WYATT GROUP PLC AND ITS SUBSIDIARY UNDERTAKINGS

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2008

Company no 4022406

Company registration number:	4022406
Registered office:	Parkway House Hambrook Lane Stoke Gifford Bristol BS34 8QB
Directors:	R Holt (Non-Executive, Chairman) R B Pomphrett ACIS MSI (Non-Executive) D J Robertson BSc CA (Non-Executive) D P Curtis BSc ACA I R Rummels
Secretary:	D P Curtis BSc ACA
Bankers:	Barclays Bank PLC 18 Southgate Street Gloucester Gloucestershire GL1 2DJ
Solicitors:	BPE St James' House St James' Square Cheltenham Gloucestershire GL50 3PR
Registrars	Neville Registrars Limited Neville House 18 Laurel Lane Halesowen West Midlands B63 3DA

FINANCIAL STATEMENTS

For the year ended 31 March 2008

Auditors:	Grant Thornton UK LLP Registered Auditors Chartered Accountants Hartwell House 55-61 Victoria Street Bristol BS1 6FT
Nominated advisor and stockbroker:	Blue Oar Securities PLC Colston Tower Colston Street Bristol BS1 4RD
Website:	www.wyattgroup.co.uk

WYATT GROUP PLC AND ITS SUBSIDIARY UNDERTAKINGS

FINANCIAL STATEMENTS

For the year ended 31 March 2008

INDEX **PAGE**

CHAIRMAN'S STATEMENT

For the year ended 31 March 2008

This has been a year of significant change for the Group. We have seen a move away from the original strategy and the transition has not been without its challenges. However, I am very pleased to announce that the Group was still able to make a profit on continuing activities before taxation of £415,026 (£410,923 - 2007). This was on turnover from continuing activities of £2,249,136 (£1,810,775 - 2007).

Discontinued Activities

We have finally divested all interest in **Risksmart**. Despite many years of hard work and some significant investment, the business failed to hit the targets that were set. It was not helped by continuing delays in legislation however it was considered that it was in the best interests of Wyatt Group and its shareholders if Risksmart continued its activities outside the Group.

Similarly there have been difficulties in the Group's drug testing operation, **Wyatt Biotech**. We announced on 28th September that this business is now being run as a joint venture and that we have drawn a line under our investment. Since then there have been some signs of progress with the production issue, however this has been incredibly slow, with a number of deadlines still not being met. This vindicates our decision to remove this from our core business.

Continuing Activities

Our employment consultancy and support business **Premier Employer Solutions Limited** (**'PES')** represents our primary trading subsidiary, the other being the newly acquired **Health and Safety Department Limited**. PES has enjoyed a period of significant success and is solely responsible for the Group's turnaround. The business was hit by a change in tax legislation at the end of 2007 which will have a significant adverse affect on Group's performance in the current year. However, the management is busy building up the core business and have some exciting things in the pipeline. We remain confident that the long term prospects for PES are positive despite the current challenging economic climate.

Next Steps

In December of last year I announced that the Group's strategy was to build the future around the success of PES and to look for opportunities for growth in the employment services and other service sectors. We have now successfully disposed of the non performing businesses and have some exciting opportunities in prospect.

The employment services market is very fragmented and we believe that there is a tremendous opportunity for growth in this sector. I am therefore delighted to announce the acquisition of the employee benefits consultancy, TEBC Limited. The business fits in neatly with the PES existing service offering. It is a profitable business with a strong management team and a healthy client list. With scope for development it neatly fits the criteria that we set for our acquisition targets and represents our first step toward our commitment to growth in this area.

We are committed to building the Group and are also looking at opportunities in the wider service sector where, in the opinion of the Board, there are synergies with our core business. I look forward to bringing you news on this in the future.

R HOLT
Chairman
30 September 2008

The directors present their report together with financial statements for the year ended 31 March 2008.

Principal activities

The Company operates principally as an investment holding company.

The Group operates primarily as a consultancy services business principally in the field of employment consultancy. Premier Employer Solutions Limited operates an employment consultancy service , including specialist advice and outsourcing. Premier Employee Benefits Limited became a 100% subsidiary of Premier Employer Solutions Limited during the year. Prior to this it had been operated as a joint venture. On the 1st August 2008 the company also acquired TEBC Limited, an employee benefits consultancy, to strengthen the benefits offering (see note 26). Both PEB and TEBC are regulated independent employee benefits advisors. The trade and certain assets of Risksmart Limited, which operates an online fire and business risk consultancy service, were sold during the year (see note 7).

Business review

A review of the business is provided in the Chairman’s statement.

There was a loss for the year after taxation and minority interests amounting to £520,435 (2007: £241,272 profit). The directors do not recommend payment of a dividend and the loss has therefore been deducted from reserves.

Key performance indicators

The Directors have identified the following key performance indicators:

	2008 Continuing	2008 Discontinued	**2008 Cumulative £**	2007 £	Change in the year
Financial metrics					
Revenue	2,249,136	708,589	**2,957,725**	2,990,863	-1%
Profit/(loss) before interest, tax, depreciation, impairment and profit on disposal of trade	494,431	(454,255)	**40,176**	445,279	-90%
Reconciliation					
Profit/(loss) on ordinary activities before taxation	415,026	(935,461)	**(520,435)**	241,272	
Add back:					
Net Interest	38,625	40,505	**79,130**	80,427	-2%
Depreciation	40,780	92,695	**133,475**	123,580	+8%
Impairment	-	474,617	**474,617**	-	+100%
Profit on disposal	-	(126,611)	**(126,611)**		
	494,431	(454,255)	**40,176**	445,279	

Risk Management

The Group's financial risk management objectives are to safeguard cash and to use cashflows within the Group to the Group's own advantage. The Group's exposure to risk lies primarily with interest rate fluctuation. Credit risk associated with customers i.e. bad debts is also a risk factor.

Payment policy

The Company acts purely as a holding company and as such is non-trading. Accordingly no payment policy has been defined. However, the policy for Group trading companies is to set the terms of payment with suppliers when agreeing the terms of the transaction, to ensure suppliers are aware of these terms and to abide by them. Average creditor days for the year are 63 days (2007: 61 days).

Directors

The present membership of the Board is set out below.

R Holt, R B Pomphrett and D J Robertson served throughout the whole of the financial year.

R Holt	
R B Pomphrett	
D J Robertson	
I R Rummels	Appointed 25th April 2007
D P Curtis	Appointed 25th April 2007

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 the Group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. The Company financial statements have been prepared using UK GAAP. 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 year. In preparing these financial statements, the directors are required to:

select suitable accounting policies and then apply them consistently;

make judgements and estimates that are reasonable and prudent;

state whether applicable IFRSs 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 group will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the 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 group 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.

Going Concern

After making enquiries, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. This is disclosed in the accounting policy on Going Concern.

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

D Curtis
Director
30 September 2008

Introduction

The company is committed to applying high standards of corporate governance, integrity and business ethics to all activities. Under the rules of the Alternative Investment Market the company is not required to comply with the Combined Code. However the Board is accountable to the company’s shareholders for good corporate governance and has therefore taken steps to comply with the Combined Code in so far as it may be applied practically, given the size of Wyatt Group plc and the nature of its operations.

The Board of 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 at least six times a year 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. The Board comprises three non-executive and two executive members. The non-executive chairman of the Board of Directors is R Holt.

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, holds regular meetings with and makes regular presentations to its institutional shareholders to discuss objectives.

The AGM is used to communicate with private investors and they are encouraged to participate. Separate resolutions are proposed on each issue so that they can be given proper consideration and there is a resolution to approve the annual report and accounts. The company counts all proxy votes and will indicate the level of proxies lodged on each resolution.

The Chairman maintains contact with the principal shareholders.

Accountability and audit

The Board presents a balanced and understandable assessment of the company's position and prospects in all interim and price-sensitive reports and reports to regulators, as well as in the information required to be presented by statutory requirements.

The Board reviews the independence and objectivity of the external auditors. This includes reviewing the nature and extent of non-audit services supplied by the external auditors to the company, seeking to balance objectivity and value for money.

In his role as a non-executive director, David Robertson heads up the audit committee in the Group. David liaises regularly with the Group’s external auditors to ensure that the scope of their work is sufficient to reduce the Group’s overall risk profile.

Internal control

The Board is responsible for maintaining a sound system of internal control to safeguard the 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.

The Board of Directors has overall responsibility for the company's system of internal control and for reviewing its effectiveness.

Assessment of business risk

A system of business risk identification, assessment and evaluation is in place within the management process throughout the Group. Strategic risks are regularly reviewed by the Board. Risks relating to the key activities within the subsidiary operating units are assessed continuously.

Control environment

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

- preparation of 3-year strategy plans for business development
- preparation and review of annual budgets
- review of the business at each Board meeting, focussing on any new risks arising (for example key changes in the market).

Control procedures

Detailed operational procedures have been developed for each of the Group's operating businesses that embody key controls. The implications of changes in law and regulations are taken into account within these procedures.

Monitoring process

There are clear procedures for monitoring the system of key controls, the significant component being a review by the Board of the process for identifying and assessing risks and of the effectiveness of controls.

Directors' remuneration

The Board recognises that directors' remuneration is of legitimate concern to the shareholders and is committed to following current best practice.

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 in its markets. It aims to provide sufficient levels of remuneration to do this, but to avoid paying more than is necessary. The remuneration should also reflect the directors' responsibilities and contain incentives to deliver the company's objectives.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF

WYATT GROUP PLC

We have audited the group financial statements of Wyatt Group PLC for the year ended 31 March 2008 which comprise the principal accounting policies, the consolidated income statement, the consolidated balance sheet, the consolidated statement of changes in equity, the consolidated cash flow statement and notes 1 to 26. 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 Wyatt Group PLC for the year ended 31 March 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 financial statements in accordance with United Kingdom law and International Financial Reporting Standards (IFRSs) as adopted by the European Union are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the 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 Directors' Report is consistent with the financial statements.

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 and the Corporate Governance Statement. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the 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 AUDITORS TO THE MEMBERS OF

WYATT GROUP PLC

OPINION

In our opinion:

- the group financial statements give a true and fair view, in accordance with IFRSs as adopted by the European Union, of the state of the group's affairs as at 31 March 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 Directors' Report is consistent with the financial statements.

As explained in the Principal Accounting Policies the group, in addition to complying with its legal obligation to comply with IFRSs as adopted by the European Union, has also complied with the IFRSs as issued by the International Accounting Standards Board.

- In our opinion the group financial statements give a true and fair view, in accordance with IFRSs, of the state of the group's affairs as at 31 March 2008 and of its loss for the year then ended.

GRANT THORNTON UK LLP
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS

BRISTOL
30 September 2008

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

Basis of preparation

The consolidated financial statements have been prepared in accordance with applicable International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board as adopted by the EU, taking into account the requirements and options in IFRS 1 'First-time adoption of International Financial Reporting Standards'.

The financial statements have been prepared under the historical cost convention. The changes in measurement bases and principal accounting policies of the group are set out below.

The policies have changed from the previous year when the financial statements were prepared under applicable United Kingdom Generally Accepted Accounting Principles (UK GAAP). The comparative information has been restated in accordance with IFRS. The changes to accounting policies are explained in note 22 together with an illustration of the effects of the transition to IFRS. The date of transition to IFRS was 1 April 2006.

The accounting policies that have been applied in the opening balance sheet have also been applied throughout all periods presented in these financial statements. These accounting policies comply with each IFRS that is mandatory for accounting periods ending on 31 March 2008.

Basis of consolidation

The group financial statements consolidate those of the company and of its subsidiary companies drawn up to 31 March 2008. Intra-group transactions are eliminated on consolidation and all figures relate to external transactions only. 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.

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.

Any subsequent increase in the Group's controlling interest in a subsidiary is dealt with by the "parent entity method". This method has been adopted in the absence of specific guidance contained within IFRS3 and reflects managements' assessment of the criteria contained within IAS 8 relating to developing the Group's accounting policies. The "parent entity method" results in an element of goodwill being introduced equal to the difference between the consideration paid and the additional increase in the carrying value of the net assets/liabilities of the subsidiary. The directors consider that although there is no subsequent re-valuation to fair value of the subsidiaries assets and liabilities, adopting this method most appropriately reflects that an additional element of goodwill has in fact, been acquired by the Group.

An entity is treated as a joint venture where the Group holds a long term interest and shares control under a contractual agreement. In the Group accounts, interests in joint ventures are accounted for using the equity method of accounting, as permitted by IAS 31, on the basis that the joint venture represents a separate business segment which is not controlled by the Group and therefore combining the results and assets / liabilities of the joint venture with those of subsidiaries under the control of the Group is not considered appropriate. Investments in joint ventures are recognised initially at cost. All subsequent changes to the share of interest in the equity of the joint venture are recognised in the Group's carrying amount of the investment. Changes resulting from the profit or loss generated by the joint venture are reported in "share of profits of associates" in the consolidated income statement and therefore affect net results of the Group.

Unrealised gains on transactions between the group and its joint venture are eliminated to the extent of the group's interest in the joint venture. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Where the Group's share of the loss exceeds the interest in the joint venture, the respecting liability is included within current liabilities.

Business combinations completed prior to the date of transition to IFRS

The group has elected not to apply IFRS 3 Business Combinations retrospectively to business combinations prior to the date of transition.

Accordingly the classification of the combination (acquisition, reverse acquisition or merger) remains unchanged from that used under UK GAAP. Assets and liabilities are recognised at date of transition if they would be recognised under IFRS, and are measured using their UK GAAP carrying amount immediately post-acquisition as deemed cost under IFRS, unless IFRS requires fair value measurement.

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. Negative goodwill is recognised immediately after acquisition in the income statement.

There is no re-instatement of goodwill that was amortised prior to transition to IFRS. Goodwill previously written off to reserves is not written back to profit or loss on subsequent disposal.

Intangible assets

Licenses, representing purchased exclusive distribution agreements, are included at cost. Distribution rights acquired or acquired as part of a business combination are deemed to have an indefinite useful life and are tested for impairment annually.

Revenue

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

Property, plant and equipment

Property, plant and equipment is stated at cost, net of depreciation and any provision for impairment.
The gain or loss arising on the disposal of an asset is determined as the difference between the disposal proceeds and the carrying amount of the asset and is recognised in the income statement.

Depreciation

Depreciation is charged so as to write off the cost less estimated residual value of assets by equal annual installments over their estimated useful lives. Residual value and useful economic lives are reviewed annually. The rates generally applicable are:

Computer equipment	25% – 33%
Fixtures and fittings	20%

Impairment testing of goodwill and other intangible assets

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Goodwill is allocated to those cash-generating units that are expected to benefit from synergies of the related business combination and represent the lowest level within the Group at which management monitors the related cash flows.

Goodwill, other individual assets or cash-generating units that include goodwill and other intangible assets with an indefinite useful life are tested for impairment at least annually.

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell, and value in use based on an internal discounted cash flow evaluation. Impairment losses recognised for cash-generating units, to which goodwill has been allocated, are credited initially to the carrying amount of goodwill. Any remaining impairment loss is charged pro rata to the other assets in the cash generating unit. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist.

Inventories

Inventories are stated at the lower of cost and net realisable value.

Pension Costs

The group operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the group. The annual contributions payable are charged to the income statement.

Going Concern

Despite net liabilities as at 31 March 2008, the directors consider the financial statements are appropriately prepared on the going concern basis in light of existing forecasts and available financing.

The Group's bankers are Barclays Bank PLC who have placed an adequate facility at the Group's disposal. Current forecasts predict that the Group's funding requirements fall within the facility's limit. In addition, the Group's bank overdrafts and loans are personally guaranteed by R Holt.

Discontinued operations

A discontinued operation is a cash-generating unit, or a group of cash-generating units, that either has been disposed of, or is classified as held for sale, and:

- represents a separate major line of business or geographical area of operations
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations or
- is a subsidiary acquired exclusively with a view to resale

The disclosures for discontinued operations in the prior year relate to all operations that have been discontinued by the balance sheet date for the latest period presented.

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 related asset is recognised at the time of inception of the lease at the fair value of the leased asset or, if lower, the present value of the minimum lease payments plus incidental payments, if any, to be borne by the lessee. A corresponding amount is recognised as a finance leasing liability. Leases of land and buildings are split into land and buildings elements according to the relative fair values of the leasehold interests at the date the asset is initially recognized.

The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the income statement over the period of the lease.

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.

Taxation

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

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 and joint ventures 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.

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.

Segment reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns that are different from those of segments operating in other economic environments.

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.
- "Merger reserve" represents difference between the nominal and fair value of shares issued for the acquisition of subsidiary undertakings in accordance with section 131 of the Companies Act 1985.
- "Retained earnings" included all current and prior period results as disclosed in the income statement.

Financial assets at fair value

Financial assets at fair value through profit or loss include financial assets that are either classified as held for trading or 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.

Trade receivables

Trade receivables are initially measured at fair value and subsequently recognised 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.

Trade payables

Trade payables are initially recorded at cost and then subsequently at amortised cost using the effective interest method, with interest-related charges recognised as an expense in finance cost in the income statement.

Share-based payments

The Group has applied the requirements of IFRS 2 ‘Share-based payment’ . In accordance with the transitional provisions, IFRS 2 has been applied to grants of equity instruments after 7 November 2002 that were unvested at 1 April 2006.

The Group issues equity-settled payments to certain employees. Equity-settled share-based payments are measured at fair value at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, together with a corresponding increase in equity (via a credit to the share option reserve) based on the Group’s estimate of shares that will eventually vest.

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

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

Capital Maintenance

The Group's objectives when managing capital are:

- to safeguard the entity's ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders;
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The Group sets the amount of capital in proportion to risk. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

Significant judgments and estimates

The key area that requires management to make difficult, subjective or complex judgements and estimates about matters that are inherently uncertain is the impairment testing of intangible assets (see note 10).

Management bases its estimates on historical experience and other assumptions that it believes are reasonable.

Actual results could differ from estimates used in employing the critical accounting policies and these could have a material impact on our results.

New standards and interpretations not yet applied

A number of new EU adopted standards, amendments to standards and interpretations are not yet effective for the year ended 31 March 2008 and have not been applied in preparing these financial statements.

IAS 1 Presentation of Financial Statements (Revised 2007) will result in changes to the presentation of the Group's financial statements for the year ended 31 March 2010 as the format currently adopted for the Statement of Changes in Equity will not longer be permitted. Instead the group will present a Statement of Comprehensive Income combining the existing Income Statement with other income and expenses currently presented as part of the Statement of Changes in Equity.

IFRS 8 Operating Segments introduces the "management approach" to segment reporting and will be effective for the Group's financial statements for the year ended 31 March 2010. The segments currently disclosed are not expected to change with the adoption of the standard.

IAS 23 Borrowing costs generally requires the immediate expensing of borrowing costs. IAS 23 (Revised) will become mandatory for the group's 31 March 2010 financial statements and is not expected to further impact the group's financial statements.

IAS27 Consolidation and Separate Financial Statements (Revised) will become mandatory for the group's 31 March 2010 financial statements. It is not expected to have an impact on the Group's financial statements.

Improvements to IFRSs will become mandatory for the group's 31 March 2010 financial statements. It is not expected to have an impact on the Group's financial statements.

IFRS 3 Business Combinations (Revised) will become mandatory for the group's 31 March 2010 financial statements. It is not expected to have an impact on the Group's financial statements.

CONSOLIDATED INCOME STATEMENT

For the year ended 31 March 2008

	Note	2008 £	2007 £
Continuing operations			
Revenue	1	**2,249,136**	1,810,775
Cost of sales		**(661,571)**	(529,171)
Gross profit		**1,587,565**	1,281,604
Administrative expenses		**(1,096,023)**	(802,502)
Operating profit	2	**491,542**	479,102
Share of operating loss in joint venture	10	**(37,891)**	(31,963)
Finance costs	3	**(38,625)**	(36,216)
Profit from continuing operations before tax expense		**415,026**	410,923
Tax expense	5	**-**	-
Profit for the period from continuing operations		**415,026**	410,923
Discontinued operations			
Loss for the period from discontinued operations	7	**(935,461)**	(169,651)
(Loss)/profit for the period		**(520,435)**	241,272
Attributable to:			
Equity holders of the company		**(450,694)**	254,660
Minority interests		**(69,741)**	(13,388)
(Loss)/profit for the period		**(520,435)**	241,272
Basic and diluted loss per share on discontinued activities (pence)		**(6.49)**	(1.23)
Basic and diluted earnings per share on continuing activities (pence)		**3.11**	3.25
Basic and diluted (loss)/earnings per share on all activities (pence)		**(3.38)**	2.01

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

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

CONSOLIDATED BALANCE SHEET

For the year ended 31 March 2008

	Note	2008 £	2007 £
ASSETS			
Non-current assets			
Intangible assets	8	**1,223,578**	1,330,647
Property, plant and equipment	9	**101,449**	207,312
Investments	10	**-**	67,574
		1,325,027	1,605,533
Current assets			
Inventories	11	**31,516**	15,500
Trade and other receivables	12	**628,850**	586,904
Total current assets		**660,366**	602,404
Total assets		**1,985,393**	2,207,937
LIABILITIES			
Current liabilities			
Trade and other payables	13	**(705,926)**	(685,157)
Share of joint venture net liabilities	10	**(34,230)**	-
Borrowings	16	**(821,058)**	(629,568)
Deferred consideration		**-**	(360,000)
Total current liabilities		**(1,561,214)**	(1,674,725)
Non-current liabilities			
Borrowings	14	**(29,128)**	(28,430)
Deferred consideration	14	**(920,835)**	(920,835)
Total non-current liabilities		**(949,963)**	(949,265)
Total liabilities		**(2,511,177)**	(2,623,990)
Net liabilities		**(525,784)**	(416,053)
EQUITY			
Share capital	19	**140,654**	126,594
Share premium account	20	**1,902,700**	1,902,700
Merger reserve	20	**227,742**	41,802
Minority interests		**-**	(140,963)
Profit and loss account	20	**(2,796,880)**	(2,346,186)
Total Equity		**(525,784)**	(416,053)

The financial statements were approved by the Board of Directors on 30 September 2008.

D Curtis **Director**

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2008

	Share Capital	Share Premium	Merger Reserve	Retained Earnings	Minority Interest	Total Equity
	£	£	£	£	£	£
Balance 1 April 2006	126,594	1,902,700	41,802	(2,600,846)	(127,575)	(657,325)
Profits for the period	-	-	-	254,660	(13,388)	241,272
Balance 31 March 2007	126,594	1,902,700	41,802	(2,346,186)	(140,963)	(416,053)
Balance 1 April 2007	126,594	1,902,700	41,802	(2,346,186)	(140,963)	(416,053)
Loss for the period	-	-	-	(450,694)	(69,741)	(520,435)
Disposal of subsidiary	-	-	-	-	210,704	210,704
Sub-total recognised gains and losses	126,594	1,902,700	41,802	(2,796,880)	-	(725,784)
Issue of shares	14,060	-	185,940	-	-	200,000
Balance 31 March 2008	140,654	1,902,700	227,742	(2,796,880)	-	(525,784)

WYATT GROUP PLC AND ITS SUBSIDIARY UNDERTAKINGS

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 March 2008

	2008 £	2007 £
Cash flows from operating activities		
(Loss)/profit after taxation	**(520,435)**	241,272
Adjustments for:		
Depreciation & Impairment charges	**575,696**	123,580
Share of JV operating loss	**37,891**	31,963
Interest expense	**79,130**	80,427
Increase in trade and other receivables	**(31,377)**	(328,772)
Decrease/(increase) in inventories	**(16,016)**	36,527
(Decrease)/increase in trade payables	**(346,994)**	224,743
Loss on disposal of fixed assets	**20,010**	-
Cash generated from operations	**(202,095)**	409,740
Interest paid	**(79,130)**	(80,427)
Income taxes paid	**-**	-
Net cash from operating activities	**(281,225)**	329,313
Cash flows from investing activities		
Acquisition of subsidiary Health & Safety Department Limited	**(29,807)**	(3,106)
Purchase of property, plant and equipment	**(50,552)**	(89,738)
Net cash used in investing activities	**(80,359)**	(92,844)
Cash flows from financing activities		
Proceeds from issue of share capital	**200,000**	-
Payment of finance lease liabilities	**(30,604)**	-
Net cash used in financing activities	**169,396**	-
Net increase/(decrease) in cash and cash equivalents	**(192,188)**	236,469
Cash and cash equivalents at beginning of the period	**(657,998)**	(894,467)
Cash and cash equivalents at end of the period	**(850,186)**	(657,998)

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

1 SEGMENTAL REPORTING

The primary segment for the group is identified as three principal business segments being employment consultancy, on-line risk assessment and drug testing and disclosures are given below. The secondary segment for the group is identified as one principal geographical segment, being the UK. Therefore the disclosures for the secondary segment have already been given in the financial statements.

During the year ended 31 March 2008 the Group operated three business segments, the employment consultancy segment, the on line risk assessment segment and the drug testing segment. As has been noted in the Chairman's statement the Group has moved to a strategy whereby it will now concentrate solely on the employment consultancy segment. This segment includes human resources, tax, reward and benefits consultancy along with specific products aimed at the employment market

31 March 2008

Business Segments	**Employment consultancy**	**On line risk assessments**	**Drug testing**	**Group**
Revenue – wholly from external UK based customers	2,249,136	708,589	-	2,957,725

Further information on each segments assets and liabilities as at 31 March 2008 may be summarised as follows:

Business Segments	**Employment consultancy**	**On line risk assessments**	**Drug testing**	**Group**
Segment assets	1,506,146	121,962	17,042	1,645,150
Unallocated assets				340,243
Consolidated total assets				1,985,393
Segment liabilities	566,665	130,272	429,802	1,126,739
Unallocated liabilities				1,384,438
Consolidated total liabilities				2,511,177

1 SEGMENTAL REPORTING (CONTINUED)

31 March 2007

Business Segments	**Employment consultancy**	**On line risk assessments**	**Drug testing**	**Group**
Revenue – wholly from external UK based customers	1,810,775	1,160,325	-	2,971,100

Further information on each segments assets and liabilities as at 31 March 2008 may be summarised as follows:

Business Segments	**Employment consultancy**	**On line risk assessments**	**Drug testing**	**Group**
Segment assets	974,331	527,631	22,860	1,524,822
Unallocated assets				683,115
Consolidated total assets				2,207,937
Segment liabilities	701,320	1,872,536	319,549	2,893,405
Unallocated liabilities				(269,415)
Consolidated total liabilities				2,623,990

2 OPERATING PROFIT

The operating profit is attributable to the provision of risk, tax, HR and legal consultancy services carried on wholly within the United Kingdom after charging:

	2008	2007
	£	£
Auditor's remuneration for:		
Fees payable to the company’s auditor for the audit of the company’s annual accounts	**7,100**	7,100
Fees payable to the company’s auditor for other services:		
The audit of the company’s subsidiaries pursuant to legislation	**15,900**	22,175
Tax services	**5,000**	6,175
Other services pursuant to legislation	**5,680**	1,150
Operating lease rentals		
Land & Buildings	**96,138**	72,460
Depreciation of owned assets	**133,475**	123,580

Fees for other non-audit services in 2008 relate to VAT and Corporate Tax advice.

3 FINANCE COSTS

	2008 £	2007 £
Interest expense for borrowings from continuing activities	**38,625**	36,216
Interest expense for borrowings from discontinued activities	**40,505**	44,211
	79,130	80,427

4 DIRECTORS AND EMPLOYEES

Expense recognised for employee benefits in arriving at operating profit is analysed below:

	2008 £	2007 £
Wages and salaries	**1,397,565**	1,115,967
Social security costs	**148,594**	79,260
Pension costs	**52,646**	14,875
	1,598,805	1,210,102

The average number of employees of the Group during the year were as follows:

	2008 Number	2007 Number
Administration	**36**	35
Management	**6**	6
	42	41

Remuneration in respect of directors was as follows:

	2008 £	2007 £
Wages, fees and salaries	**184,578**	25,000
Social security costs	**17,743**	-
Other pension costs	**8,920**	-
	211,241	25,000

The key management personnel of the Group are the directors of Wyatt Group PLC.

5 TAX EXPENSE

The Group has unrelieved tax losses available to offset against future trading profits of £2,126,300 (2007 : £1,984,939)

The tax charge represents:

	2008	2007
	£	£
United Kingdom corporation tax at 20% (2007: 19%)	**-**	-
Total current tax	**-**	-

The difference between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:

	2008	2007
	£	£
(Loss)/profit/ on ordinary activities before tax	**(450,693)**	108,201
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2007: 19%).	**(90,139)**	20,558
Effect of:		
Expenses not deductible for tax purposes	**76,658**	19,810
Capital allowances for the period in excess of depreciation	**12,405**	3,580
Tax losses carried forward	**23,270**	21,062
Tax losses utilised in period	**5,918**	(75,670)
Consolidation adjustments	**(28,112)**	10,660
Total current tax	**-**	-

6 EARNINGS PER SHARE

The basic earnings per share is based upon an equity loss of £450,694 (2007: £254,660 profit) and 13,348,952 (2007: 12,659,446) ordinary shares of 1p each, being the weighted average number of shares in issue during the period.

The diluted earnings per share is identical to the basic earnings per share because the exercise price of all the share options in issue during the year was greater than the average market price of the share throughout the year. Therefore, the share options are not considered to be dilutive.

7 DISCONTINUED OPERATIONS

During the year ended 31 March 2008 the management of Wyatt Group PLC revisited and evolved its strategy, concluding to concentrate solely on the more successful employment services segment of the business. As a result the Group carried out the following transactions:

Risksmart Limited

On 2 February 2008 the trade and selected assets of Risksmart Limited were sold to Risksmart Services Limited, a company owned and run by the former management team of Risksmart Limited. Wyatt initially retained all other assets including the intellectual property rights for the three main website products: Firesmart, Health & Safety Smart and Business Smart. These products were licensed back to Risksmart Services Limited who are responsible for the websites hosting and development costs and pay Wyatt a commission per sale.

The consideration for the transaction was £1.00 (one pound) payable at completion, and the assumption of certain liabilities, including commission payments totalling approximately £70,000 and those in relation to the occupation of the premises from which the business trades. Wyatt further announced on 21 February 2008 that it had agreed to sell part of the Risksmart debtor book to Risksmart Services Limited for a consideration of a maximum of £100,000 payable in instalments (over a maximum period of 12 months) plus an additional 25% of all receipts collected in excess of £100,000.

Wyatt Biotech Limited

During the year, the Group took steps to limit its exposure to providing further funding for ongoing costs in the Biotech business and sold 50% of it's shareholding to the US inventor, creating a joint venture. Running costs are now shared with the US inventor/developer who injected funds into the business during the year to bring the product up to the point where it can be taken to market.

	2008	2007
	£	£
Operating activities of discontinued operations		
Revenue	**708,589**	1,160,325
Cost of sales	**(233,653)**	(251,876)
Operating expenses	**(1,021,886)**	(1,024,207)
Finance costs	**(40,505)**	(53,893)
Net operating result from discontinued operations	**(587,455)**	(169,651)
Disposal of 50% of shares in Wyatt Biotech at nil consideration	**(3,661)**	-
50% share of net liabilities of Wyatt Biotech no longer recognised	**168,409**	-
Impairment of investment in Biotech distribution agreement	**(186,434)**	-
Costs of disposal of Risksmart Limited business for £1	**(38,137)**	-
Impairment of Risksmart Limited goodwill	**(182,732)**	-
Impairment of investment in Audio Medical Services Limited	**(67,574)**	-
Loan to Audio Medical Services Limited written off	**(37,877)**	-
Net result from discontinued operations	**(935,461)**	(169,651)

8 INTANGIBLE ASSETS

Group	**Goodwill on consolidation**	**Licences**	**Total**
	£	**£**	**£**
Cost			
At 1 April 2006	1,529,183	186,434	1,715,617
Additions	76,484	-	76,484
At 31 March 2007	1,605,667	186,434	1,792,101
Additions	262,097	-	262,097
At 31 March 2008	1,867,764	186,434	2,054,198
Amortisation			
At 1 April 2006 and 1 April 2007	461,454	-	461,454
Impairment charge	182,732	186,434	369,166
At 31 March 2008	644,186	186,434	830,620
Net book amount at 31 March 2008	**1,223,578**	**-**	**1,223,578**
Net book amount at 31 March 2007	1,144,213	186,434	1,330,647
Net book amount at 1 April 2006	1,067,729	186,434	1,254,163

On 1 April 2007 the Group acquired the remaining 20% of the share capital in Premier Employee Benefits Limited (PEB) to make it a wholly owned subsidiary. There was no consideration paid for these shares and in accordance with the Group's accounting policy relating to subsequent increases in control, the transaction resulted in the creation of goodwill totalling £27,972.

On 29 August 2007 the Group acquired 100% of the issued share capital of the Health & Safety Department Limited (H&S). There was no consideration paid for these shares and the transaction resulted in the creation of goodwill totalling £51,393.

The PEB and H&S acquisitions are not considered material to the Group and therefore an acquisition note has not been prepared. The goodwill acquired in these transactions results from net liabilities acquired and reflects the expected synergies to be achieved by combing the overall management of the businesses at group level.

As detailed in note 7 above**,** on 2 February 2008 the Group sold the trade and certain assets of its 90% owned subsidiary, Risksmart Limited. As part of this transaction, the subsidiary Directors' 10% holdings in both Risksmart Limited and fellow subsidiary Firesmart Limited were sold to Wyatt for no consideration. In accordance with the Group's accounting policy relating to subsequent increases in control, this acquisition of shares resulted in the creation of goodwill totalling £182,732. Furthermore, in accordance with the Group's accounting policies, the directors have carried out an impairment review and concluded that, subsequent to the sale of trade and certain assets of Risksmart Limited, the associated goodwill has a recoverable amount of £nil and has therefore been impaired in full.

On conversion to IFRS an amount totalling £45,640 previously recognised as an other reserve was reclassified as goodwill and is included in the 2007 additions of £76,484 above. The other reserve was required under UK

8 INTANGIBLE ASSETS (CONTINUED)

GAAP to account for a difference in the treatment of piecemeal acquisitions between the Companies Act and FRS 2 'Accounting for Subsidiary Undertakings'.

Goodwill is not amortised but is tested for impairment at least annually. Value in use calculations are generally utilised to calculate recoverable amount. Value in use is calculated as the net present value of the projected post tax cash flows of the cash generating unit in which the goodwill is contained, applying a discount rate of 10%. The key assumptions regarding the value in use calculations are forecast revenue and margin growth which in turn are based on historical performance over the past year, adjusted for expected changes in the market.

9 PROPERTY, PLANT AND EQUIPMENT

Group	**Fixtures and fittings**	**Computer equipment**	**Total**
	£	**£**	**£**
Cost			
At 1 April 2006	46,503	488,699	535,202
Acquired	-	1,211	1,211
Additions	30,517	59,221	89,738
At 31 March 2007	77,020	549,131	626,151
Acquired	-	2,550	2,550
Additions	10,036	40,516	50,552
Disposals	(56,780)	(24,448)	(81,228)
At 31 March 2008	30,276	567,749	598,025
Depreciation			
At 1 April 2006	35,142	260,117	295,259
Provided in the year	16,205	107,375	123,580
At 31 March 2007	51,347	367,492	418,839
Provided in the year	13,129	120,346	133,475
Disposals	(51,299)	(4,439)	(55,738)
At 31 March 2008	13,177	483,399	496,576
Net book amount at 31 March 2008	**17,099**	**84,350**	**101,449**
Net book amount at 31 March 2007	25,673	181,639	207,312
Net book amount at 1 April 2006	11,361	228,582	239,943

10 INVESTMENTS

Total investments comprise:

	2008	2007
	£	**£**
Investments in participating interests	-	67,574
Investments in joint ventures	-	-
Investments in subsidiary undertakings	-	-
	-	67,574

Investments in participating interests

	£
Cost	
At 1 April 2007 and 31 March 2008	67,574
Impairment of investment	
At 1 April 2007	-
Impairment charge	67,574
At 31 March 2008	67,574
Net book amount at 31 March 2008	-
Net book amount at 31 March 2007	67,574

Loans to participating interest (shown in receivables – note 13)

	£
Net book amount at 31 March 2007	36,477
Loans in the year	1,400
Loans written off in the year	(37,877)
Net book amount at 31 March 2008	-

The participating interest relating to Audio Medical Services Limited (‘AMS’) has been designated as a financial asset at fair value through the profit and loss.

AMS is a regional medical screening business based in the South West of England. As part of its evolving strategy, the Group has recently decided to cease its investment in this sector and the resulting impairment review of assets associated with AMS concluded that the related investment and loan should be fully impaired on the basis they have a recoverable amount and therefore a fair value, of £nil.

10 INVESTMENTS (CONTINUED)

Investments in joint ventures

	Joint ventures £
At 1 April 2007	-
Transfer from investments in shares in Group undertakings	3,661
Share of loss of joint venture	(37,891)
Transfer to current liabilities	34,230
At 31 March 2008	-

Summarised financial information of joint venture

Financial information for the year ended 31 March 2008	£
Assets	17,042
Liabilities	429,638
Revenue	-
Loss	(115,909)

10 INVESTMENTS (CONTINUED)

At 31 March 2008 the Group held more than 20% of a class of the allotted equity share capital of the following:

Name of undertaking	Country of registration and incorporation	Class of share capital held	Proportion held by parent company	Proportion held by the Group	Nature of business
Subsidiary undertakings:					
Health and Safety Smart Limited	United Kingdom	Ordinary	100%	100%	Dormant company
Wyatt Partners Limited	United Kingdom	Ordinary	100%	100%	Dormant company
Firesmart Limited	United Kingdom	Ordinary	100%	100%	Dormant company
Risksmart Limited	United Kingdom	Ordinary	100%	100%	Dormant from 2 February 2008
Premier Employer Solutions Limited	United Kingdom	Ordinary	100%	100%	The provision of tax, HR and legal consultancy
Wyatt DRG Biotech Limited	United Kingdom	Ordinary	50%	50%	The provision of drug testing solutions
PES (HPS) Limited	United Kingdom	Ordinary	-	100%	Dormant company
Premier Employee Benefits Limited	United Kingdom	Ordinary	-	100%	The provision of employee benefit consultancy
Health & Safety Department Limited	United Kingdom	Ordinary	100%	100%	The provision of health & safety consultancy services
Participating interests:					
Audio Medical Services Limited	United Kingdom	Ordinary	25%	25%	The provision of mobile medical screening services

The proportion of shares shown above reflects the proportion of the voting rights held.

All subsidiaries have been included within the consolidation.

The investment in Audio Medical Services Limited is included as a participating interest on the basis that Wyatt Group PLC does not exercise significant influence over the operating and financial policies of the company.

All subsidiary undertakings, joint ventures and the participating interest prepare accounts to 31 March.

11 INVENTORIES

	2008	2007
	£	£
Work in progress	**26,516**	10,500
Goods for resale	**5,000**	5,000
	31,516	15,500

12 TRADE AND OTHER RECEIVABLES

	2008	2007
	£	£
Current portion:		
Trade receivables	**244,302**	514,246
Amounts owed by participating interests	**-**	36,477
Amounts owed by joint venture	**356,054**	-
Other receivables	**12,464**	3,717
Prepayments and accrued income	**16,030**	32,464
	628,850	586,904

An amount owed by the joint venture, Wyatt DRG Biotech Limited, is an interest bearing loan. The interest rate is fixed at a rate of 7% for the term of the loan. The term of the loan is not fixed.

The carrying value of trade receivables is considered a reasonable approximation of fair value.

No trade receivables were found to be impaired. As a result no provision has been recorded (2007: £118,734)

As of 31 March 2008 trade receivables of £13,166 (2007: £112,245) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these trade receivables is as follows:

	2008	2007
	£	£
Up to 3 months	**13,166**	100,511
3 to 6 months	**-**	11,734
	13,166	112,245

13 TRADE AND OTHER PAYABLES - CURRENT

	2008 £	2007 £
Trade payables	**95,906**	176,588
Social security and other taxes	**115,604**	194,777
Other payables	**296,753**	100,786
Accruals and deferred income	**197,663**	213,006
	705,926	685,157

All amounts are short term and the carrying values are considered to be a reasonable approximation of fair value.

14 TRADE AND OTHER PAYABLES - NON-CURRENT

	2008 £	2007 £
Bank borrowings	**29,128**	25,430
Other loan	**-**	3,000
Deferred consideration	**920,835**	920,835
	949,963	949,265

The deferred consideration relates to the acquisition of Premier Employer Solutions Limited ('PES') and the acquisition of Health and Safety Department Limited ('H&S').

The deferred consideration relating to PES comprises an earn out of 6 times the average post tax profits over the 3 consecutive years between 1 April 2007 and 31 March 2010 plus £83,333 to be satisfied in Wyatt shares at market price. Wyatt has the option to provide a cash alternative if the number of shares exceeds a certain level. The directors have estimated the deferred element of consideration at 31 March 2008 to be £820,835 (2007: £1,180,835). The total consideration is capped at £2 million.

Agreement was reached with the former shareholders of PES to pay £360,000 of the consideration during the year ended 31 March 2008. This was satisfied by £160,000 paid in cash on the 31 May 2007. £200,000 of Wyatt shares were issued on 3 October 2007.

The deferred consideration relating to H&S comprises an earn out of 5 times the average post tax profits over 3 consecutive years up to 31 March 2013 to be satisfied in Wyatt shares at market price. Wyatt has the option to provide a cash alternative if the number of shares exceeds a certain level. The directors have estimated the deferred element of consideration at 31 March 2008 to be £100,000. The total consideration is capped at £2 million.

15 DEFERRED TAX

	2008	2007
	£	£
Depreciation in excess of capital allowances/(capital allowances in excess of depreciation)	**15,015**	3,052
Tax losses carried forward	**425,260**	374,796
Other timing differences	**53,806**	-
Pension costs	**-**	247
	494,081	378,095

In accordance with the Group's accounting policies, a deferred tax asset of £494,081 (2007: £378,095) has not been recognised. The deferred tax asset would be recovered in the event that taxable profits arise. This is not considered likely in the foreseeable future, due to the significant level of tax losses being carried forward (see note 5).

16 FINANCIAL INSTRUMENTS

Borrowings are repayable as follows:

	2008	2007
Bank and other borrowings	**£**	£
Within one year	**821,058**	629,570
In more than one year, but not more than two	**29,128**	28,428
	850,186	657,988

Bank overdrafts and loans are personally guaranteed by R Holt.

The Group uses financial instruments comprising borrowings and cash and various items, such as trade receivables and trade payables that arise directly from its operations. The main purpose of these financial instruments is to fund the Group's operations.

The fair value of financial instruments are not materially different to book values.

The Group has no exposure to foreign currency risk

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. These polices have remained unchanged from previous periods.

Short term receivables and payables

The Group ensures that customers are contacted on issue of invoices to ensure that they meet the customers expectations. Efforts are then made to collect the monies that are outstanding as soon as they fall due. After all reasonable attempts have been made to ensure collection of outstanding monies the Group would consider the use of legal tools in an attempt to secure any outstanding monies that it has a legal right to.

16 FINANCIAL INSTRUMENTS (CONTINUED)

Trade payables are paid in line with the terms of the supplier and not before.

Interest rate risk

The Group finances its operations through a mixture of cash and bank borrowings. The Group exposure to interest rate fluctuations on its borrowings is managed by the use of both fixed and floating facilities as the Board consider necessary.

The interest rate exposure of the financial assets and liabilities of the Group at 31 March 2008 in relation to its banking facilities was only in respect of floating facilities, linked to LIBOR as follows.

	2008	2007
	£	£
Financial liabilities		
Bank overdraft	**(794,418)**	(578,687)
Bank loan	**(52,768)**	(76,311)
	(847,186)	(654,998)

The other (non-bank) loan of £3,000 (2007: £3,000) was non interest bearing.

The Group has a financial asset being a loan to a participating interest amounting to £37,877 (2007: £36,477) which bears interest at a fixed rate of 7% for the term of the loan. This loan has been impaired in full during the year.

Liquidity risk

The Group seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable cash requirements and to invest cash assets safely and profitably. Short-term flexibility is achieved by the use of overdraft facilities. The Group's bankers Barclays Bank PLC have placed an adequate facility at the Group's disposal. Current forecasts predict that the Group's funding requirements fall within the facility's limit.

17 LEASING COMMITMENTS

Non-cancellable operating lease rentals are payable as follows:

	31 March 2008		31 March 2007	
	Land & Buildings	**Other Items**	Land & Buildings	Other Items
	£	**£**	£	£
Operating leases:				
Within 1 year	**40,000**	**-**	82,687	·
Within 2 to 5 years	**80,000**	**-**	80,000	·
	120,000	**-**	162,687	·

18 SHARE-BASED PAYMENTS

Equity-settled share-based payments

The company has granted options to certain employees as detailed below:

All of the options were granted under an approved EMI scheme with the exception of the 200,000 options granted to D J Robertson and R B Pomphrett which were granted under an unapproved scheme.

80,000 ordinary shares of 1p each at 26.25p per share, were granted on 4 December 2001. All of these options have now lapsed.

40,000 ordinary shares of 1p each at 25p per share, were granted on 25 July 2001.

294,166 ordinary shares of 1p each at 20p per share, were granted on 24 January 2005. 36,666 of these options have now lapsed.

200,000 of the 294,166 ordinary shares listed directly above were granted to two Directors of the Wyatt Group being D J Robertson and R B Pomphrett. Each Director was granted 100,000 options at 20p per share.

50,000 ordinary shares of 1p each at 29.5p per share, were granted on 24 May 2005.

30,000 ordinary shares of 1p each at 19.5p per share were granted on 1 February 2006. 10,000 of these options have now lapsed.

375,000 ordinary shares of 1p each at 0.775p per share were granted on 28 January 2008.

210,000 of the 375,000 ordinary shares listed directly above were granted to two Directors of the Wyatt Group being D P Curtis and I R Rummels. D P Curtis was granted 100,000 options and I R Rummels was granted 110,000. Both grants were at 0.0775p per share.

A summary of the number of share options outstanding during the year are as follows:

	2008	2007
	No	No
At 1 April 2007	**457,500**	457,500
Issued in year	**375,000**	-
Lapsed in year	**(90,000)**	-
As at 31 March 2008	**742,500**	457,500

The options vest on the date on which they are granted and there is no minimum or maximum time period after which they have to be exercised.

18 SHARE-BASED PAYMENTS (CONTINUED)

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

	2008	2007
Weighted average share price - £	**0.14**	0.24
Weighted average exercise price - £	**0.13**	0.24
Expected volatility - %	**15**	15
Expected life – years	**5**	5
Risk free rate - %	**5.00**	5.50

Expected volatility was determined by calculating the historical volatility of the company's share price since listing on AIM.

The company has not recognised any expense for the current or prior years relating to equity-settled share-based transactions, due to materiality. The Directors will reconsider this view in each subsequent year.

19 SHARE CAPITAL

	2008 £
Authorised	
At 31 March 2007 and 31 March 2008: 200,000,000 ordinary shares of 1p each	**2,000,000**
Allotted, called up and fully paid	
At 31 March 2007: 12,659,444 ordinary shares of 1p each	**126,594**
Allotted during the year: 1,405,975 ordinary shares of 1p each	**14,060**
At 31 March 2008: 14,065,419 ordinary shares of 1p each	**140,654**

During the year 1,405,975 ordinary shares of 1p each were issued in satisfaction of deferred consideration, as detailed in note 14. Having adopted the relief given by section 131 of the Companies Act 1985, the difference between the nominal value of shares issued (£14,060) and market value of the shares issued (£200,000) has been credited to the merger reserve.

20 SHARE PREMIUM ACCOUNT AND RESERVES

Group	Share premium account £	Merger reserve £	Retained earnings £
At 1 April 2007	1,902,700	41,802	(2,346,186)
Issue of share capital	-	185,940	-
Loss for the year	-	-	(450,694)
At 31 March 2008	**1,902,700**	**227,742**	**(2,796,880)**

21 CAPITAL COMMITMENTS

Neither the Group nor the company had any capital commitments at 31 March 2008 or 31 March 2007.

22 EFFECT OF TRANSITION TO IFRS

	2007 £	2006 £
Total Equity under UK GAAP	**(594,764)**	(638,716)
IFRS adjustments:		
Goodwill amortisation	**133,071**	131,780
Other reserve reclassification	**45,640**	-
Total Equity under IFRS	**(416,053)**	(506,960)
Profit for the year under UK GAAP	**121,589**	
IFRS adjustments:		
Goodwill amortisation	**133,071**	
Profit for the year under IFRS	**254,660**	

IFRS 1 permits companies adopting IFRS for the first time to take certain exemptions from the full requirements of IFRS in the transition period. These interim financial statements have been prepared on the basis of taking the following exemptions:

- business combinations have not been restated to comply with IFRS 3 "Business Combinations". Goodwill arising from these business combinations prior to the transition date of £1,560,027 has not been restated other than as set out below.

Goodwill recognised by the Group on under UK GAAP was amortised over a period of 10 years. Under IFRS goodwill is not amortised, but tested annually for impairment. The goodwill amortisation charge recognised in accordance with UK GAAP in 2006 was written back. The result of these adjustments is to increase the profit in the income statement for the year ending 31 March 2007 by £133,071 and increase the carrying value of the goodwill by the same amount.

22 EFFECT OF TRANSITION TO IFRS (CONTINUED)

Wyatt Group PLC performed an impairment review of goodwill as at 31 March 2008. As a result of this review the only charge recognised in retained earnings as at that date was in relation to the disposal of the Risksmart trade.

There is no change to the underlying performance of the Group. Restatements arise only as a result of the above changes to the treatment of goodwill.

23 CONTINGENCIES

The company is party to arrangements to secure the borrowings of all other members of the Group. At 31 March 2008 this guarantee supported overdrafts of £159,527 (2007: £798,101) in the books of the subsidiary undertakings.

24 RELATED PARTY TRANSACTIONS

The Group's bank overdrafts and loans are personally guaranteed by R Holt a Director of the Group.

During the year, a Group company, Wyatt Biotech Limited, made purchases of £2,698 (2007- £9,387) from Mears Group PLC, a company related by virtue of the common directorship of R. Holt, D J Robertson and R B Pomphrett. At 31 March 2008, the company owed £nil (2007 - £nil) to Mears Group PLC.

During the year, a Group company, Premier Employer Solutions Limited, made sales of £28,710 (2007 - £52,828) to Mears Group PLC. At 31 March 2007, the company was owed £5,092 (2007 - £3,819) by Mears Group PLC.

During the year, a Group company, Premier Employee Benefits Limited, made sales of £100,302 (2007 - £22,440) to Mears Group PLC. At 31 March 2007, the company was owed £nil (2007 - £nil) by Mears Group PLC.

During the year, a Group company, Premier Employer Solutions Limited, made purchases of £40,600 (2007 - £35,250) to Premier Developments Limited, a company related by virtue of the common directorship of I R Rummels. At 31 March 2007, the company owed £nil (2007 - £nil) to Premier Developments Limited.

During the year, Wyatt Group PLC made a loan of £1,400 (2007 - £1,500) to Audio Medical Services Limited a participating interest. At 31 March 2008, Wyatt Group PLC was owed £nil (2007 - £36,477) by Audio Medical Services Limited as the loan had been written off.

During the year, the company made licence sales of £5,052 (2007 - £nil) to Risksmart Services Limited, a company related by virtue of the directorship of P. Wilson, former Director of Risksmart Limited. At 31 March 2008, the company was owed £5,092 (2007 - £3,819) by Risksmart Services Limited.

25 CONTROLLING RELATED PARTY

The largest and smallest Group of undertakings for which Group financial statements have been drawn up is that headed by Wyatt Group PLC which is registered in England and Wales.

Copies of the financial statements may be obtained by writing to Wyatt Group PLC, Parkway House, Hambrook Lane, Stoke Gifford, Bristol, BS34 8QB.

26 POST BALANCE SHEET EVENTS

On 2 June 2008 Wyatt Group PLC agreed a variation to the terms of the Licence to use its propriety software under which Risksmart Services Limited has agreed to pay the sum of £50,000 (plus VAT) to Wyatt (comprising a payment of £5,556 already made and a further eight equal monthly instalments commencing following completion), following which the Licence will become an exclusive perpetual licence and payment of the previously agreed commissions will cease (see note 7).

This transaction completes the disposal by Wyatt of all assets owned and operated by Risksmart Limited in accordance with the board's strategy announced on 21 December 2007.

On 1 August 2008 Wyatt Group PLC acquired 100% of the share capital of specialist employee benefits consultancy, TEBC Limited ('TEBC') for an initial consideration of £150,000 plus two deferred payments each of £75,000 to be made on the first and second anniversaries of deal completion. There is also an element of deferred contingent consideration based on the turnover of TEBC. This element of the consideration is capped at a maximum of £300,000.

The business will operate alongside existing employment based subsidiary Premier Employer Solutions Limited ('PES') and more particularly PES's own benefits consultancy Premier Employee Benefits Limited to further strengthen the consultancy services that can be offered to employers.

In order to help finance the acquisition Bob Holt (Non-executive Chairman) agreed to loan the Company £100,000. The loan is unsecured and will carry an annual interest rate of 3% above the Bank of England base rate and is repayable over 5 years in quarterly instalments.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF

WYATT GROUP PLC

We have audited the parent company financial statements of Wyatt Group PLC for the year ended 31 March 2008 which comprise the principal accounting policies, the balance sheet and notes 1 to 10. These parent company financial statements have been prepared under the accounting policies set out therein.

We have reported separately on the group financial statements of Wyatt Group PLC for the year ended 31 March 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 parent company financial statements in accordance with United Kingdom law and United Kingdom 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 whether the parent company financial statements have been properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the Directors' Report is consistent with the parent company financial statements.

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 parent company financial statements. This other information comprises only the Chairman's Statement and the Corporate Governance Statement. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the 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.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF

WYATT GROUP PLC

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 March 2008;
- the parent company financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

GRANT THORNTON UK LLP
REGISTERED AUDITOR
CHARTERED ACCOUNTANTS

Bristol
30 September 2008

The principal accounting policies adopted in the preparation of these company financial statements are set out below:

Basis of preparation

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards and under the historical cost convention.

The company has taken advantage of section 230 of the Companies Act 1985 not to publish its own profit and loss account.

Investments

All investments recorded in the Company's balance sheet are initially recorded at cost, being the fair value of the consideration given, including acquisition charges associated with the investment. Subsequently, they are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable.

Intangible assets

Licences are capitalised at cost and amortised on a straight line basis over their useful economic life

The Group undertakes regular impairment reviews to assess the suitability of the carrying value of its intangible assets where there is an indication that an impairment review is required.

The Directors base useful estimated economic lives on the period over which they believe that the Company will derive economic benefit from the asset.

Financial Instruments

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.

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.

WYATT GROUP PLC AND ITS SUBSIDIARY UNDERTAKINGS

COMPANY BALANCE SHEET AS AT 31 MARCH 08

For the year ended 31 March 2008

	Note	**2008** **£**	2007 £
Fixed assets			
Intangible assets	2	**-**	186,434
Tangible assets	3	**1,310**	2,775
Investments	4	**1,356,222**	1,703,330
		1,357,532	1,892,539
Current assets			
Debtors due within one year	5	**5,107**	236,320
Debtors due after more than one year		**346,065**	1,220,690
		351,172	1,457,010
Creditors: amounts falling due within one year	6	**(1,877,981)**	(954,697)
Net current assets		**(1,526,809)**	502,313
Total assets less current liabilities		**(169,277)**	2,394,852
Creditors: amounts falling due after more than one year	7	**(920,835)**	(920,835)
		(1,090,112)	1,474,017
Capital and reserves			
Share capital	8	**140,654**	126,594
Share premium account	9	**1,902,700**	1,902,700
Merger reserve	9	**185,940**	-
Profit and loss account	9	**(3,319,406)**	(555,277)
Shareholders' funds		**(1,090,112)**	1,474,017

The financial statements were approved by the Board of Directors on 30 September 2008

D Curtis **Director**

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

1 LOSS ATTRIBUTABLE TO PARENT COMPANY

The loss attributable to members of the parent company is £2,764,129 (2007: £183,231).

2 INTANGIBLE FIXED ASSETS

	Licences £	Total £
Cost		
At 1 April 2007 and 31 March 2008	186,434	186,434
Amortisation		
At 1 April 2007	-	-
Impairment charge	186,434	186,434
At 31 March 2008	186,434	186,434
Net book amount at 31 March 2008	**-**	**-**
Net book amount at 31 March 2007	186,434	186,434

On 9 March 2005 Wyatt Group PLC entered into a supply and evaluation agreement with the option to enter into an exclusive distribution agreement with Fingerprint Biotech LLC, a company incorporated in the United States of America. The agreement allows Wyatt Group PLC to become the sole distributor of Fingerprint Biotech LLC products in the United Kingdom and the Republic of Ireland. The Group entered into a joint venture agreement with the US inventor during the year but there have been unforeseen delays in the testing and production of the drug testing product, resulting in it still not being ready to commence market trials. In accordance with the Group's accounting policies, the directors have carried out an impairment review and concluded that, due to these delays,, the associated intangible asset has a recoverable amount of £nil and has therefore been impaired in full.

3 TANGIBLE FIXED ASSETS

	Computer equipment £	**Total £**
Cost		
At 31 March 2007	5,234	5,234
Additions	747	747
At 31 March 2007	5,981	5,981
Depreciation		
At 31 March 2007	2,459	2,459
Provided in the year	2,212	2,212
At 31 March 2008	4,671	4,671
Net book amount at 31 March 2008	**1,310**	**1,310**
Net book amount at 31 March 2007	2,775	2,775

4 INVESTMENTS

Total investments comprise:

	2008 £	2007 **£**
Investments in participating interests	-	67,574
Investments in joint ventures	**3,661**	-
Investments in subsidiary undertakings	**1,352,561**	1,635,756
	1,356,222	1,703,330

Investments in participating interests

	£
Cost	
At 1 April 2007 and 31 March 2008	67,574
Impairment of investment	
At 1 April 2007	-
Impairment charge	67,574
At 31 March 2008	67,574
Net book amount at 31 March 2008	-
Net book amount at 31 March 2007	67,574

4 INVESTMENTS (CONTINUED)

Loans to participating interest (shown in debtors – note 5)

	£
Net book amount at 31 March 2007	36,477
Loans in the year	1,400
Loans written off in the year	(37,877)
Net book amount at 31 March 2008	-

Audio Medical Services Limited (‘AMS’) is a regional medical screening business based in the South West of England. As part of its evolving strategy, the Group has recently decided to cease its investment in this sector and the resulting impairment review of assets associated with AMS concluded that the related investment and loan should be fully impaired on the basis they have a recoverable amount of £nil.

Investments in joint ventures

	£
At 1 April 2007	-
Transfer from investments in shares in Group undertakings	3,661
At 31 March 2008	**3,661**

Investments in subsidiary undertakings

	Shares in Group under-takings £
Cost	
At 1 April 2007	1,635,756
Additions	24,127
Disposals	(3,661)
Transfer to investments in joint ventures	(3,661)
At 31 March 2008	**1,652,561**
Impairments	
At 1 April 2007	-
Impaired during the year	300,000
At 31 March 2008	**300,000**
Net book value	
At 31 March 2008	**1,352,561**
At 1 April 2007	1,635,756

5 DEBTORS

	2008	2007
	£	£
Due within one year:		
Amounts owed by Group undertakings	3,606	223,219
Prepayments and accrued income	1,501	13,101
	5,107	236,320
Due after more than one year:		
Amounts owed by Group undertakings	**-**	1,184,213
Amounts owed by participating interests	**-**	36,477
Amounts owed by joint venture	**346,065**	-
	346,065	1,220,690
	351,172	1,457,010

An amount owed by the joint venture, Wyatt Biotech DRG Limited, is an interest bearing loan. The interest rate is fixed at a rate of 7% for the term of the loan. The term of the loan is not fixed.

6 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2008	2007
	£	£
Bank loans and overdrafts	**1,365,508**	460,510
Trade creditors	**19,331**	7,233
Amounts owed to Group undertakings	**455,090**	76,558
Social security and other taxes	**8,880**	12,546
Deferred consideration	**-**	360,000
Other payables	**572**	90
Accruals and deferred income	**28,600**	37,760
	1,877,981	954,697

7 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2008	2007
	£	£
Deferred consideration	**920,835**	920,835
	920,835	920,835

The deferred consideration relates to the acquisition of Premier Employer Solutions Limited ('PES') and the acquisition of Health and Safety Department Limited ('H&S').

The deferred consideration relating to PES comprises an earn out of 6 times the average post tax profits over the 3 consecutive years between 1 April 2007 and 31 March 2010 plus £83,333 to be satisfied in Wyatt shares at market price. Wyatt has the option to provide a cash alternative if the number of shares exceeds a certain level.

The directors have estimated the deferred element of consideration at 31 March 2008 to be £820,835 (2007: £1,180,835). The total consideration is capped at £2 million.

Agreement was reached with the former shareholders of PES to pay £360,000 of the consideration during the year ended 31 March 2008. This was satisfied by £160,000 paid in cash on the 31 May 2007. £200,000 of Wyatt shares were issued on 3 October 2007.

The deferred consideration relating to H&S comprises an earn out of 5 times the average post tax profits over 3 consecutive years up to 31 March 2013 to be satisfied in Wyatt shares at market price. Wyatt has the option to provide a cash alternative if the number of shares exceeds a certain level. The directors have estimated the deferred element of consideration at 31 March 2008 to be £100,000. The total consideration is capped at £2 million.

8 SHARE CAPITAL

	2008	2007
	£	£
Authorised		
200,000,000 ordinary shares of 1p each	**2,000,000**	**2,000,000**
Allotted, called up and fully paid		
14,065,419 (2007:12,659,444) ordinary shares of 1p each	**140,654**	**126,594**

During the year 1,405,975 ordinary shares of 1p each were issued in satisfaction of deferred consideration, as detailed in note 7. Having adopted the relief given by section 131 of the Companies Act 1985, the difference between the nominal value of shares issued (£14,060) and market value of the shares issued (£200,000) has been credited to the merger reserve.

9 SHARE PREMIUM ACCOUNT AND RESERVES

Company	**Merger Reserve £**	**Share premium account £**	**Retained earnings £**
At 1 April 2007	-	1,902,700	(555,277)
Issue of shares	185,940		-
Loss for the year	-	-	(2,764,129)
At 31 March 2008	**185,940**	**1,902,700**	**(3,319,406)**

The balance on the share premium account may not be distributed legally under section 263 and 264 of the Companies Act 1985.

10 DEFERRED TAX

	Unprovided 2008 £	2007 £
Depreciation in excess of capital allowances/(capital allowances in excess of depreciation)	**376**	186
Tax losses carried forward	**68,924**	62,599
Unprovided deferred tax asset	**69,300**	62,785

WYATT GROUP PLC

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Wyatt Group PLC will be held at the offices of Arbuthnot Securities, Arbuthnot House, 20 Ropemaker Street, London, EC2Y 9AR on 4th November 2008 at 12 noon for the following purposes:

Ordinary Business:

1. To receive and adopt the Accounts for the year ended 31st March 2008, together with the reports of the Directors and auditors thereon.

2. To re-elect R Holt, who retires by rotation, as a Director of the company.

3 To re-elect R B Pomphrett who retires by rotation, as a Director of the company.

4 To re-appoint Grant Thornton UK LLP as auditors and to authorise the Directors to determine their remuneration.

Special Business:

5. That the policy on Directors remuneration (as referred to on page 6 of the annual report and accounts for the year ended 31st March 2008) be approved.

By Order of the Board

D P Curtis BSc, ACA
Secretary

30 September 2007

Parkway House
Hambrook Lane
Stoke Gifford
Bristol
BS34 8QB

Notes:

1. Members are entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and vote on their behalf at the meeting. A shareholder may appoint more than one proxy in relation to the Annual General Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. A proxy need not be a shareholder of the Company. A proxy form which may be used to make such appointment and give proxy instructions accompanies this notice.

2. To be valid any proxy form or other instrument appointing a proxy must be received by post or (during normal business hours only) by hand at Neville Registrars, Neville Registrar Limited 18 Laurel Lane, Halesowen, West Midlands B63 3DA no later than 48 hours before the appointed time of the meeting.

3. The return of a completed proxy form, other such instrument or any CREST Proxy Instruction (as described in paragraph 9 below) will not prevent a shareholder attending the Annual General Meeting and voting in person if he/she wishes to do so.

4. Any person to whom this notice is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a “Nominated Person”) may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the Annual General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to

exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.

5. The statement of the rights of shareholders in relation to the appointment of proxies in paragraphs 3 and 4 above does not apply to Nominated Persons. The rights described in these paragraphs can only be exercised by shareholders of the Company.

6. To be entitled to attend and vote at the Annual General Meeting (and for the purpose of the determination by the Company of the votes they may cast), Shareholders must be registered in the Register of Members of the Company by 6.00p.m. on 31 October 2008 (or, in the event of any adjournment, not less than 48 hours prior to the time of the adjourned meeting). Changes to the Register of Members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.

7. As at 29 September 2008 (being the last business day prior to the publication of this Proxy) the Company's issued share capital consists of 14,065,419 ordinary shares, carrying one vote each. Therefore, the total voting rights in the Company as at 29 September 2008 are 14,065,419.

8. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so 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 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.

9. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with CRESTCo's specifications, and must contain the information required for such instruction, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID 7RA11) by 6p.m. on 31 October 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 Application Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

10. CREST members and, where applicable, their CREST sponsors, or voting service providers should note that CRESTCo does not make available special procedures in CREST for any particular message. 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, to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be 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 system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

11. 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.

12. In order to facilitate voting by corporate representatives at the meeting, arrangements will be put in place at the meeting so that (i) if a corporate shareholder has appointed the chairman of the meeting as its corporate representative to vote on a poll in accordance with the directions of all of the other corporate representatives for that shareholder at the meeting, then on a poll those corporate representatives will give voting directions to the chairman and the chairman will vote (or withhold a vote) as corporate representative in accordance with those directions; and (ii) if more than one corporate representative for the same corporate shareholder attends the meeting but the corporate shareholder has not appointed the chairman of the meeting as its corporate representative, a designated corporate representative will be nominated, from those corporate representatives who attend, who will vote on a poll and the other corporate representatives will give voting directions to that designated corporate representative. Corporate shareholders are referred to the guidance issued by the Institute of Chartered Secretaries and Administrators on proxies and corporate representatives (www.icsa.org.uk) for further details of this procedure. The guidance includes a sample form of appointment letter if the chairman is being appointed as described in (i) above.

13. The register of Directors' interest in the share capital of the Company, copies of the Directors' contracts of service with the Company or its subsidiaries copies of the memorandum and articles of association and the register

of members will be available for inspection at the registered office of the Company, Parkway House, Hambrook Lane, Stoke Gifford, Bristol, BS34 8QB during usual business hours on any weekday (Saturdays, Sundays and public holidays excluded) from the date of this Notice until the conclusion of the Annual General Meeting and will be available for inspection at the place of the Annual General meeting for at least 15 minutes prior to and during the Meeting.

WYATT GROUP PLC

FORM OF PROXY

FOR USE AT THE ANNUAL GENERAL MEETING TO BE HELD AT THE OFFICES OF ARBUTHNOT SECURITIES, ARBUTHNOT HOUSE, 20 ROPEMAKER STREET, LONDON, EC2Y 9AR ON 4 NOVEMBER 2008 AT 12:00 NOON

I/We (Block Capitals Please)..
(Name of any joint holders)

of (Block Capitals Please)..
being a member/members of Wyatt Group PLC ('the Company'), hereby appoint the Chairman of the Meeting (see note 1)

or……………………………….. ……………………………………………………….....................

as my/our proxy to vote for me/us on my/our behalf at the meeting and at any adjournment thereof. I/We wish this proxy to be used in connection with the resolutions to be proposed at the meeting as stated in the notice convening the meeting in the manner set out below. In relation to any other business properly before the meeting the proxy is authorized to vote or to abstain from voting as he/she feels fit.

Please indicate with an X in one of the spaces below how you wish your proxy to vote. Unless otherwise instructed, the proxy will be deemed to have authority to vote as he/she feels fit, or to abstain from voting, in relation to the business of the meeting (see note 6).

No	ORDINARY BUSINESS	For	Against	Withheld
1	To receive and adopt the accounts for the year 31 March 2008 together with the reports of the directors and auditors thereon			
2	To re-elect R Holt as a director			
3	To re-elect R B Pomphrett as a director			
4	To appoint Grant Thornton UK LLP as auditors and authorize the directors to determine their remuneration			
	SPECIAL BUSINESS			
5	To approve the policy on Directors remuneration (as referred to on page 6 of the annual report and accounts for the year ended 31st March 2008).			

Dated.. Signature..

Notes:

1. Members are entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and vote on their behalf at the meeting. A shareholder may appoint more than one proxy in relation to the Annual General Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. A proxy need not be a shareholder of the Company. A proxy form which may be used to make such appointment and give proxy instructions accompanies this notice.

2. To be valid any proxy form or other instrument appointing a proxy must be received by post or (during normal business hours only) by hand at Neville Registrars, Neville Registrar Limited 18 Laurel Lane, Halesowen, West Midlands B63 3DA no later than 48 hours before the appointed time of the meeting.

3. The return of a completed proxy form, other such instrument or any CREST Proxy Instruction (as described in paragraph 9 below) will not prevent a shareholder attending the Annual General Meeting and voting in person if he/she wishes to do so.

4. Any person to whom this notice is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a “Nominated Person”) may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the Annual General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.

5. The statement of the rights of shareholders in relation to the appointment of proxies in paragraphs 3 and 4 above does not apply to Nominated Persons. The rights described in these paragraphs can only be exercised by shareholders of the Company.

6. To be entitled to attend and vote at the Annual General Meeting (and for the purpose of the determination by the Company of the votes they may cast), Shareholders must be registered in the Register of Members of the Company by 6.00p.m. on 31 October 2008 (or, in the event of any adjournment, not less than 48 hours prior to the time of the adjourned meeting). Changes to the Register of Members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.

7. As at 29 September 2008 (being the last business day prior to the publication of this Proxy) the Company’s issued share capital consists of 14,065,419 ordinary shares, carrying one vote each. Therefore, the total voting rights in the Company as at 29 September 2008 are 14,065,419.

8. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so 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 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.

9. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a “CREST Proxy Instruction”) must be properly authenticated in accordance with CRESTCo’s specifications, and must contain the information required for such instruction, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer’s agent (ID 7RA11) by 6p.m. on 31 October 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 Application Host) from which the issuer’s agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

10. CREST members and, where applicable, their CREST sponsors, or voting service providers should note that CRESTCo does not make available special procedures in CREST for any particular message. 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, to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be 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 system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

11. 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.

12. In order to facilitate voting by corporate representatives at the meeting, arrangements will be put in place at the meeting so that (i) if a corporate shareholder has appointed the chairman of the meeting as its corporate representative to vote on a poll in accordance with the directions of all of the other corporate representatives for that shareholder at the meeting, then on a poll those corporate representatives will give voting directions to the chairman and the chairman will vote (or withhold a vote) as corporate representative in accordance with those directions; and (ii) if more than one corporate representative for the same corporate shareholder attends the meeting but the corporate shareholder has not appointed the chairman of the meeting as its corporate representative, a designated corporate representative will be nominated, from those corporate representatives who attend, who will vote on a poll and the other corporate representatives will give voting directions to that designated corporate representative. Corporate shareholders are referred to the guidance issued by the Institute of Chartered Secretaries and Administrators on proxies and corporate representatives (www.icsa.org.uk) for further details of

this procedure. The guidance includes a sample form of appointment letter if the chairman is being appointed as described in (i) above.

13. The “Withheld” option is provided to enable you to abstain on any particular resolution. However it should be noted that a vote withheld is not a vote in law and will not be counted in the proportion of votes “for” and “against” a resolution.

Fold

The Secretary
Wyatt Group PLC
c/o Neville Registrars Limited
Neville House
18 Laurel Lane
Halesowen
B63 3DA

Fold