 2009 £**
Cash and cash equivalents	1,052,063	31,508	—	**1,083,571**
Debt due within one year	(550,000)	550,000	(550,000)	**(550,000)**
Debt due after one year	(1,131,987)	8,712	550,000	**(573,275)**
	(629,924)	590,220	—	**(39,704)**

The notes on pages 17 to 38 form part of these financial statements.

notes to the financial statements

For the year ended 31 March 2009

1. accounting policies

PSG Solutions plc, company number 03170812, is domiciled and incorporated in England under the Companies Act 1985.

The financial statements have been prepared in accordance with applicable International Financial Reporting Standards (IFRS), International Accounting Standards (IAS) and International Financial Reporting Interpretations Committee (IFRIC) interpretations adopted for use by the European Union (EU) and with those parts of the Companies Act 1985 applicable to companies reporting under IFRS.

The following interpretations issued by the IFRIC are effective for the current year:

IFRIC 12	'Service Concession Arrangements' effective for periods beginning on or after 1 January 2008.
IFRIC 14, IAS 19	'The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction' effective for periods beginning on or after 1 January 2008.

These interpretations are not relevant to the Group's operations and as a result have had no impact on the results or net assets of the Group, nor on the information presented within these financial statements.

The following standards, interpretations and amendments to existing standards are not yet effective and have not been early adopted by the Group.

IFRS 2 (Amended)	'Share Based Payment' effective for periods beginning on or after 1 July 2009.
IFRS 3 (Revised)	'Business Combinations' effective for periods beginning on or after 1 July 2009.
IFRS 8	'Operating Segments' effective for periods beginning on or after 1 January 2009.
IAS1 (Revised)	'Presentation of Financial Statements' effective for periods beginning on or after 1 January 2009.
IAS 23 (Revised)	'Borrowing Costs' effective for periods beginning on or after 1 January 2009.
IAS 27 (Revised)	'Consolidated and Separate Financial Statements' effective for periods beginning on or after 1 July 2009.
IFRIC 13	'Customer Loyalty Programmes' effective for periods beginning on or after 1 July 2008.

The Group does not consider that these standards and interpretations will have a significant impact on the financial statements of the Group except for additional disclosures when the relevant standards come into effect.

The preparation of financial statements in accordance with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates. The most significant judgements made relate to assumptions concerning goodwill and share based payments. The Group is required to test, at least annually, whether goodwill has suffered any impairment. The recoverable amount is determined based on value-in-use calculations. The use of this method requires the estimation of future cash flows and the choice of a suitable discount rate in order to calculate the present value of these cash flows. Share based payments are valued using the Black-Scholes option-pricing model assuming a vesting period of 2 years. Actual outcomes could vary.

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the Group's financial statements:

(a) consolidation

The consolidated financial statements include those of the Company and its subsidiaries from their date of acquisition. All acquisitions of subsidiaries have been accounted for under the acquisition method of accounting.

Under Section 230 of the Companies Act 1985, the Company is exempt from the requirement to present its own income statement.

notes to the financial statements

For the year ended 31 March 2009

1. accounting policies (continued)

(b) revenue

Revenue represents amounts receivable for goods and services net of VAT and discount and intra-Group transactions.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group, it can be reliably measured and the following criteria are met:

(i) sale of goods

When risks and rewards of ownership of the goods have passed to the customer.

(ii) rendering of services

Rendering of services are recognised in the accounting period in which the services are rendered, by reference to completion of the specific transaction.

(c) depreciation

Depreciation is provided to write-off the cost less estimated residual value (based on prices prevailing at the date of acquisition) in annual instalments over the estimated useful economic lives of the assets. The depreciation rates used are as follows:

Freehold buildings	2% straight line
Leasehold property	Straight line over the life of the lease
Fixtures, fittings and equipment	15% – 33.3% straight line and 25% reducing balance
Motor vehicles	25% – 40% straight line
Other intangible assets	33.3% – 100% straight line

(d) investments

Assets held for sale are held as non-current assets, are unquoted, and have been valued at the lower of cost (taken at 1 April 2006 in accordance with IAS) and the estimated realisable value. The aggregate surplus arising on the revaluation of an investment (where there is a facility for the disposal of shares) is transferred to the revaluation reserve. Any deficit arising on revaluation which is deemed to represent an impairment in value, is charged to the income statement unless it related to an investment whose value had been increased in a previous period, in which case the deficit is netted off against that investment's revaluation reserve before any excess is charged to the income statement.

Any realised gain or loss resulting from the disposal of an investment is recognised in the income statement after charging the amount of any revaluation previously shown in the revaluation reserve.

Investments in subsidiary companies are valued at cost less provision for diminution in value.

(e) goodwill

Goodwill represents the difference between the fair value of the consideration paid on the acquisition of a business and the fair value of the identifiable net assets acquired.

Goodwill arising on acquisitions is capitalised and subjected to annual impairment reviews. Any excess of goodwill over the value in use of the underlying assets is written off to the income statement.

(f) financial instruments

Financial instruments are accounted for and classified as equity or non-equity share capital and debt according to their form.

(g) borrowings

Borrowings including transaction costs are initially recognised as the net proceeds received. In subsequent periods borrowings are stated at amortised cost using the effective interest method. Interest costs are expensed as incurred.

(h) foreign currency translation

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). The financial statements are presented in pounds sterling, which is the functional and presentational currency.

The group has foreign currency transactions arising from the sales and purchases by an operating subsidiary in a currency other than the subsidiary's functional currency. Under the Group's foreign exchange policy, such transactions are recorded at the rate of exchange prevailing at the transaction date.

1. accounting policies (continued)

(i) leasing

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in payables net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the income statement so as to produce constant periodic rates of charge on the net obligations outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

(j) foreign currency transactions

Transactions in foreign currencies are recorded at the rate of exchange prevailing at the transaction date. Assets and liabilities in foreign currencies are translated into sterling at the rate of exchange ruling at the end of the financial year. All exchange differences are dealt with in the income statement.

(k) deferred tax

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax assets are recognised to the extent that they are recoverable in the foreseeable future. No provision is made for deferred tax on the unrealised appreciation of investments.

The deferred tax balance has not been discounted.

(l) liquid resources

Liquid resources are defined as short term bank deposits and cash in hand.

(m) research and development and web design costs

Research and development expenditure and web design costs, shown as other intangible assets, are written off over the period for which they are estimated to benefit future profitability of the Group but for no longer than 3 years.

(n) inventories

Inventories are stated at the lower of cost and net realisable value using the First in First Out (FIFO) cost basis. Costs include all direct costs incurred in bringing the inventories to their present location and condition, including where appropriate, a proportion of manufacturing overheads.

(o) pensions

The pension costs charged represent the contribution payable by the Group in the year.

(p) share based payments

The Group issues equity-settled share based payments to certain directors. Equity-settled share based payments are measured at fair value (excluding the effect of non market-based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity-settled share based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest and with a corresponding adjustment to equity.

Fair value is measured by use of the Black-Scholes option pricing model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

notes to the financial statements

For the year ended 31 March 2009

2. segmental analysis

business analysis

	2009			2008		
	Revenue £	**Operating profit/(loss) £**	**Net operating assets £**	Revenue £	Operating profit/(loss) £	Net operating assets £
Property information services	**5,814,529**	**519,258**	**1,266,752**	10,615,158	3,074,868	1,547,717
Financial services	**339,067**	**137,040**	**31,021**	449,484	273,178	47,739
Specialist electronics	**2,669,149**	**723,570**	**631,247**	2,034,656	273,569	969,798
Packaging solutions	**1,286,391**	**218,260**	**464,321**	1,368,121	387,284	397,898
Head office	**—**	**(458,404)**	**13,230,570**	—	(798,346)	13,271,602
	10,109,136	**1,139,724**	**15,623,911**	14,467,419	3,210,553	16,234,754
Exceptional items	**—**	**80,856**	**—**	—	(28,114)	—
	10,109,136	**1,220,580**	**15,623,911**	14,467,419	3,182,439	16,234,754
Interest bearing assets			**4,334,923**			3,938,943
Interest bearing liabilities			**(1,123,275)**			(1,684,066)
Net assets			**18,835,559**			18,489,631

Revenue of property information services and financial services is represented by services rendered and revenue of specialist electronics and packaging solutions is represented by the sale of goods.

In the opinion of the directors, it would be seriously prejudicial to the interests of the Group to disclose revenue by geographical segment for the specialist electronics business. All other business is carried out in the UK. All assets are based in the UK.

The activities of the Group are the sale and operation of property search franchises, the provision of insurance broking services, the manufacture and sale of specialist electronic equipment and the manufacture of flexible packaging products.

Net operating assets analysis

	2009			2008		
	Segmental assets £	**Segmental liabilities £**	**Segmental net operating assets £**	Segmental assets £	Segmental liabilities £	Segmental net operating assets £
Property information services	**1,915,054**	**(648,302)**	**1,266,752**	3,975,051	(2,427,334)	1,547,717
Financial services	**86,736**	**(55,715)**	**31,021**	119,576	(71,837)	47,739
Specialist electronics	**1,306,058**	**(674,811)**	**631,247**	1,232,193	(262,395)	969,798
Packaging solutions	**782,634**	**(318,313)**	**464,321**	733,743	(335,845)	397,898
Head office	**13,406,371**	**(175,801)**	**13,230,570**	13,524,799	(253,197)	13,271,602
	17,496,853	**(1,872,942)**	**15,623,911**	19,585,362	(3,350,608)	16,234,754

2. segmental analysis (continued)

Additions to non-current assets and non-cash expenses

	2009		2008	
	Additions to non-current assets £	**Depreciation and amortisation £**	Additions to non-current assets £	Depreciation and amortisation £
Property information services	**130,581**	**(175,763)**	251,879	(135,789)
Financial services	**450**	**(889)**	435	(1,515)
Specialist electronics	**277,141**	**(259,113)**	254,484	(183,803)
Packaging solutions	**25,909**	**(42,548)**	207,689	(27,323)
Head office	**—**	**(9,393)**	—	(11,741)
	434,081	**(487,706)**	714,487	(360,171)

3. exceptional administrative credits/(expenses)

	2009 £	2008 £
Recovery of old debts	**145,856**	—
Abortive acquisition costs	**(65,000)**	—
Loss on disposal of investments – Energy Technique	**—**	(28,114)
	80,856	(28,114)

There is no tax effect of the above exceptional administrative credits/(expenses).

4. operating profit

	2009 £	2008 £
Operating profit is stated after charging/(crediting):		
Auditors' remuneration:		
– audit	**72,500**	66,105
– other services	**46,975**	30,057
Depreciation	**140,871**	130,557
Amortisation of other intangible assets	**346,791**	231,358
Loss/(profit) on disposal of fixed assets	**44**	(1,744)
Profit on exchange differences	**(7,322)**	(11,801)
Operating lease rentals:		
– Plant and machinery	**88,072**	4,940
– Other assets	**258,416**	222,655
Hire of plant and machinery	**10,756**	18,910
Exceptional administrative (credits)/expenses – Note 3	**(80,856)**	28,114
Research and development	**305,902**	30,695
Share based payments	**43,379**	181,305

Remuneration of the Group's auditors for provision of non audit services includes taxation advice. Non audit fees payable to Milsted Langdon LLP amounted to £2,000 (2008: £2,550). Remuneration for audit services amounted to £28,000 (2008: £22,466).

4. operating profit (continued)

The auditors' remuneration for audit services includes £12,000 (2008: £10,639) attributable to the audit of Audiotel International Limited; £7,500 (2008: £7,500) attributable to Rochdale Development Company Limited and Moore & Buckle (Flexible Packaging) Limited; £20,000 (2008: £21,500) attributable to PSG Franchising Limited, Yorkshire Legals Limited and PSG Marketing Limited and £5,000 (2008: £4,000) attributable to the audit of Ufford Insurance PCC Limited, subsidiaries of PSG Solutions plc which are not audited by the Group's principal auditors. The auditors' remuneration for non-audit services includes £29,975 (2008: £24,672) payable to the auditors of PSG Franchising Limited, Yorkshire Legals Limited and PSG Marketing Limited and £15,000 (2008: £2,835) payable to the auditors of Audiotel International Limited.

5. staff costs

	2009 £	2008 £
Staff costs are as follows:		
Wages and salaries	**2,884,302**	2,844,217
Social security costs	**239,307**	291,244
Costs of directors share option scheme	**43,379**	181,305
Pension contributions	**60,800**	49,757
	3,227,788	3,366,523

The average number of persons employed by the Group including directors was:

	2009 Number	2008 Number
Administration	**17**	25
Production	**64**	62
Research and development	**6**	6
Sales and marketing	**7**	8
	94	101

6. pension costs

The Group operates a defined contribution pension scheme in respect of its directors and employees. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the Group and amounted to £60,800 (2008: £49,757).

7. directors' remuneration

	Salaries £	Pension Contribution £	Other Benefits £	**2009 Total £**	2008 Total £
Executive directors					
J P Mervis	92,500	—	—	**92,500**	110,000
J A Warwick	48,000	—	—	**48,000**	53,000
T M Brown	80,000	4,000	7,065	**91,065**	128,754
B C Connor	142,500	—	1,093	**143,593**	177,043
Non-executive directors					
J D G Holme	18,750	—	—	**18,750**	15,000
W J Rae	—	—	—	**—**	—
J A Hester – resigned 8 August 2007	—	—	—	**—**	5,000
J M Burley – resigned 18 September 2007	—	—	—	**—**	50,062
	381,750	4,000	8,158	**393,908**	538,859

In the year to 31 March 2009 costs of the share option scheme amounted to £43,379 (2008: £181,305) all of which was applicable to the directors.

8. finance costs

	2009 £	2008 £
Interest payable on bank loans and overdrafts	**71,826**	132,612
Hire purchase interest	**100**	700
Interest on late payment of corporation tax	**—**	49
Other interest	**4,908**	—
	76,834	133,361

9. finance income

	2009 £	2008 £
Bank interest	**158,783**	223,075
Other interest	**29,936**	—
Deficiency on interest rate swap	**—**	(31,415)
	188,719	191,660

10. income tax expense

	2009 £	2008 £
UK corporation tax at 28% (2008: 30%)	**265,827**	898,148
Underprovision/(overprovision) in prior year	**7,497**	(6,656)
Current tax expense	**273,324**	891,492
Deferred tax write back/(credit)	**140,852**	(82,664)
	414,176	808,828

The tax for the year is higher than the standard rate of corporation tax in the UK of 28% (2008: 30%). The differences are explained below:

	2009 £	2008 £
Profit on ordinary activities before taxation	**1,332,465**	3,240,738
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2008: 30%)	**373,090**	972,222
Effects of:		
Expenses not deductible for tax purposes	**24,616**	27,327
Depreciation less than capital allowances	**(7,727)**	(6,108)
Tax losses utilised in current year	**(49,881)**	(87,384)
Share based payments	**12,147**	54,392
Marginal rate relief and lower tax rate in other jurisdictions	**(2,018)**	(5,962)
Research & development relief	**(56,747)**	(45,212)
Underprovision/(overprovision) in prior year	**7,497**	(6,656)
Other tax adjustments	**(27,653)**	(11,127)
Deferred tax write back/(credit)	**140,852**	(82,664)
	414,176	808,828

The Group has a carried forward loss for capital gains purposes amounting to £2,777,265.

11. profit of parent company

	2009 £	2008 £
Profit on ordinary activities after taxation	**724,796**	373,719

12. earnings per share

Basic earnings per share are calculated on the Group profit for the financial year of £918,289 (2008: £2,431,910) and on 25,557,657 ordinary shares, being the weighted average number of shares in issue in the year (2008: 26,538,657). The reduction in the weighted number of shares in issue during the year was due to 981,000 shares being purchased for treasury. Diluted earnings per share are calculated on the Group profit for the financial year and on 25,557,657 ordinary shares, being the weighted average number of shares in issue during the year adjusted to take account of shares under option (2008: 27,056,410). The reduction in the weighted number of shares in issue during the year adjusted to take account of shares under option was due to 981,000 shares being purchased for treasury and to an adjustment no longer required of 517,753 shares relating to shares held under option.

13. goodwill

Group	£
Cost	
At 1 April 2007	13,918,800
Additions	122,500
At 31 March 2008	14,041,300
Adjustments	(1,058)
At 31 March 2009	**14,040,242**
Impairment	
At 1 April 2007	1,013,322
Charge for the year	—
At 31 March 2008	1,013,322
Charge for the year	—
At 31 March 2009	**1,013,322**
Net book value	
At 31 March 2009	**13,026,920**
At 31 March 2008	13,027,978

Goodwill acquired through acquisition has been allocated to individual cash generating units ('CGUs') for impairment testing. These are independent income streams and represent the lowest level within the Group at which the associated goodwill is monitored for management purposes. The carrying value of goodwill is as follows:

	2009 £	2008 £
Property information services	**10,866,720**	10,866,720
Packaging solutions	**2,087,058**	2,088,116
Specialist electronics	**73,142**	73,142
	13,026,920	13,027,978

No impairment charges were recognised in 2009 (2008: £Nil).

Cumulative goodwill written off against reserves is £1,013,322 (2008: £1,013,322).

13. goodwill (continued)

Goodwill is reviewed annually or when other events or changes in circumstances indicate that the carrying amount may not be fully recoverable. The recoverable amount of a CGU is determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by management covering a five year period. Cash flows beyond this five year period are extrapolated using a growth rate of 2.25% which does not exceed the long term average growth for the United Kingdom. The key assumptions in these calculations are as follows:

– The achievement of budgeted operating profit over the next 5 years.
– A growth rate of 2.25% for the final 5 years.
– The cash flows were discounted using a pre-tax discount rate of 5.0%

The directors consider that the goodwill will have value for the foreseeable future and well in excess of 10 years.

Sensitivity analysis:

The value-in-use calculations in respect of the property information services division and the decision that the CGU is not impaired is dependant on the budgeted number of housing market property transactions being achieved. If a reasonable change in the level of housing market property transactions was realised, namely a fall of 20% from those budgeted, and all other variables remained stable the carrying value of the goodwill in relation to the property information services division would not be impaired. The level of transactions would need to be 20% below those budgeted for the value-in-use of the goodwill to equal its carrying value.

The assumed national annual housing market property transactions used as a basis within the impairment calculations are never in excess of the national average for the 23 years to 31 March 2008.

The value-in-use calculations in respect of the packaging solutions division and the decision that the CGU is not impaired is dependent upon the budgeted sales being achieved. If a reasonable change in the level of sales was realised, namely a fall of 20% from those budgeted, and all other variables remained stable the carrying value of the goodwill in relation to the packaging solutions division would not be impaired. The level of sales would need to be 20% below those budgeted for the value-in-use of the goodwill to equal its carrying value.

14. other intangible assets

Group	Web design costs £	Development costs £	Total £
Cost			
At 1 April 2007	182,300	280,049	462,349
Additions	145,000	217,011	362,011
Disposals	—	(19,315)	(19,315)
At 31 March 2008	327,300	477,745	805,045
Additions	82,245	221,032	303,277
Disposals	—	—	—
At 31 March 2009	**409,545**	**698,777**	**1,108,322**
Amortisation			
At 1 April 2007	30,382	50,556	80,938
Charge for year	101,180	130,178	231,358
Disposals	—	(19,315)	(19,315)
At 31 March 2008	131,562	161,419	292,981
Charge for year	131,073	215,718	346,791
Disposals	—	—	—
At 31 March 2009	**262,635**	**377,137**	**639,772**
Net book value			
At 31 March 2009	**146,910**	**321,640**	**468,550**
At 31 March 2008	195,738	316,326	512,064

The components of other intangible assets are £146,910 in respect of web design costs for the property information services business segment and £321,640 in respect of development costs for the specialised electronics business segment. Other intangible assets are amortised on a straight line basis at between 33.3% and 100% per annum dependent upon the period over which the asset is expected to benefit the earnings of the Group. All other intangible assets are internally generated. In the consolidated income statement the amortisation charge is included within administrative expenses.

15. property, plant and equipment

Group	Freehold land and buildings £	Leasehold property £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
Cost					
At 1 April 2007	188,791	86,724	614,514	19,544	909,573
Additions	1,683	—	206,299	21,994	229,976
Disposals	—	—	(114)	(19,544)	(19,658)
At 31 March 2008	190,474	86,724	820,699	21,994	1,119,891
Additions	—	—	114,491	17,371	131,862
Disposals	—	—	(48,945)	—	(48,945)
At 31 March 2009	**190,474**	**86,724**	**886,245**	**39,365**	**1,202,808**
Depreciation					
At 1 April 2007	11,149	28,137	341,048	4,886	385,220
Disposals	—	—	(44)	(10,858)	(10,902)
Charge for year	4,049	7,870	111,933	6,705	130,557
At 31 March 2008	15,198	36,007	452,937	733	504,875
Disposals	—	—	(48,901)	—	(48,901)
Charge for year	4,071	4,168	122,771	9,861	140,871
At 31 March 2009	**19,269**	**40,175**	**526,807**	**10,594**	**596,845**
Net book value					
At 31 March 2009	**171,205**	**46,549**	**359,438**	**28,771**	**605,963**
At 31 March 2008	175,276	50,717	367,762	21,261	615,016

15. property, plant, and equipment (continued)

Company	Leasehold property £	Fixtures, fittings and equipment £	Total £
Cost			
At 1 April 2007	59,052	44,228	103,280
Additions	—	—	—
Disposals	—	—	—
At 31 March 2008	59,052	44,228	103,280
Additions	—	—	—
Disposals	—	—	—
At 31 March 2009	**59,052**	**44,228**	**103,280**
Depreciation			
At 1 April 2007	4,168	24,293	28,461
Disposals	—	—	—
Charge for year	4,168	7,573	11,741
At 31 March 2008	8,336	31,866	40,202
Disposals	—	—	—
Charge for year	4,168	5,225	9,393
At 31 March 2009	**12,504**	**37,091**	**49,595**
Net book value			
At 31 March 2009	**46,548**	**7,137**	**53,685**
At 31 March 2008	50,716	12,362	63,078

Included in the above are assets held under finance leases or hire purchase contracts as follows:

	2009		2008	
Group	**Net book value £**	**Depreciation charge £**	Net book value £	Depreciation charge £
Fixtures, fittings and equipment	**—**	**—**	—	900
	—	**—**	—	900

16. financial assets and assets held for sale

Group	Assets held for sale £	Other fixed asset investments £
Cost		
At 1 April 2007	—	1,965,126
Disposals	—	(842,013)
At 31 March 2008	—	1,123,113
Transfer	1,123,113	(1,123,113)
At 31 March 2009	**1,123,113**	**—**
Provision for impairment in value		
At 1 April 2007	—	1,314,643
Disposals	—	(491,530)
At 31 March 2008	—	823,113
Transfer	823,113	(823,113)
At 31 March 2009	**823,113**	**—**
Net book value		
At 31 March 2009	**300,000**	**—**
At 31 March 2008	—	300,000

Assets held for sale were previously shown as other fixed asset investments.

16. financial assets and assets held for sale (continued)

Company	Assets held for sale £	Subsidiaries £	Other fixed asset investments £	Total £
Cost				
At 1 April 2007	—	15,166,677	1,965,126	17,131,803
Additions	—	1,432,412	—	1,432,412
Disposals	—	—	(842,013)	(842,013)
At 31 March 2008	—	16,599,089	1,123,113	17,722,202
Transfer	1,123,113	—	(1,123,113)	—
Disposals	—	(2)	—	(2)
At 31 March 2009	**1,123,113**	**16,599,087**	**—**	**17,722,200**
Provision for impairment in value				
At 1 April 2007	—	1,008,474	1,314,643	2,323,117
Disposals	—	—	(491,530)	(491,530)
At 31 March 2008	—	1,008,474	823,113	1,831,587
Transfer	823,113	—	(823,113)	—
At 31 March 2009	**823,113**	**1,008,474**	**—**	**1,831,587**
Net book value				
At 31 March 2009	**300,000**	**15,590,613**	**—**	**15,890,613**
At 31 March 2008	—	15,590,615	300,000	15,890,615

Assets held for sale were previously shown as other fixed asset investments.

i) subsidiaries

	Shares	Total £
Audiotel International Limited	69,114	1,432,412
Rochdale Development Company Limited	357,500	2,329,874
PSG Franchising Limited	180	11,590,788
Patersons Financial Services Limited	40,002	137,539
Ufford Insurance PCC Limited	1,000	100,000
At 31 March 2009		**15,590,613**

ii) asset held for sale

	Shares held	% holding	Cost £	Valuation 31 March 2009 £
Avatar Systems Inc.	1,690,502	19.13	300,000	**300,000**

Details of asset held for sale
Avatar Systems Inc. is unquoted and has been valued at the lower of cost (taken as 1 April 2006 in accordance with IAS) and estimated realisable value.

The investment in Avatar Systems was put up for sale as it was a non-core asset over which the management of PSG Solutions plc had no effective control and since 31 March 2009 the investment has been sold. The segment in which the asset is presented is ‘head office’.

17. subsidiary undertakings

The Company holds 100% of the share capital and voting rights of the following companies:

Name of subsidiary held directly	Nominal value of issued ordinary capital £	Date acquired	Principal activity	Country of incorporation
Rochdale Development Company Limited	357,500	15 April 2004	Holding company	England
Audiotel International Limited	69,114	31 January 2003	Electronics	England
PSG Franchising Limited	180	25 June 2004	Property search	England
Patersons Financial Services Limited	40,002	1 January 2005	Insurance services	England
PSG Marketing Limited	2	23 August 2005	Non-trading	England
PSG Financial Services Limited	1	19 April 2005	General insurance	England
Ufford Insurance PCC Limited	1,000	11 May 2005	Insurance services	Guernsey
1st Mortgage Company Limited	1,600,000	19 December 2001	Non-trading	British Virgin Isles
Held indirectly				
Moore & Buckle (Flexible Packaging) Limited		15 April 2004	Flexible packaging	England
Audiotel (UK) Limited		31 January 2003	Non-trading	England
PSG Yorkshire Limited - formerly Yorkshire Legals Limited		1 February 2006	Non-trading	England
PSG Energy Limited		6 September 2007	Non-trading	England

Moore & Buckle (Flexible Packaging) Limited is a wholly owned subsidiary of Rochdale Development Company Limited. Audiotel (UK) Limited is a wholly owned subsidiary of Audiotel International Limited. PSG Yorkshire Limited and PSG Energy Limited are wholly owned subsidiaries of PSG Franchising Limited.

18. inventories

Group	**2009 £**	2008 £
Raw materials and consumables	**526,007**	406,259
Work in progress	**139,970**	93,589
Finished goods and goods for resale	**83,831**	90,964
	749,808	590,812

The cost of inventories recognised as an expense during the year was £1,184,978 (2008: £1,100,000).

19. trade and other receivables

Group	2009 £	2008 £
Trade receivables		
Current unimpaired	**1,682,873**	2,823,527
Overdue impaired	**554,929**	586,608
Less: allowance for doubtful debts	**(351,151)**	(182,739)
	203,778	403,869
Net trade receivables	**1,886,651**	3,227,396
Prepayments and accrued income	**330,986**	1,155,311
Other receivables	**6,441**	8,021
	2,224,078	4,390,728

Current unimpaired trade and other receivables represents amounts due from customers that are not overdue in accordance with specific credit terms agreed with those customers.

The age profile of trade receivables that are past due but not impaired is as follows:

Group	2009 £	2008 £
Over 60 days	**97,524**	166,582
Between 60 and 90 days	**52,421**	32,321
Between 90 and 120 days	**53,833**	204,966
	203,778	403,869

The allowance for doubtful debts is based upon past default experience. Debts with customers in liquidation or receivership are fully provided against. The movement in the provision during the year was as follows:

	2009 £	2008 £
Balance at 1 April	**182,739**	—
Net amounts written off in year	**(33,609)**	—
Income statement charged	**202,021**	182,739
Balance at 31 March	**351,151**	182,739

Included within prepayments is an amount totalling £Nil (2008: £90,000) relating to monies held by bankers under a deposit agreement in respect of foreign guarantees.

Company	2009 £	2008 £
Prepayments and accrued income	**25,766**	19,968
Amounts owed by group undertakings	**40,250**	840,534
	66,016	860,502

The above debtors fall due within one year.

20. deferred tax asset

The Group holds a loss for capital gains purposes amounting to £2,777,265 (2008: £2,777,265) at 31 March 2009. No deferred tax asset is recognised in respect of these capital gains tax losses. A deferred tax credit write back of £113,775 (2008: credit £43,290) is recognised in respect of share based payments of which £112,580 (2008: credit £54,392) is shown as a debit to the profit and loss and £1,195 (2008: £11,102) is shown as a debit to equity. A deferred tax credit write back of £28,272 (2008: credit £28,272) is shown as a debit to the profit and loss account in respect of a bonus provision now paid.

Group	2009 £	2008 £
Recognised in respect of share based payments	–	113,775
Recognised in respect of unpaid bonus provision	–	28,272
	–	142,047

Company	2009 £	2008 £
Recognised in respect of share based payments	–	113,775

21. trade and other payables: current liabilities

Group	2009 £	2008 £
Trade payables	**473,055**	768,940
Other payables	**71,710**	818,551
Other taxes and social security	**188,350**	352,377
Accruals and deferred income	**854,132**	896,422
	1,587,247	2,836,290

Included within other payables is an amount of £Nil (2008: £35,000) relating to ‘deferred’ consideration following the acquisition of Barrier Foil Products.

Company	2009 £	2008 £
Trade payables	**1,937**	2,796
Amounts owed to group undertakings	**357,500**	759,688
Other taxes and social security	**14,219**	24,217
Accruals and deferred income	**78,432**	219,481
	452,088	1,006,182

22. borrowings: current liabilities

Group	2009 £	2008 £
Bank loan	**550,000**	550,000
Net obligations under hire purchase contracts	**—**	2,079
	550,000	552,079

Company		
Bank loan	**550,000**	550,000

The terms of the bank loan are set out in note 27.

borrowings: non-current liabilities

Group	2009 £	2008 £
Bank loan	**573,275**	1,131,987

Company	2009 £	2008 £
Bank loan	**573,275**	1,131,987

The terms of the bank loan are set out in note 27.

23. share capital

	2009		2008	
	Number	**£**	Number	£
Authorised				
Ordinary shares of 20p each	**35,000,000**	**7,000,000**	35,000,000	7,000,000
Allotted and called up				
Fully paid ordinary shares of 20p each	**27,183,240**	**5,436,648**	27,183,240	5,436,648

981,000 ordinary shares of 20p each with an aggregate nominal value of £196,200 were purchased during the year and are held in treasury. Distributable reserves have been reduced by £614,544. Currently 1,625,583 ordinary shares are held in treasury representing 5.98% of the Company's issued share capital. The number of ordinary shares of 20p each that the Company has in issue less the total number of treasury shares following the purchase is 25,557,657.

24. share options

At 31 March 2009 share options were held by directors in respect of 2,180,000 shares analysed as follows:

Name	Number of shares	Option price per share	Exercisable
J P Mervis	1,200,000	50p	14/02/2008–14/02/2013
J A Warwick	350,000	50p	14/02/2008–14/02/2013
T M Brown	300,000	50p	14/02/2008–14/02/2013
T M Brown	30,000	72p	02/04/2009–02/04/2017
B C Connor	300,000	72p	02/04/2009–02/04/2017

No options were granted or lapsed during the year.

24. share options (continued)

It is the Board's intention to keep the number of options outstanding at no more than 10% of the issued share capital.

share based payments

The options for directors were introduced in February 2006 and April 2007. Options are granted with a fixed exercise price equal to the market price of the shares under option at the date of grant. The contractual life of an option is 5 years or 8 years following the vesting period. There are no reload features. The Company has made grants on 14 February 2006 of 1,850,000 options, on 7 August 2006 of 100,000 options and on 2 April 2007 of 330,000 options. The options granted on 7 August 2006 have since lapsed when Mr J M Burley ceased to be employed by the Company. Exercise of an option is dependant on continued employment. Options were valued using the Black-Scholes option-pricing model. No performance conditions were included in the fair value calculations. The fair value per option granted and the assumptions used in the calculation are as follows:

	Grant date 2 April 2007	**Grant date 14 February 2006**
Share price at grant date	72p	50p
Exercise price	72p	50p
Number of directors	2	3
Shares under option	330,000	1,850,000
Vesting period	2 years	2 years
Expected volatility	60%	60%
Option life (years)	10	7
Risk free rate	5.37%	4.44%
Fair value per option	26.2p	17.9p

The expected volatility is based on historical volatility over the year preceding the grant of options. The risk free rate of return is the yield on zero-coupon UK government bonds issued consistent with the assumed option life. A reconciliation of option movements over the year to 31 March 2009 is shown below.

	2009		2008	
	Number of shares	**Exercise price**	Number of shares	Exercise price
Outstanding at 1 April	2,180,000		1,950,000	
Granted	—	—	330,000	72p
	2,180,000		2,280,000	
Lapsed	—	—	(100,000)	57p
Outstanding at 31 March	**2,180,000**		2,180,000	
Exercisable at 31 March	**2,180,000**		1,850,000	

The weighted average fair value of options granted in the year was £Nil (2008: £86,700).

The weighted average fair option price is 53.3p (2008: 53.3p).

The total charge for the year relating to employee share based payment plans was £43,379 (2008: £181,305) all of which related to equity-settled share based payment transactions. After deferred tax, the total charge was £155,959 (2008: £126,913).

25. Reserves

On 11 July 2008 the High Court of Justice approved the cancellation of the Share Premium Account of £8,529,769 and the transfer of the £8,529,769 to a Special Reserve Account. The amount in the Special Reserve Account of £8,529,769 is available as distributable reserves for all purposes for which distributable reserves can normally be used.

26. Post balance sheet events

Subsequent to the year end, the Group has entered into a commitment to acquire the whole of the issued share capital of Chalenor Legal Services Limited and Yorkshire Home Inspections Limited for the sum of £375,000 plus 350,000 ordinary shares of 20p each in PSG Solutions plc. Chalenor Legal Services Limited is a search company and Yorkshire Home Inspections Limited is an energy assessment company. The only significant asset to be acquired by the Group will be goodwill.

The investment in Avatar Systems Inc. has been sold since the end of the year for a sum of £389,800.

27. financial instruments

Capital management

The Group finances its operations through retained earnings, bank borrowings and the management of working capital.

financial risk management

The principal financial risks to which the Group is exposed relate to liquidity, foreign exchange rates and interest rates. The policies and strategies for managing these risks are summarised as follows:

(a) liquidity risk

The Group actively maintains committed facilities that are designed to ensure the Group has sufficient available funds for operations and planned expansions.

(b) foreign exchange risk

The Group has foreign currency transactions arising from the sales and purchases by an operating subsidiary in a currency other than the subsidiary's functional currency. The level of risk is insignificant.

(c) credit risk

Credit risk refers to the risk that a counterparty will default on contractual obligations resulting in a financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating financial risk from defaults. Nevertheless risk has increased due to the current economic circumstances.

The Group's principal financial assets are bank balances, cash and trade receivables. The Group has no significant concentration of credit risk with exposure spread over a large number of customers. Credit risk is managed by monitoring the aggregate amount and duration of exposure to any one customer depending upon their credit rating. The amounts presented in the balance sheet are net of allowances for doubtful debts, estimated by the Group's management based on prior experience and their assessment of the current economic environment. The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies. The directors consider that the maximum exposure of the Group to credit risk to be the current assets of the Group excluding inventories.

27. financial instruments (continued)

(d) interest rate risk

The interest rate risk profile of financial liabilities is as follows:

At 31 March 2009 the Group had the following financial liabilities

	2009 £	2008 £
At fixed interest rates:		
Net obligations under finance leases and hire purchase contracts	–	2,379
	–	2,379

The weighted average rate of interest of the fixed rate financial liabilities in 2008 was 7%. The weighted average period for which interest rates are fixed is Nil (2008: seven months).

	2009 £	2008 £
At floating interest rates:		
Bank loans	**1,123,275**	1,681,987
	1,123,275	1,681,987

At 31 March 2009 a bank loan of £2,750,000 was repayable over 60 months commencing February 2006. The rate of interest on the loan is base rate plus 1.25%. At 31 March 2009 the amount outstanding in respect of this facility was £1,123,275. The bank loan is secured by a fixed and floating charge over the assets of the Group.

At 31 March 2009 a revolving loan facility of £2,750,000 has been entered into, expiring on 31 January 2011. The rate of interest on the facility is 1.5% over Lloyds TSB Bank plc cost of funds. At 31 March 2009 the amount outstanding in respect of this facility was £ Nil.

In connection with the above facilities the Group has entered into an omnibus guarantee with Lloyds TSB Bank plc which provides for each of the companies in the Group to guarantee all monies and liabilities at any time due owing or incurred from or by each of the other companies in the Group. The Group has also entered into a debenture with Lloyds TSB Bank plc to secure repayment to the bank of all monies and liabilities at any time due, owing or incurred by the Group to the bank.

The interest rate risk is deemed to be immaterial.

The weighted average period until maturity for floating rate financial liabilities is 22 months (2008: 34 months).

	2009 £	2008 £
On which no interest is payable:		
Deferred purchase consideration	–	35,000

The weighted average period until maturity for liabilities on which no interest is paid is Nil months (2008: 6 months).

All other Group payables falling due within one year (other than bank and other borrowings) are excluded from the above tables due to the exclusion of short term items or because they do not meet the definition of a financial liability.

	2009 £	2008 £
At floating interest rates:		
Cash at bank	**4,334,923**	3,938,943

The rate of interest payments for floating rate financial assets is based on LIBOR.

27. financial instruments (continued)

maturity of financial liabilities

	2009		2008	
	Group £	**Company £**	Group £	Company £
Bank and other loans (excluding Group debt):				
In one year or less	**550,000**	**550,000**	550,000	550,000
Between one and two years	**550,000**	**550,000**	550,000	550,000
From two to five years	**23,275**	**23,275**	581,987	581,987
	1,123,275	**1,123,275**	1,681,987	1,681,987
Finance leases:				
In one year or less	**—**	**—**	2,079	—
	—	**—**	2,079	—

fair values of financial assets

The fair value is an amount at which a financial instrument could be exchanged in an arms length transaction between informed and willing parties, other than a forced or liquidation sale and excludes accrued interest.

The fair value of cash deposits approximates to the carrying amount because of the short maturity of these instruments.

currency exposure

The Group make sales in foreign currency denominations.

The Group does not hedge against fluctuations in these currency rates.

At 31 March 2009 and 31 March 2008 the Group's exposure on such monetary assets that could give rise to net currency gains or losses was negligible.

interest risk exposure

Financial instruments are selected by the directors in order to minimise the Group's exposure to financial risk. Principal borrowings are taken at floating interest rates.

28. financial commitments

The Group leases various properties and other items such as vehicles under non-cancellable operating lease agreements. The total future minimum lease payments under non-cancellable operating leases are as follows:

	2009		2008	
Group	**Land and buildings £**	**Other £**	Land and buildings £	Other £
Within one year	**10,383**	**20,326**	2,666	2,593
In the second to fifth year	**276,953**	**82,929**	423,320	107,690
After five years	**1,215,000**	**14,129**	1,323,000	16,698
	1,502,336	**117,384**	1,748,986	126,981

29. related party transactions

During the year to 31 March 2009 PSG Franchising Limited made purchases amounting to £Nil (2008: £89,866) from John Burley Public Relations Consultants Limited, a company controlled by J M Burley, a former director of the Company, for the provision of public relations and consultancy services. The amount includes a sum of £Nil (2008: £40,000) shown in Note 7 under directors' remuneration. The balance outstanding at the end of the year was £Nil (2008: £Nil).

notice of annual general meeting

For 2009

Notice is given to all shareholders that the Annual General Meeting of PSG Solutions plc ("the Company") for 2009 will be held at the offices of the Company, 133 Ebury Street, London SW1W 9QU on 19 August 2009 at 11.30am for the transaction of the following business. Resolutions 1 to 5 inclusive will be proposed as ordinary resolutions and resolutions 6 to 7 will be proposed as special resolutions:

ordinary business

1. To receive the Company's annual accounts for the financial year ended 31 March 2009 together with the directors' report and the auditors' report on those accounts.

2. To re-appoint B C Connor as director of the Company, who retires under Article 93 at the Annual General Meeting.

3. To re-appoint T M Brown as director of the Company, who retires under Article 93 at the Annual General Meeting.

4. To re-appoint Milsted Langdon LLP, Chartered Accountants and Registered Auditors, as auditors of the Company to hold office from the conclusion of the meeting to the conclusion of the next meeting at which the accounts are laid before the Company and to authorise the directors to determine the auditors' remuneration.

special business

5. That the directors be generally and unconditionally authorised, pursuant to Section 80 of the Companies Act 1985 ("the Act"), to allot relevant securities (as defined in that section) up to an aggregate nominal amount of £1,563,352 provided that:

   5.1 this authority shall expire 15 months from the date of this resolution or at the Company's next Annual General Meeting, if earlier; and

   5.2 that the Company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the directors may allot relevant securities in pursuance of such an offer or agreement notwithstanding that the authority conferred hereby has expired and that this authority shall be in substitution of all previous authorities conferred upon the directors pursuant to the said Section 80.

6. That, subject to the passing of resolution 5 above, the directors be and they are hereby empowered pursuant to Section 95 of the Act to allot equity securities (as defined in section 94(2) to section 94(3A) of the Act) of the Company for cash pursuant to the general authority granted in resolution 5 above as if section 89(1) of the Act did not apply to any such allotment, provided that this power shall be limited to:

   6.1 the allotment of equity securities in connection with or pursuant to an offer by way of rights, open offer or other pre-emptive offer to the holders of ordinary shares and other persons entitled to participate therein in proportion to their respective holdings, subject to such exclusions or other arrangements as the directors may consider necessary or expedient to deal with fractional entitlements or legal or practical problems under the laws of any territory or the regulations or requirements of any regulatory authority or any stock exchange in any territory;

   6.2 the allotment (otherwise than pursuant to 6.1 above) of equity securities up to an aggregate nominal amount of £1,087,329 (being approximately 20% of the current issued ordinary share capital of the Company);

   and such power shall expire 15 months from the date of this resolution or at the Company's next Annual General Meeting, if earlier save that the Company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the directors may allot equity securities in pursuance of any such offer or agreement notwithstanding that the power conferred by this resolution has expired.

7. That, subject to passing the above resolutions 5 and 6 above, the Company be generally and unconditionally authorised to make market purchases (within the meaning of section 163(3) of the Companies Act 1985) of ordinary shares of 20p each in the capital of the Company ('Ordinary Shares') on such terms and in such manner as the directors of the Company may from time to time determine provided that:

   7.1 The maximum number of Ordinary Shares hereby authorised to be purchased is 2,718,324 (representing 10% of the Company's issued Ordinary Share capital);

7.2 The amount paid for each such share shall not be more than 5% above the average of the middle market quotation for Ordinary Shares as derived from the AIM Appendix to the Daily Official List of the London Stock Exchange plc for the 10 Business Days immediately preceding the date on which the contract for purchase is made, and in any event not less than 20p per Ordinary Share;

7.3 The authority herein contained shall expire in 15 months or at the conclusion of the next Annual General Meeting if earlier provided that the Company may before such expiry make a contract for the purchase of Ordinary Shares under the authority which would or might be executed wholly or partly after the expiry of this authority and may make purchases of Ordinary Shares in pursuance of such contract as if the authority hereby conferred had not expired.

By order of the Board

John Warwick
Company Secretary
15 July 2009
133 Ebury Street
London
SW1W 9QU

Notes:

1. A member entitled to attend and vote at the meeting convened by the notice set out above may appoint a proxy to exercise all or any of his rights to attend speak and vote instead of him. A proxy need not be a member of the Company. A member may appoint more than one proxy if each proxy is appointed to exercise the rights attaching to different shares held by the member. To appoint more than one proxy, please contact the Company's Registrars, Capita Registrars, The Registry, 34 Beckenham Road, Kent BR3 4TU.

2. A form of proxy is provided. To be effective, the form of proxy must be received at the office of Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU not less than 48 hours before the time fixed for the Annual General Meeting. Completion of the form of proxy does not preclude a member from subsequently attending and voting at the meeting in person if he or she so wishes.

3. The register of interests of the directors and their families in the share capital of the Company and copies of contracts of service of directors with the Company or with any of its subsidiary undertakings will be available for inspection at the registered office of the Company during normal business hours (Saturdays and public holidays excepted) from the date of this notice until the conclusion of the meeting.

4. In accordance with Regulation 41 of the Uncertificated Securities Regulations 2001, only those members entered on the Company's register of members not later than 48 hours before the date of the meeting, or, if the meeting is adjourned, shareholders entered on the Company's register of members not less than 48 hours before the time fixed for the adjourned meeting shall be entitled to attend and vote at the meeting.

5. As at 30 June 2009, the Company's issued share capital comprised 27,183,240 ordinary shares of 20p each of which 1,625,583 are held in treasury. Each ordinary share (other than those held in treasury) carries the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights as at 8 July 2009 is 25,557,657.

form of proxy

I/We ....

(PLEASE INSERT FULL NAMES IN BLOCK CAPITALS)

of ....

being (a) member(s) of PSG Solutions plc hereby appoint the Chairman of the Annual General Meeting, or, (see note 5)

.... as my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on 19 August 2009 at 11.30 am and at any adjournment thereof. I/We direct my/our proxy to vote as follows:

	Resolutions	*For	*Against	*Withheld	*Discretionary
Resolution 1 (Ordinary)	To receive the financial statements, directors' report, and auditors' report				
Resolution 2 (Ordinary)	To re-appoint B C Connor as a director of the Company				
Resolution 3 (Ordinary)	To re-appoint T M Brown as a director of the Company				
Resolution 4 (Ordinary)	To re-appoint Milsted Langdon LLP as auditors of the Company				
Resolution 5 (Ordinary)	Authority to allot shares				
Resolution 6 (Special)	Disapplication of pre-emption rights				
Resolution 7 (Special)	Approve the share buy back				

* Please indicate with an X in spaces provided how you wish your votes to be cast. If you do not do so, the proxy may vote or abstain as he thinks fit on the above-mentioned resolutions.

Dated this .... Day of 2009

Signed ....

Notes:

1. To be valid, this proxy, duly completed and signed, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof, should be deposited at Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, not less than 48 hours before the time appointed for holding the meeting or adjourned meeting.

2. If the member is a corporation, this form of proxy must be executed under its common seal or under the hand of an officer or attorney duly authorised in writing.

3. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint holders and, for this purpose, seniority will be determined by the order in which the names stand in the register of members.

4. If you do not indicate how you wish your proxy to vote on any resolution, the proxy will vote as he thinks fit, or at his discretion, abstain from voting.

5. A proxy need not be a member of the Company. Appointment of a proxy will not preclude a member from attending and voting in person at the meeting. To appoint as your proxy a person other than the Chairman of the meeting, insert their full name in the box. If you sign and return this proxy form with no name inserted in the box, the Chairman of the meeting will be deemed to be your proxy. Where you appoint as your proxy someone other than the Chairman of the meeting, you are responsible for ensuring that they attend the meeting and are aware of your voting intentions.

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BUSINESS REPLY SERVICE
Licence No. MB 122

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Capita Registrars (Proxy Department)
The Registry
34 Beckenham Road
Beckenham
Kent BR3 4BR

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