

# Global Gaming Technologies plc

ANNUAL REPORT AND  
FINANCIAL STATEMENTS

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FOR THE YEAR ENDED 31 JULY 2007

# Annual Report and Financial Statements

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FOR THE YEAR ENDED 31 JULY 2007

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# Company Information

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<b>Directors</b>	G. Porter R. Trenter
<b>Secretary</b>	Kitwell Consultants Limited
<b>Company number</b>	05181462
<b>Registered office</b>	2nd Floor Stanmore House 29-30 St James' Street London SW1A 1HB
<b>Bankers</b>	Alliance & Leicester Commercial Bank plc Bridle Road Mersyside GIR 0AA  Lloyds TSB Bank plc Law Courts Branch London WC2R 1BB
<b>Solicitors</b>	Fladgate Fielder 25 North Row London W1K 6DJ
<b>Auditors</b>	Grant Thornton UK LLP Registered Auditors Chartered Accountants Enterprise House 115 Edmund Street Birmingham B3 2HJ
<b>Nominated Adviser and Brokers</b>	Canaccord Adams Limited Cardinal Place 7th Floor 80 Victoria Street London SW1E 5JL
<b>Registrars</b>	Capita Registrars The Registry 34 Beckenham Road Beckenham Kent BR3 4TU

# Chairman's Statement

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FOR THE YEAR ENDED 31 JULY 2007

The Board of Global Gaming Technologies plc (GGT) presents the Group's results for the year ended 31 July 2007. The Group recorded a loss before tax of £878,247, after a share-based payments charge of £614,059 and the write off of goodwill of £100,000 (2006: £12,771,340 after a share-based payments charge of £867,680 and the write off of goodwill of £10,539,668). There is a loss per share of 0.46p (2006: loss per share: 6.84p).

During the year costs within the business remained under strict control following the reorganization of the business in 2006 and the directors have taken no salaries or fees.

## **Change of strategy**

GGT announced on 27 April 2007 that it would be prudent to widen its remit for potential acquisitions and to look at opportunities across a broader range of businesses to source potential acquisitions which were not reliant on the gaming industry and can demonstrate good potential growth characteristics. The Board anticipates such acquisition or acquisitions will be in the natural resources and mining sector, in Africa, the Americas, Europe or Australasia. The Board expects such acquisition(s) to be of private companies where the existing owners are willing to accept the Company's shares to satisfy all or part of the purchase price. The Board expects that upon completion of any such major acquisition, the management of the target company would take over management of GGT and thus be an active manager of the acquired assets. The number of acquisitions will depend, among other things, on the performance of the Company and any acquired businesses. It is, however, expected that the number of acquisitions will be between one and three in the 24 months following the Company's annual general meeting referred to below (AGM).

The Board has experience of evaluating businesses across a number of sectors. The Board will engage specialists to advise it, including geologists, production engineers, accountants and lawyers.

At the AGM, a resolution will be proposed to approve the above strategy. If the Company has not within 12 months of the AGM made an acquisition or acquisitions constituting a reverse takeover or otherwise implemented its investment strategy, the Company's trading facility on AIM will be suspended for six months and if in that period it does not make an acquisition or acquisitions or otherwise does not implement its strategy, its trading facility on AIM will be cancelled.

The process of sourcing a potential acquisition has continued, however, to date the Board has not identified a business which meets the Company's requirements. The Board therefore remains mindful that if a suitable acquisition cannot be concluded then an alternative solution will have to be pursued.

## **Loan facility**

During the year the Company was provided with additional working capital via a loan facility of up to £100,000 provided by Corvus Capital Inc. Amounts owed to Corvus Capital Inc. under this facility together with any additional advances accrue interest at a rate of 2 per cent. above HSBC Bank plc's base rate, such interest being payable on the date the loan is repaid. The loan is, in certain circumstances, convertible at par into ordinary shares of the Company. Corvus Capital Inc. already holds 43,930,196 ordinary shares in the Company representing 22.7 per cent. of the issued share capital in the Company. As Corvus Capital Inc. is a significant shareholder, the loan arrangements constitute a related party transaction under the AIM Rules. The Board, having consulted Canaccord Adams, the Company's nominated adviser, consider that the terms of the transaction are fair and reasonable insofar as the Company's shareholders are concerned.

# Chairman's Statement

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## **Voting rights**

The Company's issued share capital consists of 193,294,385 ordinary shares with a nominal value of 0.25 pence each. GGT does not hold any ordinary shares in Treasury. Therefore, the total number of voting rights in the Company is 193,294,385 and this figure may be used by shareholders as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in, the Company under the Financial Service Authority's Disclosure and Transparency Rules.

## **Loss of capital**

GGT's results show that the Company's net assets are less than half its paid up share capital. In the circumstances the directors of the Company are obliged by section 142 Companies Act 1985 to convene a general meeting for the purpose of considering whether any, and if so what, steps should be taken to deal with the Company's current financial position. We propose to consider this matter at the Company's annual general meeting, details of which are set out below, although no resolution will be put to the meeting on this issue.

## **Annual general meeting**

A notice convening the AGM is set out on page 28 of this document. The AGM will be held at 10.00 a.m. on 4 March 2008 at the offices of Fladgate Fielder, 25 North Row, London W1K 6DJ. A form of proxy is enclosed for use at the AGM. Whether or not you intend to be present at the meeting, you are requested to complete, sign and return the form of proxy to the Company's registrars as soon as possible and in any event so as to arrive not later than 10.00 a.m. on 2 March 2008. The completion and return of a form of proxy will not preclude you from attending the AGM and voting in person should you subsequently wish to do so.

I will report any progress to shareholders as and when it is appropriate to do so.

**R. Trenter**  
Chairman

31 January 2008

# Directors' Report

FOR THE YEAR ENDED 31 JULY 2007

The directors present their report together with the audited financial statements for the year ended 31 July 2007.

<b>Principal activity</b>	The Company was established to build, through acquisition, a group specialising in providing enabling technologies for gaming markets.
<b>Business review</b>	<p>A review of the Group's progress during the year and an indication of likely future developments are provided in the Chairman's statement.</p> <p>As the Group's key objective is to identify a suitable acquisition target the directors have not yet set other specific financial and non-financial key performance indicators for the Group.</p>
<b>Results and dividends</b>	The results for the year are set out on page 16. The directors do not recommend payment of an ordinary dividend.
<b>Financial risk management policies and objectives</b>	<p>The Group's principal financial instruments comprise cash and loans from related parties. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial instruments such as other debtors and trade creditors, which arise directly from its operations. The Group does not enter into derivative transactions.</p> <p>It is, and has been throughout the period under review, the Group's policy that no trading in financial instruments shall be undertaken. The main risk arising from the Group's financial instruments is liquidity risk. The board reviews and agrees policies for managing this risk and they are summarised below.</p> <p><b>Liquidity risk</b></p> <p>The Group's cashflow has historically been tight. As a consequence the Board of Directors continually review the facilities available to the Group and seek to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs.</p>
<b>Directors</b>	<p>The directors at 31 July 2007 are set out below. Both Directors served throughout the year.</p> <p>G Porter R Trenter</p>
<b>Substantial shareholdings</b>	<p>Interests in excess of 3% of the issued share capital of the Company which had been notified as at 24 January 2008 were as follows:</p>

	<b>Ordinary shares of 0.25p each Number</b>	<b>Percentage of capital %</b>
Corvus Capital Inc.	43,930,196	22.73
Champel International Limited	24,680,208	12.77
Pershing Keen Nominees Limited	19,004,998	9.83
Dominic Johnson	11,114,681	5.75
Glencar International Investments	10,070,893	5.21
OMX Securities Nominees Limited	9,758,966	5.05
Morstan Nominees Limited	7,111,791	3.68

# Directors' Report

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## **Creditor payment policy**

The Group's current policy concerning the payment of trade creditors is to:

- (a) set the terms of payment with suppliers when agreeing the terms of each transaction;
- (b) ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; and
- (c) pay in accordance with the Group's contractual and other legal obligations.

Trade creditors at the year end all relate to sundry administrative overheads and disclosure of the number of days' purchases represented by year end creditors is therefore not meaningful.

## **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 financial statements in accordance with 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 of the profit or loss of the company 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 UK 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 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.

# Directors' Report

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**International financial reporting standards (“IFRS”)**

The Company recognises that there is a requirement to prepare the Group financial statements under IFRS for the financial year ending 31 July 2008. The interim report for the six months ending 31 January 2008 will be prepared in accordance with IFRS and will explain the impact of IFRS on the reported financial information.

**Auditors**

Grant Thornton UK LLP were appointed auditors on 9 November 2007 and being eligible offer themselves for reappointment as auditors in accordance with Section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD

**R. Trenter**  
Director

31 January 2008

# Corporate Governance

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FOR THE YEAR ENDED 31 JULY 2007

## **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. It meets on a regular basis and has a schedule of matters specifically reserved to it for decision. Management supply the Board with appropriate and timely information and the Directors are free to seek any further information they consider necessary. All Directors have access to advice from the Company Secretary and independent professional advice at the Company's expense.

The Board consists of one executive Director, who holds the key operational position in the Company and one non-executive Director, who brings a breadth of experience and knowledge. The Chairman of the Board is Ron Trenter who also currently runs the business during the search for a suitable acquisition.

## **Relations with shareholders**

The Company values the views of its shareholders and recognises their interest in the Group's strategy and performance. The Annual General Meeting will be used to communicate with private investors and they are encouraged to participate. The Directors will be available to answer questions. Separate resolutions will be proposed on each issue so that they can be given proper consideration and there will be a resolution to approve the annual report and accounts.

## **Internal control**

The Board is responsible for maintaining a strong system of internal control to safeguard shareholders' investment and the Group's assets and for reviewing its effectiveness. The system of internal financial control is designed to provide reasonable, but not absolute, assurance against material misstatement or loss.

Once a suitable acquisition has been completed an audit committee will be established which will meet at least half yearly and will be responsible for ensuring that the financial performance of the Group is properly monitored and reported on, as well as meeting the auditors and reviewing any reports from the auditors regarding accounts and internal control systems.

The Board has considered the need for an internal audit function but has decided that until the Group makes a sizeable acquisition an internal audit function is not required. However, it will keep the decision under annual review.

## **Going Concern**

The directors have prepared cashflow forecasts for the period ending 31 March 2009. The forecasts assume that an acquisition of a business will not be completed and that minimal costs will be incurred whilst an acquisition is sought. If a potential acquisition is identified it will only be completed if sufficient funding is available to fund the costs of the acquisition and the on-going working capital requirements of the enlarged group.

The forecasts also assume that Corvus Capital Inc. (Corvus) and its subsidiary undertakings, a substantial shareholder in the Company, will not seek repayment of its £125,853, owed by the Group at 31 July 2007 until it has sufficient funds to repay its loan and will provide sufficient funding to support the Groups funding requirement on the basis that no acquisition of a business is completed. Corvus has provided written confirmation that it will not seek repayment of amounts owed and of the additional funding to be provided.

On this basis the financial statements have been prepared on a going concern basis. The financial statements do not include any adjustments that would result if the assumptions detailed above are not met.

# Report on Remuneration

FOR THE YEAR ENDED 31 JULY 2007

## Directors' remuneration

The Board recognises that Directors' remuneration is of legitimate concern to the shareholders and is committed to following current best practice. The Group operates within a competitive environment, performance depends on the individual contributions of the Directors and employees and it believes in rewarding vision and innovation.

## Policy on executive Directors' remuneration

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 Group's position 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. The remuneration will also reflect the Directors' responsibilities and contain incentives to deliver the Group's objectives. A separate remuneration committee will be established comprising the non-executive directors once an acquisition has been made.

During the year ended 31 July 2007 the two directors, G Porter and R Trenter, agreed not to take any remuneration. The £12,000 remuneration due to G Porter in connection with 2006 remains unpaid at 31 July 2007.

The remuneration of the Directors was as follows:

	P Pullinger	C Cleverly	D Johnson	J Leat	G Porter	R Trenter	Total
	£	£	£	£	£	£	£
Year ended							
31 July 2007	–	–	–	–	–	–	–
Salary and fees	–	–	–	–	–	–	–
Benefits in kind	–	–	–	–	–	–	–
Pension	–	–	–	–	–	–	–
Total	–	–	–	–	–	–	–
Year ended							
31 July 2006							
(as restated)	63,333	15,000	12,000	934	12,000	7,734	111,001

## Pensions

The Group does not make pension contributions on behalf of the Directors.

## Benefits in kind

None of the Directors received any benefits in kind during the two years ended 31 July 2007.

## Bonuses

No amounts are payable for bonuses in respect of the two years ended 31 July 2007.

# Report on Remuneration

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## Share based payment

The Company has adopted an employee Share Option Scheme (the “Employee Share Option Scheme”) in order to incentivise key management and staff. Pursuant to the Employee Share Option Scheme, a duly authorised committee of the Board of Directors of the Company may, at its discretion, grant options to eligible employees, including Directors, of the Company or any of its subsidiaries to subscribe for shares in the Company. Details of share options granted to Directors are set out below.

## Notice periods

The executive Director and the non-executive director both have a 3 month rolling notice period.

**Share option incentives** During the year ended 31 July 2007 the following options were held by the Directors:

	<b>At beginning of year</b>	<b>Granted in year</b>	<b>Exercised or lapsed in year</b>	<b>At end of year</b>	<b>Exercise price</b>
G Porter	–	–	–	–	–
R Trenter	4,028,292	–	4,028,292	–	0.25p

At 31 July 2007 the share price of the Company was 0.3p. The highest and lowest share price during the year was 1.125p and 0.3p respectively.

# Report of the Independent Auditors

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to the members of Global Gaming Technologies plc

We have audited the Group and parent company financial statements (“the financial statements”) of Global Gaming Technologies plc for the year ended 31 July 2007 which comprise the principal accounting policies, the consolidated profit and loss account, the consolidated balance sheet, the Company balance sheet, the consolidated cash flow statement and notes 1 to 22. These financial statements have been prepared under the accounting policies set out therein.

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

## **Respective responsibilities of the directors and auditors**

The Directors’ responsibilities for preparing the Annual Report and the 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 financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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

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

# Report of the Independent Auditors

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## **Basis of opinion**

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

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

## **Opinion**

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Group's and the parent Company's affairs as at 31 July 2007 and of the Group's loss for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Report of the Directors is consistent with the financial statements.

**Grant Thornton UK LLP**  
Registered Auditors  
Chartered Accountants  
Birmingham

31 January 2008

# Principal Accounting Policies

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FOR THE YEAR ENDED 31 JULY 2007

- Basis of preparation** The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards.
- The principal accounting policies of the Group have remained unchanged from the previous year, unless stated otherwise, and are set out below.
- Going concern** The directors have prepared cashflow forecasts for the period ending 31 January 2009. The forecasts assume that an acquisition of a business will not be completed and that minimal costs will be incurred whilst an acquisition is sought. If a potential acquisition is identified it will only be completed if sufficient funding is available to fund the costs of the acquisition and the on-going working capital requirements of the enlarged group.
- The forecasts also assume that Corvus Capital Inc. (Corvus) and its subsidiary undertakings, a substantial shareholder in the Company, will not seek repayment of its £125,853, owed by the Group at 31 July 2007 until it has sufficient funds to repay its loan and will provide sufficient funding to support the Group's funding requirement on the basis that no acquisition of a business is completed. Corvus has provided written confirmation that it will not seek repayment of amounts owed and of the additional funding to be provided.
- On this basis the financial statements have been prepared on a going concern basis. The financial statements do not include any adjustments that would result if the assumptions detailed above are not met.
- Changes in accounting policies** In preparing the financial statements for the current year, the Group has adopted the following Financial Reporting Standards:
- FRS 20 'Share-based payment (IFRS 2)'**
- FRS 20 'Share-Based Payment (IFRS 2)' requires the recognition of equity-settled share-based payments at fair value at the date of the grant and the recognition of liabilities for cash-settled share-based payments at the current fair value at each balance sheet date. Prior to the adoption of FRS 20, the Group did not recognise the financial effect of share-based payments until such payments were settled.
- In accordance with the transitional provisions of FRS 20, the Standard has been applied retrospectively to all grants of equity instruments after 7 November 2002 that were unvested as of 1 January 2005.
- For the year ended 31 July 2007 the change in accounting policy has resulted in a net charge to the profit and loss account of £614,059. For the year ended 31 July 2006 the impact is to recognise a share-based payment charge of £867,680 after eliminating the prior years share based payment charge of £53,176.
- Basis of consolidation** The consolidated profit and loss account and balance sheet include the accounts of the Company and its subsidiary undertaking, Event Data Correlation Limited, made up to 31 July 2007. The results of subsidiary undertakings sold or acquired are included in the profit and loss account up to, or from the date control passes. Intra-group sales and profits are eliminated fully on consolidation. A separate profit and loss accounting dealing with the results of the Company only has not been presented as permitted by Section 230 of the Companies Act 1985.

# Principal Accounting Policies

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<b>Net trading margin</b>	<p>Net trading margin represents the net results of trades placed in the betting markets. The directors consider that for the Group's operations during the prior year, net trading margin is a better description of its generation of income from its principal activity than turnover and hence have used net trading margin as an equivalent for turnover in these accounts. The trade ceased in 2006 and so no net trading margin was generated in the year ended 31 July 2007.</p>
<b>Goodwill</b>	<p>Goodwill represents the excess of the cost of the acquisition over the fair value of the Group's share of the identifiable net assets acquired.</p> <p>Goodwill is amortised over its useful economic life, which is considered for each acquisition separately. It is reviewed for impairment at the end of its first full financial year following the acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable. Goodwill relating to Event Data Correlation Limited was estimated to have a life of 20 years.</p>
<b>Investments</b>	<p>Investments are included at cost less amounts written off.</p>
<b>Software development licence</b>	<p>The software development licence is stated at cost less amortisation. Amortisation is provided over the two year term of the licence.</p>
<b>Leased assets</b>	<p>All leases are regarded as operating leases and the payments made under them are charged to the profit and loss account on a straight line basis over the lease term.</p>
<b>Deferred taxation</b>	<p>Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.</p>
<b>Financial instruments</b>	<p>Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.</p> <p>Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.</p> <p>Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.</p>

# Principal Accounting Policies

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**Share based payments** All share-based payment arrangements granted after 7 November 2002 but which had not vested by 1 July 2006, are recognised in the financial statements.

All goods and services received in exchange for the grant of any share-based payment are measured at their fair values. Where employees are rewarded using share-based payments, the fair values of employees' services are determined indirectly by reference to the fair value of the instrument granted to the employee. This fair value is appraised at the grant date and excludes the impact of non-market vesting conditions (for example, profitability and sales growth targets).

All equity-settled share-based payments are ultimately recognised as an expense in the profit and loss account with a corresponding credit to the "share-based payment reserve".

If vesting periods or other non-market vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest. Estimates are revised subsequently if there is any indication that the number of share options expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognised in the current period. No adjustment is made to any expense recognised in prior periods if share options that have vested are not exercised.

Upon exercise of share options, the proceeds received net of attributable transaction costs are credited to share capital, and where appropriate share premium.

# Consolidated Profit and Loss Account

FOR THE YEAR ENDED 31 JULY 2007

	Note	£	2007 £	£	2006 (restated) £
<b>Net trading margin</b>			–		(11,646)
Impairment of goodwill	7	(100,000)		(10,539,668)	
Other administrative expenses		(779,673)		(2,269,588)	
Total administrative expenses			(879,673)		(12,809,256)
Other operating income			–		35,585
<b>Operating loss</b>	1		(879,673)		(12,785,317)
Interest receivable and similar income	3		1,426		13,977
<b>Loss on ordinary activities before taxation</b>			(878,247)		(12,771,340)
Tax on loss on ordinary activities	4		–		–
<b>Loss on ordinary activities after taxation</b>	14		(878,247)		(12,771,340)
Loss per share					
– Basic and diluted (pence)	6		(0.46p)		(6.84p)

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There were no recognised gains or losses other than the loss for the financial year.

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

# Consolidated Balance Sheet

AS AT 31 JULY 2007

	Note	2007 £	2006 (restated) £
<b>Fixed assets</b>			
Intangible assets	7	–	100,000
<b>Current assets</b>			
Debtors	9	22,898	23,799
Cash at bank and in hand		29,809	56,941
		52,707	80,740
<b>Creditors:</b> amounts falling due within one year	10	(216,072)	(90,037)
<b>Net current liabilities</b>		(163,365)	(9,297)
<b>Total assets less current liabilities</b>		(163,365)	90,703
<b>Capital and reserves</b>			
Called up share capital	13	483,236	471,673
Share premium account	14	1,363,230	1,364,673
Share-based payment reserve	14	1,534,915	920,856
Profit and loss account	14	(3,544,746)	(2,666,499)
<b>Shareholders' (deficit)/funds – equity</b>	15	(163,365)	90,703

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

# Balance Sheet

AS AT 31 JULY 2007

	Note	2007 £	2006 (restated) £
<b>Fixed assets</b>			
Investments	8	–	100,000
<b>Current assets</b>			
Debtors	9	22,898	11,666
Cash at bank and in hand		5,407	–
		28,305	11,666
<b>Creditors:</b> amounts falling due within one year	10	(195,761)	(48,266)
<b>Net current liabilities</b>		(167,456)	(36,600)
<b>Total assets less current liabilities</b>		(167,456)	63,400
<b>Capital and reserves</b>			
Called up share capital	13	483,236	471,673
Share premium account	14	1,363,230	1,364,673
Share-based payment reserve	14	1,534,915	920,856
Profit and loss account	14	(3,548,837)	(2,693,802)
<b>Shareholders' (deficit)/funds – equity</b>		(167,456)	63,400

The accounts were approved by the Board on 31 January 2008.

R Trenter  
Director

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

# Consolidated Cash Flow Statement

FOR THE YEAR ENDED 31 JULY 2007

	Note	2007 £	2006 (restated) £
<b>Net cash outflow from operating activities</b>	16	(144,553)	(743,745)
<b>Returns on investments and servicing of finance</b>			
Interest received		1,426	13,977
<b>Net cash inflow from returns on investments and servicing of finance</b>		1,426	13,977
<b>Capital expenditure and financial investment</b>			
Receipts from sales of tangible fixed assets		–	380
<b>Net cash inflow from capital expenditure and financial investment</b>		–	380
<b>Acquisitions and disposals</b>			
Purchase of subsidiary undertakings		–	35,541
<b>Net cash inflow from acquisitions and disposals</b>		–	35,541
<b>Net cash outflow before financing</b>		(143,127)	(693,847)
<b>Financing</b>			
Issue of ordinary share capital		10,120	210
New loans received		105,875	–
<b>Net cash inflow from financing</b>		115,995	210
<b>Decrease in cash</b>	17	(27,132)	(693,637)

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

# Notes to the Financial Statements

FOR THE YEAR ENDED 31 JULY 2007

<b>1 Operating loss</b>	Operating loss is stated after charging:		
		<b>2007</b>	<b>2006</b>
		<b>£</b>	<b>£</b>
	Amortisation of intangible assets	–	572,996
	Depreciation of owned tangible assets	–	624
	Auditors' remuneration		
	– Audit services parent	15,000	9,750
	– Audit services subsidiary	3,000	3,000,
	– Taxation compliance services	2,475	–
	Impairment of goodwill (see note 7)	100,000	10,539,668
<b>2 Employees</b>	Staff costs during the year were as follows:		
		<b>2007</b>	<b>2006</b>
		<b>£</b>	<b>(restated)</b>
		<b>£</b>	<b>£</b>
	Wages and salaries	64,500	416,469
	Social security costs	6,814	12,736
	Share-based payment charge	614,059	920,856
		685,373	1,350,061
	The average number of employees of the company during the year was:		
		<b>2007</b>	<b>2006</b>
		<b>Number</b>	<b>Number</b>
	Production/development	1	4
	Administration	–	5
		1	9
	Remuneration in respect of directors was as follows:		
		<b>2007</b>	<b>2006</b>
		<b>£</b>	<b>(restated)</b>
		<b>£</b>	<b>£</b>
	Aggregate emoluments	–	111,001
<b>3 Interest receivable and similar income</b>			
		<b>2007</b>	<b>2006</b>
		<b>£</b>	<b>£</b>
	Bank interest receivable	1,426	13,977

# Notes to the Financial Statements

FOR THE YEAR ENDED 31 JULY 2007

## 4 Tax on loss on ordinary activities

The tax charge is based on the loss for the year and represents:

	2007	2006 (restated)
	£	£
<b>Current tax</b>		
Loss on ordinary activities before taxation	(878,247)	(12,771,340)
Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30%	(263,474)	(3,831,402)
Effects of:		
Expenses not deductible for tax purposes	214,218	3,592,047
Depreciation for period in excess of capital allowances	–	3,439
Movement in tax losses	49,256	235,916
<b>Current tax charge</b>	<b>–</b>	<b>–</b>

The Group has estimated losses of £2,208,913 (2006: £2,044,726) which are available to carry forward against future trading profits of the same trade. No provision has been made for corporation tax on this basis.

## 5 Loss for the financial year

As permitted by section 230 of the Companies Act 1985, the parent Company's profit and loss account has not been included in these accounts. The loss for the financial year is made up as follows:

	2007	2006
	£	£
Parent Company's loss for the financial year	(855,035)	(11,202,294)

## 6 Loss per share

The calculation of the basic loss per share is based on the loss of ordinary activities after taxation of £878,247 (2006 as restated: £12,771,340) and on a weighted average number of 188,986,494 (2006: 186,808,822) ordinary shares in issue during the year.

There was no dilutive effect from the share options outstanding during the year due to the losses incurred.

# Notes to the Financial Statements

FOR THE YEAR ENDED 31 JULY 2007

## 7 Intangible fixed assets

	Goodwill £	Software development licence £	Total £
<b>Cost</b>			
At 1 August 2006 and 31 July 2007	11,259,914	60,000	11,319,914
<b>Amortisation</b>			
At 1 August 2006	11,159,914	60,000	11,219,914
Impairment	100,000	–	100,000
At 31 July 2007	11,259,914	60,000	11,319,914
<b>Net book amount at 31 July 2007</b>	–	–	–
<b>Net book amount at 31 July 2006</b>	100,000	–	100,000

The goodwill arose on the acquisition of Event Data Correlation Limited on 27 June 2005.

In the year ended 31 July 2006 the directors undertook an impairment review of the goodwill arising on the acquisition of Event Data Correlation Limited due to the lack of significant trading in the year and the continuing losses incurred. As a result an impairment provision of £10,539,668 was recorded in the financial statements for the year ended 31 July 2006.

In the year ended 31 July 2007 the directors undertook a further impairment review of the goodwill arising on the acquisition of Event Data Correlation Limited and as it had ceased trading, a further impairment provision of £100,000 has been recorded in the financial statements.

## 8 Investments

Company	Shares in subsidiary undertakings £
<b>Cost</b>	
At 1 August 2006 and 31 July 2007	10,953,999
<b>Impairment</b>	
At 1 August 2006	10,853,999
Provided in the year	100,000
At 31 July 2007	10,953,999
<b>Net book amount at 31 July 2007</b>	–
<b>Net book amount at 31 July 2006</b>	100,000

The impairment in the year ended 31 July 2007 is for the reason detailed in note 7 above.

The company holds more than 20% of the share capital of the following companies:

Subsidiary undertaking	Country of registration or incorporation	Class of share	%	Principal activity
Event Data Correlation Limited	United Kingdom	Ordinary	100	Dormant

# Notes to the Financial Statements

FOR THE YEAR ENDED 31 JULY 2007

## 9 Debtors

	Group		Company	
	2007	2006	2007	2006
	£	£	£	£
Trade debtors	–	6,275	–	–
Other debtors	13,208	10,459	13,208	4,999
Prepayments and accrued income	9,690	7,065	9,690	6,667
	22,898	23,799	22,898	11,666

The above amounts are due within one year.

## 10 Creditors: amounts falling due within one year

	Group		Company	
	2007	2006	2007	2006
	£	£	£	£
Other loans	105,875	–	105,875	–
Trade creditors	86,180	54,238	73,250	33,402
Taxes and social security costs	–	10,714	–	282
Other creditors	–	573	–	–
Accruals and deferred income	24,017	24,512	16,636	14,582
	216,072	90,037	195,761	48,266

The other loan was originally repayable on 31 July 2008 and accrues interest at a rate of 2 per cent. above HSBC Bank plc's base rate, such interest being payable on the date the loan is repaid. As detailed in the accounting policies the lender has now agreed to defer repayment until 31 January 2009 if the Group does not have sufficient funds available to make such repayment. The loan is, in certain circumstances, convertible into ordinary shares of the Company.

The fair value of the loan is not considered to be materially different from its carrying value.

## 11 Provisions for liabilities and charges

Unprovided deferred tax is calculated at 30% over the following timing differences:

Group	2007	2006
	£	£
Accelerated capital allowances	–	1,339
Short term timing differences	–	80,885
Tax losses available	662,674	613,418
	662,674	695,642
Company	2007	2006
	£	£
Tax losses available	55,000	32,795

Deferred tax assets of £662,674 (2006: £695,642 – Group) and £55,000 (2006: £32,795 – Company) have not been recognised in these accounts because there is insufficient certainty over their recoverability.

# Notes to the Financial Statements

FOR THE YEAR ENDED 31 JULY 2007

## 12 Financial instruments

The Group's financial instruments arise directly from its operations. The Group does not operate in foreign currencies and is not directly exposed to foreign exchange risk, or interest rate risk.

The directors consider that there is no significant difference between the book value and fair value of the group's financial assets and liabilities.

The main risk arising from the Group's financial instruments is interest rate risk. The board reviews and agrees policies for managing this risk and they are summarised below.

### Liquidity risk

The Group's cashflow has historically been tight. As a consequence the Board of Directors continually review the facilities available to the Group and seek to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs.

## 13 Share capital

	2007	2006
	£	£
<b>Authorised</b>		
4,000,000,000 Ordinary shares of 0.25p each	10,000,000	10,000,000
<b>Allotted, called up and fully paid</b>		
193,294,385 (2006: 188,669,301)		
Ordinary shares of 0.25p each	483,236	471,673

4,625,085 shares were issued during the year at par on the exercise of share options.

## 14 Statement of movements on reserves

	Group and Company Share based payment reserve £	Group and Company Share premium account £	Group Profit and loss account £	Company Profit and loss account £
Balance at 31 July 2006 (as previously stated)	–	1,364,673	(1,745,643)	(1,772,946)
Prior year adjustment	920,856	–	(920,856)	(920,856)
Balance at 31 July 2006 (as restated)	920,856	1,364,673	(2,666,499)	(2,693,802)
Retained loss for the year	–	–	(878,247)	(855,035)
Share-based payment charge	614,059	–	–	–
Bonus issue of shares in the year	–	(1,443)	–	–
Balance at 31 July 2007	1,534,915	1,363,230	(3,544,746)	(3,548,837)

# Notes to the Financial Statements

FOR THE YEAR ENDED 31 JULY 2007

15 Reconciliation of movements in shareholders' funds	Group	2007 £	2006 (restated) £
	Loss for the financial year (as previously stated)	(878,247)	(11,903,660)
	Prior year adjustment	–	(867,680)
	Loss for the financial year (as restated)	(878,247)	(12,771,340)
	New share capital subscribed	10,120	210
	Share-based payment charge	614,059	920,856
	Net decrease in shareholders' funds	(254,068)	(11,850,274)
	Opening shareholder's funds	90,703	11,940,977
	Closing shareholders' (deficit)/funds	(163,365)	90,703

16 Net cash outflow from operating activities	2007 £	2006 (restated) £
Operating loss	(879,673)	(12,785,317)
Depreciation of tangible fixed assets	–	624
Amortisation of intangible fixed assets	–	572,996
Impairment of intangible fixed assets	100,000	10,539,668
Share-based payment charge	614,059	920,856
Profit on disposal of tangible fixed assets	–	840
Decrease in debtors	901	31,943
Increase/(decrease) in creditors	20,160	(25,355)
Net cash outflow from operating activities	(144,553)	(743,745)

17 Analysis of net funds/(debt)	1 August 2006 £	Cash flow £	31 July 2007 £
Cash at bank and in hand	56,941	(27,132)	29,809
Debt due within 1 year	–	(105,875)	(105,875)
	56,941	(133,007)	(76,066)

**18 Capital commitments** The Company had no capital commitments at 31 July 2007 or 31 July 2006.

**19 Contingent assets/liabilities** There were no contingent assets/liabilities at 31 July 2007 or 31 July 2006.

**20 Transactions with directors/and other related parties** The Group received a loan of £105,875 during the year, which remains outstanding at 31 July 2007, from Corvus Capital Inc., a substantial shareholder in the Company. In addition the Group owe £19,978 (2006: £19,978) to a subsidiary of Corvus Capital Inc. in connection with accounting and administrative services provided to the Group in prior periods.

During 2006 the Group provided office services to, and sold some equipment to, Sweet China plc, a business in which C. Cleverly is also a director. £nil (2006: £35,585) is included in other operating income in the year. At 31 July 2007 £nil (2006: £5,828) was owed to the group by Sweet China plc.

# Notes to the Financial Statements

FOR THE YEAR ENDED 31 JULY 2007

## 21 Share based payment

### Equity-settled share-based payments

The Company has a share option scheme for directors and senior employees. Options are exercisable at a price of 0.25p per ordinary share up to 3 March 2015. The vesting period is normally two years. None of the options from any of the schemes have performance conditions attached and the options are settled in equity once exercised.

If the options remain unexercised after a period of 10 years from the date of the grant, the options expire. Options are forfeited if the employee leaves the Company before the options vest.

Because of the difference in the par values of the original Event Data Correlation Limited shares, and the Global Gaming Technologies plc shares, the exercise of each of the options now comprises the issue of Global Gaming Technologies plc option shares at par to the value of the subscription price that would have been payable had the option holder exercised the options over Event Data Correlation Limited shares, supplemented by the issue of additional bonus shares by application of part of the share premium account of Global Gaming Technologies plc on a non-pre-emptive basis.

The fair values were calculated using the Black-Scholes Pricing Model. The significant inputs into the model were as follows:

- volatility 100%
- risk free interest rate 4.5%
- exercise price of 0.25p
- share price at date of grant 12p

Expected volatility was determined by calculating the historical volatility of the Company's share price. The expected life used in the model has been adjusted, based on the management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

The Group recognised total expenses of £614,059 (2006 restated: £920,856) related to equity-settled share-based payment transactions during the year.

As at 31 July 2007 there were no ordinary share options granted that were outstanding. (2006: 4,724,615 were all exercisable at 0.25p per share). The average remaining contractual life is nil years (2006: 8.3 years).

The movement on share options and their weighted average exercise price are as follows:

	2007		2006	
	Number	Weighted average exercise price (pence)	Number	Weighted average exercise price (pence)
Outstanding at start of the year	4,724,615	0.25	12,980,257	0.25
Lapsed	(99,531)	(0.25)	(5,644,675)	(0.25)
Exercised	(4,625,084)	(0.25)	(2,610,967)	(0.25)
Outstanding at end of year	–	–	4,724,615	0.25

All outstanding share options were exercisable at 31 July 2006.

# Notes to the Financial Statements

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FOR THE YEAR ENDED 31 JULY 2007

## **22 Prior year adjustment**

The Group is required to adopt the provisions of Financial Reporting Standard 20: Share-based payments, which has given rise to a charge in the profit and loss account in the current year and prior year resulting in a prior year adjustment.

For the year ended 31 July 2006 an estimate of the share-based payment charge of £53,176 was processed through the profit and loss reserve, however this has been reversed and replaced with an increase in the loss of £920,856 and the creation in the balance sheet of a share-based payment reserve of £920,856 on adoption of FRS 20.

For the year ended 31 July 2007 the change in accounting policy has resulted in a charge to the profit and loss account of £614,059. At 31 July 2007, the share-based payment reserve amounted to £1,534,915.

# Notice of Annual General Meeting

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Notice is given that the annual general meeting of the members of the Company will be held at 10.00 a.m. on 4 March 2008 at the offices of Fladgate Fielder, 25 North Row, London W1K 6DJ for the purpose of considering in accordance with section 142 of the Companies Act 1985 whether any, and if so what, steps should be taken to deal with the situation that the net assets of the Company are less than half of its called up share capital. In addition, the meeting will consider and, if thought fit, pass the following:

## Ordinary Resolutions

1. To receive and adopt the reports of the Directors and the independent auditors and the accounts for the year ended 31 July 2007.
2. To re-elect Ron Trenter as a Director who is retiring by rotation in accordance with the articles of association and who being eligible offers himself for re-election.
3. To approve the Directors' remuneration report for the year ended 31 July 2007.
4. To re-appoint Grant Thornton UK LLP as independent auditors.
5. To authorise the Directors to fix the independent auditors remuneration.
6. That the directors be and they are generally and unconditionally authorised for the purposes of section 80 of the Companies Act 1985 (Act) to exercise all the powers of the Company to allot relevant securities (within the meaning of that section) up to an aggregate nominal amount of the authorised but unissued share capital of the Company, provided that this authority is for a period expiring either 15 months from the date of this resolution or at the Company's next annual general meeting, whichever is sooner, but the Company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the directors may allot relevant securities in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired. This authority is in substitution for all subsisting authorities.
7. To approve the Company's investment strategy as set out in the chairman's statement in the annual report for the year ended 31 July 2007.

## Special Resolution

8. Conditional on the passing of resolution 6, that the directors be and they are empowered pursuant to section 95 of the Act to allot equity securities (within the meaning of section 94(2) of the Act) wholly for cash pursuant to the authority conferred by resolution 6 as if section 89(1) of the Act did not apply to any such allotment, provided that this power will expire either 15 months from the date of this resolution or at the Company's next annual general meeting, whichever is sooner, except 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 any such offer or agreement notwithstanding that the power conferred by this resolution has expired, and provided that this power is limited to the allotment of equity securities:
  - 8.1 in connection with an offer of such securities by way of rights to holders of ordinary shares in the Company in proportion (as nearly as may be practicable) to their respective holdings of such shares, but subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to fractional entitlements or any legal or practical problems under the laws of any territory, or the requirements of any regulatory body or stock exchange;

# Notice of Annual General Meeting

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CONTINUED

- 8.2 up to an aggregate nominal amount of £165,000 in connection with the capitalisation at par of the loan made to the Company by Corvus Capital Inc.; and
- 8.3 otherwise than pursuant to sub-paragraphs 8.1 and 8.2 above up to an aggregate nominal amount of £96,647 (being 20 per cent of the Company's issued share capital at the date of this notice).

By Order of the Board

**Kitwell Consultants Limited**  
Company Secretary

Registered Office:

Kitwell House, The Warren, Radlett, Hertfordshire WD7 7DU

Date: 31 January 2008

## Notes to the notice of annual general meeting

### Appointment of proxies

1. As a member of the Company, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the meeting and you should have received a proxy form with this notice of meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form.
2. A proxy does not need to be a member of the Company but must attend the meeting to represent you. Details of how to appoint the chairman of the meeting or another person as your proxy using the proxy form are set out in the notes to the proxy form. If you wish your proxy to speak on your behalf at the meeting you must appoint your own choice of proxy (not the chairman) and give your instructions directly to the relevant person.
3. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, you must complete a separate proxy form for each proxy and specify against the proxy's name the number of shares over which the proxy has rights. If you are in any doubt as to the procedure to be followed for the purpose of appointing more than one proxy you must contact the Company's registrars, Capita Registrars, Proxy Department, 34 Beckenham Road, Kent BR3 4TU. If you fail to specify the number of shares to which each proxy relates, or specify a number of shares greater than that held by you on the record date, proxy appointments will be invalid.
4. If you do not indicate to your proxy how to vote on any resolution, your proxy will vote or abstain from voting at his discretion. Your proxy will vote (or abstain from voting) as he thinks fit in relation to any other matter which is put before the meeting.

### Appointment of proxy using the hard copy proxy form

5. The notes to the proxy form explain how to direct your proxy how to vote on each resolution or withhold his vote.
6. To appoint a proxy using the proxy form, it must be:
  - 6.1 completed and signed;
  - 6.2 sent or delivered to the Company's registrars, Capita Registrars, Proxy Department, 34 Beckenham Road, Kent BR3 4TU; and
  - 6.3 received by the Company's registrars no later than 10.00 a.m. on 2 March 2008.
7. In the case of a member which is a company, the proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.
8. Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.
9. The Company, pursuant to regulation 41 of The Uncertificated Securities Regulations 2001, specifies that only those ordinary shareholders registered in the register of members of the Company 48 hours before the meeting shall be entitled to attend or vote at the meeting in respect of the number of Ordinary shares registered in their name at that time. Changes to entries on the relevant register of securities after that time will be disregarded in determining the rights of any person to attend or vote at the meeting.

### Appointment of proxies through CREST

10. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the meeting and any adjournment(s) by using the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

# Notice of Annual General Meeting

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CONTINUED

11. In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a CREST Proxy Instruction) must be properly authenticated in accordance with Euroclear UK & Ireland Limited's (EUI) specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the issuer's agent (ID: RA10) by 10.00 a.m. 2 March 2008. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.
12. CREST members and, where applicable, their CREST sponsors or voting service providers should note that EUI does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s) such action as are necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
13. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

#### **Appointment of proxy by joint members**

14. In the case of joint holders of shares, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder (being the first named holder in respect of the shares in the Company's register of members) will be accepted.

#### **Changing proxy instructions**

15. To change your proxy instructions simply submit a new proxy appointment using the method set out in paragraphs 6 or 11 above. Note that the cut off time for receipt of proxy appointments specified in those paragraphs also applies in relation to amended instructions. Any amended proxy appointment received after the specified cut off time will be disregarded.
16. Where you have appointed a proxy using the hard copy proxy form and would like to change the instructions using another hard copy proxy form, please contact the Company's registrar as indicated in paragraph 3 above.
17. If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

#### **Termination of proxy appointments**

18. In order to revoke a proxy instruction you will need to inform the Company by sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to the Company's registrar as indicated in paragraph 3 above. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice.
19. The revocation notice must be received by the Company no later than 10.00 a.m. on 2 March 2008.
20. If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to paragraph 21 below, your proxy appointment will remain valid.
21. Appointment of a proxy does not preclude you from attending the meeting and voting in person. If you have appointed a proxy and attend the meeting in person, your proxy appointment will automatically be terminated.

#### **Documents available for inspection**

22. The following documents will be available for inspection at the registered office of the Company on any weekday) (except Saturdays, Sundays and Bank Holidays) during normal business hours from the date of this notice until the date of the meeting and at the place of the meeting for 15 minutes prior to and until the conclusion of the meeting: statement of transactions of Directors (and of their family interests) in the share capital of the Company and any of its subsidiaries; copies of the Directors service agreements and letters of appointment with the Company; and the register of Directors interests in the share capital of the Company (maintained under section 325 of the Act).

#### **Communication**

23. Except as provided above, members who have general queries about the meeting should contact the Company's registrar, Capita Registrars, Proxy Department, 34 Beckenham Road, Kent BR3 4TU.

# Form of Proxy

FOR USE AT THE ANNUAL GENERAL MEETING

**Before completing this form, please read the explanatory notes below.**

I/We being a member of the company entitled to attend and vote at any general meeting of the company appoint the person named below, or failing him/her the chairman of the meeting (see note 3) as my/our proxy to attend, speak and vote on my/our behalf at the annual general meeting of the company to be held at the following time and place, and at any adjournment:

Name of member:	
Name of proxy:	
Place of meeting:	25 North Row, London W1K 6DJ
Time of meeting:	4 March 2008 at 10.00 a.m.

I/We direct my/our proxy to vote on the following resolutions as I/we have indicated by marking the appropriate box with an "X". If no indication is given, my/our proxy will vote or abstain from voting at his discretion and I/we authorise my/our proxy to vote (or abstain from voting) as he thinks fit in relation to any other matter which is properly put before the meeting.

Ordinary resolutions	FOR	AGAINST
1. To receive the reports and accounts for the year ended 31 July 2007.		
2. To re-elect Ron Trenter as a director.		
3. To approve the directors' remuneration report for the year ended 31 July 2007.		
4. To reappoint Grant Thornton UK LLP as auditors.		
5. To authorise the directors to fix the auditors' remuneration.		
6. To authorise the directors to exercise the power of the Company to allot new shares.		
7. To approve the investment strategy.		
Special resolution		
8. To waive the pre-emption rights as set out in the notice of the meeting.		

Signature \_\_\_\_\_ Date: \_\_\_\_\_ 2008

**Notes to the proxy form:**

- As a member of the company you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at a general meeting of the company. You can only appoint a proxy using the procedures set out in these notes.
- Appointment of a proxy does not preclude you from attending the meeting and voting in person. If you have appointed a proxy and attend the meeting in person, your proxy appointment will automatically be terminated.
- A proxy does not need to be a member of the company but must attend the meeting to represent you. To appoint as your proxy a person other than the chairman of the meeting, insert their full name in the box. If you sign and return this proxy form with no name inserted in the box, the chairman of the meeting will be deemed to be your proxy. Where you appoint as your proxy someone other than the chairman, you are responsible for ensuring that they attend the meeting and are aware of your voting intentions. If you wish your proxy to make any comments on your behalf, you will need to appoint someone other than the chairman and give them the relevant instructions directly.
- You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, you must complete a separate proxy form for each proxy and specify against the proxy's name the number of shares over which the proxy has rights. If you are in any doubt as to the procedure to be followed for the purpose of appointing more than one proxy you must contact the Company's registrars, Capita Registrars, Proxy Department, 34 Beckenham Road, Kent BR3 4TU. If you fail to specify the number of shares to which each proxy relates, or specify a number of shares greater than that held by you on the record date, proxy appointments will be invalid.
- To direct your proxy how to vote on the resolutions mark the appropriate box with an "X". If no voting indication is given, your proxy will vote or abstain from voting at his discretion. Your proxy will vote (or abstain from voting) as he thinks fit in relation to any other matter which is put before the meeting.
- To appoint a proxy using this form, the form must be:
  - completed and signed;
  - sent or delivered to the Company's registrars, Capita Registrars, Proxy Department, 34 Beckenham Road, Kent BR3 4TU; and
  - received by the Company's registrars no later than 10.00 a.m. on 2 March 2008.
- In the case of a member which is a company, this proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.
- Any power of attorney or any other authority under which this proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.
- In the case of joint holders of shares, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder (being the first named holder in respect of the shares in the company's register of members) will be accepted.
- CREST members who wish to appoint a proxy or proxies by using the CREST electronic appointment service may do so by using the procedures described in the CREST Manual. To be valid, the appropriate CREST message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instructions given to a previously appointed proxy, must be transmitted so as to be received by our agent (ID: RA10) by 10.00 a.m. on 2 March 2008. See the notes to the notice of meeting for further information on proxy appointment through CREST.
- All shareholders who wish to attend and vote at the meeting must be entered on the Company's register of members no later than 48 hours before the time fixed for the meeting. Changes to entries on the relevant register of securities after that time will be disregarded in determining the rights of any person to attend or vote at the meeting.
- If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.
- For details of how to change your proxy instructions or revoke your proxy appointment see the notes to the notice of meeting.



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FIRST FOLD

**Capita Registrars**  
**PO Box 25**  
**Beckenham**  
**Kent**  
**BR3 4BR**

SECOND FOLD

