Energiser Investments plc

(formerly Billam plc)

Annual Report & Accounts 2008

INDEX

INTRODUCTION

I last wrote to shareholders with the circular which described the various measures the Board were taking to convert part of the Company's loan from Stephen Wicks, Energiser Investments' principal shareholder and a substantial part of the remuneration due to the Directors and an employee of the Company into ordinary shares. Since then the world has been gripped by a financial meltdown which brought the banking system to the point of collapse.

I am reporting to you on the Group's results for the year ended 31 December, 2008, the year in which investors fled the equity markets in search of safer havens. The last quarter of 2008 saw an unprecedented demand for cash and bonds, which saw the yield on 3 month US Treasury bills, considered by investors to be a safe haven, become negative. In other words, investors were so worried about the prospects for the global economy that they put their money in places where they believed that the money would be returned to them, rather than demanding a return on the capital that they had invested.

As a consequence of this, the world's equity markets were severely impacted. The US S&P 500 index suffered its biggest decline since the great depression of the 1930s and Japan's Nikkei index had its biggest annual fall ever. The UK and other European markets were similarly affected. The response from the world's Governments was to slash interest rates to all time lows and to throw billions of dollars at the banking system in a desperate bid to avert the financial meltdown and global recession.

As we stand today there are a multitude of conflicting economic indicators which would indicate that we are either at the start of the next bull market or alternatively on the verge of worldwide recession. To my mind, the green shoots that are being referred to are just that. There is some considerable way to go but I am swayed by the view that the worst is behind us but that the pace of recovery will be slow and that almost inevitably there will be some painful bumps along the way.

PERFORMANCE DURING THE YEAR

In light of my comments above, it will come as no surprise to shareholders that the Board announce that the loss before taxation has increased to £1.25 million (2007: loss £0.84 million) despite having further reduced the administrative costs incurred in running the Group to £132,000 (2007: £361,000). We are disappointed to note that Energiser Investments' net liabilities, notwithstanding the actions taken by the Board to reduce the Group's liabilities, have now fallen to a deficit of £0.40 million (2007: assets of £0.70 million). The Directors do not intend to recommend the payment of a dividend. The loss is due to the further reduction in the value of the Company's investment portfolio, further details of which are set out below. Whilst this is unsatisfactory we do not have any control over the share price performance of our investee companies and shareholders should bear in mind that the performance of smaller company shares in the last 12 months, particularly on London's Alternative Investment Market ("AIM") has generally been very poor.

Having written off one investment during the year where we were not confident of recovering any further monies, another of our investee companies, EiRx Therapeutics PLC had its shares suspended on AIM and its listing subsequently cancelled. We were therefore left with three quoted investments, Physiomics plc, Cybit Holdings PLC and Inland PLC (which was acquired during the year) at the year end. I would like to draw your attention to the achievements of these three companies, as follows:-

AIM LISTED INVESTMENTS

Cybit Holdings PLC

Cybit Holdings PLC ("Cybit") is one of Europe's leading telematics products and service providers, which principally provide organisations with a comprehensive suite of solutions to monitor and position their mobile assets. Cybit operates within three distinct sectors, namely: internet based vehicle telematics solutions; maritime solutions and private mobile radio based asset tracking and precise positioning management. Cybit now support 50,000 mobile assets and approaching 2,000 customers.

In Cybit's latest interim results, for the 6 months ended 30 September 2008, Cybit announced some good results with turnover up 37 per cent at £12.3 million (2007: turnover £9 million), operating profits of £1.74 million (2007: operating profit £1.23 million) and profits before taxation up to £855,000 compared to £616,000 for the comparative period. With these results the company announced contract wins from amongst others Greene King brewers, Powys County Council and the Highways Agency.

Recently the company has announced a further contract win with Kwik Fit Mobile's tyre fitting vehicles. Since the year end we have disposed of our total shareholding in Cybit, realising sales proceeds of £118,000.

Physiomics plc

Physiomics plc ("Physiomics") is a European computational systems biology services company which applies simulations of cell behaviour to drug development companies aimed at reducing the high attrition rates of clinical trials. The commercial rationale for Physiomics services is that it is estimated that the cost of bringing a new drug to market is $800 million and that 80 to 90 per cent of all clinical drug candidates fail. There is increasing evidence that the major pharmaceutical companies are using more sophisticated technology to shorten the discovery process thereby reducing the overall cost associated with it.

In February, 2009 Physiomics announced its interim results for the 6 months ended 31 December, 2008 which showed a maiden albeit modest profit before taxation of £3,000 (2007: loss before taxation of £194,000) on a near fourfold increase in revenue of £210,000 (2007: revenue of £55,000). Physiomics reported that the company had been successful in raising approximately £250,000 through a combination of a debt for equity subscription and a placing of new ordinary shares. The debt for equity included the conversion of £86,500 of a £100,000 loan from EiRx Pharma Limited, in which Energiser Investments has a near 40 per cent shareholding.

In April, 2009 Physiomics announced the signing of a further licence agreement with the global pharmaceutical company Eli Lilly. The licence will allow Eli Lilly to use the version of the company's simulation platform for in-house modelling of anti cancer drugs. This is the first time that Physiomics has licensed its technology to a third party.

Inland plc

Inland plc ("Inland") are developers of urban regeneration projects around Southern England and predominantly specialise in brownfield developments. Inland's strategy is to acquire large scale development opportunities, substantially funded by third parties, where the company's expertise in securing good planning consents can be fully utilised and to hold its landbank for a future sale when conditions in the housing market improve. Stephen Wicks, Energiser Investment's principal shareholder is the Chief Executive of Inland and Nish Malde, a director of Energiser Investments, is the Finance Director. I am on the board of directors at Inland as a non executive director. In addition, Stephen Wicks and Nish Malde own respectively 21,050,009 and 8,524,000 Inland ordinary shares equivalent to 12.98% and 5.26% of the issued share capital. I own 50,000 Inland ordinary shares, equivalent to 0.03% of the issued share capital. Energiser Investments currently owns 300,000 Inland ordinary shares, equivalent to 0.19% of the issued share capital, which were acquired at a cost of approximately £27,000.

In March 2009, Inland announced its interim results for the six months ended 31 December, 2008 which showed turnover of £0.35 million (2007: £0.17 million) and a loss before taxation of £4.95 million, including a write down in the value of the company's land portfolio of £3.04 million (2007: loss of £1.53 million). At 31 December, 2008 it was reported that the net assets of the company were £47.4 million (2007: £59.4 million) and had net borrowings of £6.79 million (2007: net cash of £11.7 million).

In addition, it was announced that Inland had acquired by way of a joint venture a site in West Drayton, Middlesex which has development potential for over 800 homes. In aggregate, the company's then land bank consisted of approximately 2,100 residential plots and 255,000 square feet of commercial space. It was reported at that time that the focus was on securing planning permissions on the company's land portfolio and that 533 of Inland's residential plots had planning consent.

Whilst the board of Inland reported that they were cautious about the prospects for the housebuilding market, in May 2009 the company announced that it had sold 10 detached building plots on two sites, a site for 5 apartments and had received planning permission for 152 apartments on its site in Ashford, Middlesex.

EIRX PHARMA LIMITED

Energiser Investments owns its shareholding in Physiomics through EiRx Pharma Limited, in which the Company has a shareholding of 39.2 per cent. Following a vote of the shareholders of EiRx Pharma Limited to effect a distribution of the assets of that company in specie, by way of a members' voluntary winding up, on 12 August, 2008 Leonard Curtis were appointed liquidators to EiRx Pharma Limited.

Whilst the process of winding the company up has taken longer than originally anticipated I can report that there was a surplus available to shareholders after paying all the company's debts in full. In addition, the assets of EiRx Pharma Limited, which principally are the holding in Physiomics, will shortly be distributed to shareholders.

DEVELOPMENT FUNDING LIMITED

Conditions in the UK housebuilding industry remain depressed and recovery is still some way off. Following the demise of the building contractor to whom Energiser Investments had provided mezzanine funding at its first development in Wellingborough, Northamptonshire, Development Funding Limited ("DFL") took full control of the site in December 2008 by acquiring the development company, Gramm Partnership Housing Limited for a nominal consideration. The development comprises 29 new freehold houses and I can report that 9 houses have now been sold, with an additional 1 house under offer and 6 houses have been rented. The market remains difficult, although there has been a marked increase in buyer interest recently. The remaining 13 houses in the development are available for sale. I am however, bound to add that we will shortly have to pay council tax on uncompleted units to the Local Authority.

The Board remains cautious of the housebuilding market at present and it is unlikely that, until market conditions improve substantially, DFL will consider making further loans to housebuilders.

The funding for DFL's investment has been provided by Stephen Wicks, Energiser Investments' largest shareholder who owns approximately 57 per cent of the Company's issued share capital. At 31 December, 2008 he had lent Energiser Investments £0.87million (2007: loan of £1.4 million) on commercial terms. Mr Wicks converted £0.36million of his then loan into equity in November, 2008 details of which were contained in the circular to shareholders that was sent to you in October, 2008. The Board has agreed with Mr Wicks that his outstanding loan will not be repayable for a minimum of twelve months unless the Company is able to do so. The Group continues to rely on financial support from Stephen Wicks, which he has continued to provide on a secured basis at 1% above base rates. This support is expected to continue for the foreseeable future and constitutes a related party transaction under the AIM Rules for

Companies and accordingly the Directors consider, having consulted with the Company's nominated advisor, that the terms of the facility are fair and reasonable insofar as shareholders are concerned.

OUTLOOK

The Board will continue to look to realise its remaining investments as and when appropriate. Whilst we remain confident of the long term prospects for our development financing business, DFL, we will continue to be cautious until there is more evidence of a substantial and sustained improvement in the housing market.

Simon Bennett
30 June 2009

BOARD OF DIRECTORS AND ADVISORS

Board of directors:	Simon Bennett (aged 51) - Non-executive Chairman Nishith Malde (aged 51)
Company registration number:	00298654
Registered office:	2 Anglo Office Park, 67 White Lion Road, Amersham, Buckinghamshire HP7 9FB
Website:	www.energiserinvestments.co.uk
Secretary:	Nishith Malde
Bankers:	Royal Bank of Scotland 1st Floor, Conqueror House, Vision Park, Chivers Way, Histon, Cambridge CB24 9NL
Auditors:	Grant Thornton UK LLP 2 Broadfield Court, Sheffield S8 0XF
Nominated advisor and broker:	J M Finn Capital Markets Limited 4 Coleman Street, London, EC2R 5TA
Registrars:	Computershare Investor Services PLC PO Box 82, The Pavilions, Bridgewater Road, Bristol BS99 7NH Tel. 0870 8735838

REPORT OF THE DIRECTORS

The directors have pleasure in submitting their report, together with the financial statements of the Group and Company for the year ended 31 December 2008.

PRINCIPAL ACTIVITY AND BUSINESS REVIEW

The Company is registered as a Public Limited Company. The Company's shares of 0.1p each are listed on the Alternative Investment Market (AIM) of the London Stock Exchange.

The principal activity of the Group and Company is as an investment company investing in quoted and unquoted companies to achieve capital growth.

The Company changed its name from Billam plc to Energiser Investments plc on 12 November 2008.

Results and dividends

The net loss of the Group for the year after taxation amounted to £1,250,000 (2007: £837,000). The directors do not recommend the payment of a dividend for the year ended 31 December 2008.

The net liabilities of the Group at 31 December 2008 totalled £399,000 (2007: net assets £703,000). The net liabilities per ordinary share as at 31 December 2008 were 1.4p (2007: net assets per share 6.6p).

A more detailed review of the activity and progress of the business including the portfolio of investments and the principal risks and uncertainties faced by the business (being the current economic climate and specifically the downturn in the housing market and the illiquidity of investments held), is contained in the Chairman's statement on pages 1 to 5.

As referred to above, the Group's principal activity is that of investing in quoted and unquoted companies to achieve capital growth. Accordingly, the main key performance indicators used by the business are:

- the underlying share price of the investments
  - Cybit (2008: 29.5p, 2007: 47.2p)
  - Physiomics (2008: 0.15p, 2007: 0.47p)
  - Inland (2008: 6.6p, 2007: no investment)
- the returns on project finance (at the year end the only project is under development); and
- the net assets position of the Group including net assets per share (2008: net liabilities per share of 1.4p, 2007: net assets per share of 6.6p).

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's policy in respect of financial instruments and risk profile is set out in note 20 of the accounts.

CORPORATE GOVERNANCE AND COMPLIANCE

The Company is listed on AIM and accordingly compliance with the revised Combined Code on Corporate Governance is not mandatory. However, the Company is committed to applying the principles of corporate governance as applicable to a company of this size and nature. The Board is accountable to the Company's shareholders for good corporate governance. This report and the Remuneration report describe how the Company applies the provisions of good corporate governance.

Directors

The Company supports the concept of an effective Board leading and controlling the Company. The Board is responsible for approving Company policy and strategy. All directors have access to advice from the Company Secretary and independent professionals at the Company's expense.

The Board consists of one executive director and one non-executive director. The non-executive director is independent of management and any business or other relationship which could interfere with the exercise of his independent judgement. The Board considers that the level of shareholdings held by the non-executive director is insufficient to affect his independence.

The Board members are listed on page 6.

All directors are subject to re-election every three years and at the first Annual General Meeting (AGM) after appointment.

Directors' and officers' insurance

The Company has insurance for the directors and officers of the Company and its subsidiaries in respect of liabilities incurred by them in the course of carrying out their duties or the exercise of their powers.

Relations with shareholders

The Company values the views of its shareholders and recognises their interest in the Company's strategy and performance, Board membership and quality of management. It therefore encourages shareholders to offer their views.

The AGM provides an opportunity for shareholders, particularly private investors, to question the Board on issues arising.

The notice convening the AGM is the notice of the meeting sent to shareholders with this report. A separate motion will be put to the meeting on each substantial issue.

The notice for the 2009 AGM will be dispatched more than 21 days in advance and the level of proxy votes lodged for and against each resolution will be disclosed at the meeting together with details of any abstentions.

Accountability and audit

The Board endeavours to present a balanced and understandable assessment of the Group's position and prospects in all reports as well as in the information required to be presented by statutory requirements.

Going concern

The financial statements have been prepared on the going concern basis, the directors having considered the cash forecasts for the next 12 months from the date of the approval of these financial statements. In doing so they have given due regard to the risks and uncertainties affecting the business as set out in the Report of the Directors, the liquidity of investments and the liquidity risk disclosed in note 20, funding provided by Mr S D Wicks as referred to in note 19 and the repayment of other loans as referred to in note 15. On this basis the Directors have a reasonable expectation that the funds available to the Group are sufficient to meet the requirements indicated by those forecasts.

Internal control

The Board is responsible for maintaining a sound system of internal control to safeguard shareholders' investment and the Company's assets and for reviewing its effectiveness. Such a system is designed to manage, but not eliminate, the risk of failure to achieve business objectives. There are inherent limitations in any control system and accordingly even the most effective systems can provide only reasonable, and not absolute, assurance against material misstatement or loss.

Assessment of business risk

The Board regularly reviews operating and strategic risks.

The Group's operating procedures include a system for reporting financial and non-financial information to the Board including:

- Reports from management with review of the business at each Board meeting, focusing on any new decisions/risks arising
- Reports on the performance of investments
- Reports on selection criteria of new investments
- Discussion with senior personnel
- Consideration of reports prepared by third parties

Control procedures

Operational procedures have been developed for each of the Group's operating businesses that embody key controls over relevant areas. The implications of changes in law and regulations are taken into account by the Group.

The Board has considered the need for an internal audit function but has decided that this is not justified at present given the size of the Group. However, it will keep the decision under review on at least an annual basis.

Appointment of directors

The Board deals with all matters relating to the appointment of directors including determining the specification, identifying suitable candidates and selection of the appointee. No separate Nominations Committee has been formed.

Throughout the year the Articles of Association have required each director to seek re-election after no more than three years in office. Therefore the Board considers it inappropriate that non-executive directors be appointed for a fixed term as recommended by the Code.

POLICY FOR PAYING CREDITORS

The Company's policy is to pay creditors in accordance with agreement reached with creditors. Trade creditors at the year end amount to 143 days (2007: 84 days) of average supplies.

SIGNIFICANT SHAREHOLDINGS

According to the Company's register of substantial shareholdings at 30 June 2009, the following had notified the Company of their interest in 3% or more of the Company's issued ordinary share capital:

	Number of shares	**%**
S D Wicks	16,080,594	56.8
H Cramer	2,269,488	8.0
N Malde	1,935,464	6.8
A G P Forrest	1,257,558	4.4
W Weston	1,175,558	4.2

DIRECTORS AND SECRETARY

Nishith Malde will retire in accordance with the Articles of Association and, being eligible, offers himself for re-appointment.

Those directors who held office during the year and their interests in shares of the Company which include beneficial and family interests are shown below:

	As at 31 December 2008 Ordinary shares of 0.1p	As at 1 January 2008 Ordinary shares of 20p
S Bennett	**500,000**	50,000
N Malde	**1,935,464**	40,000

The directors had no other interests in the shares of the Company. There have been no changes in these interests between 31 December 2008 and 30 June 2009. All the above interests are beneficial.

Mr N Malde and Mr S Bennett each have a notice period of 6 months.

Details of directors' remuneration and share options are shown in the Remuneration report on pages 46 and 47.

TAXATION STATUS

The close company provisions of the Income and Corporation Taxes Act 1988 do not apply to the Company.

DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare consolidated financial statements under International Financial Reporting Standards (IFRSs) as adopted by the EU and the parent company financial statements under United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The financial statements are required by law to give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently
- make judgments and estimates that are reasonable and prudent
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company 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 enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are aware:

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

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

AUDITORS

Grant Thornton UK LLP offer themselves for reappointment as auditors in accordance with section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD

Nishith Malde
Company Secretary
30 June 2009

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF ENERGISER INVESTMENTS PLC

We have audited the Group financial statements of Energiser Investments plc for the year ended 31 December 2008 which comprise the consolidated income statement, the consolidated balance sheet, the consolidated statement of changes in equity, the consolidated cash flow statement, the principal accounting policies and the notes 1 to 21. These Group financial statements have been prepared under the accounting policies set out therein.

We have reported separately on the parent company financial statements of Energiser Investments plc for the year ended 31 December 2008.

This report is made solely to the Company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the Group's financial statements in accordance with United Kingdom law and International Financial Reporting Standards (IFRSs) as adopted by the EU are set out in the Statement of Directors' Responsibilities.

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

In addition we report to you if, in our opinion, 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 Group financial statements. The other information comprises only the Chairman's Statement, the Report of the Directors and the Remuneration Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the Group financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

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

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

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF ENERGISER INVESTMENTS PLC

Opinion

In our opinion:

- the Group financial statements give a true and fair view, in accordance with IFRS as adopted by the EU, of the state of the Group's affairs as at 31 December 2008 and of its loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Report of the Directors is consistent with the Group financial statements.

GRANT THORNTON UK LLP
REGISTERED AUDITOR
CHARTERED ACCOUNTANTS

Sheffield
30 June 2009

ENERGISER INVESTMENTS PLC

CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2008

	Note	2008 £'000	2007 Restated £'000
Continuing operations			
Net losses on investments	7	(936)	(543)
Other income	1	55	98
Cost of sales		(382)	-
Gross loss		(1,263)	(445)
Administrative costs		(132)	(361)
Operating loss	2	(1,395)	(806)
Finance costs	3	(166)	(115)
Finance income	3	311	84
Loss before taxation		(1,250)	(837)
Taxation	5	-	-
Loss for the year attributable to shareholders		(1,250)	(837)
Loss per share:			
Basic and diluted loss per share from total and continuing operations	6	(10.24)p	(7.89)p

The accompanying accounting policies and notes form an integral part of these consolidated financial statements.

CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2008

	Note	2008 £'000	2007 £'000
ASSETS			
Non-current assets			
Financial assets at fair value through profit and loss	7	266	1,651
Current assets			
Inventories	11	2,126	-
Loans and receivables	12	-	1,026
Trade and other receivables	13	245	208
Cash and cash equivalents		43	5
		2,414	1,239
Total assets		2,680	2,890
LIABILITIES			
Current liabilities			
Trade and other payables	14	405	466
Short-term borrowings	15	2,338	1,422
		2,743	1,888
Non-current liabilities			
Other payables	14	20	-
Long-term borrowings	15	316	299
		336	299
Total liabilities		3,079	2,187
Net (liabilities)/ assets		(399)	703
EQUITY			
Share capital	16	2,296	2,279
Share premium account		5,538	5,423
Convertible loan		88	88
Merger reserve		1,012	1,012
Retained earnings		(9,333)	(8,099)
Total equity		(399)	703

The financial statements were approved by the Board of Directors and authorised for issue on 30 June 2009.

Simon Bennett **Chairman**

Nishith Malde **Director**

The accompanying accounting policies and notes form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2008

	Share capital £'000	Share premium account £'000	Convertible loan £'000	Merger reserve £'000	Profit and loss £'000	Total equity £'000
Balance at 1 January 2007	2,279	5,423	18	1,012	(7,271)	1,461
Loss for the year	-	-	-	-	(837)	(837)
Total recognised income and expense for the year	-	-	-	-	(837)	(837)
Share based compensation	-	-	-	-	9	9
Issue of convertible loan - equity element	-	-	70	-	-	70
Balance at 31 December 2007	2,279	5,423	88	1,012	(8,099)	703
Loss for the year	-	-	-	-	(1,250)	(1,250)
Total recognised income and expense for the year	-	-	-	-	(1,250)	(1,250)
Issue of equity	17	115	-	-	-	132
Share based compensation	-	-	-	-	16	16
Balance at 31 December 2008	**2,296**	**5,538**	**88**	**1,012**	**(9,333)**	**(399)**

The accompanying accounting policies and notes form an integral part of these consolidated financial statements.

ENERGISER INVESTMENTS PLC

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2008

	2008	2007
	£'000	£'000
Cash flows from operating activities		
Loss before and after taxation	**(1,250)**	(837)
Adjustments for:		
Fair value adjustments	**781**	580
Loss/(profit) on sale of investments	**155**	(37)
Interest expense	**166**	115
Increase in loans, trade and other receivables	**(310)**	(920)
Decrease in trade payables	**(69)**	(104)
Interest received	**(311)**	(84)
Share option charge	**16**	9
Write down of inventories to net realisable value	**381**	-
Net cash from operating activities	**(441)**	(1,278)
Cash flows from investing activities		
Purchase of investments	**(155)**	(13)
Proceeds from sale of investment	**604**	265
Acquisition of subsidiary, net of cash acquired	**-**	-
Net cash used in investing activities	**449**	252
Cash flows from financing activities		
Proceeds from short-term borrowings	**374**	1,134
Re-payment of short-term borrowings	**(335)**	(82)
Net cash generaged from financing activities	**39**	1,052
Net increase in cash and cash equivalents	**47**	26
Cash and cash equivalents at beginning of period	**(4)**	(30)
Cash and cash equivalents at end of period	**43**	(4)

The accompanying accounting policies and notes form an integral part of these consolidated financial statements.

The principal accounting policies adopted in the preparation of the consolidated financial statements are set out below.

BASIS OF ACCOUNTING

Basis of preparation

The consolidated financial statements have been prepared under the historical cost convention.

The consolidated financial statements have been prepared in accordance with the accounting policies set out below and International Financial Reporting Standards (IFRSs) as adopted by the EU and that are effective at 31 December 2008.

The accounting policies have been applied consistently throughout the Group for the purposes of preparation of these consolidated financial statements.

The financial statements have been prepared on the going concern basis, the directors having considered the cash forecasts for the next 12 months from the date of the approval of these financial statements. In doing so they have given due regard to the risks and uncertainties affecting the business as set out in the Report of the Directors, the liquidity of investments and the liquidity risk disclosed in note 20, funding provided by Mr S D Wicks as referred to in note 19 and the repayment of other loans as referred to in note 15. On this basis the directors have a reasonable expectation that the funds available to the Group are sufficient to meet the requirements indicated by those forecasts.

Summary of significant accounting policies

Basis of consolidation

The Group financial statements consolidate those of the Company and all of its subsidiary undertakings drawn up to 31 December 2008. Subsidiaries are entities over which the Group has the power to control the financial and operating policies so as to obtain benefits from its activities. The Group obtains and exercises control through voting rights.

Unrealised gains on transactions between the Company and its subsidiaries are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Acquisitions of subsidiaries are dealt with by the purchase method. The purchase method involves the recognition at fair value of all identifiable assets and liabilities, including contingent liabilities of the subsidiary, at the acquisition date, regardless of whether or not they were recorded in the financial statements of the subsidiary prior to acquisition. On initial recognition, the assets and liabilities of the subsidiary are included in the consolidated balance sheet at their fair values, which are also used as the bases for subsequent measurement in accordance with the Group accounting policies. Goodwill is stated after separating out identifiable intangible assets. Goodwill represents the excess of acquisition cost over the fair value of the Group's share of the identifiable net assets of the acquired subsidiary at the date of acquisition.

Goodwill

Goodwill representing the excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is capitalised and reviewed annually for impairment. Goodwill is carried at cost less accumulated impairment losses. A gain on a bargain purchase is recognised immediately after acquisition in the income statement.

Revenue

Revenue is measured by reference to the fair value of consideration received or receivable by the Group for the sale of properties, services provided and rental income, excluding VAT and discounts. Revenue is recognised upon the performance of services or transfer of risk to the customer.

Sale of properties

Revenue from the sale of properties is recognised when all the following conditions have been satisfied:

- the Group has unconditionally exchanged and completed a contract for the sale of the property which is generally when the title passes
- the amount of revenue can be measured reliably
- it is probable that the economic benefits associated with the transaction will flow to the purchaser; and
- the cost incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Services represent management fees excluding VAT.

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the balance sheet date. The outcome of the transaction is deemed to be able to be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably
- it is probable that the economic benefits associated with the transaction will flow to the entity
- the stage of completion of the transaction at the balance sheet date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

Where a contract involves delivery of several different elements and is not fully delivered or performed by the year end, revenue is recognised based on the proportion of the services performed to the total services.

Rent receivable

Revenue includes rent receivable (excluding VAT) from third parties and is recognised on a straight line basis over the period of the lease.

Interest

Interest is recognised using the effective interest method which calculates the amortised cost of a financial asset and allocates the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Dividends

Dividends are recognised when the shareholders' right to receive payment is established.

Taxation

Current tax is the tax currently payable based on taxable profit for the period.

Deferred income taxes are calculated using the liability method on temporary differences. Deferred tax is generally provided on the difference between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of goodwill, nor on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Deferred tax on temporary differences associated with shares in subsidiaries is not provided if reversal of these temporary differences can be controlled by the Group and it is probable that reversal will not occur in the foreseeable future. In addition, tax losses available to be carried forward as well as other income tax credits to the Group are assessed for recognition as deferred tax assets.

Deferred tax liabilities are provided in full, with no discounting. Deferred tax assets are recognised to the extent that it is probable that the underlying deductible temporary differences will be able to be offset against future taxable income. Current and deferred tax assets and liabilities are calculated at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted at the balance sheet date.

Changes in deferred tax assets or liabilities are recognised as a component of tax expense in the income statement, except where they relate to items that are charged or credited directly to equity in which case the related deferred tax is also charged or credited directly to equity.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost includes land and all attributable construction costs.

Financial assets

Financial assets are divided into the following categories: loans and receivables and financial assets at fair value through profit or loss. Financial assets are assigned to the different categories by management on initial recognition, depending on the purpose for which they were acquired. The designation of financial assets is re-evaluated at every reporting date at which a choice of classification or accounting treatment is available.

All financial assets are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial assets other than those categorised as at fair value through profit or loss are recognised at fair value plus transaction costs. Financial assets categorised as at fair value through profit or loss are recognised initially at fair value with transaction costs expensed through the income statement.

Financial assets at fair value through profit or loss include financial assets that are designated by the entity as at fair value through profit or loss upon initial recognition. Subsequent to initial recognition, the financial assets included in this category are measured at fair value with changes in fair value recognised in the income statement. Financial assets originally designated as financial assets at fair value through profit or loss may not be reclassified subsequently.

Financial assets are designated as at fair value through profit or loss where they are managed and their performance evaluated on a fair value basis in accordance with the Group's documented investment strategy.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Trade receivables and certain other current assets are classified as loans and receivables. Loans and receivables are measured subsequent to initial recognition at amortised cost using the effective interest method, less provision for impairment. Any change in their value through impairment or reversal of impairment is recognised in the income statement.

Provision against trade receivables is made when there is objective evidence that the Group will not be able to collect all amounts due to it in accordance with the original terms of those receivables. The amount of the write-down is determined as the difference between the asset's carrying amount and the present value of estimated future cash flows.

An assessment for impairment is undertaken at least at each balance sheet date.

A financial asset is derecognised only where the contractual rights to the cash flows from the asset expire or the financial asset is transferred and that transfer qualifies for derecognition. A financial asset is transferred if the contractual rights to receive the cash flows of the asset have been transferred or the Group retains the contractual rights to receive the cash flows of the asset but assumes a contractual obligation to pay the cash flows to one or more recipients. A financial asset that is transferred qualifies for derecognition if the Group transfers substantially all the risks and rewards of ownership of the asset, or if the Group neither retains nor transfers substantially all the risks and rewards of ownership but does transfer control of that asset.

Financial liabilities

Financial liabilities are obligations to pay cash or other financial assets and are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial liabilities are recorded initially at fair value, net of direct issue costs.

They are recorded at amortised cost using the effective interest method, with interest-related charges recognised as an expense in finance cost in the income statement. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are charged to the income statement on an accruals basis using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

A financial liability is derecognised only when the obligation is extinguished, that is, when the obligation is discharged or cancelled or expires. When the obligation is extinguished by conversion to equity, a gain or loss is recognised in respect of the difference between the carrying value of the debt compared to the fair value of the shares issued.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

Equity

Equity comprises the following:

- "Share capital" represents the nominal value of equity shares.
- "Share premium" represents the excess over nominal value of the fair value of consideration received for equity shares, net of expenses of the share issue.
- "Convertible loan" comprises the equity element of a convertible loan carried in the financial statements at fair value.
- "Profit and loss reserve" represents retained profits.
- "Merger reserve" represents the excess of the nominal value of shares issued in the acquisition of a subsidiary undertaking and the nominal value of those shares.

Leased assets

In accordance with IAS 17, the economic ownership of a leased asset is transferred to the lessee if the lessee bears substantially all the risks and rewards related to the ownership of the leased asset. The Group holds no such assets. All other leases are regarded as operating leases and the payments made under them are charged to the income statement on a straight line basis over the lease term. Lease incentives are spread over the term of the lease.

Segment reporting

In identifying its operating segments, management differentiates between investment activities and sub letting of its leasehold properties. These segments are monitored separately by management. The sub letting segment utilises leasehold property not used in the investment activities. The Group's result to date is substantially derived from the investment activities.

Restatement of comparative information

Revenue in the comparatives from the sale of investments is now shown net on the face of the income statement. The amended presentation has been adopted as it better reflects the nature of the Group's operations.

Future changes in accounting policies – standards issued but not yet effective

An amendment to IFRS 2 Share Based Payment becomes effective for accounting periods beginning on or after 1 July 2009. It aims to bring definition to the terms 'vesting conditions' and 'cancellations' and is not expected to impact the Group's financial statements.

IFRS 8 Operating Segments becomes effective on 1 January 2009. The standard requires entities to disclose information to enable users of its financial statements to evaluate the nature and financial effects of the business activities in which it engages. The Group has voluntarily adopted this standard in the current financial statements.

Critical judgements in applying the accounting policies

In the process of preparing the accounting policies, the directors have applied critical judgements in adopting the going concern basis to the financial statements as more fully set out in the basis of preparation paragraph of these accounting policies.

Key sources of estimation uncertainty

Fair value of loans

The fair value of loans has been calculated in the absence of information for directly comparable instruments as no active market exists for such items. Accordingly the inputs to the valuation techniques and specifically the market related rate of interest rely on other sources of data including the directors knowledge of similar loans. The carrying value of loans and receivables at the year end was £Nil (2007: £1.026m) and the carrying value of other loans included in borrowings was £1.400m (2007: £1.712m).

1. INCOME AND SEGMENTAL ANALYSIS

The Group generates income by way of profits or losses on investments. It also generates rental and other related income from sub letting properties. The segmental analysis of operations is as follows:

Segmental analysis by activity

	2008 £'000	2007 Restated £'000
REVENUE BY SEGMENT		
Rental and other related income	**55**	98
SEGMENT RESULT		
Sale of investments	**(1,348)**	(784)
Rental and other related income	**(47)**	(22)
Operating loss	**(1,395)**	(806)
Finance costs	**(166)**	(115)
Finance income	**311**	84
Loss before tax	**(1,250)**	(837)

All assets and liabilities, capital additions and depreciation were wholly attributable to investment activities.

The activity of both the investment activities and rental arose wholly in the United Kingdom.

2. OPERATING LOSS

Operating loss is stated after charging	2008 £'000	2007 £'000
Auditors' remuneration for		
- audit of the Group's annual accounts	**14**	16
- audit of subsidiaries pursuant to legislation	**5**	3
- taxation services	**5**	4
- other services	**2**	6
Other operating lease rentals - land and buildings	**67**	77

3. FINANCE COSTS AND FINANCE INCOME

	2008 £'000	2007 £'000
Finance costs		
Short term loans	**107**	85
Notional interest on loans carried at amortised cost	**59**	30
	166	115
Finance income		
Interest on loans and receivables	**49**	84
Gain on conversion of loan to equity financial instruments	**262**	-
	311	84

4. DIRECTORS AND EMPLOYEES

Staff costs during the year were as follows:	**2008 £'000**	2007 £'000
Wages and salaries	**122**	110
Social security costs	**7**	13
Share based payment	**16**	9
	145	132

The directors and employees of the Group waived £198,000 of remuneration in respect of the current and previous financial years.

The average number of employees (including directors) of the Group were:	**2008 Number**	2007 Number
Management of investments	**3**	3

Further details of individual directors' remuneration, pension fund and share options are shown in the table on pages 46 and 47.

5. INCOME TAX EXPENSE

There is no tax credit / (charge) for either the current or prior years due to the generation of tax losses.

The current tax assessed for the year is higher than the standard rate of corporation tax in the UK of 28.5%. The differences are explained as follows:

	2008 £'000	2007 £'000
Loss on ordinary activities before taxation	**(1,250)**	(837)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 28.5% / 30%	**(356)**	(251)
Effect of:		
Expenses not deductible for tax	**19**	22
Deductions allowable for tax	**-**	(5)
Capital losses arising/(utilised)	**44**	(12)
Short term temporary differences	**(48)**	(43)
Unrealised loss not allowable for tax	**223**	180
Unused tax losses carried forward	**10**	109
Unrecognised consolidation provision	**108**	-
Total tax charge	**-**	-

The Group has unrecognised deferred tax assets of 876,000 (2007: £864,000) as a result of losses carried forward of £3,128,000 (2007: £3,084,000).

6. LOSS PER ORDINARY SHARE

The loss per ordinary share is based on the weighted average number of ordinary shares in issue during the year of 12,204,639 ordinary shares of 0.1 pence (2007: 10,603,835 ordinary shares of 20 pence) and the following figures:

	2008 £'000	2007 £'000
Loss attributable to equity shareholders	**(1,250)**	(837)
Loss per ordinary shares	**(10.24)p**	(7.89)p

Diluted earnings per share is taken as being equal to basic earnings per share as the inclusion of share options would reduce the loss per share and therefore the effect is anti-dilutive.

7. INVESTMENTS

	2008 **£'000**	2007 £'000
Investments listed on a recognised investment exchange	**217**	1,025
Other unlisted investments	**49**	626
	266	1,651

	Listed **£'000**	**Unlisted investments** **£'000**	**Total** **£'000**
Cost			
At 1 January 2007	676	5,015	5,691
Additions	13	-	13
Sales			
- proceeds	(115)	(150)	(265)
- realised gains/(losses) on sales	-	37	37
At 31 December 2007	574	4,902	5,476
Unrealised appreciation / (depreciation)			
At 1 January 2007	411	(3,656)	(3,245)
Increase/(decrease) in unrealised appreciation/(depreciation)	40	(620)	(580)
At 31 December 2007	451	(4,276)	(3,825)
Fair value			
At 31 December 2007	1,025	626	1,651
At 31 December 2006	1,087	1,359	2,446

7. INVESTMENTS (CONTINUED)

	Listed £'000	Unlisted investments £'000	Total £'000
Cost			
At 1 January 2008	574	4,902	5,476
Additions	155	-	155
Sales			
- proceeds	(604)	-	(604)
- realised gains/(losses) on sales	(155)	-	(155)
- transfer from unrealised appreciation/(depreciation)	408	-	408
At 31 December 2008	378	4,902	5,280
Unrealised appreciation/(depreciation)			
At 1 January 2008	451	(4,276)	(3,825)
Transfer to cost	(408)	-	(408)
Increase/(decrease) in unrealised appreciation/(depreciation)	(204)	(577)	(781)
At 31 December 2008	(161)	(4,853)	(5,014)
Fair value			
At 31 December 2008	217	49	266
At 31 December 2007	1,025	626	1,651

	2008 £'000	2007 £'000
Net (losses)/gains on sales	**(155)**	37
Net increase in unrealised depreciation	**(781)**	(580)
Loss on remeasurement to fair value of investments carried at fair value through profit or loss	**(936)**	(543)

8. SIGNIFICANT INTERESTS

Details of investments other than subsidiary undertakings in which the Group has a holding of 3% or more that are material in the context of the financial statements:

	Country of incorporation	Class of share capital held	Percentage of share capital held %	Total cost £'000	Carrying value at 31 December 2008 £'000	Carrying value at 31 December 2007 £'000
Listed investments						
Physiomics plc	United Kingdom	Ordinary	6.4	249	60	194
Unlisted Investments						
EiRx Pharma Limited	United Kingdom	Ordinary	39.2	2,700	49	562

EiRx Pharma Limited holds 667,750,000 of the shares in EiRx Therapeutics plc and 221,334,208 shares in Physiomics plc. The directors consider that the conditions required to categorise an investment as an associated undertaking are not met.

9. SUBSIDIARY UNDERTAKINGS

At 31 December 2008 Energiser Investments plc held 50% or more of the equity of the following:

Company name	Country of registration	Principal activity	Holding	Class of shares
World Life Sciences Ltd	England	Dormant	100%	Ordinary
Urco Ltd	England	Dormant	100%	Ordinary
Development Funding Ltd	England	Development finance	100%	Ordinary
Gramm Partnership Housing Limited	England	Property development	100%	Ordinary

10. ACQUISITION OF SUBSIDIARY

During the year, the Group acquired the share capital of Gramm Partnership Housing Limited. The acquisition of Gramm Partnership Housing Limited is not considered a business combination as defined by IFRS 3 but was accounted for as a purchase of assets. Accordingly the cost of the acquisition has been allocated to the individual identifiable assets and liabilities in the company based on their relative fair values at the acquisition date as shown below:

	£000
Inventories	2,507
Debtors	13
Cash	7
Creditors	(1,266)
Loans	(1,254)
Cost of acquisition	7

11. INVENTORIES

	2008 £'000	2007 £'000
Freehold properties in the course of construction	**2,126**	-

The cost of inventories includes the cost of land and all attributable costs of construction. It is stated after a write down, shown as an expense in the period of £381,000 following the acquisition in the year (see note 10). The inventory has been provided as security for the bank loan (see note 15).

12. LOANS AND RECEIVABLES

	2008 £'000	2007 £'000
Loans	**-**	1,026

13. TRADE AND OTHER RECEIVABLES

	2008 £'000	2007 £'000
Other debtors	**245**	208

14. TRADE AND OTHER PAYABLES

	2008 £'000	2007 £'000
Current		
Trade creditors	**176**	69
Social security and other taxes	**34**	32
Other creditors and accruals	**195**	306
Deferred income	**-**	59
	405	466
Non Current		
Other creditors and accruals	**20**	-
	425	466

15. BORROWINGS

	2008 £'000	2007 £'000
Current		
Bank loan and overdraft	**1,254**	9
Other loans	**1,084**	1,413
	2,338	1,422
Non current		
Other loans due to Billam AG	**316**	299
	2,654	1,721

The amount due to Billam AG is an unsecured non-interest bearing loan and the total balance is repayable in 2013. Billam AG is an unconnected third party.

16. SHARE CAPITAL

	2008 £'000	2007 £'000
Authorised		
46,000,000 ordinary shares of 0.1p each (2007: 19,210,250 ordinary shares of 20p each)	**46**	3,842
3,980,789,750 (2007:157,950,000) deferred shares of 0.1p each	**3,981**	158
	4,027	4,000
Allotted, called up and fully paid		
28,309,695 ordinary shares of 0.1p each (2007: 10,603,835 ordinary shares of 20p each)	**28**	2,121
2,268,113,165 (2007: 157,950,000) deferred shares of 0.1p each	**2,268**	158
	2,296	2,279

16. SHARE CAPITAL (CONTINUED)

Reconciliation of issued share capital

	Ordinary Shares Number	Deferred Shares Number
At 1 January 2008	10,603,835	157,950,000
Subdivision of 20p ordinary shares	-	2,110,163,165
Issue of shares	17,705,860	-
At 31 December 2008	28,309,695	2,268,113,165

On 11 November 2008 10,603,835 ordinary shares of 20p each were sub-divided and re-designated into 1 new ordinary share of 0.1p each and 199 new deferred shares of 0.1p each. On that date 8,606,415 authorised but unissued ordinary shares of 20p each were sub-divided and re-designated into 1 new ordinary share of 0.1p and 199 new deferred shares of 0.1p.

On 11 November 2008 the authorised share capital of the Company was increased by £26,789.75 by the creation of 26,789,750 new ordinary shares of 0.1p each.

On 28 November 2008 13,090,909 ordinary shares of 0.1p each were issued in consideration of the conversion of £360,000 of loans advanced to the Company by Mr S D Wicks. On that date a further 4,614,951 ordinary shares of 0.1p each were issued in consideration of unpaid net remuneration and fees to Mr N Malde, Mr S Bennett and Mr H Cramer amounting to £57,281. The balance of net remuneration and fees of £162,061 have been waived by Mr N Malde, Mr S Bennett and Mr H Cramer.

Deferred shares

The deferred shares have:

- no right to any dividend;
- the right to receive notice of any general meeting and to attend such meeting, but no right to vote there at; and
- the right on a winding up or other return of capital (after payment of the debts and liabilities of the Company and an amount equal to the amounts paid up, or credited as paid up, including any premium on the ordinary shares of the Company, together with any unpaid arrears of dividend declared on such shares) to an amount equal to the amounts paid up or credited as paid up on such deferred shares.

The Group operates an unapproved share option scheme. Awards under each scheme are made periodically to employees

The charge calculated up to 31 December 2008 is £16,000 (2007: £9,000).

Volatility was assessed over the period since the shares were listed.

A reconciliation of option movements over the year ended 31 December 2008 is shown below:

	Number	**Exercise price**
Granted in the year	Nil	0.1p
Outstanding at 31 December 2008	1,900,000	
Exercisable at 31 December 2008	-	

16. SHARE CAPITAL (CONTINUED)

At 31 December 2008 outstanding options granted over ordinary shares were as follows:

Share option scheme	Exercise price	Number	Dates exercisable
Company unapproved	20p	1,900,000	24 March 2010 to 23 March 2017

17. RETIREMENT BENEFITS

Defined Contribution Pension Scheme

The Group operates a defined contribution scheme for the benefit of certain employees and directors. The assets of the scheme are administered by trustees in a fund independent from those of the Company. There were no contributions during the year (2007: £Nil).

18. COMMITMENTS UNDER OPERATING LEASES

There were total commitments under operating leases expiring as follows:

	2008	2007
	£'000	£'000
Land and buildings		
Less than one year	**43**	14
Between 1 to 2 years	**-**	100
	43	114

19. TRANSACTIONS WITH RELATED PARTIES

Within creditors is an amount accrued but not yet paid to former director A G P Forrest in relation to remuneration amounting to £40,000 (2007: £118,000). This amount is to be repaid in two instalments on 30 September 2009 and 30 September 2010.

During the year, a major shareholder, Mr S D Wicks advanced monies to the Group and the amortised cost of the outstanding balance at the year end was £803,000. Interest accrued during the year at 1% above base rates amounted to £84,000 and this remained outstanding at the year end. Interest of £67,000 relating to previous years also remains outstanding at the year end. The loan was secured by way of a debenture over the Company's assets. Whilst there are no formal terms of repayment, Mr S D Wicks has agreed not to seek repayment for a period of at least 12 months from the date of approval of these accounts unless the Group has funds to do so, albeit he may exercise his option to convert part or all of these loans into shares during that time.

Highlands Village Limited, a company in which Mr S D Wicks and Mr N Malde are both directors and shareholders, has advanced £281,000 to the Company during the year on an unsecured basis at 1% above base rates.

20. FINANCIAL INSTRUMENTS AND RISK PROFILE

The Group's financial instruments comprise its investment portfolio, cash balances and debtors and creditors that arise directly from its operations. The Group does not use derivative instruments. The Group is exposed to market risk through the use of financial instruments and specifically to liquidity risk, market price risk and credit risk, which result from the Group's operating activities.

The Board's policy for managing these risks is summarised below.

20. FINANCIAL INSTRUMENTS AND RISK PROFILE (CONTINUED)

Liquidity risk

The Group invests in securities for the long term. Accordingly the Group rarely trades investments in the short term. However, listed investments are also sold to meet the Group's funding requirements as they are readily realisable to cash. However, the market in small capitalised companies can be illiquid. Accordingly the directors monitor the market and make disposals as appropriate. Unlisted investments in the portfolio are subject to greater liquidity risk. This risk is taken into account by the directors when arriving at the valuation of these assets.

Market price risk

The Group is exposed to market price risk as shown by movements in the value of its equity investments. These are regularly monitored by the directors. A 10% movement in the share price of the listed investments would result in a £22,000 movement in the value of those investments.

Credit risk

The Group's exposure to credit risk is limited to the carrying amount of financial assets recognised at the balance sheet date

	2008	2007
	£'000	£'000
Inventories	**2,126**	-
Loans and receivables	**-**	1,026
Trade and other receivables	**245**	208
Cash and cash equivalents	**43**	5
	2,414	1,239

The directors monitor the development projects included in inventories on a regular basis and consider that all the above financial assets are of reasonable quality. No amounts shown above are considered to be past due.

20. FINANCIAL INSTRUMENTS AND RISK PROFILE (CONTINUED)

Summary of financial assets and liabilities by category

The carrying amount of financial assets and liabilities as recognised at the balance sheet date of the reporting periods under review may also be categorised as below:

	2008	2007
	£'000	£'000
Non current assets		
Financial assets at fair value through profit and loss	**266**	1,651
Current assets		
Loans and receivables	**245**	1,234
Cash and cash equivalents	**43**	5
	288	1,239
Current liabilities		
Financial liabilities carried at amortised cost	**2,514**	1,491
Non current liabilities		
Financial liabilities carried at amortised cost	**336**	299

The financial assets at fair value through profit and loss have been valued in accordance with the International Private Equity and Venture Capital Valuation guidelines. These are determined by reference to quoted prices.

There is no material difference between the carrying value and fair value of the Group's aggregate financial assets and liabilities.

20. FINANCIAL INSTRUMENTS AND RISK PROFILE (CONTINUED)

Interest rate risk profile of financial liabilities

	2008	2007
	£'000	£'000
Floating rate financial liabilities	**2,338**	1,422
Financial liabilities on which no interest is paid	**741**	765
	3,079	2,187

The floating rate financial liabilities principally comprise loans as follows:

- Bank loan which is secured against properties under construction with interest payable at 1.5% over base rate; and
- Other loans with interest payable at 1% over base rate.

The loan held under loans and receivables (2008: £nil and 2007: £1,026,000) attracted no interest, but instead was entitled to a minimum share of profit generated by the development project for which the funds were used. No other financial assets were held on which interest was receivable.

All financial assets and liabilities are denominated in sterling.

Maturity profile of financial liabilities

The maturity profile of the Group's financial liabilities was as follows:

	2008	2007
	£'000	£'000
In one year or less, or on demand		
Bank loan and overdraft	**1,254**	9
Other loans	**1,148**	1,469
Other creditors and accruals	**20**	118
	2,422	1,596
In more than one year but not more than two		
Other creditors and accruals	**20**	-
In more than five years		
Other loans due to Billam AG	**397**	397

21. COMPANY INFORMATION

The Company is a public limited company registered in England and Wales. The registered office and principal place of business in 2 Anglo Office Park, 67 White Lion Road, Amersham, Buckinghamshire HP7 9FB.

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF ENERGISER INVESTMENTS PLC

We have audited the parent company financial statements of Energiser Investments plc for the year ended 31 December 2008 which comprise the balance sheet, the principal accounting policies and the notes 1 to 11. These financial statements have been prepared under the accounting policies set out therein.

We have reported separately on the Group financial statements of Energiser Investments plc for the year ended 31 December 2008.

This report is made solely to the Company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report, and the parent company financial statements in accordance with United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the parent company 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 parent Company financial statements give a true and fair view and have been properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Report of the Directors is consistent with the parent company financial statements. The information given in the Report of the Directors includes that specific information presented in the Chairman's Statement that is cross referred from the Business Review section of the Report of the Directors.

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

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

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the parent company financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the parent company financial statements, and of whether the accounting policies are appropriate to the 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 parent company financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the parent company financial statements.

Opinion

In our opinion:

- the parent company financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Company's affairs as at 31 December 2008 and of its loss for the year then ended;
- the parent company financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Report of the Directors is consistent with the parent company financial statements.

GRANT THORNTON UK LLP
REGISTERED AUDITOR
CHARTERED ACCOUNTANTS

Sheffield
30 June 2009

BALANCE SHEET AT 31 DECEMBER 2008

	Note	2008 £'000	2007 £'000
Fixed assets			
Investments	3	**266**	1,651
Current assets			
Debtors	4	**1,426**	1,101
Cash at bank and in hand		**34**	6
		1,460	1,107
Creditors: amounts falling due within one year	5	**(1,446)**	(1,840)
Net current assets/(liabilities)		**14**	(733)
Total assets less current liabilities		**280**	918
Creditors: amounts falling due after more than one year	6	**(417)**	(397)
Net (liabilities) / assets		**(137)**	521
Capital and reserves			
Called up share capital	7	**2,296**	2,279
Share premium account	8	**5,538**	5,423
Convertible loan	8	**88**	88
Revaluation reserve	8	**247**	451
Merger reserve	8	**1,012**	1,012
Profit and loss account	8	**(9,318)**	(8,732)
Shareholders' (deficit)/funds	9	**(137)**	521

The financial statements were approved by the Board of Directors and authorised for issue on 30 June 2009.

Simon Bennett **Chairman**

Nishith Malde **Director**

The accompanying accounting policies and notes form an integral part of these financial statements.

PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies of the Company remain unchanged from the previous year, other than as noted below. The accounting policies of the Company are set out below.

BASIS OF ACCOUNTING

The accounts have been prepared under the historical cost convention, as modified by the revaluation of investment assets. The accounts have been prepared in accordance with applicable accounting standards.

The financial statements have been prepared on the going concern basis, the directors having considered the cash forecasts for the next 12 months from the date of the approval of these financial statements. In doing so they have given due regard to the risks and uncertainties affecting the business as set out in the Report of the Directors, the liquidity of investments and the liquidity risk disclosed in note 20 of the consolidated financial statements, funding provided by Mr S D Wicks as referred to in note 11 and the repayment of other loans as referred to in note 15 of the consolidated financial statements. On this basis the Directors have a reasonable expectation that the funds available to the Company are sufficient to meet the requirements indicated by those forecasts.

CASH FLOW STATEMENT

The Company has taken advantage of the exemption to not include a cash flow statement within its financial statements.

INVESTMENTS

Investments in subsidiaries are carried at cost less amounts written off.

Listed investments

Investments which are listed on a stock market such as AIM or similar markets are valued at their closing mid-price.

Where listed investments are subject to restrictions on sale or the marketability of the holding is limited then a discount to the listed market price may be applied. Unrealised gains are transferred to the revaluation reserve.

Unlisted shares

Valuation methods used are either costs or where appropriate fair value in accordance with International Private Equity and Venture Capital Valuation Guidelines.

In estimating fair value a valuation methodology is applied that is appropriate in light of the nature, facts and circumstances of the investment and its materiality in the context of the total investment portfolio. The valuation methodology will consider:

Price of recent investment
Earnings multiple
Net assets
Discounted cash flows or earnings of the underlying business
Discounted cash flows from the investment
Industry valuation benchmarks

For investments in start up or early-stage businesses, the "Price of Recent Investment" methodology is the most appropriate for a limited period following the date of investment. Thereafter the fair value is measured using the most appropriate methodology. If fair value cannot be reliably measured then a provision is made.

In the course of this review, increases above cost based valuations of unquoted investments are, in normal circumstances, only made if substantiated by significant third party transactions in relevant shares. Unrealised gains are recorded in the revaluation reserve.

LEASED ASSETS

Payments made under operating leases are charged to the revenue account on a straight line basis over the lease term.

EXPENSES

All expenses are accounted for on an accruals basis. Expenses are charged through the revenue account except as follows:

- expenses which are incidental to the acquisition of an investment are included within the cost of the investment;
- expenses which are incidental to the disposal of an investment are deducted from the disposal proceeds of the investment; and
- expenses are charged to capital reserve-realised where a connection with the maintenance or enhancement of the value of the investments can be demonstrated.

TAXATION

Deferred tax is recognised on all timing differences where the transactions or events that give the group an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance sheet date.

RETIREMENT BENEFITS

Defined contribution pension scheme

The pension costs charged against operating profits are the contributions payable to the scheme in respect of the accounting period.

1. PROFIT ATTRIBUTABLE TO MEMBERS OF THE PARENT COMPANY

As permitted by Section 230 of the Companies Act 1985, the parent company has not presented its own profit and loss account.

The Company's loss for the year of £806,000 (2007: £922,000) has been transferred to reserves.

Auditors' remuneration

The audit fees for the Company were £14,500 (2007: £16,500). Auditors' remuneration for other services is disclosed in note 2 to the consolidated financial statements.

Fees paid to the Company's auditors, Grant Thornton UK LLP, and its associates for services other than statutory audit of the Company are not disclosed in Energiser Investments plc's accounts since the consolidated accounts are required to disclose non-audit fees on a consolidated basis.

2. STAFF COSTS

Staff costs during the year were as follows:	**2008** **£'000**	2007 £'000
Wages and salaries	**122**	110
Social security costs	**7**	13
Pension costs	**16**	-
	145	123

The directors and employees of the Company waived £198,000 of remuneration in respect of the current and previous financial years.

The average number of employees (including directors) of the Company were:	**2008** **Number**	2007 Number
Management of investments	**3**	3

See the Remuneration Report for directors' remuneration.

3. INVESTMENTS

	2008 £'000	2007 £'000
Investments listed on a recognised investment exchange	**217**	1,025
Other unlisted investments	**49**	626
	266	1,651

	Listed £'000	Subsidiary undertakings £'000	Other unlisted investments £'000	Total £'000
Cost				
At 1 January 2008	574	2,623	4,902	8,099
Additions	155	-	-	155
Sales				
- proceeds	(604)	-	-	(604)
- realised gains/(losses) on sales	(155)	-	-	(155)
At 31 December 2008	(30)	2,623	4,902	7,495
Unrealised appreciation / (depreciation)				
At 1 January 2008	451	-	(4,276)	(3,825)
Increase/(decrease) in unrealised appreciation/(depreciation)	(204)	-	(577)	(781)
At 31 December 2008	247	-	(4,853)	(4,606)
Amounts due to subsidiaries	-	(2,623)	-	(2,623)
Cost or valuation				
At 31 December 2008	217	-	49	266
At 31 December 2007	1,025	-	626	1,651

4. DEBTORS

	2008 £'000	2007 £'000
Trade debtors	**24**	34
Amounts owed by subsidiary undertaking	**1,193**	892
Other debtors	**159**	133
Prepayments and accrued income	**50**	42
	1,426	1,101

5. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2008 £'000	2007 £'000
Bank overdraft	**-**	9
Other loans	**1,084**	1,413
Trade creditors	**126**	68
Social security and other taxes	**33**	31
Other creditors and accruals	**203**	319
	1,446	1,840

6. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2008 £'000	2007 £'000
Loan notes due to Billam AG	**397**	397
Other creditors and accruals	**20**	-
	417	397

7. SHARE CAPITAL

	2008 £'000	2007 £'000
Authorised		
46,000,000 ordinary shares of 0.1p each (2007: 19,210,250 ordinary shares of 20p each)	**46**	3,842
3,980,789,750 (2007: 157,950,000) deferred shares of 0.1p each	**3,981**	158
	4,027	4,000
Allotted, called up and fully paid		
28,309,695 ordinary shares of 0.1p each (2007: 10,603,835 ordinary shares of 20p each)	**28**	2,121
2,268,113,165 (2007:157,950,000) deferred shares of 0.1p each	**2,268**	158
	2,296	2,279

On 11 November 2008 10,603,835 ordinary shares of 20p each were sub-divided and re-designated into 1 new ordinary share of 0.1p each and 199 new deferred shares of 0.1p each. On that date 8,606,415 authorised but unissued ordinary shares of 20p each were sub-divided and re-designated into 1 new ordinary share of 0.1p each and 199 new deferred shares of 0.1p each.

On 11 November 2008 the authorised share capital of the Company was increased by £26,789.75 by the creation of 26,789,750 new ordinary shares of 0.1p each.

On 28 November 2008 13,090,909 ordinary shares of 0.1p each were issued in consideration of the conversion of £360,000 of loans advanced to the Company by Mr S D Wicks. On that date a further 4,614,951 ordinary shares of 0.1p each were issued in consideration of unpaid remuneration to Mr N Malde, Mr S Bennett and Mr H Cramer amounting to £57,281. The balance of net remuneration and fees of £162,061 have been waived by Mr N Malde, Mr S Bennett and Mr H Cramer.

Deferred shares

The deferred shares have:

- no right to any dividend;
- the right to receive notice of any general meeting and to attend such meeting, but no right to vote there at; and
- the right on a winding up or other return of capital (after payment of the debts and liabilities of the Company and an amount equal to the amounts paid up, or credited as paid up, including any premium on the ordinary shares of the Company, together with any unpaid arrears of dividend declared on such shares) to an amount equal to the amounts paid up or credited as paid up on such deferred shares.

The Company operates an unapproved share option scheme. Awards under each scheme are made periodically to employees.

7. SHARE CAPITAL (CONTINUED)

The charge calculated up to 31 December 2008 is £16,000 (2007: £9,000).

Volatility was assessed over the period since the shares listed.

A reconciliation of option movements over the year ended 31 December 2008 is shown below:

	Number	Exercise price
Granted in the year	Nil	0.1p
Outstanding at 31 December 2008	1,900,000	
Exercisable at 31 December 2008	-	

At 31 December 2008 outstanding options granted over 0.1p ordinary shares were as follows:

Share option scheme	Option price	Number	Dates exercisable
Company unapproved	20p	1,900,000	24 March 2010 to 23 March 2017

8. RESERVES

	Share premium account	Equity element of convertible loan	Revaluation reserve	Merger reserve	Profit and loss account
	£'000	£'000	£'000	£'000	£'000
At 1 January 2008	5,423	88	451	1,012	(8,732)
Issue of shares	115	-	-	-	-
Issue of convertible loan	-			-	-
Share based compensation	-	-		-	16
Retained loss for the year	-	-	(204)	-	(602)
At 31 December 2008	**5,538**	**88**	**247**	**1,012**	**(9,318)**

9. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2008	2007
	£'000	£'000
Retained loss for the year	(602)	(922)
Movement in unrealised gains on investments transferred (from)/to revaluation reserve	(204)	40
New share capital subscribed	132	-
Equity element of convertible loan	-	88
Share based compensation	16	9
	(658)	(785)
Shareholders' funds brought forward	521	1,306
Shareholders' funds carried forward	(137)	521

10. COMMITMENTS UNDER OPERATING LEASES

There were annual commitments under operating leases expiring as follows:

	2008	2007
	£'000	£'000
Land and buildings		
Less than one year	43	14
Between 1 to 2 years	-	55
	43	69

11. TRANSACTIONS WITH RELATED PARTIES

Within creditors is an amount accrued but not yet paid to former director A G P Forrest in relation to remuneration amounting to £40,000 (2007: £118,000). This amount is to be repaid in two instalments on 30 September 2009 and 30 September 2010.

During the year, a major shareholder, Mr S D Wicks advanced monies to the Company and the outstanding balance at the year end was £866,600. Interest accrued during the year at 1% above base rates amounted to £84,000 and this remained outstanding at the year end. Interest of £67,000 relating to previous years also remains outstanding at the year end. The loan was secured by way of a debenture over the Company's assets. Whilst there are no formal terms of repayment, Mr S D Wicks has agreed not to seek repayment for a period of at least 12 months from the date of approval of these accounts unless the Company has funds to do so, albeit he may exercise his option to convert part or all of these loans into shares during that time.

Highlands Village Limited, a company in which Mr S D Wicks and Mr N Malde are both directors and shareholders, has advanced £281,000 to the Company during the year on an unsecured basis at 1% above base rates.

Directors' remuneration

The Board submits its directors' remuneration report for the year ended 31 December 2008.

The policy of the Board is to provide executive remuneration packages designed to attract, motivate and retain directors of the calibre necessary to maintain the Company's position as a market leader and to reward them for enhancing shareholder value and return. It aims to provide sufficient levels of remuneration to do this, but to avoid paying more than is necessary.

Due to the Board's current size it does not have a Remuneration Committee.

Main elements of remuneration

The three main elements of the executive director's remuneration package are basic annual salary, performance related bonus and share option incentives.

Basic annual salary

Any executive director's basic salary is reviewed annually by the Board. In deciding upon appropriate levels of remuneration the Board believes that the Company should offer average levels of base pay reflecting individual responsibilities compared to similar jobs in comparable companies.

Summary of Directors' remuneration

	Salary	Salary waived	Aggregate emoluments Total	Total	Company contributions to money purchase pension scheme	
	2008	2008	2008	2007	2008	2007
	£'000	£'000	£'000	£'000	£'000	£'000
Executive						
N Malde	42	(42)	-	33	-	-
Non-executive						
S C Bennett	28	(17)	11	26	-	-
	70	(59)	11	59	-	-

In addition to the above, Mr N Malde also waived £26,000 of unpaid remuneration from previous periods.

Remuneration in respect of S C Bennett was paid to Incremental Capital LLP.

Non-executive director

The remuneration of the non-executive director is determined by the Board within the limits set out in the Articles of Association. The non-executive director does not have a contract of service and is not eligible to receive pension contributions.

Directors' interests

The interests of the directors and their families in the ordinary shares of the Company are shown below,

Ordinary shares	As at 31 December 2008 0.1p Ordinary shares	As at 1 January 2008 20p Ordinary shares
S C Bennett	**500,000**	50,000
N Malde	**1,935,464**	40,000

Share options

The Company has granted 1,900,000 share options under an unapproved share option scheme during the year of which 1,000,000 share options were granted to the directors as follows:

	Options over 0.1p Ordinary shares
S C Bennett	300,000
N Malde	700,000
	1,000,000

Other than shown above, no director had any interest in the shares of the Company or any of its subsidiaries at 31 December 2008 and there have been no changes in directors' interests since that date and the date of this report.

ON BEHALF OF THE BOARD

Simon Bennett
Chairman

30 June 2009

NOTICE IS HEREBY GIVEN that the ANNUAL GENERAL MEETING of Energiser Investments plc (the "Company") will be held at 2 Anglo Office Park, 67 White Lion Road, Amersham, Buckinghamshire. HP7 9FB at 11:00 am on 4 September 2009, for the purposes of considering and, if thought fit, passing the following resolutions as to which those numbered 1 to 5 inclusive will be proposed as ordinary resolutions and that numbered 6 and 7 will be proposed as a special resolution.

THE RESOLUTIONS

1. THAT the audited accounts of the Company for the financial year ended 31 December 2008 and the directors' report and auditors' report on those accounts and the report on remuneration be received and adopted.

2. THAT Grant Thornton UK LLP be appointed auditors of the Company to hold office from the conclusion of this Meeting until the conclusion of the next general meeting at which audited accounts are laid and to authorise the directors to fix their remuneration.

3. THAT Nishith Malde be re-appointed as a director of the Company in accordance with the articles of association of the Company.

SPECIAL BUSINESS

4. THAT the proposed change in the investment strategy of the Company be approved and that the Company is hereby authorised to make investments in such manner and in such business sector(s) as the directors think fit, including without limitation property companies, property financing companies, other asset-backed investments and cash generative investments.

5. THAT in substitution for all existing authorities under that section, the directors be and they are hereby generally and unconditionally authorised pursuant to Section 80 of the Companies Act 1985 (the "Act") to exercise all the powers of the Company to allot, grant options over, offer or otherwise deal with or dispose of any relevant securities (as defined in Section 80(2) of the Act) of the Company up to a maximum aggregate nominal amount of £15,790.30, or three quarters of the current issued share capital or, if less, the authorised but unissued share capital from time to time to such persons, at such times and generally on such terms and conditions as the directors (subject to the Articles of Association of the Company from time to time) in their absolute discretion may determine during the period commencing on the date of the passing of this resolution and expiring (unless previously renewed, varied or revoked by the Company in general meeting) 15 months from the date of the passing of this resolution or, if earlier, on the conclusion of the next

annual general meeting of the Company save that the Company may make an offer or agreement which would or might require relevant securities to be allotted after the expiry of this authority and the directors may allot relevant securities pursuant to such an offer or agreement as if the authorities hereby conferred had not expired.

6. THAT in substitution for all existing authorities, the directors be and they are hereby empowered, pursuant to Section 95 of the Act to allot equity securities (within the meaning of Section 94 of the Act) for cash pursuant to the authority conferred by 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:

(a) to the allotment of equity securities where the equity securities respectively attributable to the interests of all relevant shareholders are proportionate (as nearly as may be) to the respective numbers of shares held by them on the record date for such allotment subject only 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, or the requirements of any regulatory body or stock exchange in, any territory; and

(b) to the allotment (otherwise than pursuant to sub-paragraph (a) above) of equity securities up to a nominal amount not exceeding £1,900 pursuant to the exercise of options to subscribe for equity securities in the capital of the Company granted prior to the date hereof; and

(c) to the allotment (otherwise than pursuant to sub-paragraphs (a) and (b) inclusive above) of equity securities for cash up to an aggregate nominal amount not exceeding £15,790.30 or three quarters of the current issued share capital from time to time, and shall expire on the conclusion of the next annual general meeting of the Company or 15 months after the passing of this resolution, whichever is earlier, save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities in pursuance of such offer or agreement after such expiry as if the power conferred hereby had not expired.

7. THAT a general meeting other than an annual general meeting may be called on not less than 14 clear days' notice.

By order of the Board

Nishith Malde

30 June 2009

Registered office:

2 Anglo Office Park

67 White Lion Road

Amersham

Bucks

HP7 9FB

Notes

1. A member of the Company entitled to attend, speak and vote at the AGM may appoint one or more proxies to attend, speak and vote instead of him. A proxy need not also be a member of the Company.

2. Completion and return of a form of proxy does not preclude a member from attending, speaking and voting at the AGM in person should he so wish.

3. A form of proxy is enclosed and to be valid must be completed, signed and returned so as to reach the Company's registrar, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY (together with a letter or power of attorney or other written authority, if any, under which it is signed or a notarially certified or office copy of such power or written authority) not later than 11:00 am on 2 September 2009 being 48 hours before the time fixed for holding the AGM or any adjournment thereof.

4. Copies of the directors' service contracts and letters of appointment will be available for inspection by members at the registered office of the Company during normal business hours from the date of this Notice until the conclusion of the AGM.

5. Pursuant to Regulation 41 of The Uncertifiicated Securities Regulations 2001, only those members registered in the Register of Members of the Company as at close of business on 2 September 2009 are entitled to attend, speak or vote at this AGM in respect of the number of Shares registered in their name as at close of business on 2 September 2009. Changes to entries in the register after as at close of business on 2 September 2009 shall be disregarded in determining the right to attend, speak or vote at the AGM.