

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you should immediately consult your stockbroker, bank manager, solicitor, accountant or other independent professional adviser authorised pursuant to the Financial Services and Markets Act 2000 who specialises in advising on the acquisition of shares and other securities.

If you have sold or transferred all your Ordinary Shares in Multi Group Plc ("Multi" or the "Company"), you should send this document, together with the accompanying Form of Proxy, to the stockbroker, bank or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee.

This document is an AIM admission document and has been drawn up in accordance with the AIM Rules. This document does not constitute a prospectus within the meaning of Section 85 of FSMA and has not been drawn up in accordance with the Prospectus Rules or approved by or filed with the Financial Services Authority. Copies of this document will be available free of charge to the public during normal business hours on any day (Saturdays, Sundays and public holidays excepted) at the offices of Blue Oar Securities Plc, 30 Old Broad Street, London EC2N 1HT from the date of this document for the period ending one month after Admission.

The Directors and Proposed Directors, whose names appear on page 4 of this document, and the Company, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Company, the Directors and Proposed Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Existing Ordinary Shares are admitted to trading on AIM. Application will be made for the Enlarged Share Capital to be admitted to trading on AIM. AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. Each AIM company is required pursuant to the AIM Rules for Companies to have a nominated adviser. The nominated adviser is required to make a declaration to the London Stock Exchange on admission in the form set out in Schedule Two to the AIM Rules for Nominated Advisers. London Stock Exchange plc has not itself examined or approved the contents of this document.

The whole of the text of this document should be read. Your attention is drawn in particular to the risk factors set out in Part II of this document.

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## **MULTI GROUP PLC**

*(Registered in England and Wales under the Companies Act 1985, number 2641313)*

**Acquisition of Dream Group Limited  
Placing of 16,000,000 Ordinary Shares of 10 pence each  
at 25 pence per share  
Admission to trading on AIM  
Consolidation of Existing Ordinary Share capital  
Cancellation of Share Premium Account and  
Capital Redemption Reserve  
Change of Name to Servoca Plc  
Notices of EGM and AGM**

*Nominated adviser and broker*

**BlueOar**<sup>SM</sup>  
SECURITIES

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Blue Oar Securities Plc, which is authorised and regulated by the Financial Services Authority, is acting as nominated adviser and broker to the Company. Its responsibilities as the Company's nominated adviser under the AIM Rules are owed solely to the London Stock Exchange and are not owed to the Company or to any Director, Proposed Director or to any other person in respect of any decision to acquire shares in the Company in reliance on any part of this document. No representation or warranty, expressed or implied, is made by Blue Oar Securities Plc as to any of the contents of this document. Blue Oar Securities Plc will not be offering advice and will not otherwise be responsible for providing customer protections to recipients of this document or for advising them on the contents of this document or any other matter.

This document does not constitute an offer to sell, or the solicitation of an offer to subscribe for or buy, shares to any person in any jurisdiction to whom or in which such offer or solicitation is unlawful. The Ordinary Shares have not been, and will not be, registered under the United States Securities Act of 1933, as amended, or under the securities legislation of any state of the United States. The relevant clearances have not been, and will not be, obtained from the Securities Commission of any province or territory of Canada; no document in relation to Admission has been, or will be, lodged with, or registered by, the Australian Securities and Investments Commission; and no registration statement has been, or will be, filed with the Japanese Ministry of Finance in relation to the Ordinary Shares. Accordingly, subject to certain exceptions, the Ordinary Shares may not, directly or indirectly, be offered or sold within the United States, Canada, Australia or Japan or offered or sold to a person within the United States or a resident of Canada, Australia or Japan.

Notices of the Extraordinary General Meeting and the Annual General Meeting of the Company to be held at 10.00 a.m. on 7 June 2007 and 10.00 a.m. on 14 June 2007 respectively are set out at the end of this document. Shareholders will find enclosed with this document Forms of Proxy for use at the Extraordinary General Meeting and the Annual General Meeting. To be valid the Forms of Proxy should be signed and returned in accordance with the instructions printed thereon so as to be received by Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU as soon as possible but in any event no later than 48 hours before the Extraordinary General Meeting and the Annual General Meeting respectively. Completion and posting of the Forms of Proxy does not prevent a Shareholder from attending and voting in person at the Extraordinary General Meeting and the Annual General Meeting as the case may be.

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## ADMISSION AND PLACING STATISTICS

Number of 0.1p Ordinary Shares in issue at the date of this document	544,704,820
Number of 10p Ordinary Shares following the Consolidation <sup>1</sup>	5,447,048
Number of Consideration Shares	17,839,944
Number of Placing Shares	16,000,000
Approximate number of 10p Ordinary Shares in issue at Admission <sup>1</sup>	40,906,989
Market capitalisation of the Company at Admission at the Placing Price	£10.2 million
Percentage of Enlarged Share Capital represented by the Consideration Shares	43.6%
Percentage of Enlarged Share Capital represented by the Placing Shares	39.1%
ISIN number	GB0002899739

Note 1: due to the Consolidation, the precise number of 10p Ordinary Shares in issue at Admission cannot be calculated until the date of the EGM.

## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication of this document	15 May 2007
Final time and date for receipt of Forms of Proxy in respect of the EGM	10.00 a.m. on 5 June 2007
Final time and date for receipt of Forms of Proxy in respect of the AGM	10.00 a.m. on 12 June 2007
Extraordinary General Meeting	10.00 a.m. on 7 June 2007
Annual General Meeting	10.00 a.m. on 14 June 2007
Completion, Admission and dealings commence in the 10p Ordinary Shares	8 June 2007
Expected date of delivery of Placing Shares and the Consideration Shares into CREST accounts (where applicable)	8 June 2007
Definitive share certificates despatched in respect of Placing Shares and Consideration Shares (where applicable)	8 June 2007

## **DIRECTORS, PROPOSED DIRECTORS, SECRETARY AND ADVISERS**

<b>Directors</b>	Oliver Charles Cooke ( <i>Executive Chairman</i> ) Andrew Edward Brundle ( <i>Chief Financial Officer</i> ) Janet Iris Barn ( <i>Executive Director</i> ) David Marks ( <i>Non-executive Director</i> )
<b>Company Secretary</b>	Andrew Edward Brundle  <i>all of</i>
<b>Registered and Head Office</b>	Christopher Wren Yard 117 High Street Croydon CR0 1QG
<b>Proposed Directors</b>	Darren Jonathan Browne ( <i>proposed Chief Executive Officer</i> ) Tony John Rogers ( <i>proposed Executive Director</i> ) Miles Grant Davis ( <i>proposed Executive Director</i> ) Arthur Leonard Robert Morton (aka Bob Morton) ( <i>proposed Non-executive Chairman</i> ) John Robert Foley ( <i>proposed Non-executive Director</i> )  <i>all of</i>  41 Whitcomb Street London WC2H 7DT
<b>Nominated Adviser and Broker</b>	Blue Oar Securities Plc 30 Old Broad Street London EC2N 1HT
<b>Auditors and Reporting Accountant</b>	BDO Stoy Hayward LLP Emerald House East Street Epsom KT17 1HS
<b>Legal Advisers to the Company</b>	Kirkpatrick & Lockhart Preston Gates Ellis LLP 110 Cannon Street London EC4N 6AR
<b>Legal Advisers to Dream</b>	Memery Crystal LLP 44 Southampton Buildings London WC2A 1AP
<b>Registrars</b>	Capita Registrars Limited The Registry 34 Beckenham Road Beckenham Kent BR3 4TU

## DEFINITIONS

“0.1p Ordinary Shares”	ordinary shares of 0.1 pence each in the Company
“10p Ordinary Shares”	ordinary shares of 10 pence each in the capital of the Company following the Consolidation
“2003 Share Option Scheme”	the 2003 Multi Group Plc Discretionary Share Option Scheme
“2007 EMI Plan”	the Servoca Plc 2007 Enterprise Management Incentive Share Option Plan, proposed to be adopted at the EGM
“ACPO”	Association of Chief Police Officers
“Acquisition”	the proposed acquisition by the Company of 99.97 per cent. of the issued share capital of Dream, pursuant to the terms of the Acquisition Agreement
“Acquisition Agreement”	the conditional agreement dated 15 May 2007 and made between the Company and the Vendors relating to the Acquisition, further details of which are set out in paragraph 11 of Part V of this document
“Act”	the Companies Act 1985 as amended
“Admission”	admission of the Enlarged Share Capital to trading on AIM and such admission becoming effective in accordance with Rule 6 of the AIM Rules
“AGM” or “Annual General Meeting”	the annual general meeting of the Company, convened for 10.00 a.m. on 14 June, and any adjournment thereof, notice of which is set out in Part VII of this document
“AGM Resolutions”	the resolutions to be proposed at the AGM as set out in the Notice of AGM and reference to an AGM Resolution shall be construed accordingly
“AIM”	the market of that name operated by the London Stock Exchange
“AIM Rules”	the AIM rules for companies and the AIM rules for nominated advisers as published by the London Stock Exchange, governing admission to, and the operation of, AIM
“Articles”	the articles of association of the Company
“Berry”	Berry Recruitment Holdings Limited
“Berry Medical”	Berry Medical Limited
“Blue Oar”	Blue Oar Securities Plc, nominated adviser and broker to the Company
“Cancellation”	the proposed cancellation of share premium account and capital redemption reserve of the Company as described in Part I of this document
“City Code”	the City Code on Takeovers and Mergers
“Company” or “Multi”	Multi Group Plc
“Completion”	completion of the Acquisition pursuant to the terms of the Acquisition Agreement
“Consideration”	the consideration payable under the terms of the Acquisition, as described in this document

“Consideration Shares”	the 17,839,944 10p Ordinary Shares to be allotted and issued to the Vendors on Completion pursuant to the Acquisition Agreement
“Consolidation”	the proposed consolidation of every 100 0.1p Ordinary Shares into one 10p Ordinary Share as described in Part I of this document
“CREST”	the computerised settlement system to facilitate the transfer of title of shares in uncertificated form, operated by CRESTCo
“CREST Regulations”	the Uncertificated Securities Regulations 2001, including (i) any enactment or subordinate legislation which amends or supersedes those regulations and (ii) any applicable rules made under those regulations or any such enactment or subordinate legislation for the time being in force
“CRESTCo”	CRESTCo Limited
“Deferred Shares”	deferred shares of 0.1 pence each in the capital of the Company
“DfES”	the Department for Education and Skills
“Directors” or “Board”	the directors of Multi whose names appear on page 4 of this document
“Dream”	Dream Group Limited
“EGM” or “Extraordinary General Meeting”	the extraordinary general meeting of the Company, convened for 10.00 a.m. on 7 June, and any adjournment thereof, notice of which is set out in Part VI of this document
“EGM Resolutions”	the resolutions to be proposed at the EGM as set out in the Notice of EGM and reference to an EGM resolution shall be construed accordingly
“Enlarged Concert Party”	the Existing Concert Party and those of the Vendors who are not members of the Existing Concert Party
“Enlarged Group”	the Group and Dream and its subsidiary undertakings
“Enlarged Share Capital”	together, the Existing Ordinary Shares, the Consideration Shares, the Placing Shares and the Incentive Shares
“Existing Concert Party”	the existing concert party for the purposes of the City Code at the date of this document comprising Southwind, Oliver Cooke, Michael Jackson and Antony Berry
“Existing Ordinary Shares”	the 544,704,820 0.1p Ordinary Shares in issue as at the date of this document or the approximately 5,447,046 10p Ordinary Shares following the Consolidation as the context requires
“Forms of Proxy”	the forms of proxy enclosed with this document for use by Shareholders in connection with the AGM and the EGM respectively
“FSA”	the Financial Services Authority
“FSMA”	the Financial Services and Markets Act 2000, as amended, including any regulations made pursuant thereto
“Global Medics”	Global Medics Limited
“Global Medics Acquisition”	the acquisition by the Company of the entire issued share capital of Global Medics, completed on 17 February 2006
“Global Medics Disposal”	the sale by the Company of the entire issued share capital of Global Medics, completed on 14 November 2006

“Group”	the Company and its subsidiary undertakings as at the date of this document
“Incentive Shares”	1,600,000 10p Ordinary Shares proposed to be allotted and issued pursuant to the Share Incentive Plan on Admission
“London Stock Exchange”	London Stock Exchange plc
“NHS”	the National Health Service
“Notice of AGM”	the notice of AGM set out in Part VII of this document
“Notice of EGM”	the notice of EGM set out in Part VI of this document
“Official List”	the official list of the UKLA
“Ordinary Shares”	the 0.1p Ordinary Shares or the 10p Ordinary Shares following the Consolidation, as the context requires
“Panel”	The Panel on Takeovers and Mergers
“PASA”	The NHS Purchasing and Supply Agency
“Placing”	the proposed placing of the Placing Shares at the Placing Price pursuant to the Placing Agreement
“Placing Agreement”	the conditional agreement dated 15 May 2007 between the Company (1), Blue Oar (2), the Directors (3) and Proposed Directors (4), details of which are set out in paragraph 11 of Part V of this document
“Placing Price”	25 pence per Placing Share
“Placing Shares”	16,000,000 10p Ordinary Shares to be allotted and issued pursuant to the Placing
“Proposals”	the Acquisition, Placing, Consolidation, change of name, Admission and the Cancellation
“Proposed Directors”	Darren Jonathan Browne, Arthur Leonard Robert Morton, John Robert Foley, Miles Grant Davis and Tony Rogers
“Prospectus Rules”	the prospectus rules made by the FSA pursuant to section 84 of FSMA
“Resolutions”	the AGM Resolutions and the EGM Resolutions
“SAYE Plan”	the Servoca Plc SAYE Share Option Plan, proposed to be adopted at the EGM
“Shareholder”	a holder of Ordinary Shares
“Share Incentive Plan”	the Servoca Plc Share Incentive Plan, proposed to be adopted at the EGM
“Southwind”	Southwind Limited
“TLP”	1st 4 Locums Limited, trading as The Locum Partnership
“UK”	the United Kingdom of Great Britain and Northern Ireland
“UKLA”	the United Kingdom Listing Authority, being the Financial Services Authority acting in its capacity as the competent authority for the purposes of FSMA.
“Vendors”	the vendors of Dream pursuant to the Acquisition whose names are set out in paragraph 10 of Part V of this document

## PART I

### Letter from the Chairman of Multi Group Plc

# MULTI GROUP PLC

*(Registered in England and Wales under the Companies Act 1985, number 2641313)*

*Directors:*

Oliver Charles Cooke – *Executive Chairman*  
Andrew Edward Brundle – *Chief Financial Officer*  
Janet Iris Barn – *Executive Director*  
David Marks – *Non-executive Director*

*Registered Office:*

Christopher Wren Yard  
117 High Street  
Croydon  
CR0 1QG

15 May 2007

*To Shareholders, and for information only, to holders of options to subscribe for Ordinary Shares*

Dear Shareholder,

**Acquisition of Dream Group Limited**  
**Placing of 16,000,000 Ordinary Shares of 10 pence each at 25 pence per share**  
**Consolidation of Existing Ordinary Share capital**  
**Change of name to Servoca Plc**  
**Admission to trading on AIM**  
**Cancellation of Share Premium Account and Capital Redemption Reserve**  
**Notices of EGM and AGM**

#### **Introduction**

The Company is pleased to announce that it has conditionally agreed to acquire 99.97 per cent. of the issued share capital of Dream, the remaining shares being held by individuals with whom Dream has lost contact.

Dream is a private company providing recruitment services in the education and healthcare sectors and a range of support services to the policing sector. The consideration for the Acquisition is £4.46 million, payable on Completion and satisfied by the allotment and issue to the Vendors of, in aggregate, 17,839,944 10p Ordinary Shares at 25 pence per share. At Completion, Dream is expected to have indebtedness of approximately £1.04 million and as such the overall cost to Multi of the Acquisition will be £5.5 million (excluding expenses).

Under the AIM Rules, the Acquisition is classified as a reverse take-over and as a consequence requires the approval of Shareholders in general meeting. The Acquisition is also a transaction with a related party for the purpose of the AIM Rules.

The Company is also carrying out a placing to raise £4 million, before expenses, which will be used to meet the costs of the Proposals, to pay down a proportion of Dream's existing debt following Completion and to provide further working capital for the Enlarged Group. In addition, the Company is proposing to consolidate its Ordinary Shares, to cancel its share premium account and capital redemption reserve to its profit and loss account so that, at a suitable point in the future, the Company may declare dividends, to adopt certain employee incentive arrangements and to change its name to Servoca Plc.

The purpose of this document is (i) to provide you with the background to and information on the Acquisition and the reasons for the Proposals; (ii) to give notice of the Extraordinary General Meeting and the Annual General Meeting of Shareholders to consider and, if thought fit, pass the Resolutions, which will include approval of the Acquisition; (iii) to explain why your Board consider the Proposals to be in the best interests

of the Company and Shareholders as a whole; and (iv) to recommend that you vote in favour of the Resolutions.

### **Information on Multi and Reasons for the Acquisition**

Early in 2005 Multi embarked upon a buy and build consolidation strategy in the staffing and recruitment sector. Since that time, the Group has acquired four businesses and in March 2006 it sold a loss making general recruitment business to that company's management team leaving a group focused predominantly on the health and care sectors. The most recent acquisition made by the Company was of Global Medics which was completed in February 2006. Global Medics was the largest acquisition by the Company to date and at the time of its completion the Directors were of the opinion that a solid, profitable, cash generative base had been established upon which to continue the development of the Group.

However, in July 2006, the Board was obliged to announce that it had become apparent that the financial performance of Global Medics was likely to be significantly below the level portrayed to the Company by the vendors of Global Medics at the time of acquisition.

Having taken advice and considered in detail the various commercial and legal options open to the Company the Board concluded that it would be in the best interests of the Group if the vendors of Global Medics were to repurchase the business. This transaction was completed in November 2006. Details of the terms of the Global Medics Disposal are set out in paragraph 11 of Part V of this document.

Following the sale of Global Medics, the Group now comprises two operating companies, Berry Medical and TLP, further details of which are set out below. Whilst these businesses are performing in line with the current expectations of the Board at branch level, the Group's centralised back-office operation was established to cater for a significantly higher level of activity.

In February 2007 the Directors announced the completion of a detailed strategic review of the business and implementation of a significant restructuring and cost cutting exercise.

As a part of such exercise the Directors have identified and are implementing a series of initiatives which they believe will strengthen, improve and develop the Group's existing businesses. The Directors believe that, as a consequence, the overall level of contribution being generated at branch level for each of Berry Medical and TLP will rise.

In addition it is the intention of the Board to reduce significantly central overhead costs. This will be achieved principally by a reduction of the number of administrative and other non-essential staff but will also entail the deferral or cancellation of previously budgeted expenditure.

The acquisition of Dream will bring additional scale to the Group's operations and, in the opinion of the Directors and Proposed Directors, will improve both the potential for growth and the Group's financial position going forward.

### **The Multi Group**

#### ***Berry Medical***

Berry Medical provides unskilled and semi-skilled personnel predominantly to the private care-home sector and operates from offices in Newcastle, Manchester, Hull, Leeds, Shrewsbury and London. Berry Medical has recently been appointed by PASA as an approved supplier under the national framework agreement governing the supply of nurses to the NHS. Total revenue for Berry Medical for the 15 months ended 31 March 2006 was £3,886,000.

#### ***TLP***

TLP supplies physiotherapists, occupational therapists and pharmacists, predominantly to the NHS but also to private hospital operators. Total revenue for TLP for the 15 months ended 31 March 2006 was £2,959,000.

## **Information on Dream**

Dream was founded in April 2000 as a holding company for Dream Recruitment Limited, an information technology contracting agency set up to address the demand for IT professionals within the E-commerce and telecommunications sectors. In early 2001, the management of Dream shifted the focus of the business away from the IT market to the supply of permanent and contract staff to various public sector areas. Dream currently has three main divisions, two of which provide recruitment services into the Education and Healthcare sectors and a third which provides a range of support services, including resourcing, to the Police Service and to local and central government.

### ***Education***

Dream Education is a contract teacher placement agency, sourcing teachers mainly from overseas countries, such as South Africa, Jamaica and Canada, and placing them into UK schools on long-term contracts. The education division's clients are either local education authorities or the schools themselves. Dream Education has qualified for the DfES Kite Mark of Quality. Total revenue for the education division for the year ended 31 January 2006 was £3,815,279 and for the year ended 31 January 2007 was £4,003,805.

### ***Healthcare***

The principal focus of Dream's healthcare division is the supply of qualified social workers to local authorities. Candidates are drawn both from the UK and from established contacts in the overseas countries referred to above. Total revenue for the healthcare division for the year ended 31 January 2006 was £2,393,942 and for the year ended 31 January 2007 was £1,827,805.

In addition Dream Medical is a PASA approved supplier under the national framework agreement governing the supply of allied health professionals, such as physiotherapists, occupational therapists and pharmacists, to the NHS.

### ***Solutions (formerly Dream Policing Support)***

For a number of years, Dream Solutions has offered a range of support services to the policing system within the UK. These include managed projects, training, investigation and resourcing and the business has grown to become a leading provider of training and managed project solutions. Total revenue for the division for the year ended 31 January 2006 was £2,069,974 and for the year ended 31 January 2007 was £2,312,414.

*Managed Projects:* This encompasses the preparation of detailed reports and the provision of consultancy support for police forces to assist in improving the efficacy of the service being delivered by the Police Service to the public. This area also includes certain outsourced projects such as the review of cold cases and a contract for a regional government department to investigate child protection allegations.

*Training:* A significant proportion of the policing division's revenue comes from the writing and provision of training courses. Dream's Solutions division has now delivered training to senior detectives from every ACPO region within England and Wales and to a number of other organisations involved in investigations within both local, central and regional government. The business has built up a portfolio of specialist courses and a number of additional courses are currently under development for release in 2007 and 2008.

*Investigation:* Dream has established a reputation for assisting the policing sector in both live and historic investigations. Services provided to date have included assistance with major murder investigations, mentoring of senior investigating officers and provision of specialist investigation teams for Public and other Inquiries.

*Resourcing:* Dream has built up a national database of retired officers and other policing professionals. Candidates drawn from such database are supplied on a temporary basis, either singly or as a part of a team, to work on specific enquiries or to provide particular skill sets to a local force. The Solutions division is also able to supply permanent recruitment services or to assemble full teams to handle outsourced historical and current investigations.

It is the Dream management's intention to widen the range of services offered by the Solutions division and to pursue the provision of its services either on multi year contracts or an outsourced basis.

## Current Trading and Prospects

### Multi

The financial performance of Multi during 2003 and 2004 reflected the moribund performance of the Group prior to the major refinancing completed in November 2003 and its exit from the tool hire sector in the following year. The results for the fifteen month period to 31 March 2006 reflect both the Group's transition from a shell company into an operating group of companies within the staffing and recruitment sector and the significant provision that was required in such period against the carrying value of goodwill arising from the Global Medics Acquisition. The following information has been extracted from the historical financial information on Multi set out in Part III of this document.

	<i>Year ended</i> <i>31 December</i> <i>2003</i> <i>£'000</i>	<i>Year ended</i> <i>31 December</i> <i>2004</i> <i>£'000</i>	<i>Fifteen</i> <i>months ended</i> <i>31 March</i> <i>2006</i> <i>£'000</i>	<i>Six months</i> <i>ended</i> <i>30 September</i> <i>2006</i> <i>£'000</i>
Turnover	13,995	5,744	15,979	7,561
Gross Profit	8,889	4,818	4,022	1,816
Operating (Loss)	(3,345)	(1,340)	(9,504)	(873)
Profit/(Loss) before taxation	(3,615)	2,036	(9,479)	(943)

The results for the six months to 30 September 2006 reflect the continued underperformance of Global Medics prior to its disposal in November 2006.

As a result of the Global Medics Disposal, the Group incurred a loss comprised of the difference in the consideration paid at the time of the Global Medics Acquisition and the consideration received pursuant to the Global Medics Disposal.

However, for accounting purposes the conversion of the shares issued to the vendors of Global Medics at the time of the Global Medics Acquisition, the capitalisation of the £1 million of loan notes forming part of the original consideration into Deferred Shares and the subsequent repurchase and cancellation of such Deferred Shares by the Company, are deemed to be of no value to the Group and could not therefore form a part of the disposal proceeds. Accordingly, the loss on the Global Medics Disposal provided for in the accounts for the fifteen months ended 31 March 2006 of Multi amounted to £7.88 million.

Berry Medical and TLP continue to perform at the branch level in line with the Directors' current expectations. However, in light of current market conditions and of the proposed transaction, the Directors intend to review the carrying value on Multi's balance sheet of the goodwill arising from the acquisition of these businesses.

Based upon the unaudited management accounts of the Company, and having made due and careful enquiry, the Directors anticipate that Multi will report a loss before interest, taxation, depreciation, amortisation and exceptional items of approximately £1.8 million for the year ended 31 March 2007. This figure is before any provision for reorganisation costs or for the impairment of goodwill referred to above.

The forecast relates to Multi's most recently completed financial reporting period. It has been derived from internal accounts which may be subject to further revision by the Company after assessment of balance sheet carrying values and are subject to audit.

Blue Oar has considered the basis and assumptions used in the preparation of this forecast and are satisfied that it has been made after due and careful enquiry by the Directors.

### Dream

Dream has enjoyed significant growth within both the education and policing sectors; however it has experienced difficult market conditions surrounding the provision of services to the NHS, thus effecting the medical division. Although this division has gained PASA status as an approved supplier to the NHS, it has struggled to compete with larger specialist recruitment service providers.

Set out in Part IV is the financial information for Dream for the three years and ten months ended 31 January 2007. The following information in respect of the two years ended 31 January 2007, the period during which Dream was trading, has been extracted from the financial information set out in Part IV of this document.

	Year ended 31 January	
	2006	2007
	£'000	£'000
Turnover	8,279	8,144
Gross profit	2,400	2,278
Operating profit	523	34
Profit/(loss) before taxation	265	(246)

In the year ended 31 January 2007 Dream's directors have identified £297,000 of expenses of a nature that were exceptional. Accordingly, Dream's loss before taxation can be restated to take account of such exceptional expenses as follows:

	Year ended 31 January 2007 £'000
Loss before taxation	(246)
less Due diligence costs	64
less Development costs	233
Adjusted profit before taxation	<u>51</u>

Development costs are the costs incurred in connection with the initial establishment of training courses provided by the Solutions division.

Furthermore, the Directors estimate that the capitalisation of certain loans in Dream in advance of Completion of the Acquisition will produce savings in interest of approximately £130,000 per annum.

The financial information on Multi and Dream set out above has been extracted, without adjustment, from the financial information set out in Parts III and IV respectively of this document. Shareholders should read the financial information in its entirety and not rely upon the summarised information alone.

### Principal Terms of the Acquisition

Pursuant to the Acquisition Agreement, Multi has conditionally agreed to acquire 99.97 per cent. of the issued share capital of Dream for £4.46 million, payable on Completion. The Consideration will be satisfied by the allotment and issue of 17,839,944 10p Ordinary Shares at 25 pence per share to the Vendors. The aggregate consideration has been calculated as £5.5 million less £1.04 million, being the anticipated level of indebtedness of Dream on Completion. The indebtedness comprises the balance of an overdraft facility which will be settled from the proceeds of the Placing following Admission, and the balance of an invoice discounting facility.

The Consideration Shares will represent 43.6 per cent. of the Enlarged Share Capital on Admission.

The Acquisition is conditional, *inter alia*, upon:

- the passing of the EGM Resolutions; and
- Admission, which is expected to take place on 8 June 2007.

The Consideration Shares will rank *pari passu* in all respects with the 10p Ordinary Shares and will have the right to receive all dividends and other distributions declared, made or paid in respect of the issued 10p Ordinary Shares following Admission.

A summary of the principal terms of the Acquisition Agreement are set out in paragraph 11 of Part V of this document.

The Company is only able to acquire 99.97 per cent. of the issued share capital of Dream, as Dream has lost contact with the shareholders that own the remaining 0.03 per cent. of the shares.

### Consolidation

Multi currently has 544,704,820 0.1p Ordinary Shares in issue and immediately following Completion of the Acquisition would have 4,090,699,412 0.1p Ordinary Shares in issue. In order to simplify the Company's share structure and provide a more appropriate share price on AIM, a resolution will be proposed at the EGM to consolidate every one hundred 0.1p Ordinary Shares into one 10p Ordinary Share.

The effect of the Consolidation will be that any Shareholder holding fewer than one hundred 0.1p Ordinary Shares on 5 June 2007 will not hold an interest in the Company following Completion. In accordance with the Articles, fractional entitlements arising on the Consolidation are expected to be sold in the market for the benefit of the Company. As at the date of this document, it is estimated that approximately 0.1 per cent. of Shareholders currently hold fewer than one hundred 0.1p Ordinary Shares.

### The Placing

In order to (i) meet the costs associated with the Proposals and (ii) provide ongoing working capital to the Enlarged Group, the Company is proposing to raise approximately £4 million, before expenses, by way of the conditional placing by Blue Oar of 16,000,000 10p Ordinary Shares at a placing price of 25 pence per share. The Company, the Directors, the Proposed Directors and Blue Oar have entered into the Placing Agreement, pursuant to which Blue Oar has conditionally agreed to use its reasonable endeavours to procure places for the Placing Shares. The Placing is not underwritten.

Certain of the Directors and Proposed Directors are participating in the Placing, as follows:

<i>Director</i>	<i>Placing participation</i>	<i>Number of 10p Ordinary Shares to be issued</i>
Darren Browne	£500,000	2,000,000
Andrew Brundle	£32,000	128,000
John Foley	£300,000	1,200,000

The Placing Shares will represent approximately 40.1 per cent. of the Enlarged Share Capital following Admission.

The Placing Shares will, when issued and fully paid, rank *pari passu* in all respects with the 10p Ordinary Shares including the right to receive all dividends and other distributions declared, made or paid in respect of the 10p Ordinary Shares following Admission.

The Placing is conditional, *inter alia*, upon:

- the Placing Agreement becoming unconditional (save for any condition relating to Admission) and not being terminated in accordance with its terms prior to Admission; and
- Admission becoming effective by 8.00 a.m. on 8 June 2007 (or such later time and date as the Company and Blue Oar may agree).

Further details of the Placing Agreement are set out in paragraph 11 of Part V of this document.

The issued ordinary share capital of the Company at the date of this document is and, assuming the approval and implementation of the Proposals, at Admission will be:

<i>As at the date of this document</i>				
<i>Authorised</i>			<i>Issued</i>	
<i>£</i>	<i>Number</i>		<i>£</i>	<i>Number</i>
£1,313,509.15	1,313,509,147	0.1p Ordinary Shares	£544,704.82	544,704,820
<i>Following Admission</i>				
<i>Authorised</i>			<i>Issued</i>	
<i>£</i>	<i>Number</i>		<i>£</i>	<i>Number</i>
£6,000,000	60,000,000	10p Ordinary Shares	£4,090,698.90	40,906,989

#### **Cancellation of Share Premium Account and Capital Redemption Reserve**

As a result of trading in general, anticipated goodwill impairment, restructuring provisions together with in particular the accounting loss incurred as a result of the Global Medics Disposal, Multi has a deficit in its accumulated profit and loss account. The precise amount of the deficit will not be known until the Company's auditors have completed their audit for the period to 31 March 2007 (expected to be in June).

The ability of a company to pay dividends to its shareholders is governed by Part VIII of the Act, one of the requirements of which is that dividends may only be paid if the company has profits available for that purpose. The deficit on the Company's profit and loss account prevents the payment of dividends. Therefore, it is proposed that the reserves of the Company be restructured by way of a reduction of capital under Chapter IV of Part V of the Act in order to eliminate the accumulated deficit on the Company's profit and loss account so that, at a suitable point in the future and subject to the recommendation of the Directors, the Company may declare dividends.

As at the date of this document the amount standing to the credit of the Company's share premium account is £6,511,905 and the amount standing to the credit of the Company's capital redemption reserve is £6,036,490. Following Completion the amount standing to the credit of the Company's share premium account is expected to increase to approximately £11,830,897. The proposed reduction of capital entails the cancellation of the Company's share premium account and capital redemption reserve so that the amounts standing to the credit of those undistributable reserves of the Company immediately following Completion (expected to total approximately £17,867,387) shall, subject to any undertakings given to the Court for the protection of any persons who are creditors of the Company as at the effective date of the reduction of capital, become realised profits which can be credited to the Company's profit and loss account in order to eliminate the accumulated losses and create a positive distributable reserve.

The first step in this process is for the Shareholders to pass a special resolution approving the cancellation of the amounts that, immediately following Completion, stand to the credit of the Company's share premium account and capital redemption reserve. The proposed resolution is set out as Resolution 7 in the Notice of EGM. The proposed reduction of capital must then be confirmed by the High Court of Justice and the order of the Court registered at Companies House before it becomes effective. For the purposes of the application to the Court for the confirmation of the proposed reduction of capital, it will be necessary for the amounts standing to the credit of the Company's share premium account and capital redemption reserve and the amount of the accumulated deficit on the Company's profit and loss account to have been determined.

The Court must be satisfied that the Company's creditors will not be prejudiced by the proposed reduction of capital and, to this end, it may be necessary for undertakings to be given on behalf of the Company to the Court providing for the protection of creditors. Excluding the expenses of the Proposals, the Company currently has only a small number of creditors totalling, in aggregate, approximately £600,000. To the extent that at the time of the application to the Court there remain creditors of the Company who have not consented to the proposed reduction of capital, it is anticipated that the Company will be in a position to give such undertakings as are necessary to satisfy the Court that the proposed reduction of capital will not prejudice such creditors and should be confirmed.

## **Working Capital**

The Directors and Proposed Directors, having made due and careful enquiry and taking into account the proceeds of the Placing and the banking and other facilities available to the Enlarged Group, are of the opinion that the Enlarged Group will have sufficient working capital available to it for its present requirements, being for at least 12 months from Admission.

## **Directors, Proposed Directors and Senior Management**

Summaries of the service contracts of the Directors and Proposed Directors are set out at paragraph 8 of Part V of this document.

On Admission it is intended that Oliver Cooke will step down from the role of Executive Chairman, that Darren Browne will join the Board as Chief Executive Officer to lead the Company through the next phase in its development and that Tony Rogers and Miles Davis will join as Executive Directors.

It is also intended that Janet Barn will step down as an Executive Director and will serve instead on the Company's management board, that David Marks will step down as a Non-Executive Director, that Bob Morton will join the Board as Non-Executive Chairman and that John Foley will join as a Non-Executive Director.

### ***Current Directors***

#### **Oliver Charles Cooke ACA FCCA (aged 52) – Executive Chairman**

Mr Cooke is a Chartered Accountant and a Fellow of the Association of Chartered Certified Accountants. He has over ten years experience as a public company director and has considerable experience in the fields of acquisitions, disposals, fundraisings, turnarounds, restructurings and strategic transformation. He has also served on the boards of a number of private companies.

#### **Andrew Edward Brundle C Dir MSI ACCA (aged 42) – Chief Financial Officer**

Mr Brundle is a Chartered Certified Accountant, a Chartered Director, holds an Honours degree in accounting and is a member of the Securities and Investment Institute. Mr Brundle joined the Company in May 1995 as Financial Controller and was appointed to the Board as Chief Financial Officer in March 1998. He has since assisted the Company with its flotation on the Official List in June 1998 and the re-financing and move to AIM in November 2003.

#### **Janet Iris Barn (aged 54) – Operations Director**

Mrs Barn has 25 years direct experience in the recruitment industry where she has held a number of senior positions. Prior to joining Multi, Mrs Barn worked with Empresaria Plc, where she was head of their public sector businesses in the UK. Prior to that she served as the Managing Director of Protocol Teachers, where she oversaw the establishment of a number of new offices and grew both sales and profits in a declining market. Mrs Barn also served on the management board of Corporate Services Group Plc and as Managing Director of Blue Arrow Healthcare, a medical recruitment company with annual turnover of approximately £100 million operating under brand names such as Blue Arrow Nursing Care, Medacs, PRN, Blue Arrow Health Link and Health Link New Zealand.

#### **David Marks (aged 40) – Non-executive Director**

Mr Marks is a Chartered Accountant and holds an honours degree in law. He has gained considerable experience in the fields of private equity, corporate finance and corporate recovery whilst serving with organisations such as Arthur Andersen, UBS, Deutsche Bank and latterly with Nikko Principal Investments. Until recently Mr Marks was the finance director of another AIM company, Monsternob Group Plc, and he serves as an independent member on the Company's remuneration and audit committees.

## ***Proposed Directors***

### **Darren Jonathan Browne (aged 40) – Proposed Chief Executive Officer**

Mr Browne founded Dream Recruitment Limited in April 2000. After a short period concentrating on IT recruitment, he successfully transformed the company into a specialist public sector recruitment agency, focusing on the areas of education, healthcare and policing support. Some of the highlights within the individual divisions have been the award of a three year Home Office contract for the provision of policing support, gaining the Kite Mark for quality for the education division and the provision of a managed agency service for a large Primary Care Trust for the healthcare division.

Mr Browne was previously a divisional director with Hays Plc for over 10 years and had responsibility for running their IT recruitment arm, Hays Information Technology and is also a non-executive director of a number of private limited companies.

### **Tony John Rogers (aged 54) – Proposed Executive Director**

Mr Rogers has been with Dream since 2002 and is a divisional director. He retired from the police service in July 2002, with 31 years service. His last post was Assistant Chief Constable for the South Wales Police, with the portfolio of Specialist Crime and where he set up one of the first dedicated investigation review departments and oversaw the largest investigation into child abuse in children's homes in the UK, examining complaints from 80 homes in South Wales.

In addition Mr Rogers held the posts of regional head of Senior Detective Officers Conference and Regional Head of Special Branch Conference for Wales.

Mr Rogers is a lifetime member of ACPO (Association of Chief Police Officers) and during his service chaired the Crime Committee for five years, ACPO Terrorist and Allied Matters for three years, ACPO Research Committee, Chair of the ACPO Homicide Working Group, and was the national lead and spokesperson on homicide and major crime. He was also a member of the ACPO Intelligence and Organised Crime Sub-committee with the national portfolio for intelligence and organised crime techniques and a member of the National Crime Faculty Management Board. He has sat on a number of Home Office working and consultative groups and has inspected the Metropolitan Police of behalf of the HMIC.

In conjunction with the National Crime Faculty, Mr Rogers has developed training for officers at all levels of investigation including Senior Investigating Officers and for Linked and Series of Crime Investigations as well as critical incident training for ACPO and Heads of CID.

### **Miles Grant Davis (aged 38) – Proposed Executive Director**

Miles has over 23 years sales experience, the last 13 being spent within the recruitment industry.

Mr Davis was a founding member of Dream, and is currently its Managing Director, responsible for the day-to-day running and strategy of the group.

Prior to becoming Managing Director in 2005, he was responsible for the sales and strategy of the Policing Division, and through his guidance, and latterly with the appointment of Tony Rogers, they have ensured Dream Policing has become a leader in the emerging market of providing outsourced solutions to the police service.

Prior to joining Dream, Mr Davis was responsible for the running of a specialist recruitment division of a management consultancy firm operating within the investment banking and securities field. Previous positions included a management role with Hays IT, where he worked with Darren Browne in a senior capacity.

### **Albert Leonard Robert Morton FCA (aged 65) – Proposed Non-executive Chairman**

Mr Morton is a Chartered Accountant, successful entrepreneur and has substantial public company experience. He has served as Chairman of Vislink plc since 1993 and is currently also Chairman of a number

of other public and listed companies including Armour Group plc, Harrier Group plc, Tenon Group plc, Lorien plc and St Peter Port Capital Limited. In addition he holds directorships in a wide range of private companies.

**John Robert Foley FCA (aged 51) – Proposed Non-executive Director**

Mr Foley is a Chartered Accountant and a Barrister. He is a successful public company Director having served on many boards in senior roles. He recently served as CEO of Maclellan Group Plc from 1994 until its successful disposal to Interserve Plc for £120 million during 2006. Mr Foley is currently a non executive director of Lorien Plc in addition to holding other directorships in a wide range of private companies.

**Corporate Governance**

The Board recognises the importance of sound corporate governance and the Directors and Proposed Directors intend to ensure that, following Admission, the Company continues to apply policies and procedures which reflect the principles of Good Governance and the Code of Best Practice as published by the Committee on Corporate Governance (commonly known as the “Combined Code”) as are appropriate to the Company’s size.

The Company has an Audit Committee and a Remuneration Committee. Following Admission, the Audit Committee and the Remuneration Committee will consist of Bob Morton and John Foley. The Audit Committee will determine the terms of engagement of the Enlarged Group’s auditors and will determine, in consultation with the auditors, the scope of the audit. The Audit Committee will receive and review any reports from management and the auditors relating to the interim and annual accounts and the accounting and internal control systems in use throughout the Enlarged Group. The Audit Committee will have unrestricted access to the Enlarged Group’s auditors.

The Remuneration Committee will continue to review the scale and structure of the Executive Directors’ and senior employees’ remuneration and the terms of their service and employment contracts, including any share option schemes adopted by the Company and other bonus arrangements.

Following Admission, the Directors and Proposed Directors intend to comply with Rule 19 of the AIM Rules relating to directors’ dealings and will also take all reasonable steps to ensure compliance by the Enlarged Group’s applicable employees.

**Change of Name**

At the EGM a resolution will be proposed to change the name of the Company to Servoca Plc in order to better reflect the core business of the Enlarged Group.

**Share Option Schemes**

Subject to shareholder approval, the Board proposes the adoption of (i) an enterprise management incentives plan to be known as the Servoca Plc 2007 Enterprise Management Incentive Share Option Plan, (ii) a “save-as-you-earn” plan to be known as the Servoca Plc SAYE Share Option Plan, and (iii) a share incentive plan to be known as the Servoca Plc Share Incentive Plan.

**2007 EMI Plan**

Options granted under the 2007 EMI Plan will, if qualifying criteria are met, be exercised free from income tax and national insurance contributions. Options intended to qualify for this tax treatment are “Qualifying Options”. A summary of the rules of the 2007 EMI Plan is set out in paragraph 7.4 of Part V of this document. The level of grant to any individual will be at the discretion of the Board, which will also set any performance conditions that will apply to the exercise of the options. Qualifying Options for each individual will be limited to shares worth £100,000 at the date of grant, although it will be possible to grant options in excess of this limit which will be non-Qualifying Options. Qualifying Options will be limited to shares worth £3 million at the date of grant in aggregate. The total number of Ordinary Shares over which options will be granted under the 2007 EMI Plan when aggregated with incentives awards made under any other employee

incentive plan in that year and the 9 preceding years will not exceed 20 per cent. of the Company's issued ordinary share capital from time to time on a fully diluted basis.

#### ***SAYE Plan***

Under the SAYE Plan, the Board may issue invitations to apply for options to all employees of the Company who have been employed by the Company for a designated qualifying period (not to exceed five years). Options granted under the SAYE Plan will, if qualifying criteria are met, be exercised free from income tax and national insurance contributions if they are held for three years from grant except in certain circumstances when they can be exercised early. A summary of the rules of the SAYE plan is set out in paragraph 7.5 of Part V of this document. The level of grant to any individual employee will depend on the level of contributions that employee wishes to pay into an SAYE savings contract linked to the option grant, but subject to scaling back if the Company receives applications for grants in excess of the number of shares available for issue in relation to the relevant SAYE invitation. The total number of Ordinary Shares over which options will be granted under the SAYE Plan when aggregated with incentives awards made under any other employee incentive plan in the previous 10 years will not exceed 20 per cent. of the Company's issued ordinary share capital from time to time on a fully diluted basis.

#### ***Share Incentive Plan***

Awards made under the Share Incentive Plan may take the form of options, phantom rights, share appreciation rights, deferred shares awards or conditional shares awards. A summary of the rules of the Share Incentive Plan is set out in paragraph 7.6 of Part V of this document. The level of grant to any individual will be at the discretion of the Board, which will also set any vesting schedule or performance conditions that will apply to the exercise or vesting of the Awards. The total number of Ordinary Shares over which options will be granted under the Share Incentive Plan when aggregated with options granted under any other employee incentive plan in the previous 10 years will not exceed 20 per cent. of the Company's issued ordinary share capital from time to time on a fully diluted basis.

#### ***City Code on Takeovers and Mergers***

Under Rule 9 of the City Code when any person acquires, whether by a series of transactions over a period of time or not, an interest in shares which (taken together with shares in which persons acting in concert with him are interested) carry 30 per cent. or more of the voting rights of a company that is subject to the City Code, that person is normally required to make a general offer to the shareholders of that company to acquire the balance of the equity share capital of the company.

Similarly, where any person or persons acting in concert is interested in shares which in the aggregate carry 30 per cent. or more of the voting rights of a company but does not hold shares carrying more than 50 per cent. of such voting rights, a general offer will normally be required if any further shares are acquired. The requirement to make such offers is known as a "mandatory bid".

Under the City Code a concert party arises when persons acting together pursuant to an agreement or an understanding (whether formal or informal) actively co-operate to obtain or consolidate control of a company.

In October 2003, the then shareholders of the Company resolved, with the approval of the Panel, to waive the obligation on Southwind, Oliver Cooke and Michael Jackson, who were deemed to be acting in concert, to make a mandatory bid in connection with their acquisition of, in aggregate, up to 67.1 per cent. of the then issued Ordinary Share capital of the Company.

In March 2005 Antony Berry was deemed also to be acting in concert with Southwind, Oliver Cooke and Michael Jackson following the acquisition by Multi of Berry Recruitment Holdings Limited. Following his addition, the Existing Concert Party was interested in 61.3 per cent. of the Company's issued Ordinary Share capital.

At the date of this document the Existing Concert Party holds an aggregate interest of 304,536,781 0.1p Ordinary Shares representing approximately 55.9 per cent. of the issued Ordinary Share capital of the

Company and Southwind alone holds 275,304,524 0.1p Ordinary Shares representing approximately 50.5 per cent. of the issued Ordinary Share capital of the Company.

The Vendors comprise Southwind, the management and directors of Dream and their immediate families and two other trust companies. Under the City Code, the Vendors are considered to be acting in concert for the purposes of the Acquisition. However, given the close relationship between the Vendors and the controlling member of the Existing Concert Party, the Panel has concluded that the Vendors should be added to the membership of the Existing Concert Party to form the Enlarged Concert Party

As a result of the Proposals, the Enlarged Concert Party's interest in the Company will be increased to 24,365,311 10p Ordinary Shares upon completion, representing approximately 59.6 per cent. of the issued Ordinary Share capital of the Company and as such the members of the Enlarged Concert Party will be free to purchase Ordinary Shares up to the limitations imposed upon them individually and collectively by the City Code.

**Shareholders should be aware that as following completion of the Proposals, the Enlarged Concert Party will hold, in aggregate, more than 50 per cent. of the issued Ordinary Share capital of the Company and (for so long as they continue to be treated as acting in concert) may accordingly be able to increase their aggregate shareholding without incurring any further obligation under Rule 9 of the City Code to make a general offer, although individual members of the Concert Party will not be able to increase their percentage shareholdings through a Rule 9 threshold without Panel and Shareholder consent.**

**Further details of the members of the Enlarged Concert Party and their individual interests in the Company both at the date of this document and upon completion of the Proposals and their potential interest in the future is set out in paragraph 10 of Part V of this document.**

#### **Related Party Transaction**

At the date of this document Southwind holds 275,304,524 0.1p Ordinary Shares, representing 50.5 per cent. of the Existing Ordinary Share capital of the Company.

Immediately prior to Completion, Southwind will hold 8.4 per cent. of the issued share capital of Dream. As a consequence of such shareholding in Dream, the Acquisition and the Placing are transactions with a related party for the purposes of the AIM Rules.

The Directors, having consulted with Blue Oar, consider that the terms of the Acquisition and the Placing are fair and reasonable insofar as Shareholders are concerned.

#### **Relationship Agreement**

Following completion of the placing and open offer carried out by the Company in November 2003, Southwind entered into a relationship agreement with the Company (the "Relationship Agreement"), pursuant to which it confirmed that each member of the Group would be capable at all times of carrying on its respective business independently of Southwind and further undertook that any transaction between any member of the Group and Southwind would be at arm's length and on normal commercial terms. Following Admission, the Relationship Agreement will terminate in accordance with its terms as Southwind will cease to be a controlling shareholder.

#### **Extraordinary General Meeting**

The Acquisition is conditional on, amongst other things, the passing of certain resolutions relating to the Proposals. Accordingly you will find in Part VII of this document the notice of an EGM convened for 10.00 a.m. on 7 June 2007 for the purposes of considering and if thought fit passing resolutions to:

1. approve the Acquisition on the terms set out in the Acquisition Agreement;

2. adopt the 2007 EMI Scheme, the SAYE Plan and the Share Incentive Plan, to authorise the directors to do all such things to effect such adoption, and to authorise the directors to count in the quorum and vote on matters connected with the 2007 EMI Plan notwithstanding that they may be interested;
3. increase the share capital of the Company to £13,400,000 and authorise the Directors pursuant to section 80 of the Act to allot relevant securities;
4. conditional on the passing of resolution 3, authorise the Directors to allot relevant securities for cash as if the statutory pre-emption rights set out in section 89 of the Act did not apply;
5. consolidate every 100 existing 0.1p Ordinary Shares into one 10p Ordinary Share;
6. conditional on the passing of resolution 1, change the name of the Company to Servoca Plc; and
7. conditional on Completion and subject to the approval of the High Court of Justice, approve the proposed cancellation of the Company's share premium account and the Company's capital redemption reserve.

Resolutions 1, 2 and 3 will be proposed as ordinary resolutions and resolutions 4, 5, 6 and 7 will be proposed as special resolutions at the EGM.

### **Annual General Meeting**

You will find set out in Part VI of this document, the Notice of AGM for the purposes of considering and if thought fit passing ordinary resolutions to:

1. receive and approve the directors' report and accounts for the years ended 31 December 2003, 31 December 2004 and the fifteen months ended 31 March 2006 and the auditors' reports on such accounts;
2. approve the directors' remuneration reports for the years ended 31 December 2003, 31 December 2004 and the fifteen months ended 31 March 2006;
3. reappoint Andrew Edward Brundle, who retires by rotation;
4. reappoint Darren Jonathan Browne who, subject to the passing of the EGM Resolutions, will have been appointed since the date of the last annual general meeting of the Company;
5. reappoint Tony John Rogers who, subject to the passing of the EGM Resolutions, will have been appointed since the date of the last annual general meeting of the Company;
6. reappoint Miles Grant Davis who, subject to the passing of the EGM Resolutions, will have been appointed since the date of the last annual general meeting of the Company;
7. reappoint Arthur Leonard Robert Morton who, subject to the passing of the EGM Resolutions, will have been appointed since the date of the last annual general meeting of the Company;
8. reappoint John Robert Foley who, subject to the passing of the EGM Resolutions, will have been appointed since the date of the last annual general meeting of the Company;
9. appoint BDO Stoy Hayward LLP as auditors of the Company and authorise the directors to fix their remuneration.

### **Action to be taken**

Forms of Proxy for use in connection with the EGM and the AGM are enclosed with this document. Whether or not you intend to be present at the EGM and/or the AGM, you are asked to complete and return the Forms of Proxy in accordance with the instructions printed thereon as soon as possible but in any event so as to arrive not later than 48 hours before the time of the EGM and the AGM respectively. Completion and return of the Forms of Proxy does not preclude you from attending the EGM and/or the AGM as the case may be and voting in person, if you so wish.

### **Additional Information**

Your attention is drawn to the additional information set out in Parts II to VII of this document.

### **Irrevocable Undertakings**

The Company has received irrevocable undertakings from Oliver Cooke and Andrew Brundle to vote in favour of the Resolutions in respect of their aggregate holding of 11,236,649 0.1p Ordinary Shares, representing 2.1 per cent. of the issued Ordinary Share capital of the Company at the date of this document.

The Company has received an irrevocable undertaking from Southwind to vote in favour of the Resolutions (save for the EGM Resolution number 1 on which Southwind will refrain from voting as it is a related party for the purposes of that resolution) in respect of its holding of 275,304,524 0.1p Ordinary Shares representing 50.5 per cent. of the issued Ordinary Share Capital of the Company at the date of this document.

### **Recommendation**

**The Directors, having been so advised by Blue Oar, consider that the terms of the Proposals are fair and reasonable insofar as Shareholders are concerned.**

**Accordingly, the Directors recommend you vote in favour of the Resolutions as they have irrevocably undertaken to do in respect of their aggregate shareholding of 11,236,649 0.1p Ordinary Shares, representing 2.1 per cent. of the issued Ordinary Share capital of the Company at the date of this document.**

Yours faithfully

**Oliver Cooke**  
*Executive Chairman*

## PART II

### Risk Factors

**In addition to the other relevant information set out in this document, the following general and specific risk factors should be considered carefully in evaluating whether to make an investment in the Company.**

**Investors should note that the value of Ordinary Shares may go down as well as up and there is no certainty that they will get back the full amount they invest. Any person considering an investment in Ordinary Shares is recommended to consult an investment advisor, authorised under the Financial Services and Market Act 2000, or an appropriately qualified taxation advisor, prior to making any such investment. In this Part II “the group” shall mean the Group or the Enlarged Group, as the context requires.**

- The value of the Ordinary Shares will be dependent upon the success of the trading activities undertaken by the Enlarged Group.
- Neither the Company, the Directors or Proposed Directors nor any of the Company’s advisors give any warranties or undertakings that EIS relief will be available in respect of any investment in the Company or that, if given, such relief will not later be withdrawn.
- Although the Company has received provisional assurance from the Inland Revenue that the Company will rank as a qualifying investment for the purposes of EIS and will be a “qualifying company” for the purposes of investment by Venture Capital Trusts (“VCTs”), no guarantee can be given that the Company will receive or maintain such qualification in the future. Circumstances may arise in the future where the Proposed Directors believe that the interests of the Company are not best secured by acting in a way that preserves the EIS relief. In such circumstances, the Company cannot undertake to conduct its activities in a way designed to preserve any such relief. Should the law regarding EIS change, then any reliefs obtained by the Company may no longer be available.
- The success of the Group, in common with other businesses of a similar size, will be dependant on the expertise and experience of its directors and senior management, including senior operational staff within companies that have been acquired . Measures are in place and are under review to reward and retain key individuals and to protect the Group from the impact of staff turnover. However, risks in this area cannot be totally eliminated.
- In order to fund the Company’s expansion plans in the longer term, and in particular to fund future acquisitions, it may be necessary to raise further funds by way of equity or debt or a combination of both. The group’s expansion plans may be constrained to the extent that it is unable to raise further equity finance or that banks are not willing to provide the additional debt and other facilities required.
- Changes in public spending policy and regulation with regard to the education, healthcare and policing sectors may result in a reduction of the number of temporary staff employed and/or the rates paid for such staff, which could adversely affect the Enlarged Group’s performance.
- AIM is not the Official List. It is a market designed primarily for emerging or smaller companies. The market in the Company’s shares may therefore be relatively illiquid or subject to fluctuations. Consequently it may be difficult for Shareholders to realise any investment in the Company.
- The price that Shareholders and other investors may realise for their holding of Ordinary Shares, when they are able to do so, may be influenced by a large number of factors, some of which are specific to the Company and some of which are extraneous. Shareholders and other investors in the Company may realise less than the original amount invested by them.
- The contract for the provision of project consultancy services to the Police Standards Unit of the Home Office expired on 1 May 2006. Dream have received confirmation from the Home Office that this contract has been extended and Dream and the Home Office have continued to conduct business on the same terms. No formal contract has yet been provided to Dream by the Home Office and until such time as a formal contract is entered into, there is the possibility that a new contract, or an extension, will not be entered into.

## **PART III**

### **Financial Information on Multi**

#### **SECTION A: INFORMATION FOR THE TWO YEARS ENDED 31 DECEMBER 2004 AND THE FIFTEEN MONTHS ENDED 31 MARCH 2006**

The following financial information has been extracted without material adjustment from the audited published financial statements of the Group for the two years ended 31 December 2003 and 31 December 2004 and the fifteen month period ended 31 March 2006. The information set out in this part has been extracted from previously published sources and does not constitute statutory accounts within the meaning of section 240 of the Companies Act 1985 (the "Act").

Audited statutory accounts have been delivered to the Registrar of Companies for the two years ended 31 December 2003 and 31 December 2004 and the fifteen months ended 31 March 2006. Unqualified audit reports, in accordance with sections 235-237 of the Act, for the year ended 31 December 2003 and the fifteen months period ended 31 March 2006 have been given by BDO Stoy Hayward LLP, Chartered Accountants and Registered Auditors, being the auditors of the group for those financial periods. An unqualified audit report, in accordance with sections 235-237 of the Act for the year ended 31 December 2004 has been given by Baker Tilly, Chartered Accountants and Registered Auditors, being the auditors of the Group for that financial period.

The financial information has been prepared under the historical cost convention and is in accordance with applicable accounting standards.

## Profit and loss accounts

		<i>Year ended</i> <i>31 December</i>	<i>Year ended</i> <i>31 December</i>	<i>Period ended</i> <i>31 March</i>
		2003	2004	2006
	<i>Notes</i>	£'000	£'000	£'000
<b>Turnover</b> – continuing activities	30	–	–	7,482
discontinued activities		13,995	5,744	8,497
		<u>13,995</u>	<u>5,744</u>	<u>15,979</u>
Cost of sales		(5,106)	(926)	(11,957)
<b>Gross profit</b>		8,889	4,818	4,022
Administrative expenses	2	(5,046)	(2,526)	(10,375)
Selling and distribution costs	2	(7,188)	(3,632)	(3,151)
<b>Operating loss</b>	3	(3,345)	(1,340)	(9,504)
Continuing activities		–	(783)	(8,982)
Discontinued activities		(3,345)	(557)	(522)
		<u>(3,345)</u>	<u>(1,340)</u>	<u>(9,504)</u>
Profit on disposal of discontinued operations		–	3,305	–
<b>(Loss)/profit on ordinary activities before interest</b>	3	(3,345)	1,965	(9,504)
Interest receivable		–	109	146
Interest payable and similar charges	4	(270)	(38)	(121)
<b>(Loss)/profit on ordinary activities before taxation</b>		(3,615)	2,036	(9,479)
Taxation on (loss)/profit on ordinary activities	5	642	(239)	(5)
<b>(Loss)/profit on ordinary activities after taxation</b>		(2,973)	1,797	(9,484)
Dividends payable	7	–	–	–
Minority interest		–	–	(23)
<b>Retained (loss)/profit for the year</b>		<u>(2,973)</u>	<u>1,797</u>	<u>(9,507)</u>
<b>(Loss)/earnings per share</b>				
Basic	8	(4.22p)	0.69p	(2.75p)
Diluted		(4.22p)	0.67p	(2.75p)

All recognised gains and losses are included in the profit and loss accounts.

**Balance sheets**

		<i>As at</i> <i>31 December</i> <i>2003</i> <i>£'000</i>	<i>As at</i> <i>31 December</i> <i>2004</i> <i>£'000</i>	<i>As at</i> <i>31 March</i> <i>2006</i> <i>£'000</i>
<b>Fixed assets</b>				
Tangible assets	9	4,879	119	285
Intangible assets	10	–	–	6,277
		<u>4,879</u>	<u>119</u>	<u>6,562</u>
<b>Current assets</b>				
Stocks		112	–	–
Debtors	12	3,409	418	2,778
Cash at bank and in hand		8	5,120	530
		<u>3,529</u>	<u>5,538</u>	<u>3,308</u>
<b>Creditors: amounts falling due within one year</b>	13	<u>(5,459)</u>	<u>(1,300)</u>	<u>(5,836)</u>
<b>Net current (liabilities)/assets</b>		<u>(1,930)</u>	<u>4,238</u>	<u>(2,528)</u>
<b>Total assets less current liabilities</b>		<u>2,949</u>	<u>4,357</u>	<u>4,034</u>
<b>Creditors: amounts falling due after more than one year</b>	14	(516)	(20)	(2,600)
<b>Provision for liabilities and charges</b>	16	(78)	(35)	(37)
		<u>2,355</u>	<u>4,302</u>	<u>1,397</u>
<b>Minority interests</b>	17	–	–	(55)
<b>Net assets</b>		<u>2,355</u>	<u>4,302</u>	<u>1,342</u>
<b>Capital and reserves</b>				
Called up share capital	18	2,526	2,541	585
Share premium account	19	2,960	3,095	5,682
Shares to be issued	20	–	–	–
Capital redemption reserve	20	–	–	2,276
Other reserves	21	250	–	800
Profit and loss account	22	(3,381)	(1,334)	(8,001)
<b>Equity shareholders' funds</b>	23	<u>2,355</u>	<u>4,302</u>	<u>1,342</u>

## Consolidated cash flow statements

		<i>Year ended</i> <i>31 December</i> <i>2003</i> <i>£'000</i>	<i>Year ended</i> <i>31 December</i> <i>2004</i> <i>£'000</i>	<i>Period ended</i> <i>31 March</i> <i>2006</i> <i>£'000</i>
<b>Net cash flow from operating activities</b>	24	1,352	(939)	(972)
<b>Returns on investments and servicing of finance</b>				
Interest paid		(187)	(11)	(121)
Interest element of finance lease rental payments		(83)	(27)	–
Interest received		–	109	146
<b>Net cash flow from returns on investment and servicing of finance</b>		(270)	71	25
<b>Taxation</b>		(42)	46	(176)
<b>Capital expenditure and financial investment</b>				
Purchase of tangible fixed assets		(576)	(1,055)	(136)
Payment to acquire listed investments		–	–	(300)
Receipt from sale of tangible fixed assets		832	78	300
<b>Net cash flow from returns on investment and Financial investment</b>		256	(977)	(136)
<b>Acquisitions and disposals</b>				
Proceeds from sale of business		–	7,980	250
Invoice discounting facility disposed of with subsidiary undertaking		–	–	1,012
Cash paid on acquisition of subsidiary undertakings		–	–	(5,355)
Cash acquired with subsidiary undertakings		–	–	158
Net overdrafts acquired with subsidiary undertakings		–	–	(272)
Invoice discounting facilities acquired with subsidiary undertakings		–	–	(1,680)
<b>Net cash flow from acquisitions and disposals</b>		–	7,980	(5,887)
<b>Net cash (outflow)/inflow before use of liquid resources and financing</b>		1,296	6,181	(7,146)
<b>Financing</b>				
Loan repayments		(84)	(94)	–
Capital elements of finance lease rental payments		(1,043)	(211)	–
Proceeds of share issue		1,750	150	1,651
<b>Net cash (outflow)/inflow from financing</b>		623	(155)	1,651
<b>(Decrease)/increase in cash in year</b>		1,919	6,026	(5,495)

**Reconciliation of net cash flow to movement in net debt**

		<i>Year ended</i> <i>31 December</i>	<i>Year ended</i> <i>31 December</i>	<i>Period ended</i> <i>31 March</i>
		<i>2003</i>	<i>2004</i>	<i>2006</i>
	<i>Notes</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
(Decrease)/increase in cash in hand and at bank		(4)	5,112	(4,590)
(Increase)/decrease in overdraft and invoice discounting facilities in year		1,923	914	(905)
(Decrease)/increase in cash in year		1,919	6,026	(5,495)
Decrease in debt and lease financing		1,127	929	-
New finance leases		(811)	(144)	-
Movement in (debt)/funds in year		2,235	6,811	(5,495)
Debt issued on acquisition		-	-	(5,240)
Opening net debt		(4,038)	(1,803)	5,008
Closing net (debt)/funds	25	(1,803)	5,008	(5,727)

## NOTES TO THE FINANCIAL INFORMATION

### 1. Accounting policies

The principal accounting policies, which have been consistently applied in Multi's financial information throughout the period under review, are as follows:

The financial information has been prepared under the historical cost convention and is in accordance with applicable accounting standards. In preparing the financial statements for the year ended 31 March 2006, on which the financial information is based, the Group has adopted for the first time FRS 22 'Earnings per share' and the presentation requirements of FRS 25 'Financial Instruments: Disclosure and presentation'.

As a consequence of adopting FRS 25, convertible redeemable preference shares have been classified as a liability as the holder has the option to convert the preference shares into a variable number of equity shares if they are not redeemed by the redemption date. In addition, contingent consideration payable in equity shares has been classified as a liability as the amount of shares to be issued is variable. Where the impact is material, these financial liabilities have been discounted to their present value with the discount being unwound over the redemption period as an interest expense.

The effect of adopting this accounting policy has no impact on the comparative information as all the relevant instruments were issued in the period. However, had FRS 25 not been adopted, under the Group's previous accounting policy the current period net assets would have been £3,300,000 higher.

The following principal accounting policies have been applied:

#### *Going concern*

On 28 July 2006 the Company announced that it had become apparent that Global Medics' performance for the year to March 2007 was likely to be significantly below the level portrayed to the Company by the Global Vendors at the time of the Acquisition. It was also announced that Justyn Randall, who had been appointed to the Board as Managing Director Medical upon completion of the acquisition, had resigned with immediate effect.

Having considered in detail the various options open to them the Board subsequently concluded that it would be in the best interests of the Group if the Global Vendors were to repurchase the entire issued share capital of Global Medics together with its various subsidiaries including Doctors on Call.

Agreement was reached for the sale of the entire issued share capital of Global Medics back to the original vendors and a circular giving details of the disposal and seeking their consent was sent to shareholders.

Of the disposal proceeds, the cash element amounts to £520,000 of which £350,000 was paid on completion with the balance of £170,000 to be paid in May 2007. These funds were used to provide working capital for the remaining Group.

At the time of approving the financial statements, the proposed disposal of Global Medics remained subject to shareholder approval, which was obtained. As the Company had received irrevocable undertakings to vote in favour of the disposal from certain of its larger shareholders the directors had a reasonable expectation that the necessary shareholder approval would have been obtained. The directors therefore formed a judgment that it was appropriate to adopt the going concern basis in preparing the financial statements.

#### *Basis of consolidation*

The consolidated financial information incorporates the results of Multi and all of its subsidiary undertakings, made up to 31 March 2006, using the acquisition method of accounting. Where the acquisition method is used, the results of subsidiary undertakings are included from the date of the acquisition.

#### *Turnover*

Turnover represents the total amount receivable for the provision of services to customers net of value added tax. Income from temporary placements is recognised at the end of a period of work. Income from permanent

placements is recognised at the point of acceptance by both parties when the Group's contractual obligations have been fulfilled.

### ***Goodwill***

Goodwill arising on the acquisition of a subsidiary undertaking is the difference between the fair value of the consideration payable and the fair value of the assets and liabilities acquired. It is capitalised and amortised through the profit and loss account over the directors' estimate of its useful economic life. The Board reviews the amortisation period of goodwill arising on each acquisition and allocates the most appropriate period based upon the Board's estimate of the useful life of that acquisition. Impairment tests on the carrying value of goodwill are undertaken at the end of the first financial year following acquisition and in other periods if events or circumstances indicate that the carrying value may not be recoverable.

With the exception of Global Medics, where goodwill has been subject to a significant impairment provision as detailed in note 32, the goodwill arising in the period is being amortised evenly over its presumed useful economic life of 20 years.

### ***Deferred taxation***

Deferred taxation balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date except that deferred tax assets are only recognised to the extent that it is considered more likely than not that these are recoverable. Provisions for deferred taxation are not discounted.

### ***Foreign currency***

Foreign currency transactions of individual companies are translated at the rates ruling when they occurred. Foreign currency assets and liabilities are translated at the rate of exchange ruling at the balance sheet date. Any differences are taken to the profit and loss account.

The results of overseas operations are translated at the average rates of exchange during the period and the balance sheet translated into sterling at the rate of exchange ruling on the balance sheet date. Exchange differences which arise from translation of the opening net assets of foreign subsidiary undertakings are taken to reserves.

### ***Financial instruments***

Short term debtors and creditors have been excluded from the financial instruments disclosures in note 15.

The Group does not hold or issue derivative financial instruments for trading purposes.

### ***Financial liability and equity***

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

### ***Dividends***

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

Dividends on shares wholly recognised as liabilities are recognised as expenses and classified within interest payable.

### ***Leased assets***

#### ***Finance leases***

Where assets are financed by leasing agreements that give rights approximating to ownership ("finance leases"), the assets are treated as if they had been purchased outright. The amount capitalised is the present

value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown in the amounts payable to the lessor. Depreciation of the relevant assets is charged to the profit and loss account.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

#### *Operating leases*

All other leases are treated as operating leases. Their annual rentals are charged to the profit and loss account on a straight line basis over the term of the lease.

#### *Pension costs*

The Group operates some defined contribution pension schemes. There is a self-administered scheme for certain executive directors and Group Personal Pension plans for staff. The assets of these schemes are held separately from those of the Group in independently administered funds. The pension cost charge represents contributions payable by the Group to the schemes for the period.

#### *Employee share schemes*

The difference between the exercise price of share options granted under the Group's share option schemes and the fair market value of the underlying Ordinary Shares at the date of grant is charged to the profit and loss account over the performance period of the related share options.

To the extent that the share price at the balance sheet date is greater than the exercise price on options granted under unapproved schemes, provision for any National Insurance contributions has been made based on the prevailing rate of National Insurance. The provision is accrued over the performance period attached to the award.

**2. Other operating expenses and corresponding figures**

	<i>Year ended 31 December 2003</i>	<i>Year ended 31 December 2003</i>	<i>Year ended 31 December 2003</i>
	<i>Continuing operations £'000</i>	<i>Discontinued operations £'000</i>	<i>Total £'000</i>
Selling and distribution costs	–	7,188	7,188
Administrative expenses	–	5,046	5,046
	<u>–</u>	<u>12,234</u>	<u>12,234</u>
	<i>Year ended 31 December 2004</i>	<i>Year ended 31 December 2004</i>	<i>Year ended 31 December 2004</i>
	<i>Continuing operations £'000</i>	<i>Discontinued operations £'000</i>	<i>Total £'000</i>
Selling and distribution costs	–	3,632	3,632
Administrative expenses	783	1,743	2,526
	<u>783</u>	<u>5,375</u>	<u>6,158</u>
	<i>15 months to 31 March 2006</i>	<i>15 months to 31 March 2006</i>	<i>15 months to 31 March 2006</i>
	<i>Continuing operations £'000</i>	<i>Discontinued operations £'000</i>	<i>Total £'000</i>
Selling and distribution costs	1,511	1,640	3,151
Administrative expenses	9,492	883	10,375
	<u>11,003</u>	<u>2,523</u>	<u>13,526</u>

### 3. Operating loss

	<i>Period ended</i>		
	<i>31 March</i>		
	<i>2003</i>	<i>2004</i>	<i>2006</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
<b>This is arrived at after charging:</b>			
<b>Depreciation and impairment on tangible fixed assets:</b>			
– Owned assets	2,829	890	124
– Leased assets	154	–	–
Invoice discounting administration charge	17	44	40
Exceptional impairment losses – goodwill	–	–	7,876
Exceptional impairment losses – research and development	–	–	–
Other exceptional charge	–	–	–
Development costs amortised	–	–	–
Amortisation of goodwill	–	–	265
Loss on disposal of fixed assets	103	93	2
Abortive acquisition/fundraising costs	257	215	158
<b>Operating lease rentals:</b>			
– Equipment	85	47	28
– Land and buildings	786	331	193
<b>Auditors' remuneration</b>			
– audit services (Group only)	55	28	55
– audit services (Company only)	15	10	20
– non-audit services	207	147	4
	<u>          </u>	<u>          </u>	<u>          </u>

### 4. Interest payable and similar charges

	<i>Period ended</i>		
	<i>31 March</i>		
	<i>2003</i>	<i>2004</i>	<i>2006</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Bank overdrafts payable on demand	8	1	5
Interest on invoice discounting	95	51	104
Other loans wholly repayable within five years	84	(41)	12
Finance lease charges	83	27	–
	<u>          </u>	<u>          </u>	<u>          </u>
	<u>270</u>	<u>38</u>	<u>121</u>

## 5. Taxation

### Taxation on loss on ordinary activities

	2003 £'000	2004 £'000	Period ended 31 March 2006 £'000
<b>(a) Analysis of charge for the year/period:</b>			
<i>Current year</i>			
UK corporation tax	–	285	–
Adjustments in respect of prior years	(156)	(46)	5
	<u>(156)</u>	<u>239</u>	<u>5</u>
<i>Deferred tax:</i>			
Origination of timing differences	(486)	–	–
Tax losses incurred during the year	–	–	–
Total deferred tax	<u>(486)</u>	<u>–</u>	<u>–</u>
Tax on (loss)/profit on ordinary activities	<u>(642)</u>	<u>239</u>	<u>5</u>
<b>(b) Factors affecting the current tax charge for the year/period:</b>			
(Loss)/profit on ordinary activities before taxation	<u>(3,615)</u>	<u>2,036</u>	<u>(9,479)</u>
(Loss)/profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30%	(1,084)	611	(2,844)
Capital allowances in (excess)/deficit of depreciation	486	57	(18)
Creation/(utilisation) of tax losses	335	(169)	314
Expenses not deductible for tax purposes	263	(185)	164
Other timing differences	–	(29)	32
Tax losses set against deferred tax liability	–	–	–
Goodwill impairment	–	–	2,362
Adjustment in respect of prior periods	(156)	(46)	(5)
Current tax charge for the year/period	<u>(156)</u>	<u>239</u>	<u>5</u>

The Group has approximately £790,000 (2004: £150,000, 2003: Nil) of unrelieved trading losses available for offset against future taxable profits of certain Group companies. No deferred tax asset has been recognised in this respect due to uncertainty over the timing of future profits.

## 6. Employees

Staff costs, including executive directors, consist of:

	2003	2004	Period ended 31 March 2006
	£'000	£'000	£'000
Wages and salaries	5,916	2,910	2,836
Social security costs	604	305	295
Pension contributions	106	57	47
	<u>6,626</u>	<u>3,272</u>	<u>3,178</u>

The average monthly number of employees, including directors, during the period was as follows:

	2003	2004	Period ended 31 March 2006
	Number	Number	Number
Operations	154	76	–
Sales	28	10	63
Financial and administration	48	21	21
	<u>230</u>	<u>107</u>	<u>84</u>

### Directors' emoluments

	2003	2004	Period ended 31 March 2006
	£'000	£'000	£'000
Fees	54	3	6
Salaries	265	377	305
Benefits	50	28	35
Total emoluments	<u>369</u>	<u>408</u>	<u>346</u>
Compensation for loss of office	32	–	–
Pension contributions	28	19	27
Amount paid to third parties for directors' services	–	–	5
	<u>429</u>	<u>427</u>	<u>378</u>

During the period one director had benefits accruing under the defined contribution pension scheme (2004: one, 2003: one) and payments were made for one director to a self administered pension scheme (2004: one, 2003: one).

## 7. Dividends

	2003	2004	Period ended 31 March 2006
	£'000	£'000	£'000
Ordinary shares	—	—	—

## 8. Earnings/(loss) per share

The calculation of (loss)/earnings per share for the year/period is based on a weighted average number of shares in issue during the year of:

	2003	2004	Period ended 31 March 2006
	£	£	£
Basic earnings per share	70,382,518	260,192,656	345,698,375
Effect of share options	755,228	9,300,018	—
Diluted earnings per share	<u>71,137,746</u>	<u>269,492,674</u>	<u>345,698,375</u>

The loan notes, convertible redeemable preference shares and part of the deferred consideration payable have been excluded from the diluted loss per share calculation for the period ended 31 March 2006 as they are anti-dilutive.

The above same number of shares are used in all of the (loss)/earnings per share calculations below. Additional disclosure is also given in respect of (loss)/earnings per share before goodwill amortisation, goodwill impairment, depreciation and profit on disposal of businesses, as the directors believe this gives a more accurate presentation of maintainable earnings.

	2003	2004	Period ended 31 March 2006
	Pence	Pence	Pence
Basic earnings/(loss) per share	(4.22)	0.69	(2.75)
Depreciation, amortisation and goodwill impairment	4.23	0.34	2.39
Profit on disposal of business (net of related taxation)	—	(1.18)	—
Basic earnings/(loss) per share before depreciation, amortisation and goodwill impairment	<u>0.01</u>	<u>(0.15)</u>	<u>(0.36)</u>
Diluted earnings/(loss) per share	(4.22)	0.67	(2.75)
Depreciation, amortisation and goodwill impairment	4.23	0.33	2.39
Profit on disposal of business (net of related taxation)	—	(1.14)	—
Diluted earnings per share before depreciation, amortisation and goodwill impairment	<u>0.01</u>	<u>(0.14)</u>	<u>(0.36)</u>

## 9. Tangible assets

	<i>Equipment for hire £'000</i>	<i>Motor vehicles £'000</i>	<i>Other tangible assets £'000</i>	<i>Total £'000</i>
<b>Cost</b>				
As at 1 January 2003	8,350	1,268	1,939	11,557
Additions	1,032	220	135	1,387
Disposals	(1,436)	(354)	(142)	(1,932)
As at 31 December 2003	7,946	1,134	1,932	11,012
Additions	937	146	116	1,199
Disposals	(8,883)	(1,280)	(1,769)	(11,932)
<b>As at 31 December 2004</b>	-	-	279	279
Acquisition of subsidiary undertakings	-	70	196	266
Additions	-	-	136	136
Disposals	-	-	(10)	(10)
Disposal of subsidiary undertaking	-	-	(127)	(127)
<b>As at 31 March 2006</b>	-	70	474	544
<b>Depreciation</b>				
As at 1 January 2003	2,846	581	718	4,145
Provided for the year	2,264	304	415	2,983
Disposals	(714)	(228)	(53)	(995)
As at 31 December 2003	4,396	657	1,080	6,133
Provided for the year	596	106	188	890
Disposals	(4,992)	(763)	(1,108)	(6,863)
<b>As at 31 December 2004</b>	-	-	160	160
Provided for the period	-	8	116	124
Disposals	-	-	(8)	(8)
Eliminated on disposal of subsidiary undertaking	-	-	(17)	(17)
<b>As at 31 March 2006</b>	-	8	251	259
<b>Net book value</b>				
As at 31 December 2003	3,550	477	852	4,879
As at 31 December 2004	-	-	119	119
As at 31 March 2006	-	62	223	285

## 10. Intangible assets

	<i>Goodwill</i> <i>£'000</i>
<b>Cost</b>	
As at 1 January 2003, 31 December 2003 and 31 December 2004	–
Additions	15,548
Disposals	(802)
Disposal of subsidiary undertaking	(379)
As at 31 March 2006	<u>14,367</u>
<b>Amortisation and impairment</b>	
As at 1 January 2003, 31 December 2003 and 31 December 2004	–
Provided for the period	265
Impairment	7,876
Eliminated on disposal	(36)
Eliminated on disposal of subsidiary undertaking	(15)
As at 31 March 2006	<u>8,090</u>
<b>Net book value</b>	
As at 31 December 2003 and 31 December 2004	–
As at 31 March 2006	<u>6,277</u>
Additions to goodwill in the period are analysed further as follows:	
	<i>£'000</i>
Acquisition of Berry Recruitment Holdings Limited (note 32)	3,036
Purchase of Gray's Personnel (see below)	379
Acquisition of Ist 4 Locums Limited (note 32)	3,421
Acquisition of Global Medics Limited (note 32)	8,712
	<u>15,548</u>

In June 2005, the Group, through Berry Recruitment Limited, acquired the business and certain liabilities of Gray's Personnel for a cash consideration of £250,000. Costs of £53,000 were incurred as a result of this transaction.

## 11. Investment in subsidiary undertakings

The following companies were subsidiary undertakings as at 31 March 2006 and have all been included in the consolidated financial information.

<i>Name</i>	<i>Country of incorporation and operation</i>	<i>Proportion of voting rights and ordinary share capital held</i>	<i>Nature of business</i>
Berry Recruitment Holdings Ltd	England and Wales	100%	Holding company
Berry Medical Ltd*	England and Wales	100%	Staffing and recruitment
1st 4 Locums Ltd	England and Wales	90%	Staffing and recruitment
Global Medics Ltd	England and Wales	100%	Staffing and recruitment
Doctors on Call Ltd*	England and Wales	100%	Staffing and recruitment
Global Medics SA (Pty) Ltd*	South Africa	100%	Staffing and recruitment
Meadow Two PLC	England and Wales	100%	Dormant
Meadow Three PLC	England and Wales	100%	Dormant
Meadow Six PLC	England and Wales	100%	Dormant
Westminster Event Hire Ltd	England and Wales	100%	Dormant
Meadow Seven Ltd	England and Wales	100%	Dormant

\*Undertakings held indirectly by company.

The additions in subsidiary undertakings in the period relate to additional subscriptions for shares in existing subsidiaries and the acquisitions of Berry Recruitment Holdings Limited, 1st 4 Locums Limited and Global Medics Limited. Further information on these acquisitions is given in note 32.

Under the terms of the purchase agreement, the Company has the option to acquire the remaining 10 per cent. of the issued share capital of 1st 4 Locums Limited on an agreed valuation basis at any time until October 2008. If this option is not exercised by this date, the minority shareholders of 1st 4 Locums Limited then have the option to require the Company to purchase the remaining 10 per cent. of the issued share capital on an agreed valuation basis at any time until October 2010.

## 12. Debtors

	<i>As at 31 December 2003 £'000</i>	<i>As at 31 December 2004 £'000</i>	<i>As at 31 March 2006 £'000</i>
Trade debtors	2,811	39	1,742
Other debtors	178	199	543
Prepayments and accrued income	420	180	493
	<u>3,409</u>	<u>418</u>	<u>2,778</u>

Included in other debtors is an amount of £26,895 (2004: £41,253) relating to taxation and social security. All amounts shown fall due for payment within one year.

**13. Creditors: amounts falling due within one year**

	<i>As at</i> <i>31 December</i> 2003 £'000	<i>As at</i> <i>31 December</i> 2004 £'000	<i>As at</i> <i>31 March</i> 2006 £'000
Bank overdrafts and loans (secured)	153	112	460
Invoice discounting facility (secured)	967	–	557
Loan notes (secured)	–	–	1,000
Trade creditors	1,222	344	563
Obligations under finance leases	365	–	–
Other creditors	155	122	14
Corporation tax	–	285	663
Other taxation and social security	1,960	80	381
Deferred consideration (note 31)	–	–	1,640
Accruals and deferred income	637	357	558
	<u>5,459</u>	<u>1,300</u>	<u>5,836</u>

Bank overdrafts are secured by a debenture over the individual company's assets. Invoice discounting facilities are secured by a charge over the borrowing company's book debts. Interest during the period is payable on these instruments at an average rate of 1.4 per cent. above the bank's base rate.

The loan notes are secured by a second charge on the Group's assets and attract interest at a rate of 10 per cent. per annum.

**14. Creditors: amounts falling due after more than one year**

	<i>As at</i> <i>31 December</i> 2003 £'000	<i>As at</i> <i>31 December</i> 2004 £'000	<i>As at</i> <i>31 March</i> 2006 £'000
Obligations under finance lease and hire purchase contracts	326	–	–
Convertible redeemable preference shares (note 18)	–	–	2,600
Other creditors	190	20	–
	<u>516</u>	<u>20</u>	<u>2,600</u>

No terms have been formally agreed for the repayment of the amounts due to group companies but the directors believe that they will not be repaid in the foreseeable future. No interest is charged on balances between group companies.

Bank overdrafts, loan notes and invoice discounting liabilities are due as follows:

	<i>As at</i> <i>31 December</i> 2003 £'000	<i>As at</i> <i>31 December</i> 2004 £'000	<i>As at</i> <i>31 March</i> 2006 £'000
Within one year	<u>1,120</u>	<u>112</u>	<u>2,017</u>

## 15. Financial instruments

The Group holds financial instruments to finance its operations and to manage the interest rate risks arising from its sources of finance. In addition, various financial instruments, such as trade debtors and trade creditors, arise directly from the Group's operations. Operations and working capital requirements are met out of floating rate overdrafts and invoice discounting.

The Group does not trade in financial instruments or carry out derivative transactions. There is no foreign currency exposure. In planning the maturity of debt, the Group aims to match the debt to the ability of the respective assets to generate income. Unutilised committed borrowing facilities have been maintained in order to provide flexibility in the management of liquidity.

Further information on borrowings and financial instruments is contained in notes 13 and 14 to the financial statements.

### *Interest rate risk*

The Group borrows at fixed and floating rates. The rates are monitored along with the Group's exposure and appropriate measures are taken to ensure that a balanced mix is maintained.

The invoice discounting facility and the bank overdrafts were the Group's only variable rate borrowings and the loan notes were the Group's only fixed rate borrowings. The deferred consideration and preference share capital attract no interest.

### *Credit risk*

The Group is exposed to credit risk from credit sales. It is Group policy to assess the credit risk of new customers and to factor the information from these credit ratings into future dealings with the customers. At the balance sheet date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet.

### *Liquidity risk*

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of overdrafts, invoice discounting, loan notes, deferred consideration and preference share capital. Short-term flexibility is achieved by the use of bank overdrafts and invoice discounting facilities.

The Group constantly reviews its borrowing requirements to ensure adequate funds are available for ongoing operations and expansion plans.

#### (a) *Interest rate and currency of borrowings*

The currency and interest rate exposure of the Group's borrowings is shown below:

	<i>Fixed rate borrowings</i>	<i>Floating rate borrowings</i>	<i>Interest free borrowings</i>	<i>Total</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
At 31 December 2003- Sterling	691	1,120	–	1,811
At 31 December 2004- Sterling	–	112	–	112
At 31 March 2006 – Sterling	1,000	1,017	4,240	6,257

The floating rate borrowings comprise bank overdraft and invoice discounting facilities bearing interest at an average rate of 1.4 per cent. above the bank's base rate.

The fixed rate borrowings comprise loan notes bearing interest at a rate of 10 per cent. per annum.

Interest free borrowings consist of deferred consideration and convertible redeemable preference shares.

## 15. Financial instruments (continued)

### (b) Fair value of financial instruments

In the opinion of the directors there was no difference between the current fair and book values of the Group's financial instruments in either the current or preceding period.

The fair value of floating rate borrowings is the historical cost because the interest rate payments are based on market value.

	<i>Book value</i> £'000	<i>Current value</i> £'000
At 31 December 2003		
Cash	8	8
Short term debt and current portion of long term debt	(1,485)	(1,485)
Long term debt	(326)	(326)
At 31 December 2004		
Cash	5,120	5,120
Short term debt and current portion of long term debt	(112)	(112)
Long term debt	-	-
At 31 March 2006		
Cash	530	530
Short term debt and current portion of long term debt	(1,017)	(1,017)
Loan notes	(1,000)	(1,000)
Deferred consideration	(1,640)	(1,640)
Long term debt – convertible redeemable preference shares	(2,600)	(2,600)

### *Undrawn facilities*

The Group has the following undrawn committed borrowing facilities available to it:

	<i>As at</i> <i>31 December</i> <i>2003</i> £'000	<i>As at</i> <i>31 December</i> <i>2004</i> £'000	<i>As at</i> <i>31 March</i> <i>2006</i> £'000
Expiring within one year	1,200	-	526

## 16. Provisions

	<i>Deferred</i> <i>tax</i> £'000	<i>National</i> <i>insurance on</i> <i>share options</i> £'000	<i>Total</i> £'000
At 1 January 2003	486	-	486
(Credited)/charged to profit and loss account	(486)	78	(408)
At 31 December 2003	-	78	78
Credited to profit and loss account	-	(43)	(43)
At 31 December 2004	-	35	35
Charged to profit and loss account	-	2	2
At 31 March 2006	-	37	37

## 17. Minority interests

The minority interests represent a holding of 10 per cent. of the ordinary shares in 1st 4 Locums Limited.

	<i>Total</i>
	<i>£'000</i>
At 31 December 2004	–
On acquisition of 1st 4 Locums	32
10 per cent. profit during the period	23
At 31 March 2006	<u>55</u>

## 18. Called up share capital

	<i>2003</i>		<i>2004</i>		<i>At 31 March 2006</i>	
	<i>Number</i>	<i>£'000</i>	<i>Number</i>	<i>£'000</i>	<i>Number</i>	<i>£'000</i>
<i>Authorised</i>						
Ordinary shares of 0.1p each	1,473,509,147	1,474	1,473,509,147	1,474	1,473,509,147	1,474
Deferred shares of 4.9p each	46,458,997	2,276	46,458,997	2,276	–	–
	<u>1,519,968,144</u>	<u>3,750</u>	<u>1,519,968,144</u>	<u>3,750</u>	<u>1,473,509,147</u>	<u>1,474</u>
<i>Preference shares of £1 each*</i>	–	–	–	–	10,000,000	10,000
Allotted, issued and fully paid:						
Ordinary shares of 0.1p each	250,394,923	250	265,406,770	265	584,704,820	585
Deferred shares of 4.9p each	46,458,997	2,276	46,458,997	2,276	–	–
	<u>296,853,920</u>	<u>2,526</u>	<u>311,865,767</u>	<u>2,541</u>	<u>584,704,820</u>	<u>585</u>
<i>Preference shares of £1 each*</i>	–	–	–	–	2,600,000	2,600
	<i>Ordinary shares</i>	<i>Ordinary shares</i>	<i>Preference shares</i>	<i>Preference shares</i>	<i>Deferred shares</i>	<i>Deferred shares</i>
	<i>Number</i>	<i>£'000</i>	<i>Number</i>	<i>£'000</i>	<i>Number</i>	<i>£'000</i>
	<i>'000</i>	<i>'000</i>	<i>'000</i>	<i>'000</i>	<i>'000</i>	<i>'000</i>
In issue at 1 January 2003	44,886	2,244	–	–	–	–
Shares issued at 5p	1,573	78	–	–	–	–
Sub-total	46,459	2,322	–	–	–	–
Sub-division of shares	–	(2,276)	–	–	46,459	2,276
Shares issued at 0.1p	203,936	204	–	–	–	–
In issue at 31 December 2003	<u>250,395</u>	<u>250</u>	<u>–</u>	<u>–</u>	<u>46,459</u>	<u>2,276</u>
	<i>Ordinary shares</i>	<i>Ordinary shares</i>	<i>Preference shares</i>	<i>Preference shares</i>	<i>Deferred shares</i>	<i>Deferred shares</i>
	<i>Number</i>	<i>£'000</i>	<i>Number</i>	<i>£'000</i>	<i>Number</i>	<i>£'000</i>
	<i>'000</i>	<i>'000</i>	<i>'000</i>	<i>'000</i>	<i>'000</i>	<i>'000</i>
In issue at 1 January 2004	250,395	250	–	–	46,459	2,276
Shares issued	15,012	15	–	–	–	–
In issue at 31 December 2004	<u>265,407</u>	<u>265</u>	<u>–</u>	<u>–</u>	<u>46,459</u>	<u>2,276</u>

## 18. Called up share capital (continued)

	<i>Ordinary shares Number '000</i>	<i>Ordinary shares £'000</i>	<i>Preference shares Number '000</i>	<i>Preference shares £'000</i>	<i>Deferred shares Number '000</i>	<i>Deferred shares £'000</i>
In issue at						
1 January 2005	265,407	266	–	–	46,459	2,276
Shares issued	319,298	319	2,600	2,600	–	–
Shares cancelled	–	–	–	–	(46,459)	(2,276)
In issue at						
31 March 2006	<u>584,705</u>	<u>585</u>	<u>2,600</u>	<u>2,600</u>	<u>–</u>	<u>–</u>

\* In accordance with FRS 25, the 2,600,000 preference shares of £1 each are presented as a liability in the Group and Company balance sheets (see note 14).

On 9 October 2003 the Company issued 905,882 ordinary shares of 5 pence each to the former shareholder of Westminster Event Hire Limited and 666,667 ordinary shares of 5 pence each to the former shareholder of New Planet Business Solutions Limited in full and final settlement of any deferred consideration which had become due on the acquisitions of Westminster Event Hire Limited and New Planet Business Solutions Limited respectively (see note 21 below).

On 14 November 2003 the Company sub-divided every 5 pence ordinary share in issue at that date into one new ordinary share of 0.1 pence each and one deferred share of 4.9 pence each. The deferred shares hold no voting or dividend rights and on a winding up of the Company, deferred shareholders are entitled to repayment on the amounts paid up on each share after the payment of the capital paid up on the ordinary shares plus the payment of £10,000,000 per ordinary share. On the same date, each authorised but unissued share of 5 pence each was sub-divided into 50 new ordinary shares of 0.1 pence each ranking *pari passu* with the issued new ordinary shares. On 17 November 2003 the Company issued 203,935,926 new ordinary shares of 0.1 pence each for 1 pence each.

On 24 February 2004, the Company allotted 7,511,847 ordinary shares of 0.1p to Abingdon Capital Plc, the parent company of Corporate Synergy Plc (now Blue Oar Securities Plc), Nominated Adviser to Multi Group Plc, pursuant to the exercise of options at 1p per share.

On 5 May 2004, the Company allotted 2,500,000 ordinary shares of 0.1p to a former employee pursuant to the exercise of options at 1p per share.

On 25 August 2004, the Company allotted 5,000,000 ordinary shares of 0.1p to two former employees pursuant to the exercise of share options at 1p per share.

On 7 March 2005, Oliver C Cooke and Andrew E Brundle subscribed for and were allotted 3,000,000 and 650,000 new ordinary shares in the Company respectively at 3.5p per share. The consideration was paid in cash.

In March 2005, 165,000 ordinary shares were issued at 1p per share in respect of share options held by eight members of staff that were transferred with the tool hire business during 2004. The consideration was paid in cash.

On 31 March 2005 the Company issued 45,595,114 ordinary shares of 0.1p each for 3.5p per share as part of the purchase consideration for Berry Recruitment Holdings Limited (see note 32).

On 24 August 2005 the authorised and issued share capital of the Company was reduced from £3,750,000 to £1,473,509 by the cancellation of 46,458,997 deferred shares of 4.9p each and the creation of a capital redemption reserve. The deferred shares held no voting or dividend rights and on a winding up of the Company, deferred shareholders were entitled to repayment on the amount paid up on each share after payment of the capital paid up on the ordinary shares plus the payment of £10,000,000 per ordinary share.

On 7 October 2005 the Company issued 9,887,936 ordinary shares of 0.1p each for 3p per share as part of the purchase consideration for 1st 4 Locums Limited (see note 32).

## 18. Called up share capital (continued)

On 23 December 2005 the Company issued 100,000,000 ordinary shares of 0.1p each by way of a placing at an issue price of 1.5p per share.

On 16 February 2006 the authorised share capital of the Company was increased from £1,473,509 to £11,473,509 by the creation of 10,000,000 convertible redeemable preference shares of £1 each. On the same date the Company issued 160,000,000 ordinary shares of 0.1p each for 1.875p per share and 2,600,000 preference shares of £1 each at par as part of the consideration for Global Medics Limited (see note 32).

The convertible redeemable preference shares hold no dividend rights except in the event of a winding up of the Company when any assets held for distribution are first applied to the holders of these shares to the extent that they are paid up. The shares may be redeemed at par by the Company during a period of up to three years from the date of issue. On the redemption date (three years from date of issue), subject to the shares not having been previously redeemed, the owners of the shares may have them converted to ordinary shares of the Company. Under FRS 25, these convertible redeemable preference shares are shown within creditors due after more than one year.

### Share options

At 31 March 2006 employee share options were outstanding as follows:

<i>Number of employees</i>	<i>Exercise price</i>	<i>Date of issue</i>	<i>Date first exercisable</i>	<i>Date of expiry</i>	<i>Number of share options</i>
1	1.0p	17/11/03	17/11/03	16/11/13	9,000,000
1	1.0p	17/11/03	17/11/04	16/11/09	2,500,000
1	3.75p	08/11/04	08/05/06	08/11/10	500,000

## 19. Share premium account

	<i>Year ended 31 December 2003 £'000</i>	<i>Year ended 31 December 2003 £'000</i>	<i>Period ended 31 March 2006 £'000</i>
At beginning of year/period	1,414	2,960	3,095
Arising in shares in issue	1,835	135	2,587
Share issue costs	(289)	–	–
At end of year/period	<u>2,960</u>	<u>3,095</u>	<u>5,682</u>

## 20. Shares to be issued

	<i>Eurogen Systems Limited</i>	<i>New Planet Business Solutions Limited</i>	<i>Westminster Event Hire Limited</i>	<i>Total</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
As at 1 January 2003	–	100	229	329
Revision in the year to 31 December 2003	–	–	(75)	(75)
Issued in the year to 31 December 2003	–	(100)	(154)	(254)
As at 31 December 2003, 31 December 2004 and at 31 March 2006	–	–	–	–

Acquisitions of companies in prior years included an element of deferred consideration (contingent upon performance criteria), to be satisfied by the issue of shares in the Group in future years. Shares were issued during the year ended 31 December 2003 to satisfy this deferred consideration in full.

## 21. Other reserves

	<i>2003</i>	<i>2004</i>	<i>Period ended 31 March 2006</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
At beginning of year/period	–	250	–
Arising on share issue	175	–	3,640
Revision in shares to be issued in the year (see note 20)	75	–	–
Transfer to profit and loss account	–	(250)	(2,840)
At end of year/period	250	–	800

The other reserve in the year ended 31 December 2003 represented a change in the consideration paid for businesses acquired in previous years. These have now been finalised and the other reserve was transferred to the profit and loss reserve during the year ended 31 December 2004.

	<i>Period ended 31 March 2006 £'000</i>
Capital redemption reserve as at 31 December 2003 and 31 December 2004	–
Cancellation of shares (see note 18)	2,276
	<u>2,276</u>

**22. Profit and loss account**

	<i>Period ended</i>		
	<i>31 March</i>		
	<i>2003</i>	<i>2004</i>	<i>2006</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
At beginning of year/period	(870)	(3,381)	(1,334)
Share option charge	462	–	–
Retained (loss)/profit in the year	(2,973)	1,797	(9,507)
Transfer from other reserves (note 21)	–	250	2,840
At end of year/period	<u>(3,381)</u>	<u>(1,334)</u>	<u>(8,001)</u>

Share option charge in the year ended 31 December 2003, in accordance with the accounting policy set out in note I, is the difference between the exercise price of the share options granted during the year and the fair value of the underlying shares at the date of the grant has been charged to the profit and loss account.

**23. Reconciliation of movement in shareholders' funds**

	<i>Period ended</i>		
	<i>31 March</i>		
	<i>2003</i>	<i>2004</i>	<i>2006</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
(Loss)/profit for the year/period	(2,973)	1,797	(9,507)
Ordinary shares issued, net of expenses	1,828	150	6,547
Shares to be issued	(79)	–	–
Share options charge	462	–	–
Net (decrease)/increase in shareholders' funds	<u>(762)</u>	<u>1,947</u>	<u>(2,960)</u>
Opening shareholders' funds	3,117	2,355	4,302
Closing shareholders' funds	<u>2,355</u>	<u>4,302</u>	<u>1,342</u>

**24. Reconciliation of operating cash profit to net cash inflow/(outflow) from operating activities**

	<i>Period ended</i>		
	<i>31 March</i>		
	<i>2003</i>	<i>2004</i>	<i>2006</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Operating loss	(3,345)	(1,340)	(9,504)
Depreciation	2,983	890	389
Share option charge	462	–	–
Impairment losses –goodwill	–	–	7,876
Loss on disposal of fixed assets	103	93	2
Decrease/(increase) in stocks	183	(30)	–
(Increase)/decrease in debtors	2,251	2,512	(87)
Increase/(decrease) in creditors	(1,285)	(3,064)	352
	<u>1,352</u>	<u>(939)</u>	<u>(972)</u>

## 25. Analyses of changes in net debt

	<i>At</i> <i>1 January</i> <i>2005</i> <i>£'000</i>	<i>Cash flows</i> <i>£'000</i>	<i>Non-cash</i> <i>changes</i> <i>£'000</i>	<i>At</i> <i>31 March</i> <i>2006</i> <i>£'000</i>
Cash in hand and at bank	5,120	(4,590)	–	530
Overdrafts and invoice discounting facilities	(112)	(905)	–	(1,017)
Net cash balances	5,008	(5,495)	–	(487)
Debt due in less than one year	–	–	(2,640)	(2,640)
Debt due in more than one year	–	–	(2,600)	(2,600)
Non-cash net debt	–	–	(5,240)	(5,240)
<b>Total net funds/(debt)</b>	<b>5,008</b>	<b>(5,495)</b>	<b>(5,240)</b>	<b>(5,727)</b>

During the period the Group issued certain debt instruments as part of the considerations payable for the various subsidiary undertakings acquired (see note 32). The non-cash changes above relate to the issue of these instruments.

	<i>At</i> <i>1 January</i> <i>2004</i> <i>£'000</i>	<i>Cash flows</i> <i>£'000</i>	<i>Non-cash</i> <i>changes</i> <i>£'000</i>	<i>At</i> <i>31 December</i> <i>2004</i> <i>£'000</i>
Cash in hand and at bank	8	5,112	–	5,120
Overdrafts and invoice discounting facilities	(1,026)	914	–	(112)
Net cash balances	(1,018)	6,026	–	5,008
Debt due in less than one year	(94)	94	–	–
Finance leases	(691)	835	(144)	–
Non-cash net debt	(785)	929	(144)	–
<b>Total net funds/(debt)</b>	<b>(1,803)</b>	<b>6,955</b>	<b>(144)</b>	<b>5,008</b>

	<i>At</i> <i>1 January</i> <i>2003</i> <i>£'000</i>	<i>Cash flows</i> <i>£'000</i>	<i>Non-cash</i> <i>changes</i> <i>£'000</i>	<i>At</i> <i>31 December</i> <i>2003</i> <i>£'000</i>
Cash in hand and at bank	12	(4)	–	8
Overdrafts and invoice discounting facilities	(2,949)	1,923	–	(1,026)
Net cash balances	(2,937)	1,919	–	(1,018)
Debt due in less than one year	(178)	84	–	(94)
Finance leases	(923)	1,043	(811)	(691)
Non-cash net debt	(1,101)	1,127	(811)	(785)
<b>Total net funds/(debt)</b>	<b>(4,038)</b>	<b>3,046</b>	<b>(811)</b>	<b>(1,803)</b>

## 26. Related party transactions

At the date of its acquisition by Multi, Global Medics had a balance of approximately £193,000 outstanding from Justyn Randall, the company's managing director, which was unsecured and interest free. This amount remained outstanding at 31 March 2006, and was settled in full as part of the disposal of the entire issued share capital of Global Medics to its original vendors.

## 27. Pensions

The Group operates a defined contribution self-administered pension scheme on behalf of certain executive directors. The scheme has been established for a number of years. In addition, the Group operates a defined contribution Group Personal Pension Plan for all staff employed by the Group for three months or more.

The assets of both schemes are held separately from those of the Group in independently administered funds. The pension costs charge in note 6 represents the contributions payable by the Group to the two schemes for the period. There were no outstanding or prepaid contributions at either the beginning or end of the period.

## 28. Subsequent events

Subsequent to the 15 month period ended 31 March 2006, a circular was sent to shareholders seeking their consent to the sale of the entire issued share capital of Global Medics to that company's original shareholders. Details of this transaction are set out in note 32 to these financial statements.

## 29. Annual commitments under operating leases

	2003	2004	Period ended 31 March 2006
	£'000	£'000	£'000
Operating leases which expire:			
In not more than one year	139	92	2
In more than one year but not more than two years	93	–	–
In two to five years	119	–	124
In more than five years	420	32	37
	<u>771</u>	<u>124</u>	<u>163</u>

### 30. Segmental analysis of turnover, operating profit/(loss) and net assets

*By business segment:*

	<i>Discontinued operations General recruitment £'000</i>	<i>Discontinued operations Hire of plant machinery £'000</i>	<i>Discontinued operations Software sales £'000</i>	<i>Continuing operations Medical recruitment £'000</i>	<i>Total £'000</i>
<b>For the year ended 31 December 2003</b>					
Turnover	–	11,957	2,038	–	13,995
Profit/(loss) on ordinary activities before interest	–	(2,659)	(686)	–	(3,345)
Net assets/(liabilities)	–	3,318	(201)	–	3,117
<b>For the year ended 31 December 2004</b>					
Turnover	–	5,771	(27)	–	5,744
Profit/(loss) on ordinary activities before interest	–	2,743	5	(783)	1,965
Net assets	–	–	–	4,302	4,302
<b>For the 15 months to 31 March 2006</b>					
Turnover	8,497	–	–	7,482	15,979
Loss on ordinary activities before interest	(522)	–	–	(8,982)	(9,504)
Loss on ordinary activities before interest and goodwill impairment	(522)	–	–	(1,106)	(1,628)
Net assets	–	–	–	1,342	1,342

Sales to non-UK customers were not significant in the 15 month period ended 31 March 2006, the year ended 31 December 2004 or the year ended 31 December 2003.

### 31. Deferred consideration

The Group acquired Berry Recruitment Holdings Limited, 1st 4 Locums Limited and Global Medics Limited during the 15 month period ended 31 March 2006. As disclosed in note 32, these acquisitions included deferred consideration, some contingent upon performance criteria, which was to be satisfied by cash, the issue of loan notes or by the issue of shares. The directors' estimates of the potential deferred/ contingent consideration payable were as follows:

	<i>On acquisition £'000</i>	<i>Revised in the period £'000</i>	<i>At 31 March 2006 £'000</i>
Shares to be issued – contingent:			
Berry Recruitment Holdings Limited	1,750	(1,750)	–
1st 4 Locums Limited	700	–	700
Global Medics Limited	2,600	(2,600)	–
	<u>5,050</u>	<u>(4,350)</u>	<u>700</u>
Cash:			
1st 4 Locums Limited – contingent	440	–	440
Global Medics Limited – deferred	500	–	500
	<u>940</u>	<u>–</u>	<u>940</u>
Loan notes to be issued:			
Global Medics Limited – contingent	2,500	(2,500)	–
Total deferred / contingent consideration	<u>8,490</u>	<u>(6,850)</u>	<u>1,640</u>

Part of the above contingent consideration in respect of the acquisition of Berry Recruitment Holdings Limited was dependent on that company achieving certain financial performance targets in the years ended 31 December 2005, 2006 and 2007. These targets were not achieved for 2005 and, as part of the Berry Recruitment Limited disposal agreement, the rights to the remaining future shares to be issued were waived. Therefore the contingent consideration element due in respect of these periods was not been included in the calculation of purchased goodwill as set out in note 32.

The contingent consideration in respect of the acquisition of Global Medics Limited was dependent on that company achieving certain financial performance targets in the year ended 31 May 2007. The directors were of the opinion that the likelihood of these targets being met was remote and therefore this contingent consideration was not included in the calculation of purchased goodwill as set out in note 32.

### 32. Major acquisitions

#### *Berry Recruitment Holdings Limited*

On 30 March 2005 the Group acquired 100 per cent. of the issued share capital of Berry Recruitment Holdings Limited (“Berry”) for a total potential consideration of £2,275,000 satisfied by an initial issue of 15,000,000 ordinary 0.1p shares at 3.5p each and a contingent consideration of potentially 50,000,000 ordinary 0.1p shares at 3.5p. The contingent consideration was dependent on Berry achieving certain agreed financial performance targets in each of the years ended 31 December 2005, 2006 and 2007. As part of the acquisition £676,577, of Berry’s existing long term debt was repaid by Multi Group Plc on completion and the balance, amounting to £1,070,829, was converted to 30,595,114 ordinary 0.1p shares at 3.5p.

### 32. Major acquisitions (continued)

Analysis of the acquisition of Berry:

Net assets at date of acquisition:

	<i>Book and fair value £'000</i>
Tangible fixed assets	127
Debtors	1,469
Cash	5
Bank overdraft	(1,097)
Creditors due within one year	(951)
Creditors due after more than one year	(1,728)
Net liabilities	(2,175)
Goodwill arising on acquisition	3,036
Consideration payable	861
Discharged by:	
Shares issued	525
Costs associated with the acquisition	336
Fair value of consideration payable	861

The contingent consideration has not been included within the above as it was subsequently waived as part of the Berry Recruitment Limited disposal agreement.

The results of the group headed by Berry Recruitment Holdings Ltd prior to its acquisition were as follows:

#### *Profit and loss account*

	<i>16 months to 31 December 2004 £'000</i>	<i>1 January 2005 to 30 March 2005 £'000</i>
Turnover	11,790	2,637
Operating profit/(loss)	(431)	63
Net interest	(159)	(40)
Profit/(loss) on activities before and after tax	(590)	23

There were no material recognised gains or losses in either of the above periods other than the results after taxation.

#### *Cash flows*

The net cash outflows arising from the acquisition of Berry Recruitment Holdings Ltd were as follows:

	<i>£'000</i>
Repayment of long term debt as above	677
Costs associated with the acquisition	336
	1,013
Cash acquired	(5)
Invoice discounting facilities acquired	1,097
Net outflow of cash	2,105

### 32. Major acquisitions (continued)

Since the acquisition, cash flows have been managed on a group basis and therefore it is not practicable to separately disclose the effects on the amounts under the standard cash flow headings.

#### *1st 4 Locums Limited*

On 7 October 2005 the Group acquired 90 per cent. of the issued share capital of 1st 4 Locums Limited for a total potential consideration of £3,600,000 satisfied by an initial cash payment of £2,160,000, an initial issue of 9,887,936 ordinary 0.1p shares at 3p each, a contingent cash consideration of £440,000 and a contingent consideration of shares up to the value of £700,000 at the then market price. The contingent consideration is dependent on 1st 4 Locums Limited achieving certain agreed financial performance targets in the year ending 30 April 2006.

Analysis of the acquisition of 1st 4 Locums Limited:

Net assets at date of acquisition:

	<i>Book and fair value £'000</i>
Tangible fixed assets	29
Debtors	1,018
Cash	36
Invoice discounting facility	(583)
Creditors due within one year	(187)
Net assets	<u>313</u>
Minority interests	(31)
Goodwill arising on acquisition	<u>3,421</u>
Consideration payable	<u>3,703</u>
Discharged by:	
Cash	2,160
Shares issued	300
Contingent cash	440
Shares to be issued (discounted)	700
Costs associated with the acquisition	<u>103</u>
Fair value of consideration payable	<u>3,703</u>

### 32. Major acquisitions (continued)

The results of 1st 4 Locums Ltd prior to its acquisition were as follows:

#### *Profit and loss account*

	<i>Year ended 30 April 2005 £'000</i>	<i>1 May 2005 to 6 October 2005 £'000</i>
Turnover	7,560	3,487
Operating profit	92	143
Net interest	(50)	(36)
	42	107
Taxation	(20)	(32)
Profit after taxation	22	75

The above results include substantial non-recurring costs in relation to the vendors which have ceased since the acquisition of 1st 4 Locums Ltd.

There were no material recognised gains or losses in either of the above periods other than the results after taxation.

#### *Cash flows*

The net outflow of cash arising from the acquisition of 1st 4 Locums Ltd were as follows:

	<i>£'000</i>
Cash consideration as above	2,160
Costs associated with the acquisition	103
Net outflow of cash	2,263
Cash acquired	(36)
Invoice discounting facility acquired	583
Net cash outflow	2,810

Since the acquisition, cash flows have been managed on a group basis and therefore it was not practicable to separately disclose the effects on the amounts under the standard cash flow headings.

#### *Global Medics Limited*

On 16 February 2006 the Group acquired 100 per cent. of the issued share capital of Global Medics Limited for a total potential consideration of £13,700,000 satisfied by initial cash payments of £1,500,000, a deferred cash payment of £500,000, the issue of 160,000,000 ordinary 0.1p shares at 1.875p each, the issue of 2,600,000 convertible redeemable £1 preference shares at par, loan notes of £1,000,000 and contingent consideration comprising 2,600,000 convertible redeemable £1 preference shares and loan notes of £2,500,000. The contingent consideration was dependant on Global achieving certain agreed financial performance targets in the year ending 31 May 2007.

On 28 July 2006, after the period end, the Group issued an announcement that it had become apparent that Global Medics Limited's financial performance was likely to be significantly below the level portrayed to the Group by the original Global shareholders at the time of the acquisition.

### **32. Major acquisitions (continued)**

Having considered in detail the various commercial and legal options available to them, the Board subsequently concluded that it would be in the best interest of the Group if the original Global shareholders were to repurchase the entire issued share capital of Global Medics Limited. Agreement was subsequently reached with the original Global shareholders and a circular has been sent to shareholders seeking their consent for the disposal.

A newly formed company controlled by the original Global shareholders acquired the share capital of Global Medics Limited for a cash consideration of £500,000, of which £350,000 was paid on completion and £150,000 was satisfied by the issue to Multi Group PLC of guaranteed loan notes which are repayable no later than 31 May 2007.

In addition, the original Global shareholders converted the 160,000,000 ordinary shares held by them into Deferred Shares; converted the 2,600,000 of preference shares held by them into Deferred Shares; waived their entitlement to receive the further cash consideration of £500,000; convert the £1,000,000 nominal value loan notes held by them into Deferred Shares; and waived all rights to receive further consideration.

The Deferred Shares had very limited rights rendering them of minimal value and were repurchased by Multi Group PLC for an aggregate consideration of £1 and cancelled.

The commercial reality of the proposed transaction is that the Group will incur a loss comprised of the difference between the cash paid at the time of purchase and the cash received upon disposal, together with the reduction in the market value of the ordinary shares issued to the vendors as a part of the original consideration and the associated transaction costs.

However for accounting purposes, the conversion of the £3 million of ordinary shares, the £2.6 million of preference shares and the capitalisation of the £1 million of loan notes into Deferred Shares and their subsequent repurchase and cancellation by the Company are deemed to be of no intrinsic value to the Group and cannot therefore form part of the disposal proceeds. Thus for accounting purposes the loss on the proposed transaction will amount to some £7.88 million.

As a consequence of the disposal, the carrying value of the investment was written down by £7,876,000 to reflect the value of the consideration received by the Company and the carrying value of the goodwill was impaired by the same amount to reflect the value of the consideration due to be received by the Group.

### 32. Major acquisitions (continued)

Analysis of the acquisition of Global Medics Limited:

Net assets at date of acquisition:

	<i>Book and fair value £'000</i>
Tangible fixed assets	110
Debtors	1,099
Cash	117
Bank overdraft	(272)
Creditors due within one year	(890)
Net assets	<u>164</u>
Goodwill arising on acquisition	8,712
Consideration payable	<u>8,876</u>
Discharged by:	
Cash	1,500
Deferred cash	500
Ordinary shares issued	3,000
Preference shares issued	2,600
Loan notes issued	1,000
Costs associated with the acquisition	276
Total consideration payable	<u>8,876</u>

The contingent consideration has not been included within the above analysis as the directors were of the opinion that the likelihood of this becoming payable was remote.

The results of Global Medics Ltd prior to its acquisition were as follows:

#### *Profit and loss account*

	<i>Year ended 31 May 2005 £'000</i>	<i>1 June 2005 to 15 February 2006 £'000</i>
Turnover	<u>9,319</u>	<u>5,151</u>
Operating profit	1,285	311
Net interest	24	4
	<u>1,309</u>	<u>315</u>
Taxation	(397)	(98)
Profit after taxation	<u>912</u>	<u>217</u>

There were no material recognised gains or losses in either of the above periods other than the results after taxation.

### 32. Major acquisitions (continued)

#### *Cash flows*

The net outflow of cash arising from the acquisition of Global Medics Ltd were as follows:

	<i>£'000</i>
Cash consideration as above	1,500
Costs associated with the acquisition	276
Net outflow of cash	<u>1,776</u>
Cash acquired	(117)
Overdraft acquired	272
	<u>1,931</u>

Since the acquisition, cash flows have been managed on a group basis and therefore it is not practicable to separately disclose the effects on the amounts under the standard cash flow headings.

### 33. Discontinued operations

#### *Berry Recruitment Limited*

On 21 March 2006, the Group disposed of 100 per cent. of the issued share capital of Berry Recruitment Limited for a total consideration of £550,000 satisfied by an initial payment of £300,000 and a deferred cash payment of £250,000.

The details of the disposal are as follows:

	<i>£'000</i>
Cash proceeds	300
Deferred cash	250
	<u>550</u>
Net liabilities disposed of:	
Tangible fixed assets	110
Intangible fixed assets	364
Debtors	1,563
Bank overdraft and invoice discounting facility	(1,012)
Creditors	(1,291)
	<u>816</u>
Cost of disposal	(50)
Unamortised goodwill	(766)
Profit on disposal	<u>-</u>

The net inflow of cash in respect of the sale of Berry Recruitment Limited was £250,000, being the initial cash consideration of £300,000, less the £50,000 of costs incurred.

#### *Global Medics Limited*

On 19 November 2006, the Company entered into a sale agreement to buy the entire issued share capital of Global Medics Limited for £350,000 payable in cash on Completion; and £170,000 to be satisfied by the issue by the original Global shareholders to the Company of loan notes repayable no later than 31 May 2007.

### **33. Discontinued operations (continued)**

In addition the original Global shareholders agreed to convert 160,000,000 Ordinary Shares and 2,600,000 Preference Shares (being the shares issued to the original Global shareholders as part of the consideration for the acquisition of Global Medics Limited) into 2,760,000,000 Deferred Shares; convert the £1,000,000 nominal value loan notes held by them into 1,000,000,000 Deferred Shares; release the Company from its obligation under the Global Medics Limited Acquisition Agreement to pay a further cash sum of £500,000 (together with accrued interest) to the original Global shareholders; and release the Company from all future obligations to pay additional consideration to the original Global shareholders under the terms of the Global Acquisition Agreement.

The Company gave certain warranties to the original Global shareholders in respect of the operation by it of certain back office functions of Global and its subsidiaries (including the operation of PAYE, NI and VAT functions), the borrowings of Global Medics Limited and the creation of encumbrances.

The sale agreement contained a mutual release by the original Global shareholders and the Company of any obligation or claim in respect of the other pursuant to the Global Medics Limited Acquisition Agreement, such that any outstanding or future obligations under the Global Medics Limited Acquisition Agreement shall terminate with effect from Completion.

## Financial Information on Multi

### SECTION B: INTERIM REPORT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2006

Set out below is the entire text of the Company's interim statement of results for the six months ended 30 September 2006, made on 22 December 2006.

#### Chairman's Statement

At the start of the period under review the directors were of the opinion that the acquisitions made to date had created a solid, profitable, cash generative base upon which to continue the development of the Group.

However in July we were obliged to announce to the London Stock Exchange that it had become apparent that the performance of Global Medics, the most recent and the largest acquisition made to date, for the year to March 2007 was likely to be significantly below the level portrayed to the Company by the vendors at the time of the acquisition. The immediacy and scale of the underperformance was such that rather than contributing significantly to the Group's profitability and cash generation as had been anticipated the acquisition instead posed a threat to the ongoing viability of the Group. Consequently the resolution of this situation became the directors' prime focus during the remainder of the period.

Having taken advice and considered the various commercial and legal options open to them the board concluded that the least damaging option was to sell this business back to the original vendors as this would release the Group from what had then become onerous future obligations. This transaction was completed in November and the interim results have been adversely impacted by the losses made by this business during the period as well as by £298k of provisions for certain costs associated with its acquisition and the costs associated with its disposal.

Having become aware of the Global Medics situation the Company was obliged to immediately withdraw from the acquisition of another business. This transaction was at an advanced stage and as a consequence the Company incurred some £52k of costs which have been written off to the profit and loss account in the period.

#### Results for the period

During the six months to 30 September 2006, the Group reported turnover of £7.56 million (2005: £5.98 million) on which it achieved gross profit of £1.82 million or 24.1 per cent. (2005: £1.59 million, 26.6 per cent.). Of this turnover, £4.18 million related to continuing operations on which it achieved gross profit of £1.06 million or 25.4 per cent.

The operating loss, prior to depreciation, amortisation and one off costs incurred during the period amounted to £269k (2005: £556k). The reported loss before taxation was £943k (2005: £778k).

#### FRS 25 Financial Instruments: Disclosure and Presentation

In preparing the unaudited interim accounts the Group has applied the presentational requirements of FRS 25 which it did for the first time in the audited accounts for the fifteen month period to 31 March 2006. The principal impact of this has been for the £2.6 million of preference shares issued to the vendors of Global Medics as a part of the initial consideration to be shown on the Group's balance sheet under the heading of "Creditors: amounts falling due after more than one year" rather than under Capital and Reserves. In addition £700k of contingent consideration payable in equity shares to the vendors of 1st 4 Locums Limited (TLP) has been included within "Creditors: amounts falling due within one year" rather than under Capital and Reserves.

On this basis at 30 September 2006 the Group had net assets of £385k. Without the impact of FRS 25 the net asset position of the Group would have been some £3.3 million higher.

On 12 December agreement was reached with the vendors of TLP regarding their entitlement to receive additional consideration based upon the performance of that business during the 12 months to April 2006. The Company has agreed to pay them additional consideration of £650,000 to be satisfied in full by the issue to them of 65 million new ordinary shares in Multi of 0.1p each at an issue price of 1p per share.

At the same time agreement was reached for Multi to acquire the remaining 10 per cent. of the equity of that company held by them for an aggregate consideration of £50,000 to be satisfied in full by the issue to them of a further 5 million new ordinary shares in Multi of 0.1p each at an issue price of 1p per share.

On 19 December 2006, after the balance sheet date, the Company raised an additional £250,000 of working capital through a placing of 50 million new ordinary shares of 0.1p each with Southwind Ltd at an issue price of 0.5p per share.

The group's balance sheet as at 30 September 2006 is shown after the pro-forma statement of net assets for the Group as at 30 September 2006. This is detailed below and shows the position as it would have been had the disposal of Global Medics, the subscription for shares by Southwind, the settlement of the TLP deferred consideration and the acquisition of the final 10 per cent. of TLP all have taken place by that date.

### **The future**

Having now resolved the principal issues that resulted from the acquisition of Global Medics, the directors' focus is on improving the performance of the Group's remaining businesses, on reducing the central cost base and on building critical mass through further acquisitions which will enable the Group to return to profitability as soon as possible.

### **Oliver Cooke**

Executive Chairman

21 December 2006

### Pro Forma Statement Of The Net Assets Of The Group At 30 September 2006

The pro forma statement set out below has been prepared for illustrative purposes only, to provide information about how the disposal of Global Medics, the subscription for shares by Southwind, the settlement of the TLP deferred consideration and the acquisition of the final 10 per cent. of TLP would have impacted the net assets had they in fact occurred prior to 30 September 2006. Due to the nature of the pro forma statement it may not give the true picture of what the Group's financial position would have been if the post balance sheet events had in fact occurred on 30 September 2006.

	<i>Unaudited net assets as at 30 September 2006 £'000</i>	<i>Impact of post balance sheet events £'000</i>	<i>Unaudited pro forma net assets as at 30 September 2006 £'000</i>
<b>Fixed assets</b>			
Intangible assets	6,164	(1,349)	4,815
Tangible assets	362	(97)	265
	<u>6,526</u>	<u>(1,446)</u>	<u>5,080</u>
<b>Current assets</b>			
Debtors	2,872	(1,158)	1,714
Cash at bank and in hand	250	616	866
	<u>3,122</u>	<u>(542)</u>	<u>2,580</u>
<b>Creditors: amounts falling due within one year</b>	(6,557)	4,033	(2,524)
<b>Net current (liabilities)/assets</b>	(3,435)	3,491	56
<b>Total assets less current liabilities</b>	3,091	2,045	5,136
<b>Creditors: amounts falling due after more than one year</b>	(2,600)	2,600	–
<b>Provisions</b>	(37)	–	(37)
	<u>(2,637)</u>	<u>2,600</u>	<u>(37)</u>
<b>Minority interests</b>	(69)	69	–
<b>Net assets</b>	<u>385</u>	<u>4,714</u>	<u>5,099</u>

#### Notes:

1. The net assets of the Group have been extracted without material adjustment from the unaudited interim report.
2. The pro forma statement of the Group does not reflect the Group's trading or investment activities in the period since 30 September 2006.
3. The pro forma statement has been prepared in accordance with the details set out in note 5 to the interim report.

## Consolidated Profit And Loss Account

For the period ended 30 September 2006

	Six months ended 30 September 2006 (unaudited) £'000	Six months ended 30 September 2005 (unaudited) £'000	Fifteen months ended 31 March 2006 (audited) £'000
Turnover – continuing	4,178	1,885	6,845
– discontinued	3,383	4,090	9,134
	<u>7,561</u>	<u>5,975</u>	<u>15,979</u>
Cost of sales	5,745	4,386	11,957
Gross profit	1,816	1,589	4,022
Selling and distribution costs	1,346	1,270	3,151
Administrative expenses	1,343	1,124	10,375
<b>Operating loss before depreciation, amortisation and goodwill impairment</b>	(269)	(556)	(1,081)
Abortive acquisition and restructuring costs	(350)	(82)	(158)
Depreciation and amortisation	(254)	(167)	(389)
Goodwill impairment	–	–	(7,876)
Operating loss – continuing	(766)	(435)	(8,939)
– discontinued	(107)	(370)	(565)
	<u>(873)</u>	<u>(805)</u>	<u>(9,504)</u>
Interest receivable and similar income	2	77	146
Interest payable and similar charges	(72)	(50)	(121)
<b>Loss on ordinary activities before taxation</b>	(943)	(778)	(9,479)
Taxation	–	–	(5)
<b>Loss on ordinary activities after taxation</b>	(943)	(778)	(9,484)
Minority interests	(14)	–	(23)
<b>Loss for the financial period</b>	<u>(957)</u>	<u>(778)</u>	<u>(9,507)</u>
Loss per share:			
– Basic	3	(0.16)p	(2.75)p
– Diluted	3	(0.16)p	(2.75)p

Recognised gains and losses for the above periods are wholly represented by the above consolidated profit and loss account.

**Consolidated Balance Sheet**

At 30 September 2006

	As at 30 September 2006 (unaudited) £'000	As at 30 September 2005 (unaudited) £'000	As at 31 March 2006 (audited) £'000
<b>Fixed assets</b>			
Intangible assets	6,164	4,937	6,277
Tangible assets	362	270	285
Investments	–	300	–
	<u>6,526</u>	<u>5,507</u>	<u>6,562</u>
<b>Current assets</b>			
Debtors	2,872	2,093	2,778
Cash at bank and in hand	250	2,764	530
	<u>3,122</u>	<u>4,857</u>	<u>3,308</u>
<b>Creditors: amounts falling due within one year</b>	<u>(6,557)</u>	<u>(4,626)</u>	<u>(5,836)</u>
<b>Net current (liabilities)/assets</b>	<u>(3,435)</u>	<u>231</u>	<u>(2,528)</u>
<b>Total assets less current liabilities</b>	<u>3,091</u>	<u>5,738</u>	<u>4,034</u>
<b>Creditors: amounts falling due after more than one year</b>	<u>(2,600)</u>	<u>(700)</u>	<u>(2,600)</u>
<b>Provisions</b>	<u>(37)</u>	<u>(37)</u>	<u>(37)</u>
	454	5,001	1,397
<b>Minority interests</b>	<u>(69)</u>	<u>–</u>	<u>(55)</u>
<b>Net assets</b>	<u>385</u>	<u>5,001</u>	<u>1,342</u>
<b>Capital and reserves</b>			
Called up share capital	585	315	585
Share premium account	5,682	4,650	5,682
Capital redemption reserve	2,276	2,276	2,276
Merger reserve	800	–	800
Profit and loss account	<u>(8,958)</u>	<u>(2,240)</u>	<u>(8,001)</u>
<b>Shareholders' funds</b>	<u>385</u>	<u>5,001</u>	<u>1,342</u>

## Consolidated Cash Flow Statement

For The Period Ended 30 September 2006

	<i>Six months ended 30 September 2006 (unaudited) £'000</i>	<i>Six months ended 30 September 2005 (unaudited) £'000</i>	<i>Fifteen months ended 31 March 2006 (audited) £'000</i>
<b>Reconciliation of operating loss to net cash outflow from operating activities</b>			
Operating loss	(873)	(805)	(9,504)
Depreciation and amortisation charges	254	167	389
Loss on disposal of fixed assets	–	–	2
Goodwill impairment	–	–	7,876
Increase in debtors	(93)	(266)	(87)
Increase in creditors	389	(256)	352
<b>Net cash outflow from operating activities</b>	<b>(323)</b>	<b>(1,160)</b>	<b>(972)</b>
<b>Returns on investments and servicing of finance</b>	<b>(70)</b>	<b>27</b>	<b>25</b>
<b>Taxation paid</b>	<b>(208)</b>	<b>–</b>	<b>(176)</b>
<b>Capital expenditure</b>	<b>(132)</b>	<b>(386)</b>	<b>(136)</b>
<b>Acquisitions and disposals</b>	<b>(86)</b>	<b>(386)</b>	<b>(5,887)</b>
<b>Cash outflow before financing</b>	<b>(819)</b>	<b>(1,905)</b>	<b>(7,146)</b>
<b>Financing</b>	<b>9</b>	<b>(3)</b>	<b>1,651</b>
<b>Decrease in cash in the period</b>	<b>(810)</b>	<b>(1,908)</b>	<b>(5,495)</b>
<b>Reconciliation of net cash outflow to (increase)/decrease in net debt</b>			
Decrease in cash in the period	(810)	(1,908)	(5,495)
Cash outflow from decrease in debt and lease financing	–	3	–
Change in net debt resulting from cash flows	(810)	(1,905)	(5,495)
Debt issued on acquisition	–	–	(5,240)
New finance leases	(9)	–	–
Movement in net debt	(819)	(1,905)	(10,735)
Net (debt)/funds at start of the period	(5,727)	2,985	5,008
<b>Net (debt)/funds at end of period</b>	<b>(6,546)</b>	<b>1,080</b>	<b>(5,727)</b>

## Notes Forming Part Of The Financial Information

For The Period Ended 30 September 2006

### 1 Accounting periods

The accounting reference date of the Group is 31 March. The current interim results are for the six months ended 30 September 2006. The comparative period's results are for the fifteen months ended 31 March 2006. The comparative interim results are for the six months ended 30 September 2005.

The financial information for the periods ended 30 September 2006 and 30 September 2005 are unaudited. The comparatives for the fifteen months ended 31 March 2006 are not the full statutory accounts for that period. A copy of the statutory accounts for that period has been delivered to the Registrar of Companies. The auditors' report on those accounts was unqualified and did not contain a statement under section 237(2)-(3) of the Companies Act 1985.

### 2 Financial information

The interim financial information for the six months ended 30 September 2006 does not constitute statutory accounts as defined in Section 240 of the Companies Act 1985. The interim financial information has been prepared on the basis of the accounting policies set out in the Annual Report for the period ended 31 March 2006, with the exception of:

Share options – The Group has adopted FRS 20 “Share based payment” during the period. FRS 20 requires share based payments to be fair valued at the date of grant and charged to the profit and loss account over the vesting period of the option. In accordance with the transitional provisions of FRS 20, the standard was applied retrospectively to all grants of share options after 7 November 2002 that had not vested by 1 April 2006, being the 500,000 of share options granted on 8 November 2004. Having performed the necessary calculations, in the opinion of the directors, the charge required in respect of options granted by the company is not material and thus no adjustment has been made.

### 3 Loss per share

The calculation of loss per share for the period ended 30 September 2006 is based on a loss after taxation and minority interests of £957,000 (2005 interim: loss of £778,000, 2006 final: loss of £9,507,000).

The calculation of the loss per share for each period is based on a weighted average number of shares in issue during that period of:

	<i>Basic</i>	<i>Dilutive effect of potential shares</i>	<i>Diluted</i>
30 September 2006	584,704,820	–	584,704,820
30 September 2005	314,816,884	–	314,816,884
31 March 2006	345,698,375	–	345,698,375

Additional disclosure is given below in respect of basic loss per share before depreciation, amortisation and goodwill impairment, as the directors believe this gives a more accurate presentation of maintainable earnings.

	<i>Six months ended 30 September 2006 (unaudited) Pence</i>	<i>Six months ended 30 September 2005 (unaudited) Pence</i>	<i>Fifteen months ended 31 March 2006 (audited) Pence</i>
Basic and diluted loss per share	(0.16)	(0.25)	(2.75)
Depreciation, amortisation and goodwill impairment	0.04	0.06	2.39
Basic and diluted loss per share before depreciation, amortisation and goodwill impairment	<u>(0.12)</u>	<u>(0.19)</u>	<u>(0.36)</u>

#### **4 Post balance sheet events**

On 14 November 2006, the Company completed the sale of the entire issued share capital of Global Medics Limited to that company's original shareholders. Under the terms of the sale, Multi will receive cash consideration of £520,000, of which £350,000 was received on completion and a further £170,000 is receivable on or before 31 May 2007. In addition, as part of the terms of the sale, the original shareholders of Global Medics:

- waived their entitlement to receive further cash consideration of £500,000 due to them under the original acquisition agreement;
- converted their 160,000,000 ordinary shares of 0.1p each in Multi into deferred shares;
- converted their 2,600,000 of convertible redeemable preference shares of £1 each in Multi into deferred shares;
- converted their £1,000,000 nominal value loan notes issued by Multi into deferred shares;
- waived all rights to further consideration and all other rights against the Company resulting from the original acquisition of Global Medics Limited.

Immediately following completion, the Company bought back all of the deferred shares then held by the original shareholders of Global Medics for an aggregate consideration of £1. These shares were then cancelled.

On 12 December the Company agreed to pay £650k to the vendors of TLP in settlement of all contingent performance related consideration due to them. This was settled by the issue to them of 65 million new ordinary shares of 0.1 pence each at an issue price of 1 pence per share.

Also on 12 December the Company also agreed to acquire the remaining 10 per cent. of TLP's equity held by the original vendors for a consideration of £50k. This was settled by the issue to them of a further 5 million new ordinary shares of 0.1 pence each at an issue price of 1 pence per share.

On 19 December the Company raised an additional £250,000 of working capital through a placing to Southwind Limited of 50 million new ordinary shares in the Company of 0.1 pence each at an issue price of 0.50 pence per share.

#### ***Independent review report***

##### ***Introduction***

We have been instructed by the company to review the financial information for the six month period ended 30 September 2006 which comprises the consolidated profit and loss account, the consolidated balance sheet, the consolidated cash flow statement and the related notes. We have read the other information contained in the interim report and considered whether it contains any apparent misstatements or material inconsistencies with the financial information.

Our report has been prepared in accordance with the terms of our engagement to assist the company in meeting the requirements of the rules of the London Stock Exchange for companies trading securities on the Alternative Investment Market and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of our terms of engagement or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

##### ***Directors' responsibilities***

The interim report, including the financial information contained therein, is the responsibility of, and has been approved by the directors. The directors are responsible for preparing the interim report in accordance with the rules of the London Stock Exchange for companies trading securities on the Alternative Investment Market which require that the half-yearly report be presented and prepared in a form consistent with that

which will be adopted in the company's annual accounts having regard to the accounting standards applicable to such annual accounts.

*Review work performed*

We conducted our review in accordance with guidance contained in Bulletin 1999/4 issued by the Auditing Practices Board for use in the United Kingdom by auditors of fully listed companies. A review consists principally of making enquiries of group management and applying analytical procedures to the financial information and underlying financial data and based thereon, assessing whether the accounting policies and presentation have been consistently applied unless otherwise disclosed. A review excludes audit procedures such as tests of controls and verification of assets, liabilities and transactions. It is substantially less in scope than an audit performed in accordance with International Standards on Auditing (UK and Ireland) and therefore provides a lower level of assurance than an audit. Accordingly we do not express an audit opinion on the financial information.

*Review conclusion*

On the basis of our review we are not aware of any material modifications that should be made to the financial information as presented for the six month period ended 30 September 2006.

**BDO Stoy Hayward LLP**

Chartered Accountants

Epsom, Surrey

21 December 2006

## PART IV

### Section A – Accountant’s Report on Dream



**BDO Stoy Hayward LLP**  
Chartered Accountants

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East Street  
Epsom Surrey KT17 1HS

The Directors and Proposed Directors  
Multi Group Plc  
Christopher Wren Yard  
117 High Street  
Croydon  
CR0 1QG

15 May 2007

The Directors  
Blue Oar Securities Plc  
30 Old Broad Street  
London  
EC2N 1HT

Dear Sirs

#### **Dream Group Limited (“Dream”)**

##### **Introduction**

We report on the financial information set out in Section B of Part IV. This financial information has been prepared for inclusion in the admission document dated 15 May 2007 of Multi Group plc (the “Company”) (the “Admission Document”) on the basis of the accounting policies set out in note 1 to the financial information. This report is required by paragraph (a) of Schedule Two of the AIM Rules for Companies and is given for the purpose of complying with that paragraph and for no other purpose.

##### **Responsibilities**

As described in Section B of Part IV, the directors of the Company are responsible for preparing the financial information on the basis of preparation set out in note 1 to the financial information and in accordance with applicable law and United Kingdom Accounting Standards (“United Kingdom Generally Accepted Accounting Practice”).

It is our responsibility to form an opinion on the financial information as to whether the financial information gives a true and fair view, for the purposes of the Admission Document, and to report our opinion to you.

Save for any responsibility arising under paragraph (a) of Schedule Two of the AIM Rules for Companies to any person as and to the extent there provided, to the fullest extent permitted by the law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Schedule Two of the AIM Rules for Companies consenting to its inclusion in the Admission Document.

##### **Basis of opinion**

We conducted our work in accordance with Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of significant estimates and judgements made by those responsible for the preparation of the financial information and whether the

accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement whether caused by fraud or other irregularity or error.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in the United States of America or other jurisdictions and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

### **Opinion**

In our opinion, the financial information gives, for the purposes of the Admission Document, a true and fair view of the state of affairs of Dream as at the dates stated and of its results, cash flows for the periods then ended in accordance with the basis of preparation set out in note 1 to the financial information and has been prepared in accordance with applicable United Kingdom Generally Accepted Accounting Practice as described in note 1 to the financial information.

### **Declaration**

For the purposes of Paragraph (a) of Schedule Two of the AIM Rules for Companies we are responsible for this report as part of the Admission Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Admission Document in compliance with Schedule Two of the AIM Rules for Companies.

Yours faithfully

**BDO Stoy Hayward LLP**

## Section B – Financial information on Dream

### Responsibility

The directors of the Company are responsible for preparing the financial information set out below on the basis of preparation set out in note 1 to the financial information and in accordance with applicable law and United Kingdom Accounting Standards (“United Kingdom Generally Accepted Accounting Practice” or “UK GAAP”).

### Profit and loss accounts

		<i>Year ended</i> <i>31 March</i>	<i>Ten months</i> <i>ended</i> <i>31 January</i>	<i>Year ended</i> <i>31 January</i>	<i>Year ended</i> <i>31 January</i>
	<i>Notes</i>	<i>2004</i> <i>£'000</i>	<i>2005</i> <i>£'000</i>	<i>2006</i> <i>£'000</i>	<i>2007</i> <i>£'000</i>
<b>Turnover</b>	2	–	–	8,279	8,144
Cost of sales		–	–	(5,879)	(5,866)
<b>Gross profit</b>		–	–	2,400	2,278
Administrative expenses		(2)	(2)	(2,022)	(2,414)
Other operating income	3	–	–	145	170
<b>Operating (loss)/profit</b>	4	(2)	(2)	523	34
Amounts written off	7	(1,076)	(1,000)	–	–
Interest receivable		–	–	3	5
Interest payable and similar charges	8	(75)	(151)	(261)	(285)
<b>(Loss)/profit on ordinary activities before taxation</b>		(1,153)	(1,153)	265	(246)
Tax on (loss)/profit from ordinary activities	9	–	–	(1)	–
<b>(Loss)/profit for the financial period</b>	22	(1,153)	(1,153)	264	(246)

All of the activities of Dream are classed as continuing.

### Statement of total recognised gains and losses

		<i>Year ended</i> <i>31 March</i>	<i>Ten months</i> <i>ended</i> <i>31 January</i>	<i>Year ended</i> <i>31 January</i>	<i>Year ended</i> <i>31 January</i>
	<i>Notes</i>	<i>2004</i> <i>£'000</i>	<i>2005</i> <i>£'000</i>	<i>2006</i> <i>£'000</i>	<i>2007</i> <i>£'000</i>
Total gains and losses for the financial period		(1,153)	(1,153)	264	(246)

**Balance sheets**

		<i>As at</i>	<i>As at</i>	<i>As at</i>	<i>As at</i>
		<i>31 March</i>	<i>31 January</i>	<i>31 January</i>	<i>31 January</i>
		<i>2004</i>	<i>2005</i>	<i>2006</i>	<i>2007</i>
	<i>Notes</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
<b>Fixed assets</b>					
Intangible assets	10	-	-	694	692
Tangible assets	11	-	-	241	191
Investments	12	-	-	-	-
		<u>-</u>	<u>-</u>	<u>935</u>	<u>883</u>
<b>Current assets</b>					
Debtors	13	-	-	1,726	1,277
Cash in hand		-	-	1	-
		<u>-</u>	<u>-</u>	<u>1,727</u>	<u>1,277</u>
<b>Creditors: amounts falling due within one year</b>	14	<u>(2)</u>	<u>(532)</u>	<u>(2,797)</u>	<u>(3,835)</u>
<b>Net current liabilities</b>		<u>(2)</u>	<u>(532)</u>	<u>(1,070)</u>	<u>(2,558)</u>
<b>Total assets less current liabilities</b>		<u>(2)</u>	<u>(532)</u>	<u>(135)</u>	<u>(1,675)</u>
<b>Creditors: amounts falling due after more than one year</b>	15	(1,159)	(1,782)	(1,914)	(620)
<b>Provisions for liabilities</b>					
Deferred taxation	16	-	-	(1)	(1)
		<u>(1,161)</u>	<u>(2,314)</u>	<u>(2,050)</u>	<u>(2,296)</u>
<b>Capital and reserves</b>					
Called up share capital	22	-	-	-	-
Profit and loss account	23	(1,161)	(2,314)	(2,050)	(2,296)
<b>Shareholders' deficit</b>	24	<u>(1,161)</u>	<u>(2,314)</u>	<u>(2,050)</u>	<u>(2,296)</u>

## Cash flow statements

		<i>Year ended</i>	<i>Ten months</i>	<i>Year ended</i>	<i>Year ended</i>
		<i>31 March</i>	<i>ended</i>	<i>31 January</i>	<i>31 January</i>
		<i>2004</i>	<i>31 January</i>	<i>2006</i>	<i>2007</i>
	<i>Notes</i>	<i>£'000</i>	<i>2005</i>	<i>£'000</i>	<i>£'000</i>
			<i>£'000</i>		
Net cash (outflow)/inflow from operating activities	25	–	(1,000)	(364)	932
Returns on investments and servicing of finance	25	–	–	(154)	(147)
Capital expenditure and financial investment	25	–	–	(1,010)	(10)
Cash (outflow)/inflow before financing	25	–	(1,000)	(1,528)	775
Financing	25	–	1,000	350	(350)
(Decrease)/increase in cash	25	–	–	(1,178)	425

## NOTES TO THE FINANCIAL INFORMATION

### 1. Accounting policies

#### *Basis of preparation of financial information*

The financial information has been prepared under the historical cost convention, modified to include the revaluation of financial instruments and is in accordance with applicable accounting standards, subject to the departures referred to below.

A former trading subsidiary of Dream, Dream Recruitment Limited, went into voluntary creditors' liquidation on 22 February 2005 before accounts had been prepared for either the year ended 31 March 2004 or the subsequent financial period ended 31 January 2005. Insufficient accounting records were retained to enable financial information to be prepared relating to this business for those periods. Therefore consolidated financial information below for the year ended 31 March 2004 and the 10 months ended 31 January 2005 has not been prepared.

In the year ended 31 March 2004 and the ten months ended 31 January 2005, in preparing the statutory financial statements of Dream, the directors of Dream took advantage of the exemption provided by Section 248 of the Companies Act 1985 not to prepare group accounts and therefore the results of its trading subsidiary, Dream Recruitment Limited, were not consolidated in the statutory financial statements.

Dream acquired the business and trading assets of its subsidiary, Dream Recruitment Limited on 7 February 2005, and the results of that business for the two years ended 31 January 2007 are therefore included in the Dream financial information below.

#### *Turnover*

The turnover shown in the profit and loss accounts represents amounts invoiced for the provision of services to customers during the financial periods, exclusive of Value Added Tax. Income from permanent placements is recognised at the point of acceptance by both parties when the Company's contractual obligations have been fulfilled.

#### *Goodwill*

On acquisition of a business, the fair value of the consideration is allocated between the identifiable net tangible and intangible assets/liabilities on a fair value basis, with any excess consideration representing goodwill.

The directors consider that the remaining goodwill of the company currently has an indefinite economic life because of the brand name. The carrying value of these intangible assets will continue to be reviewed annually for impairment and reduced to the recoverable amount if required.

The financial information departs from the specific requirement of companies legislation to amortise goodwill over a finite period in order to give a true and fair view. The directors consider this to be necessary for the reasons given above.

In estimating the useful economic life of goodwill, account is taken of the nature of the business acquired, the stability of the industry in which it operates, the extent of continuing barriers to market entry and the expected future impact of competition.

#### *Amortisation*

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Trademarks                    –     5 years

#### *Fixed assets*

All fixed assets are initially recorded at cost.

### ***Depreciation***

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Fixtures and fittings	–	25% on cost
Motor vehicles	–	25% on cost
Equipment	–	33% on cost

### ***Operating lease agreements***

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

### ***Pension costs***

Dream operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

### ***Invoice discounting***

Dream operates invoice discounting facilities on its trade debtors. Advances of up to 95 per cent. of the agreed balances can be drawn down in advance, to a maximum of £1.2 million. Interest is payable at varying commercial rates on balances drawn.

### ***Deferred taxation***

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluations (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

### ***Financial instruments***

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

### ***Investments***

All investments are initially recorded at cost, being the fair value of the consideration given and including acquisition costs associated with the investment less any provision for impairment.

***Trade and other debtors***

Trade and other debtors are recognised and carried forward at invoices amounts less provisions for any doubtful debts. Bad debts are written off when identified.

***Cash and cash equivalents***

Cash and cash equivalents are included in the balance sheet at cost. Cash and cash equivalents comprise cash at bank and in hand and short term deposits with an original maturity of three months or less.

***Loans and borrowings***

All loans and borrowings are recognised initially at cost, which is the fair value of the consideration received, net of issue costs associated with the borrowing.

Finance costs are charged to the profit over the term of the debt so that the amount charged is at a constant rate on the carrying amount. Finance costs include issue costs, which are initially recognised as a reduction in the proceeds of the associated capital instrument.

## 2. Turnover

The turnover and (loss)/profit before tax are attributable to the principal activity, the provision of permanent and temporary staff, of Dream. An analysis of turnover is given below:

	<i>Year ended</i>	<i>Ten months</i>	<i>Year ended</i>	<i>Year ended</i>
	<i>31 March</i>	<i>ended</i>	<i>31 January</i>	<i>31 January</i>
	<i>2004</i>	<i>31 January</i>	<i>2006</i>	<i>2007</i>
	<i>£'000</i>	<i>2005</i>	<i>£'000</i>	<i>£'000</i>
		<i>£'000</i>		
Education	–	–	3,815	4,004
Policing	–	–	2,070	2,312
Healthcare	–	–	2,394	1,828
	<u>–</u>	<u>–</u>	<u>8,279</u>	<u>8,144</u>

All its turnover arose in the United Kingdom

## 3. Other operating income

	<i>Year ended</i>	<i>Ten months</i>	<i>Year ended</i>	<i>Year ended</i>
	<i>31 March</i>	<i>ended</i>	<i>31 January</i>	<i>31 January</i>
	<i>2004</i>	<i>31 January</i>	<i>2006</i>	<i>2007</i>
	<i>£'000</i>	<i>2005</i>	<i>£'000</i>	<i>£'000</i>
		<i>£'000</i>		
Management charges receivable	–	–	145	170
	<u>–</u>	<u>–</u>	<u>145</u>	<u>170</u>

## 4. Operating (loss)/profit

Operating (loss)/profit is stated after charging:

	<i>Year ended</i>	<i>Ten months</i>	<i>Year ended</i>	<i>Year ended</i>
	<i>31 March</i>	<i>ended</i>	<i>31 January</i>	<i>31 January</i>
	<i>2004</i>	<i>31 January</i>	<i>2006</i>	<i>2007</i>
	<i>£'000</i>	<i>2005</i>	<i>£'000</i>	<i>£'000</i>
		<i>£'000</i>		
Amortisation	–	–	1	2
Depreciation of owned fixed assets	–	–	71	60
Exceptional items – due diligence costs	–	–	–	64
Exceptional items – Police division development costs	–	–	–	233
Loss on disposal of fixed assets	–	–	3	–
Auditors' remuneration:				
– as auditor	2	2	15	12
Operating lease costs:				
– other	–	–	90	89
	<u>–</u>	<u>–</u>	<u>90</u>	<u>89</u>

## 5. Particulars of employees

The average number of staff employed by Dream during the financial periods amounted to:

	<i>Year ended 31 March 2004 Number</i>	<i>Ten months ended 31 January 2005 Number</i>	<i>Year ended 31 January 2006 Number</i>	<i>Year ended 31 January 2007 Number</i>
Contract staff	–	–	57	30
Other staff	–	–	37	32
	<u>–</u>	<u>–</u>	<u>94</u>	<u>62</u>

The aggregate payroll costs of the above were:

	<i>Year ended 31 March 2004 £'000</i>	<i>Ten months ended 31 January 2005 £'000</i>	<i>Year ended 31 January 2006 £'000</i>	<i>Year ended 31 January 2007 £'000</i>
Wages and salaries	–	–	1,266	1,325
Social security costs	–	–	118	151
Pension costs	–	–	9	13
	<u>–</u>	<u>–</u>	<u>1,393</u>	<u>1,489</u>

## 6. Directors' emoluments

	<i>Year ended 31 March 2004 £'000</i>	<i>Ten months ended 31 January 2005 £'000</i>	<i>Year ended 31 January 2006 £'000</i>	<i>Year ended 31 January 2007 £'000</i>
Emoluments receivable	–	–	254	342
Value of company pension contributions to money purchase schemes	–	–	9	9
	<u>–</u>	<u>–</u>	<u>263</u>	<u>351</u>

## 6. Directors' emoluments (continued)

### Emoluments of highest paid director

	<i>Year ended 31 March 2004 £'000</i>	<i>Ten months ended 31 January 2005 £'000</i>	<i>Year ended 31 January 2006 £'000</i>	<i>Year ended 31 January 2007 £'000</i>
Total emoluments (excluding pension contributions)	–	–	151	218
Value of company pension contributions to money purchase schemes	–	–	5	5
	<u>–</u>	<u>–</u>	<u>156</u>	<u>223</u>

The number of directors who accrued benefits under company pension schemes was as follows:

	<i>Year ended 31 March 2004 Number</i>	<i>Ten months ended 31 January 2005 Number</i>	<i>Year ended 31 January 2006 Number</i>	<i>Year ended 31 January 2007 Number</i>
Money purchase schemes	–	–	2	2

## 7. Amounts written off

	<i>Year ended 31 March 2004 £'000</i>	<i>Ten months ended 31 January 2005 £'000</i>	<i>Year ended 31 January 2006 £'000</i>	<i>Year ended 31 January 2007 £'000</i>
Inter-company write down	1,007	1,000	–	–
Amounts written off investments	69	–	–	–
	<u>1,076</u>	<u>1,000</u>	<u>–</u>	<u>–</u>

## 8. Interest payable and similar charges

	<i>Year ended 31 March 2004 £'000</i>	<i>Ten months ended 31 January 2005 £'000</i>	<i>Year ended 31 January 2006 £'000</i>	<i>Year ended 31 January 2007 £'000</i>
Interest payable on bank borrowing	–	–	17	39
Loan interest	75	151	225	201
Factoring interest	–	–	19	45
	<u>75</u>	<u>151</u>	<u>261</u>	<u>285</u>

## 9. Taxation on ordinary activities

### Analysis of charge in the period

	<i>Year ended</i> <i>31 March</i> <i>2004</i> <i>£'000</i>	<i>Ten months</i> <i>ended</i> <i>31 January</i> <i>2005</i> <i>£'000</i>	<i>Year ended</i> <i>31 January</i> <i>2006</i> <i>£'000</i>	<i>Year ended</i> <i>31 January</i> <i>2007</i> <i>£'000</i>
UK Corporation tax	-	-	-	-
Deferred tax:				
Origination and reversal of timing differences	-	-	1	-
	<u>-</u>	<u>-</u>	<u>1</u>	<u>-</u>

### Factors affecting current tax charge

The tax assessed on the (loss)/profit on ordinary activities for the financial period is higher (2006: lower; 2005: higher; 2004: higher) than the standard rate of corporation tax in the UK of 19 per cent. (2006: 30 per cent.; 2005: 30 per cent.; 2004: 30 per cent.).

	<i>Year ended</i> <i>31 March</i> <i>2004</i> <i>£'000</i>	<i>Ten months</i> <i>ended</i> <i>31 January</i> <i>2005</i> <i>£'000</i>	<i>Year ended</i> <i>31 January</i> <i>2006</i> <i>£'000</i>	<i>Year ended</i> <i>31 January</i> <i>2007</i> <i>£'000</i>
(Loss)/profit on ordinary activities before taxation	(1,153)	(1,153)	265	(246)
Tax on (loss)/profit on ordinary activities	(346)	(346)	80	(47)
Expenses not deductible for tax	323	300	18	11
Depreciation for period in excess of capital allowances	-	-	(1)	-
Interest receivable taxable under other schedules	-	-	(1)	1
Tax losses utilised	-	-	(115)	(1)
Tax losses carried forward	30	43	-	36
Other timing differences	(7)	3	19	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

The company has utilised tax losses transferred from Dream Recruitment Limited, a former subsidiary which went into liquidation. These losses which have been utilised against taxable profits are subject to agreement by HM Revenue and Customs.

**10. Intangible fixed assets**

	<i>Goodwill</i> <i>£'000</i>	<i>Trademarks</i> <i>£'000</i>	<i>Total</i> <i>£'000</i>
<b>Cost</b>			
As at 1 April 2003, 31 January 2004 and 31 January 2005	-	-	-
Additions	690	5	695
<b>As at 31 January 2006</b>	<u>690</u>	<u>5</u>	<u>695</u>
Additions	-	1	1
<b>As at 31 January 2007</b>	<u>690</u>	<u>6</u>	<u>696</u>
<b>Amortisation</b>			
As at 1 April 2003, 31 January 2004 and 31 January 2005	-	-	-
Charge for the year	-	1	1
<b>As at 31 January 2006</b>	<u>-</u>	<u>1</u>	<u>1</u>
Provided for the year	-	3	3
<b>As at 31 January 2007</b>	<u>-</u>	<u>4</u>	<u>4</u>
<b>Net book value</b>			
As at 1 April 2003, 31 March 2004 and 31 January 2005	-	-	-
As at 31 January 2006	<u>690</u>	<u>4</u>	<u>694</u>
As at 31 January 2007	<u>690</u>	<u>2</u>	<u>692</u>

## 11. Tangible assets

	<i>Fixtures and fittings</i> £'000	<i>Motor vehicles</i> £'000	<i>Equipment</i> £'000	<i>Total</i> £'000
<b>Cost</b>				
As at 1 April 2003	50	–	229	279
Additions	–	–	–	–
<b>As at 31 March 2004</b>	<b>50</b>	<b>–</b>	<b>229</b>	<b>279</b>
Additions	–	–	–	–
<b>As at 31 January 2005</b>	<b>50</b>	<b>–</b>	<b>229</b>	<b>279</b>
Additions	34	138	155	327
Disposals	–	(15)	–	(15)
<b>As at 31 January 2006</b>	<b>84</b>	<b>123</b>	<b>384</b>	<b>591</b>
Additions	2	–	38	40
Disposals	–	(43)	–	(43)
<b>As at 31 January 2007</b>	<b>86</b>	<b>80</b>	<b>422</b>	<b>588</b>
<b>Depreciation</b>				
As at 1 April 2003	50	–	229	279
Provided for the period	–	–	–	–
<b>As at 31 March 2004</b>	<b>50</b>	<b>–</b>	<b>229</b>	<b>279</b>
Provided for the period	–	–	–	–
<b>As at 31 January 2005</b>	<b>50</b>	<b>–</b>	<b>229</b>	<b>279</b>
Charge for the year	9	14	48	71
<b>As at 31 January 2006</b>	<b>59</b>	<b>14</b>	<b>277</b>	<b>350</b>
Provided for the period	7	21	32	60
Disposals	–	(13)	–	(13)
<b>As at 31 January 2007</b>	<b>66</b>	<b>22</b>	<b>309</b>	<b>397</b>
<b>Net book value</b>				
As at 1 April 2003	–	–	–	–
As at 31 March 2004	–	–	–	–
As at 31 January 2005	–	–	–	–
As at 31 January 2006	25	109	107	241
As at 31 January 2007	20	58	113	191

## 12. Investments

	£'000
<b>Cost</b>	
As at 1 April 2003	69
Additions	–
<b>As at 31 March 2004, 31 January 2005</b>	<u>69</u>
Disposal	(69)
<b>As at 31 January 2006 and 31 January 2007</b>	<u>–</u>
<b>Amounts written off</b>	
As at 1 April 2003	–
Charge for the year	69
<b>As at 31 March 2004, 31 January 2005</b>	<u>69</u>
Disposal	(69)
<b>As at 31 January 2006 and 31 January 2007</b>	<u>–</u>
<b>Net book value</b>	
As at 1 April 2003	69
<b>As at 31 March 2004, 31 January 2005, 31 January 2006 and 31 January 2007</b>	<u>–</u>

Dream owned 100 per cent. of the issued share capital of the companies listed below:

<i>Name</i>	<i>Principal activity</i>	<i>31 March 2004</i>	<i>31 January 2005</i>	<i>31 January 2006</i>	<i>31 January 2007</i>
		£'000	£'000	£'000	£'000
<b>Aggregate capital and reserves</b>					
<b>Dream Recruitment Limited</b>					
Dream Recruitment Limited	Recruitment services	*	*	*	*
Dream IT (UK) Limited	Dormant	–	–	–	–
Private IT Limited	Dormant	–	–	–	–
<b>Profit and (loss) for the year</b>					
Dream Recruitment Limited		*	*	*	*
Dream IT (UK) Limited		–	–	–	–
Private IT Limited		–	–	–	–

\* Dream Recruitment Limited went into voluntary creditors' liquidation in the year ended 31 January 2006. As explained in note 1, no financial information is available for these periods.

## 13. Debtors

	<i>As at 31 March 2004</i>	<i>As at 31 January 2005</i>	<i>As at 31 January 2006</i>	<i>As at 31 January 2007</i>
	£'000	£'000	£'000	£'000
Trade debtors	–	–	1,203	1,057
Other debtors	–	–	450	2
VAT recoverable	–	–	–	140
Prepayments and accrued income	–	–	73	78
	<u>–</u>	<u>–</u>	<u>1,726</u>	<u>1,277</u>

#### 14. Creditors: amounts falling due within one year

	<i>As at</i> <i>31 March</i> <i>2004</i> <i>£'000</i>	<i>As at</i> <i>31 January</i> <i>2005</i> <i>£'000</i>	<i>As at</i> <i>31 January</i> <i>2006</i> <i>£'000</i>	<i>As at</i> <i>31 January</i> <i>2007</i> <i>£'000</i>
Bank loans and overdrafts	–	–	1,179	753
Trade creditors	–	–	10	56
Other taxation and social security	–	–	220	294
Other creditors	–	500	1,272	2,613
	–	500	2,681	3,716
Accruals and deferred income	2	32	116	119
	<u>2</u>	<u>532</u>	<u>2,797</u>	<u>3,835</u>

Included in accruals is an amount of £79,500 relating to bonuses due to directors.

#### *Analysis of other creditors:*

	<i>As at</i> <i>31 March</i> <i>2004</i> <i>£'000</i>	<i>As at</i> <i>31 January</i> <i>2005</i> <i>£'000</i>	<i>As at</i> <i>31 January</i> <i>2006</i> <i>£'000</i>	<i>As at</i> <i>31 January</i> <i>2007</i> <i>£'000</i>
Eurofactor (UK) Limited factoring agreement	–	–	416	676
Retro Grand Limited – loan	–	500	850	500
Seraffina Holdings Limited – discounted bond	–	–	–	1,427
Other creditors	–	–	6	10
	–	500	1,272	2,613

The bank overdraft is secured over the assets of the company.

The Eurofactor (UK) Limited factoring arrangement is secured over the assets of the company.

The loan from Retro Grand Limited is due for redemption on 24 July 2007. The loan is secured by a fixed and floating charge over the assets of the company and interest is charged at 3 per cent. above the base rate at National Westminster Bank plc.

The discounted bond issued by Seraffina Holdings Limited has a redemption value of £1,472,300 and is due for redemption on 24 July 2007. It was issued at a par value of £1,025,000. The bond is secured by way of a floating charge over the assets of the company.

The loan and the bond are to be converted into fully paid ordinary shares in Dream prior to completion of the Acquisition, pursuant to the agreement referred to in note 21.

	<i>As at</i> <i>31 March</i> <i>2004</i> <i>£'000</i>	<i>As at</i> <i>31 January</i> <i>2005</i> <i>£'000</i>	<i>As at</i> <i>31 January</i> <i>2006</i> <i>£'000</i>	<i>As at</i> <i>31 January</i> <i>2007</i> <i>£'000</i>
Debenture loans	–	500	850	1,927
Bank loans and overdrafts	–	–	1,179	753
	–	500	2,029	2,680

## 15. Creditors: amounts falling due after more than one year

	<i>As at</i> <i>31 March</i> <i>2004</i> <i>£'000</i>	<i>As at</i> <i>31 January</i> <i>2005</i> <i>£'000</i>	<i>As at</i> <i>31 January</i> <i>2006</i> <i>£'000</i>	<i>As at</i> <i>31 January</i> <i>2007</i> <i>£'000</i>
Other creditors:				
Between two and five years	1,159	1,782	1,914	620
	<u>1,159</u>	<u>1,782</u>	<u>1,914</u>	<u>620</u>

Other creditors represent a discounted bond of £619,798 with a redemption value of £717,815 and is due for redemption on 29 April 2009 from Seraffina Holdings Limited secured on the assets of the company. The bond is secured by way of a floating charge over the assets of the company. The bond is to be converted into fully paid ordinary shares in Dream prior to completion of the Acquisition, pursuant to the agreement referred to in note 21.

## 16. Deferred taxation

The movements in deferred taxation provision during the financial periods were:

	<i>As at</i> <i>31 March</i> <i>2004</i> <i>£'000</i>	<i>As at</i> <i>31 January</i> <i>2005</i> <i>£'000</i>	<i>As at</i> <i>31 January</i> <i>2006</i> <i>£'000</i>	<i>As at</i> <i>31 January</i> <i>2007</i> <i>£'000</i>
Provision brought forward	-	-	-	1
Profit and loss account movement arising during the year	-	-	1	-
Provision carried forward	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	<i>As at</i> <i>31 March</i> <i>2004</i> <i>£'000</i>	<i>As at</i> <i>31 January</i> <i>2005</i> <i>£'000</i>	<i>As at</i> <i>31 January</i> <i>2006</i> <i>£'000</i>	<i>As at</i> <i>31 January</i> <i>2007</i> <i>£'000</i>
Excess of taxation allowances over depreciation on fixed assets	-	-	1	1
	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>

The company has tax losses carried forward at 31 January 2007 amounting to £1,688,914 (2006: £1,497,845; 2005: £242,252; 2004: £100,752). The asset that would arise in respect of these amounting to £320,894 (calculated at 19 per cent.) has not been recognised as the recovery is uncertain.

## 17. Financial risk management objectives and policies

The company holds or issues financial instruments in order to achieve three main objectives, being:

- (a) to finance its operations;
- (b) to manage its exposure to interest and currency risks arising from its operations and from its sources of finance; and
- (c) for trading purposes.

In addition, various financial instruments (e.g. trade debtors, trade creditors, accruals and prepayments) arise directly from the company's operations.

Transactions in financial instruments result in the company assuming or transferring to another party one or more of the financial risks described below.

### *Interest rate risk*

The company finances its operations through a mixture of bank borrowings, loan and deep discount bonds. Bank borrowings are held at variable rates determined by the bank. Specific borrowings are held at variable interest rates based on Natwest base rate or on a fixed rate. The company accepts the risk attached to interest rate fluctuations as the interest rate cover ratio is adequate.

### *Credit risk*

The company monitors credit risk closely and considers that its current policies of credit checks meet its objectives of managing exposure to credit risk.

The company has no significant concentrations of credit risk. Amounts shown in the balance sheet best represent the maximum credit risk exposure in the event other parties fail to perform their obligations under financial instruments.

### *Liquidity risk*

The company seeks to manage liquidity risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. The company manages liquidity risk by regular reviews of cash flow projections and headroom position in respect of banking facilities or additional loan.

### *Currency risk*

The company is not exposed to translation and transaction foreign exchange risk.

## 18. Commitments under operating leases

The company had annual commitments under non-cancellable operating leases as set out below.

	<i>As at 31 March 2004 £'000</i>	<i>As at 31 January 2005 £'000</i>	<i>As at 31 January 2006 £'000</i>	<i>As at 31 January 2007 £'000</i>
Operating leases which expire:				
Within 1 year	–	–	62	47
Within 2 to 5 years	186	124	47	17
	<u>186</u>	<u>124</u>	<u>109</u>	<u>64</u>

## 19. Acquisition of the business of Dream Recruitment Limited

On 7 February 2005 Dream acquired Dream Recruitment Limited for an initial purchase consideration of £1,592,000 and deferred consideration of £250,000.

In calculating the goodwill arising on acquisition, the fair value of assets acquired of Dream Recruitment limited were assessed and deemed equal to the book value.

	<i>Fair value</i> £'000
Fixed assets	
Tangible	157
Current assets	
Debtors	854
<b>Total assets</b>	<b>1,011</b>
	<i>£'000</i>
Cash consideration (including expenses £108,836)	1,701
Net assets acquired	1,011
Goodwill arising on consolidation	690

No profit and loss account or cash flow statement was available prior to its acquisition due to Dream Recruitment Limited having been placed in liquidation.

## 20. Related party transactions

During the year ended 31 January 2006 the company advanced £350,000 to Day To Day Teachers Limited, whose director is M P Shah, the finance director of Dream. This loan was repaid on the 25 July 2006. Interest was charged at 3 per cent. p.a. above National Westminster Bank plc base rate.

During the year ended 31 January 2006 the company also advanced £100,000 to thedoghouse.co.uk Limited, a company in which D J Browne was a director. This loan was repaid on the 3 August 2006. Interest was charged at 4 per cent. p.a. above National Westminster Bank plc base rate.

Management charges amounting to £120,000 (2006: £105,000; 2005: £nil; 2004: £nil) and £50,363 (2006: £40,000; 2005: £nil; 2004: £nil) were made to Day to Day Teachers Limited and to thedoghouse.co.uk Limited during the year.

Expenses paid in the year ended 31 January 2007 on behalf of Day to Day Teachers Limited, amounted to £1,402,443 (2006: £356,496; 2005: £nil; 2004: £nil) of which £nil (2006: £119,380; 2005: £nil; 2004: £nil) was outstanding at the year end.

Expenses paid on behalf of thedoghouse.co.uk in the year ended 31 January 2007, amounted to £82,578 (2006: £61,014; 2005: £nil; 2004: £nil). These were recharged to thedoghouse.co.uk of which £21,816 (2006: £119,830; 2005: £nil; 2004: £nil) was outstanding at 31 January 2007.

The ultimate controlling party of Dream is D Browne, director of the company, by virtue of his holding 59.74 per cent. of the issued share capital.

There were no related party transactions in 2004 and 2005.

## 21. Post balance sheet events

On 15 May 2007, Retro Grand Limited and Seraffina Holdings Limited entered into an agreement to convert the £500,000 loan and the £1,472,300 and £717,815 bonds into fully paid ordinary shares in Dream.

## 22. Share capital

### Authorised share capital:

	<i>As at 31 March 2004 £'000</i>	<i>As at 31 January 2005 £'000</i>	<i>As at 31 January 2006 £'000</i>	<i>As at 31 January 2007 £'000</i>
100,000,000 Ordinary shares of £0.00001 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

### Allotted, called up and fully paid:

	<i>As at 31 March 2004 No.</i>	<i>As at 31 January 2005 No.</i>	<i>As at 31 January 2006 No.</i>	<i>As at 31 January 2007 No.</i>
Ordinary shares of £0.00001 Each	<u>12,730,000</u>	<u>14,614,000</u>	<u>14,810,866</u>	<u>14,810,866</u>
<i>Equity shares</i>				
Ordinary shares of £0.00001 each	<u>12,730,000</u>	<u>14,614,000</u>	<u>14,810,866</u>	<u>14,810,866</u>

## 23. Reserves

	<i>As at 31 March 2004 £'000</i>	<i>As at 31 January 2005 £'000</i>	<i>As at 31 January 2006 £'000</i>	<i>As at 31 January 2007 £'000</i>
Balance brought forward	(8)	(1,161)	(2,314)	(2,050)
(Loss)/profit for the financial year/period	<u>(1,153)</u>	<u>(1,153)</u>	<u>264</u>	<u>(246)</u>
Balance carried forward	<u>(1,161)</u>	<u>(2,314)</u>	<u>(2,050)</u>	<u>(2,296)</u>

## 24. Reconciliation of movements in shareholders' deficit

	<i>As at 31 March 2004 £'000</i>	<i>As at 31 January 2005 £'000</i>	<i>As at 31 January 2006 £'000</i>	<i>As at 31 January 2007 £'000</i>
(Loss)/profit for the financial year/period	(1,153)	(1,153)	264	(246)
Opening shareholders' deficit	<u>(8)</u>	<u>(1,161)</u>	<u>(2,314)</u>	<u>(2,050)</u>
Closing shareholders' deficit	<u>(1,161)</u>	<u>(2,314)</u>	<u>(2,050)</u>	<u>(2,296)</u>

## 25. Notes to the statements of cash flows

### Reconciliation of operating (loss)/profit to net cash outflow from operating activities

	<i>Year ended</i> <i>31 March</i> 2004 £'000	<i>Year ended</i> <i>31 January</i> 2005 £'000	<i>Year ended</i> <i>31 January</i> 2006 £'000	<i>Year ended</i> <i>31 January</i> 2007 £'000
Operating (loss)/profit	(2)	(2)	523	34
Amortisation	-	-	1	2
Depreciation	-	-	71	60
Loss on disposal of fixed assets	-	-	3	-
Inter-company write down	(1,007)	(1,000)	-	-
Decrease/(increase) in debtors	1,007	-	(1,726)	449
Increase/(decrease) in creditors	2	2	764	387
	<u>-</u>	<u>(1,000)</u>	<u>(364)</u>	<u>932</u>

### Returns on investments and servicing of finance

	<i>Year ended</i> <i>31 March</i> 2004 £'000	<i>Year ended</i> <i>31 January</i> 2005 £'000	<i>Year ended</i> <i>31 January</i> 2006 £'000	<i>Year ended</i> <i>31 January</i> 2007 £'000
Interest received	-	-	3	5
Interest paid	-	-	(157)	(153)
Net cash outflow from returns on investment and servicing of finance	<u>-</u>	<u>-</u>	<u>(154)</u>	<u>(148)</u>

### Capital expenditure

	<i>Year ended</i> <i>31 March</i> 2004 £'000	<i>Year ended</i> <i>31 January</i> 2005 £'000	<i>Year ended</i> <i>31 January</i> 2006 £'000	<i>Year ended</i> <i>31 January</i> 2007 £'000
Payments to acquire intangible fixed assets	-	-	(695)	(1)
Payments to acquire tangible fixed assets	-	-	(327)	(40)
Receipts from sale of fixed assets	-	-	12	31
	<u>-</u>	<u>-</u>	<u>(1,010)</u>	<u>(10)</u>

### Financing

	<i>Year ended</i> <i>31 March</i> 2004 £'000	<i>Year ended</i> <i>31 January</i> 2005 £'000	<i>Year ended</i> <i>31 January</i> 2006 £'000	<i>Year ended</i> <i>31 January</i> 2007 £'000
Net inflow/(outflow) from other creditors	-	1,000	350	(350)
Net cash inflow/(outflow) from financing	<u>-</u>	<u>1,000</u>	<u>350</u>	<u>(350)</u>

**25. Notes to the statements of cash flows (continued)**

**Reconciliation of net cash flow to movement in net debt**

	<i>Year ended 31 March 2004 £'000</i>	<i>Year ended 31 January 2005 £'000</i>	<i>Year ended 31 January 2006 £'000</i>	<i>Year ended 31 January 2007 £'000</i>
(Decrease)/increase in cash in the period	-	-	(1,178)	425
Net cash (inflow)/outflow from other creditors	-	(1,000)	(350)	350
Other changes	(75)	(123)	(133)	(132)
Change in net debt	(75)	(1,123)	(1,661)	643
Net debt at start of period	(1,084)	(1,159)	(2,282)	(3,943)
Net debt at end of period	<u>(1,159)</u>	<u>(2,282)</u>	<u>(3,943)</u>	<u>(3,300)</u>

**Analysis of changes in net debt**

	<i>At start of period £'000</i>	<i>Cash flows £'000</i>	<i>Other changes £'000</i>	<i>At end of period £'000</i>
<b>Year ended 31 March 2004</b>				
Debt:				
Debt due after 1 year	(1,084)	-	(75)	(1,159)
	<u>(1,084)</u>	<u>-</u>	<u>(75)</u>	<u>(1,159)</u>
	<u>(1,084)</u>	<u>-</u>	<u>(75)</u>	<u>(1,159)</u>
<b>Ten months ended 31 January 2005</b>				
Debt:				
Debt due within 1 year	-	(500)	-	(500)
Debt due after 1 year	(1,159)	(500)	(123)	(1,782)
	<u>(1,159)</u>	<u>(1,000)</u>	<u>(123)</u>	<u>(2,282)</u>
	<u>(1,159)</u>	<u>(1,000)</u>	<u>(123)</u>	<u>(2,282)</u>
<b>Year ended 31 January 2006</b>				
Net cash:				
Cash in hand and at bank	-	1	-	1
Overdraft	-	(1,179)	-	(1,179)
	<u>-</u>	<u>(1,178)</u>	<u>-</u>	<u>(1,178)</u>
Debt:				
Debt due within 1 year	(500)	(350)	-	(850)
Debt due after 1 year	(1,782)	-	(133)	(1,915)
	<u>(2,282)</u>	<u>(350)</u>	<u>(133)</u>	<u>(2,765)</u>
	<u>(2,282)</u>	<u>(1,528)</u>	<u>(133)</u>	<u>(3,943)</u>

**25. Notes to the statements of cash flows (continued)**

**Analysis of changes in net debt (continued)**

	<i>At start of period £'000</i>	<i>Cash flows £'000</i>	<i>Other changes £'000</i>	<i>At end of period £'000</i>
<b>Year ended 31 January 2007</b>				
Net cash:				
Cash in hand and at bank	1	(1)	-	-
Overdraft	(1,179)	426	-	(753)
	<u>(1,178)</u>	<u>425</u>	<u>-</u>	<u>(753)</u>
Debt:				
Debt due within 1 year	(850)	350	(1,427)	(1,927)
Debt due after 1 year	(1,915)	-	1,295	(620)
	<u>(2,765)</u>	<u>350</u>	<u>(132)</u>	<u>(2,547)</u>
	<u>(3,943)</u>	<u>775</u>	<u>(132)</u>	<u>(3,300)</u>

## PART V

### Statutory And General Information

#### 1. Responsibility Statement

The Directors and the Proposed Directors, whose names appear on page 4 of this document and the Company accept responsibility for the information contained in this document including individual and collective responsibility for compliance with the AIM Rules. To the best of knowledge and belief of the Directors and the Proposed Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and contains no omission likely to affect the import of such information.

#### 2. The Company

- 2.1 The Company was incorporated and registered in England and Wales on 28 August 1991 as a limited company with the name Marplace (Number 293) Limited and with registered number 2641313. Its name was changed to Multi Equipment Rental Limited on 30 December 1991. The Company was re-registered as a public limited company on 26 May 1998 with the name Multi Equipment Rental plc. The name of the Company was changed to Multi Group Plc on 27 September 2000. The Company's registered office and principal place of business is located at Christopher Wren Yard, 117 High Street, Croydon CR0 1QG and its telephone number is 08701 602 901.
- 2.2 The Company's legal and commercial name at the date of this document is Multi Group Plc. The primary legislation under which the Company operates is the Act and the regulations made thereunder.
- 2.3 The liability of the members of the Company is limited.

#### 3. Details of Subsidiaries

The Company, which is the parent company of the Group, has the following significant directly or indirectly held subsidiary undertakings, all with a registered office at Christopher Wren Yard, 117 High Street, Croydon CR0 1QG:

<i>Name</i>	<i>Nature of business</i>	<i>Date of Incorporation</i>	<i>Place of Incorporation</i>	<i>Issued Share Capital</i>	<i>% of Issued Share Capital</i>
Berry Recruitment Holdings Limited	Holding Company	11 October 2002	England & Wales	64,450 ordinary shares of 1 pence each held by the Company	100%
Berry Medical Limited	Recruitment Services	30 April 2002	England & Wales	1 ordinary share of £1.00 held by Berry Recruitment Holdings Limited	100%
1st 4 Locums	Recruitment Services	16 May 2002	England & Wales	200 ordinary shares of £1.00 each held by the Company	100%
Meadow Two Plc	Dormant	9 August 2000	England & Wales	5,500,000 ordinary shares of £1.00 each held by the Company	100%

Following Admission, the following additional company will form part of the Enlarged Group:

<i>Name</i>	<i>Nature of business</i>	<i>Date of Incorporation</i>	<i>Place of Incorporation</i>	<i>Issued Share Capital</i>	<i>% of Issued Share Capital</i>
Dream Group Limited	Recruitment Services	13 November 2000	England & Wales	29,862,590	99.97

Dream Group Limited's registered office is at 41 Whitcomb Street, London WC2H 7DT.

#### 4. Share capital of the Company

4.1 The authorised and issued fully paid share capital of the Company as at the date of this document and immediately following the Placing and Admission is as set out below:

##### *As at the date of this document*

<i>Authorised</i>			<i>Issued</i>	
<i>£</i>	<i>Number</i>		<i>£</i>	<i>Number</i>
£1,313,509.15	1,313,509,147	0.1p Ordinary Shares	£544,704.82	544,704,820
£7,400,000	7,400,000	Preference Shares	nil	nil

##### *Following the Placing and Admission*

<i>Authorised</i>			<i>Issued</i>	
<i>£</i>	<i>Number</i>		<i>£</i>	<i>Number</i>
£6,000,000	60,000,000	10p Ordinary Shares	£4,090,698.90	40,906,989
£7,400,000	7,400,000	Preference Shares	nil	nil

4.2 The following is a summary of the changes in Multi's issued share capital during the period covered by the historical financial information on Multi set out in Part III of this document:

- (i) On 1 January 2003 the Company had an authorised share capital of £2,244,322.40 comprising 44,886,448 ordinary shares of 5 pence each.
- (ii) On 9 October 2003, 905,882 ordinary shares of 5 pence each were issued to the former shareholder of Westminster Event Hire Limited and 666,667 ordinary shares of 5 pence each were issued to the former shareholder of New Planet Business Solutions Limited in full and final settlement of any deferred consideration which had become due on the acquisitions of Westminster Event Hire Limited and New Planet Business Solutions Limited respectively.
- (iii) On 14 November 2003, the Company sub-divided every 5 pence ordinary share in issue at that date into one 0.1p Ordinary Share and one deferred share of 4.9 pence. The authorised but unissued ordinary shares of 5 pence each were subdivided into 50 new 0.1p Ordinary Shares of 0.1 pence each.
- (iv) On 17 November 2003, 203,935,926 0.1p Ordinary Shares were issued for 1 penny each pursuant to a placing and open offer to raise £2.04 million for the Company, before expenses.
- (v) On 25 February 2004, 7,511,847 0.1p Ordinary Shares were issued for 1 penny each to Abingdon Capital Plc, the parent company of Blue Oar, pursuant to the exercise of options held by Blue Oar.
- (vi) On 29 April 2004, 2,500,000 0.1p Ordinary Shares were issued for 1 penny each pursuant to the exercise of options.
- (vii) On 25 August 2004, 5,000,000 0.1p Ordinary Shares were issued for 1 penny each pursuant to the exercise of options.
- (viii) On 7 March 2005, 165,000 0.1p Ordinary Shares were issued for 1 pence per share in respect of share options held by eight members of staff.

- (ix) On 8 March 2005, 3,650,000 0.1p Ordinary Shares were issued for 3.5 pence per share pursuant to a subscription by Oliver Cooke and Andrew Brundle.
  - (x) On 5 April 2005, 45,595,114 0.1p Ordinary Shares were issued for 3.5 pence per share to Antony Berry and Southwind pursuant to the acquisition of Berry.
  - (xi) On 24 August 2005 the authorised share capital of the Company was reduced from £3,700,000 to £1,473,509 by the cancellation of 46,458,997 Deferred Shares and the creation of a capital redemption reserve.
  - (xii) On 6 October 2005, 9,887,936 0.1p Ordinary Shares were issued for 3 pence per share pursuant to the acquisition by the Company of TLP.
  - (xiii) On 23 December 2005, 100,000,000 0.1p Ordinary Shares were issued for 1.5 pence per share by way of a placing.
  - (xiv) On 16 February 2006 the authorised share capital of the Company was increased from £1,473,509 to £11,473,509 by the creation of 10,000,000 convertible redeemable preference shares of £1 each. On the same date 160,000,000 0.1p Ordinary Shares were issued for 1.875 pence per share and 2,600,000 Preference Shares were issued at par, each to the vendors of Global Medics pursuant to the Global Medics Acquisition.
  - (xv) On 14 November 2006, pursuant to the Global Medics Disposal, 160,000,000 0.1p Ordinary Shares held by the Original Shareholders of Global Medics were converted into 160,000,000 Deferred Shares, £2,600,000 of Preference Shares held by the original shareholders of Global Medics were converted into 2,600,000,000 Deferred Shares and £1,000,000 nominal value loan notes held by the original shareholders of Global Medics were converted into 1,000,000,000 Deferred Shares.
  - (xvi) On 12 December 2006, 50,000,000 0.1p Ordinary Shares were issued for 0.5 pence each to Southwind Limited.
  - (xvii) On 26 January 2007, 65,000,000 0.1p Ordinary Shares were issued as deferred consideration for the acquisition of TLP and 5,000,000 0.1p Ordinary Shares were issued to acquire the balance of the issued shares in the capital of TLP not then held by the Company.
- 4.3 Subject to the passing of EGM Resolution number 3 the authorised share capital of the Company will be increased from £8,713,509.15 to £13,400,000 by the creation of 4,686,490,850 0.1p Ordinary Shares. Subject to the passing of EGM Resolutions numbers 3 and 4 the Directors will be generally and unconditionally authorised for the purposes of section 80 of the Act to exercise all of the powers of the Company to allot relevant securities up to an aggregate nominal amount of £12,885,295.18 and will be authorised, pursuant to section 95 of the Act, to allot equity securities pursuant to the above authority as if section 89(1) of the Act did not apply to such allotment. If approved, these authorities will expire (unless previously revoked, varied or renewed) on the day falling five years from the passing of this resolution.
- 4.4 The Ordinary Shares are in registered form and, subject to the provisions of the CREST Regulations, the Directors may permit the holding of any class of shares in uncertificated form and title to such shares may be transferred by means of a relevant system (as defined in the CREST Regulations). Where shares are held in certificated form, share certificates will be sent to the registered members by first class post. The Ordinary Shares are admitted to trading on AIM and are not listed or dealt in on any other recognised investment exchange.
- 4.5 Other than as is disclosed in this document, no share or loan capital of the Company has been issued for cash or for a consideration other than cash, no such share or loan capital is proposed to be issued, no commissions, discounts, brokerages or other special terms have been granted by the Company in connection with the issue or sale of any share or loan capital during the three years preceding the date

of this document and no issued share or loan capital of the Company is under option or is agreed conditionally or unconditionally to be put under option.

- 4.6 The Company does not have in issue any securities not representing share capital and, other than as disclosed in this document, there are no outstanding convertible securities, exchangeable securities or securities with warrants issued by the Company.
- 4.7 No Ordinary Shares are currently held in treasury by the Company or held by any other person on its behalf and no Ordinary Shares are currently held by any subsidiary of the Company.

## 5. Memorandum and Articles of Association

- 5.1 The principal object of the Company is to carry on business as a general commercial company. The objects of the Company are set out in full in clause 3 of the memorandum of association which is available for inspection at the address specified in paragraph 17 below.
- 5.2 The Articles contain provisions, *inter alia*, to the following effect:

### (a) *Voting rights*

The holders of Ordinary Shares are entitled to attend and vote at any general meeting of the Company. On a show of hands every holder of Ordinary Shares present in person, or if a corporation, present by a representative shall have one vote and on a poll every holder of Ordinary Shares present in person, by representative or by proxy shall have one vote for every Ordinary Share of which he is a holder. Voting rights may not be exercised by a member who has not paid to the Company all moneys then payable by him in respect of shares of the Company.

### (b) *Transfer of shares*

Shares may be transferred by instrument of transfer in writing in any usual form or in any other form which the Directors may approve. The instrument of transfer must be signed by or on behalf of the transferor and, where the share is not fully paid, by or on behalf of the transferee. The Directors may, in their absolute discretion and without giving any reason, refuse to register the transfer of a share which is not fully paid or of a share on which the Company has a lien provided that such refusal does not prevent dealings in the shares from taking place on an open and proper basis.

The Directors may also decline to recognise an instrument of transfer unless:

- (i) it is lodged duly stamped at the office or at such other place as the Directors may appoint and is accompanied by a Certificate for the shares to which it relates and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer;
- (ii) it is in respect of only one class of shares;
- (iii) it is in favour of a natural or legal person;
- (iv) it is not in favour of a minor, a person in respect of whom a receiving order, or adjudication order in bankruptcy has been made which remains undischarged or to a person who is then suffering from a mental disorder; and
- (v) it is in favour of not more than four transferees.

The transferor is deemed to remain the holder until the name of the transferee is entered on the register. If the directors refuse to register the transfer of a share they shall, within two months after the date on which the transfer was lodged with the Company, send notice of the refusal to the transferee.

Save as aforesaid, the articles of association contain no restrictions as to the free transferability of the fully paid shares.

(c) ***Dividends and other distributions***

- (i) Subject to the provisions of the Act, the Company may by ordinary resolution declare dividends to be paid to members according to their respective rights and interests in the profits of the Company available for distribution, but no larger dividend shall be paid than is recommended by the Directors. The Directors may from time to time declare and pay an interim dividend to shareholders of such amounts and on such dates and in respect of such periods as appear justified by the profits of the Company available for distribution.
- (ii) All dividends shall be apportioned and paid *pro rata* according to the amounts for the time being paid up on the shares (other than amounts paid in advance of calls) during any part or parts of the period in respect of which the dividend is paid. The Directors may deduct from any dividend payable to any member all sums of money owed by that member to the Company on account of calls or otherwise in relation to shares in the Company.
- (iii) The Directors may, with the sanction of an ordinary resolution of the Company, offer holders of Ordinary Shares the right to elect to receive in respect of all or part of their holdings of Ordinary Shares, additional Ordinary Shares in the Company credited as fully paid instead of cash by way of dividend upon such terms and conditions and in such manner as may be specified in such ordinary resolution. Following such an election the relevant dividend (or such part of the dividend in respect of which a right of election has been offered) shall not be payable on the Ordinary Shares pursuant to the election made but, in lieu thereof, the Directors shall capitalise out of any undistributed profits of the Company or out of any sum standing to the credit of the Company's share premium account or capital reserves (including any capital redemption reserve), as the Directors may determine, a sum equal to the aggregate nominal value of the number of additional Ordinary Shares required to be allotted to the holders of Ordinary Shares who have made such election and the Directors shall apply such sum in paying up in full such number of additional Ordinary Shares which shall be allotted and distributed as required. The additional new Ordinary Shares so allotted shall rank *pari passu* with the fully paid Ordinary Shares of the Company then in issue save that they shall not be entitled participate in the dividend in relation to which the relevant election was made.
- (iv) On a winding up of the Company, shareholders shall be entitled to participate in any surplus assets in proportion to their shareholdings.
- (v) No dividend or other monies payable in respect of shares in the capital of the Company shall bear interest against the Company unless otherwise provided by the rights attached to the share.
- (vi) All unclaimed dividends or other monies payable on or in respect of a share may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed. Dividends unclaimed for a period of 12 years from the date of payment shall, if the Directors so resolve, be forfeited and shall revert to the Company. Dividend warrants and cheques may cease to be sent to a member if such instruments have been returned undelivered to or left uncashed by that member on at least two consecutive occasions.
- (vii) There are no arrangements under which future dividends are waived or agreed to be waived.

**(d) *Failure to disclose interests in shares***

If a member, or any other person appearing to be interested in shares held by that member, has been issued with a notice pursuant to section 212 of the Act and has failed in relation to any shares (the “default shares”) to give the Company the information thereby required within the prescribed period as set out in the articles from the date of service of the notice, the following sanctions shall apply unless the Directors otherwise determine:

- (i) the member or any transferee who acquires shares other than by an authorised transfer is not entitled in respect of the default shares and any other share held by the member or the transferee to be present or to vote (in person, by representation or by proxy) at any general meeting or at any separate meetings of the holders of any class of shares or on a poll or to exercise any other right conferred by membership in relation to any such meeting or poll; and
- (ii) where the default shares represent at least 0.25 per cent. of the nominal value of the issued shares of their class a dividend or any other amount payable in respect of the default shares shall be withheld by the Company, which shall have no obligation to pay interest on it, and the member shall not be entitled to elect to receive shares instead of that dividend. No transfer, other than an excepted transfer, as specified in the articles, of any of the default shares held by the member shall be registered unless the member is not himself in default in supplying the information required and he proves to the satisfaction of the Directors that no person in default in supplying the information required is interested in any of the shares the subject of the transfer.

**(e) *Winding up***

On a winding up of the Company, a liquidator may, with the sanction of an extraordinary resolution of the Company and any other sanction or authority required by the Act or the Insolvency Act 1986, divide among shareholders in proportion to their shareholdings *in specie* the whole or any part of the assets of the Company, and for such purposes may value any assets and determine how such division shall be carried out as between members. With the same authority, the liquidator may vest the whole or any part of the assets in trustees upon such trusts for the benefit of the members as he thinks fit. No member shall be compelled by the liquidator to accept any assets in respect of which there is attached a liability or potential liability. The power of sale of a liquidator shall include a power to sell wholly or partially for shares or debentures or other obligations of another body corporate, either then already constituted or about to be constituted for the purpose of carrying out the sale.

**(f) *Changes in capital***

The Company may by ordinary resolution increase its share capital, consolidate and divide all or any of its share capital into shares of larger amount than its existing shares, subject to the provisions of the Act sub-divide all its shares (or any of them) into shares of smaller amount than is fixed by the Memorandum of Association and determine that, as between the shares resulting from such a sub-division, any of them may have any preference or advantage as compared with others and cancel shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its authorised share capital by the amount of the shares so cancelled. Subject to the provisions of the Act, the Company may by special resolution reduce its share capital, any capital redemption reserve and any share premium account in any way. Where members become entitled to fractions of a share the Directors may deal with such fractions as they see fit. Subject to the provisions of the Act, and without prejudice to any rights or privileges including those conferring rights of pre-emption attached to any shares for the time being in issue, any share may be issued with or have attached thereto such preferred, deferred or other special rights or privileges or restrictions as the Company may from time to time by ordinary resolution determine or, if there has not been any such determination or so far as the same shall not make specific provision, as the Directors

may determine. Subject to the provisions of the Act and to any special rights conferred on the holders of any shares or any class of shares, any shares may with the sanction of a special resolution be issued on the terms that they are redeemed or are to be liable to be redeemed at the option of the Company or the holder.

**(g) *Variation of class rights***

Subject to the provisions of the Act, none of the rights or privileges for the time being attached to any shares in the capital of the Company for the time being in issue shall (whether or not the Company is being wound up) be modified, varied or abrogated in any manner except with the consent in writing of the holders of not less than three fourths in nominal value of the issued shares of that class or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of such shares. The provisions of the articles relating to general meetings shall apply *mutatis mutandis* to every such separate meeting but so that the necessary quorum shall be two persons holding or representing by proxy not less than one-third in nominal value of the issued shares of the class, that every holder of the shares of the class shall be entitled on a poll to one vote for every such share held by him, that any holder of shares of the class present in person or by proxy may demand a poll and that at any adjourned meeting of such holders one holder present in person or by proxy (whatever the number of shares held by him) shall be a quorum.

**(h) *Capitalisation of profits***

Subject to the provisions of the Act and by ordinary resolution, the Directors may resolve to capitalise an amount standing to the credit of reserves whether or not available for distribution, appropriate the sum resolved to be capitalised to the members in proportion to the nominal amount of shares held by them respectively and apply that sum on their behalf in paying up amounts unpaid on shares held by them or paying up in full unissued shares or debentures of a nominal amount equal to that sum and the Directors may make any arrangements they think fit to resolve a difficulty arising in the distribution of a capitalised reserve.

**(i) *Borrowing powers***

The Directors shall restrict the borrowings of the Company so as to procure (as regards subsidiaries in so far as they can) that the aggregate principal amount outstanding in respect of monies borrowed by them shall not, without the previous sanction of an ordinary resolution of the Company, exceed an amount equal to two times the adjusted total of the share capital and consolidated reserves of the Company (including goodwill), as such terms are defined in the Articles. The sanction of an ordinary resolution of the Company shall not be required for the issue of the preference shares, nor for the entering into of any invoice discounting or other similar facility. In addition, neither the preference shares nor any amounts outstanding under any invoice discounting or similar facility shall count as borrowings for the purposes of these borrowing powers.

**(j) *Directors***

(i) Unless otherwise determined by ordinary resolution of the Company, the number of Directors (other than alternate directors) shall not be less than two. The Company may from time to time by ordinary resolution fix a maximum number of Directors and from time to time vary that maximum number.

(ii) A Director shall not require a share qualification but shall nevertheless be entitled to attend and speak at any general meeting of, or at any separate meeting of the holders of any class of shares in, the Company.

(iii) Subject to the Act, the Directors may appoint one or more of their body to be the holder of any executive office (except that of auditor) on such terms and for such period as they think fit. A Director holding such executive office shall receive such remuneration as the

Directors may determine in addition to or in substitution for his ordinary remuneration as a Director.

- (iv) Any Director who serves on any committee or who devotes special attention to the business of the Company or who otherwise performs services which in the opinion of the Directors are outside the scope of the ordinary duties of a Director may be paid such extra remuneration by way of salary, participation in profits or otherwise as the Directors may determine.
- (v) The Directors may be paid all travelling, hotel and other incidental expenses properly incurred by them in connection with the discharge of their duties as a Director of the Company, including, without limitation, expenses incurred in attending meetings of the Directors or of committees of the Directors or general meetings or separate meetings of the holders of a class of shares or debentures.
- (vi) At each Annual General Meeting of the Company one-third of the Directors for the time being shall retire by rotation. The Directors to retire by rotation shall include any Director who wishes to retire and not offer himself for re-election and those who have been longest in office since their last appointment or reappointment. Where two or more Directors have been in office for an equal length of time, the Director to retire shall be determined by lot.
- (vii) There shall not be an age limit for Directors and sub-sections (1) to (6) of section 293 of the Act shall not apply.
- (viii) A Director may not vote on any resolution of the Directors, or of a committee of the Directors, in respect of any contract, arrangement, transaction or proposal to which the Company is or is to be a party and in which he is materially interested. A Director shall not be counted in the quorum at a meeting in relation to any resolution on which he is debarred from voting. However, a Director shall (in the absence of some other material interest than is indicated below) be entitled to vote (and be counted in the quorum) in respect of any resolution concerning any of the following matters namely:
  - (aa) the giving to any such Director of any security, guarantee or indemnity in respect of money lent by him or obligations undertaken by him at the request of or for the benefit of the Company or any of its subsidiaries;
  - (bb) the giving of any security, guarantee or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director has assumed responsibility in whole or in part, either alone or jointly with others, under a guarantee or indemnity or by the giving of security;
  - (cc) a contract, arrangement, transaction or proposal concerning an offer of shares, debentures or other securities of the Company or any of its subsidiaries for subscription or purchase, in which offer he is or may be entitled to participate as a holder of securities or in the underwriting or sub-underwriting of which he is to participate;
  - (dd) any contract or arrangement in which he is interested by virtue of his interest in shares or debentures or other securities of the Company or by reason of any other interest in or through the Company;
  - (ee) a contract, arrangement, transaction or proposal to which the Company is or is to be a party concerning another company (including a subsidiary undertaking of the Company) in which he is interested (directly or indirectly) and whether as an officer, shareholder, creditor or otherwise, if he does not to his knowledge hold an interest in shares representing 1 per cent. or more of either any class of the equity share capital of or the voting rights in the relevant company;

- (ff) any proposal concerning the adoption, modification or operation of a pension fund or retirement, death or disability benefit scheme which relates both to Directors and employees of the Company or of any of its subsidiaries and does not provide in respect of any Director as such any privilege or advantage not accorded to the employees to which such scheme or fund relates;
  - (gg) any arrangement for the benefit of the employees of the Company or of any of its subsidiaries under which the Director benefits in a similar manner as the employees and which does not accord to any Director as such any privilege or advantage not accorded to the employees to whom such arrangement relates; and
  - (hh) a contract, arrangement, transaction or proposal concerning the purchase or maintenance for any Directors of any insurance policy against liabilities incurred in connection with the discharge of that Director's duties or exercise of his powers in relation to his duties in relation to the Company.
- (k) ***Gratuities and pensions***  
 The Directors may pay or agree to pay gratuities, pensions or other retirement, superannuation, insurance, and any other benefits to any past or present employee or Director of the Company or any subsidiary undertaking or any holding company of any of the Company's predecessors in business and to any spouse, former spouse, family or dependants of any such person (as well before and after he ceases to hold such office or employment) and may contribute to any fund or pay premiums for the purchase or provision of any such benefit.
- (l) ***Untraced shareholders***  
 The Company shall be entitled to sell the shares of a member or person entitled on death or bankruptcy of a member if all warrants and cheques in respect of at least three dividends sent to such a member or person have remained unclaimed and uncashed for a period of 12 years and the Company has, at the expiration of such period, given notice in a daily national newspaper and an appropriate local newspaper (having first given the London Stock Exchange notice of its intention to do so) and for a period of three months following the said advertisement no indication is received as to the whereabouts or existence of such member or person. The Company shall be obliged to account to the member or such other person for the net proceeds of sale without interest.
- (m) ***Purchase of own shares***  
 Subject to the provisions of the Act, the Company is authorised to enter into any contract for the purchase of all or any of its shares of any class (including any redeemable shares) at any price and any contract under which it may, subject to any conditions, become entitled or obliged to purchase all or any of such shares. Every contract entered into in pursuance of this shall be authorised by such resolution of the Company as may be required by law, but subject thereto the Directors shall have full power to determine or approve the terms of any such contract.
- (n) ***Shareholder meetings***  
 At least 21 clear days notice of every Annual General Meeting and of every Extraordinary General Meeting at which it is proposed to pass a special resolution and at least 14 clear days' notice of every other Extraordinary General Meeting shall be given in the manner hereinafter mentioned to all members of the Company and to the Auditors of the Company.
- (o) ***CREST***  
 The articles are consistent with the provisions regulating CREST, a paperless settlement system enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by written instrument and, *inter alia*, allow for the holding and transfer of shares in

uncertificated form in accordance with the provisions of the Uncertificated Securities Regulations 2001.

## 6. Directors', Proposed Directors' and other interests in share capital

- 6.1 The interests of the Directors, the Proposed Directors, their immediate families and the persons connected with them within the meaning of section 346 of the Act in Ordinary Shares, all of which are beneficial, (which have been notified to the Company pursuant to either Section 324 or Section 328 of the Act or are required to be disclosed in the Register of Directors interests pursuant to Section 325 of the Act) as at the date of this document and immediately following the Placing and Admission will be as follows:

<i>Shareholder</i>	<i>As at the date of this document</i>		<i>Immediately following Admission</i>	
	<i>Number of 0.1p Ordinary Shares</i>	<i>% of issued Ordinary Share capital</i>	<i>Number of 10p Ordinary Shares</i>	<i>% of issued Ordinary Share capital</i>
Oliver Cooke	4,000,000	0.7%	60,000	0.1%
Andrew Brundle	7,236,649	1.3%	200,366	0.5%
Janet Barn	nil	–	nil	–
David Marks	nil	–	nil	–
Darren Browne <sup>1</sup>	nil	–	7,687,775	18.8%
Bob Morton	nil	–	nil	–
John Foley	nil	–	1,200,000	2.9%
Tony Rogers <sup>1</sup>	nil	–	400,000	1.0%
Miles Davis <sup>1</sup>	nil	–	1,200,765	2.9%

Note 1: each of Darren Browne, Tony Rogers and Miles Davis will hold 400,000 10p Ordinary Shares under the Share Incentive Plan and as such will lose ownership of these shares in the event future performance targets are not achieved.

In addition the Directors and the Proposed Directors hold options to subscribe for an aggregate of 12,000,000 0.1p Ordinary Shares as set out in paragraph 7 of this Part V.

- 6.2 Save as disclosed in this document, none of the Directors, the Proposed Directors, nor any member of their respective immediate families, nor any person connected with them within section 346 of the Act, is or, immediately following Admission, will be interested in any share capital of the Company or any related financial products referenced to the Enlarged Share Capital.
- 6.3 Save as disclosed in this paragraph 6 and paragraph 10 the Directors are not aware of any person, who, directly or indirectly, jointly or severally at the date of this document and at Admission is or will be interested (within the meaning of Part V of the Act) in 3 per cent. or more of the Enlarged Share Capital.

	<i>As at the date of this document</i>		<i>At Admission</i>	
	<i>Number of 0.1p Ordinary Shares</i>	<i>Percentage of issued share capital</i>	<i>Number of 10p Ordinary Shares</i>	<i>Percentage of issued share capital</i>
Southwind	275,304,524	50.5%	4,247,048	10.4%
Andrew Socratous	39,943,968	7.3	399,439	1.0%
Nigel Berg	39,943,968	7.3	399,439	1.0%

- 6.4 None of the Shareholders has preferential or different voting rights to other Shareholders.
- 6.5 There are no outstanding loans granted or guarantees provided by the Company to or for the benefit of any of the Directors or the Proposed Directors.

- 6.6 No Director or Proposed Director has any interest, whether direct or indirect, in any transaction which is or was unusual in its nature or conditions or significant to the business of the Company taken as a whole and which was effected by the Company during the current or immediately preceding financial year, or during any earlier financial year and which remains in any respect outstanding or unperformed.
- 6.7 As at the date of this document Southwind is the controller of the Company. Following Admission, Southwind will no longer control the Company, however, as set out in Part I of this document, the Enlarged Concert Party will hold approximately 59.2 per cent. of the Enlarged Share Capital.
- 6.8 The Company has entered into the following related party transactions during the period covered by the historical financial information on Multi set out in Part III of this document:
- (a) On 7 March 2005 the Company entered into an agreement (the "Berry Acquisition Agreement") with Southwind and Antony Berry (together the "Berry Vendors") pursuant to which the Company acquired the entire issued share capital of Berry for £525,000 satisfied by the issue to the Berry Vendors of 15,000,000 0.1p Ordinary Shares. As part of the acquisition of Berry, the Company agreed to have novated to it £1,144,152 of indebtedness owed by Berry to Southwind and £603,254 of indebtedness owed by Berry to Antony Berry. £276,577 of the Southwind loans were repaid in cash and the balance, £867,575 by the issue of 24,787,857 0.1p Ordinary Shares and £400,000 of the Antony Berry loans were repaid in cash and the balance, £203,254 by the issue of 5,807,257 0.1p Ordinary Shares. This was a transaction with a related party as at the time of the transaction Southwind was interested in 50.87 per cent. of the Company's issued share capital, 40 per cent. of Berry's issued share capital and at the end of the transaction Berry was indebted to Southwind in the sum of £1,144,152.
  - (b) A proportion of the cash consideration payable in respect of the Global Medics Acquisition, further details of which are set out in paragraph 11.3 of this Part V, was met from the proceeds of a placing of 100,000,000 0.1p Ordinary Shares. As part of the placing Southwind subscribed for 59,516,667 0.1p Ordinary Shares. Following the placing Southwind was interested in 53 per cent. of the issued share capital of the Company.
  - (c) The disposal by the Company of Berry Recruitment Limited, further details of which are set out in paragraph 11.4 of this Part V, was a related party transaction as Antony Berry owned 20,000,000 0.1p Ordinary Shares and was also beneficially interested in 50 per cent. of the ordinary share capital of Aldridge.
  - (d) On 14 November 2006 Multi sold the entire issued share capital of Global Medics to Global UK pursuant to the Global Medics Disposal, further details of which are set out in paragraph 11.5 of this Part V. At the time of the Global Medics Disposal, the Original Global Medics Shareholders held 24 per cent. of the issued ordinary share capital and the entire issued preference share capital of the Company as well as the entire issued share capital of Global UK this was a related party transaction.

## 7. Options

- 7.1 At the date of this document the Directors hold options to subscribe for 0.1p Ordinary Shares as follows:

<i>Optionholder:</i>	<i>Exercise Price per share</i>	<i>Date of Grant</i>	<i>Date first exercisable</i>	<i>Date of expiry</i>	<i>Number of 0.1p Ordinary Shares under option</i>
Oliver Cooke	1p	November 2003	November 2003	November 2013	9,000,000
Andrew Brundle	1p	November 2003	November 2004	November 2009	2,500,000
Janet Barn	—	—	—	—	nil
David Marks	3.75p	November 2004	May 2006	November 2010	500,000

7.2 At Admission the Directors and Proposed Directors will hold options to subscribe for 10p Ordinary Shares as follows:

<i>Optionholder</i>	<i>Exercise Price</i>	<i>Date of Grant</i>	<i>Date first exercisable</i>	<i>Date of expiry</i>	<i>Number of 10p Ordinary Shares under option</i>
Oliver Cooke <sup>1</sup>	100 pence	November 2003	November 2003	November 2013	90,000
Andrew Brundle	100 pence	November 2003	November 2004	November 2009	25,000
Janet Barn <sup>2</sup>	–	–	–	–	Nil
David Marks <sup>3</sup>	–	–	–	–	Nil
Darren Browne	25 pence	June 2007	June 2009	June 2017	400,000
Miles Davis	25 pence	June 2007	June 2009	June 2017	400,000
Tony Rogers	25 pence	June 2007	June 2009	June 2017	400,000
Bob Morton	–	–	–	–	Nil
John Foley	–	–	–	–	Nil

Note 1: Oliver Cooke is resigning as a director upon Admission but will retain his share options

Note 2: Janet Barn is resigning as a director upon Admission

Note 3: David Marks is resigning as a director upon Admission and his options shall lapse

7.3 The terms of the 2003 Share Option Scheme are as follows:

(i) **General**

The 2003 Share Option Scheme is administered by the Board. In any case where an option is to be granted to a Director, the Director will withdraw from participation in that decision.

(ii) **Eligibility**

All directors and employees of the Group are eligible to participate in the 2003 Share Option Scheme at the invitation of the Directors provided that they are not within two years of their retirement date. The benefits under this scheme are not pensionable.

(iii) **Grant of Options**

Options may only ordinarily be granted by the remuneration committee within six weeks after the announcement by the Company of its trading results for any financial year or half year or, where a person is newly appointed, within six weeks after the date of his appointment. No consideration is payable for the grant of an option. An option is not transferable and is personal to the option holder.

(iv) **Price**

The price payable for each Ordinary Share under an option is determined by the Directors before the grant of the option.

(v) **Exercise of Options**

An option granted under the 2003 Share Option Scheme may not in normal circumstances be exercised earlier than one year after the date on which it was granted without the consent of the Board. The Directors may at their discretion impose conditions on the exercise of options. If an option holder ceases to be an employee or director by reason of retirement or by reason of injury, disability, redundancy or (at the discretion of the Directors) in other exceptional circumstances, he may exercise his option within 6 months of such cessation. If an option holder leaves in any other circumstances, except with consent of the Board, the options will terminate immediately upon the option holder leaving. Special provisions apply in the case of a reconstruction, change of control or liquidation of the Company and such provisions may permit the early exercise of options. In the event that another company acquires control of the

Company, an option holder may with the consent of the acquiring company release his option in exchange for the grant of an equivalent option over shares in the acquiring company or other company. No option may be exercised more than five years after the date on which it was granted.

(vi) ***Limits of the Scheme***

The number of Ordinary Shares that may be issued on the exercise of options granted under the 2003 Share Option Scheme and under any other employees' share option scheme of the Company in any ten year period may not exceed 20 per cent. of the issued ordinary share capital of the Company from time to time.

(vii) ***Rights attaching to New Ordinary Shares***

All Ordinary Shares issued under the 2003 Share Option Scheme will rank *pari passu* with all other Ordinary Shares for the time being in issue (save as regards any rights attaching to such Ordinary Shares by reference to a record date prior to the date of allotment, where relevant) and, if the Ordinary Shares are then admitted to trading on AIM, the Company will procure that application will be made for such shares to be admitted to AIM.

(viii) ***Variations of capital***

In the event of any variation of the share capital of the Company by way of capitalisation or rights issue, or by way of sub-division, consolidation or reduction, or otherwise, the number of Ordinary Shares subject to any option and the price payable upon the exercise of any option may be adjusted by the Directors provided that the Directors are independently advised that any such adjustment is fair and reasonable.

(ix) ***Amendment of the 2003 Share Option Scheme***

The Directors may at any time amend the 2003 Share Option Scheme provided that the prior approval of the Company in general meeting is obtained in the case of any alteration or addition to the advantage of option holders or potential option holders. This proviso will not apply if the amendment is a minor amendment to benefit the administration of the 2003 Share Option Scheme or in order to obtain or maintain favourable tax, exchange control or regulatory treatment for participants or the Company.

7.4 The terms of the proposed 2007 EMI Plan are as follows:

(i) ***Adoption***

It is proposed that the Company will adopt the 2007 EMI Plan at the Extraordinary General Meeting. The 2007 EMI Plan is governed by the 2007 EMI Plan Rules (the "Rules") and is administered by the Board or a duly authorised committee of Directors. Options granted pursuant to the 2007 EMI Plan can be exercised free from income tax and national insurance contributions, if qualifying criteria are met, to the extent that they are Qualifying Options for the purposes of the EMI legislation.

(ii) ***Eligible employees***

The Board may grant options under the 2007 EMI Plan to any executive Director or any employee of the Group who works for the Company or any Group company for at least 25 hours per week or, if less, at least 75 per cent. of his working time. Options granted under the 2007 EMI Plan do not form part of the remuneration of optionholders.

(iii) ***Grant of Options***

No option can be granted more than 10 years after adoption of the 2007 EMI Plan.

Options are not assignable or otherwise transferable, except in the case of the death of an optionholder, in which case the personal representatives of the optionholder may exercise the option within 12 months of the date of death.

**(iv) *Performance Targets***

The Board can specify any performance conditions or vesting schedule which must be met before the option can be exercised. Such conditions can be waived or amended at the discretion of the Board if it considers that they have become unfair or impractical and that a different condition would be no more and no less difficult to satisfy than the original condition.

**(v) *Exercise Price***

The price at which optionholders exercise the option is set by the Board at the date of grant and must not be less than the nominal value of the Company's shares.

**(vi) *Exercise and Lapse of Options***

Options can be exercised in accordance with any vesting schedule and performance conditions but will lapse on the tenth anniversary of the date of grant. Options may not be exercised during any period during which dealings in the Company's shares by that optionholder is proscribed due to the existence of unpublished price sensitive information. Options lapse immediately on the bankruptcy of the optionholder or a winding-up of the Company.

**(vii) *Cessation of employment***

Early exercise is permitted (provided the performance conditions have been met) if the optionholder ceases to be an employee or director by reason of death, injury, disability, retirement, redundancy, a sale of the employing company or business in which the employee is employed outside the group or (at the discretion of the Board) any other reason. The options remain exercisable for 180 days, after which they lapse unless the Board exercises its discretion to permit the options to be exercisable for a longer period.

If the optionholder ceases to be an employee for any other reason, unvested options lapse while vested options remain exercisable for 180 days, after which they lapse.

**(viii) *Takeovers, reconstructions and variation of share capital***

Early exercise is also permitted in the event of a takeover or reconstruction of the Company. If another company acquires control of the Company, options become exercisable, provided the performance conditions have been met, for 180 days after the change in control of the Company after which they lapse. If there is a scheme of arrangement under s.425 Companies Act 1985, options are exercisable after the court sanctions the scheme until the arrangement becomes effective at which point they lapse.

Where any takeover or reconstruction occurs, the Company may procure that the optionholders will be granted new rights in substitution for their existing rights, provided that the new rights are no less valuable overall than the prior rights.

Where an offer is made to acquire control of the Company which the Board believes will result in a change of control it may, at its absolute discretion, resolve that all options become exercisable before the date of the change of control.

If there is any variation in the share capital of the Company, options will be adjusted in such manner as the Board considers appropriate provided that the exercise price is not reduced to below the nominal value of the Company's shares. The Auditors of the Company will confirm in writing that the adjustment is fair and reasonable.

(ix) **2007 EMI Plan Limits**

The 2007 EMI Plan contains various limits on the number of options that can be granted under it.

- (a) The number of shares in respect of which an option may be granted under the 2007 EMI Plan when added to subscription rights granted under other employee share scheme of the Company in that year and the 9 preceding years (excluding rights that have lapsed) must not exceed 20 per cent. of the Company's issued ordinary share capital from time to time on a fully diluted basis.
- (b) The value of ordinary shares in respect of which Qualifying Options may be granted must not exceed £3 million in aggregate.
- (c) The value of ordinary shares over which Qualifying Options may be granted to any individual employee must not exceed £100,000.

(x) **Alteration of Scheme**

The Board may alter the Rules from time to time except that no alteration or addition may be made to the advantage of optionholders or employees without the approval of the Company in general meeting, unless it is a minor amendment to comply with or take account of any legislation or regulatory requirements, or to obtain or maintain favourable tax treatment for optionholders or for any group company. Additionally, no amendment can be made which would adversely affect the rights of optionholders without their consent.

(xi) **Issue of shares**

Ordinary Shares allotted following the exercise of an option rank equally with the then issued Ordinary Shares (except that they do not rank for any dividend or other right having a record date prior to date of the allotment).

7.5 The terms of the proposed SAYE Plan are as follows:

(a) **Adoption**

It is proposed that the Company will adopt the SAYE Plan at the Extraordinary General Meeting, subject to any amendments required by HM Revenue & Customs ("HMRC") for the SAYE Plan to receive their approval. The Board will be given authority to agree such amendments with HMRC and to adopt the final version of the SAYE Plan. The SAYE Plan is governed by the SAYE Plan Rules and is administered by the Board or a duly authorised committee of directors. Options granted pursuant to the SAYE Plan should be capable of being exercised free from income tax and national insurance contributions, provided they are held for at least three years from grant.

(b) **Eligible employees**

The Board may issue invitations to apply for the grant of options under the SAYE Plan to the employees of the Company or any participating subsidiary or any director of the Company or participating subsidiary who works for at least 25 hours per week.

(c) **Grant of Options**

On receiving applications for the grant of options pursuant to any invitations, the Board shall grant options in accordance with the applications within 30 days of the date on which invitations were issued. If applications exceed the number of shares that have been allocated to the SAYE Plan for the relevant invitation, the applications can be scaled down in accordance with the SAYE Plan (in which case the timescale for grant can be extended to 42 days).

The employees agree to pay a set monthly figure between £5 and £250 to an SAYE savings contract for three, five or seven years, at the end of which the savings and interest from the

savings contract are used to pay the exercise price of an option in respect of the maximum number of company shares that can be acquired using those funds.

No option can be granted more than 10 years after adoption of the SAYE Plan.

Options are not assignable or otherwise transferable, except in the case of the death of an option holder, in which case the personal representatives of the option holder may exercise the option within 12 months of the date of death.

**(d) *Exercise Price***

The price at which option holders exercise the option is set by the Board at the date of invitations being issued and must not be less than the higher of (i) 80 per cent. of the market value of a share in the Company (as agreed with HM Revenue & Customs Shares Valuation before invitations are issued) or (ii) the nominal value of the Company's shares.

**(e) *Exercise and Lapse of Options***

Options can be exercised within six months of the bonus date under the relevant SAYE savings contract. Options may not be exercised during any "close period" (i.e. period during which dealing in the Company's shares by that option holder is proscribed due to the existence of unpublished price sensitive information). Options lapse immediately on the bankruptcy of the option holder or on the option holder withdrawing from and cancelling his SAYE savings contract.

**(f) *Cessation of employment***

Early exercise is permitted if the option holder ceases to be an employee or director by reason of death, injury, disability, retirement, redundancy, a sale of the employing company or business in which the employee is employed outside the group or (at the discretion of the Board and only if options have been held for three years since grant) any other reason. The options remain exercisable for six months, after which they lapse. Exercise is only permitted to the extent that the contributions paid by the option holder plus any interest can be used to acquire shares in the Company at the option exercise price.

If the option holder ceases to be an employee for any other reason, the options lapse.

**(g) *Takeovers, reconstructions and variation of share capital***

Early exercise is also permitted in the event of a takeover or reconstruction of the Company. If another company acquires control of the Company, options become exercisable for 180 days after the change in control of the Company after which they lapse. If there is a scheme of arrangement under s.425 Companies Act 1985, options are exercisable after the court sanctions the scheme until the arrangement becomes effective at which point they lapse.

Where any takeover or reconstruction occurs, the acquiring company may agree that the optionholders will be granted new rights in substitution for their existing rights, provided that the new rights are no less valuable overall than the prior rights.

Where an offer is made to acquire control of the Company which the Board believes will result in a change of control it may, at its absolute discretion, resolve that all options become exercisable before the date of the change of control, but conditional upon the change of control taking place.

If there is any variation in the share capital of the Company, the number of shares subject to the option and the option exercise price will be adjusted in such manner as the Board considers appropriate provided that the exercise price is not reduced to below the nominal value of the Company's shares. HM Revenue & Customs must approve any variation if the SAYE Plan is to remain approved.

(h) ***SAYE Plan Limits***

The number of shares in respect of which an option may be granted under the SAYE Plan when added to subscription rights granted under any other employee share plan operated by the Company in the last ten years (excluding rights that have lapsed) must not exceed 20 per cent. of the Company's issued ordinary share capital from time to time on a fully diluted basis.

(i) ***Alteration of SAYE Plan***

The Board may alter the Rules of the SAYE Plan from time to time except that no alteration or addition may be made to the advantage of option holders without the approval of the Company in general meeting, unless it is a minor amendment to benefit the administration of the Plan. Additionally, no amendment can be made which would adversely affect the rights of option holders without their consent. Any amendment to a "key feature" of the SAYE Plan must be approved by HM Revenue & Customs before it can take effect if the SAYE Plan is to remain approved.

(j) ***Issue of shares***

Ordinary Shares allotted following the exercise of an option rank equally with the then issued Ordinary Shares (except that they do not rank for any dividend or other rights determined prior to date of issue).

7.6 The terms of the proposed Share Incentive Plan are as follows:

(a) ***Adoption***

It is proposed that the Company will adopt the Share Incentive Plan at the Extraordinary General Meeting. The Share Incentive Plan is governed by the Share Incentive Plan Rules and administered by the Board or a duly authorised committee of directors.

(b) ***Eligible employees***

Any employed director or any employee of the Company or any group company is eligible to receive Awards under the Share Incentive Plan.

(c) ***General***

The Share Incentive Plan allows the award of (i) share options (ii) deferred share awards, (iii) conditional share awards, (iv) share appreciation rights and (v) phantom rights (together referred to as "Awards"). The Awards are granted over fully paid ordinary shares of the Company.

Awards are not assignable or otherwise transferable, except in the case of the death of a participant, in which case the personal representatives of the participant may exercise the Award within 12 months of the date of death.

No award can be granted more than 10 years after adoption of the Plan.

(d) ***Performance Targets***

The Board can specify any Performance Targets which must be met before the Award can vest. Such Performance Targets can be waived or amended if the Board reasonably considers that a different Performance Target would be a fairer measure of performance and the new Performance Target is not more difficult to achieve than the old Performance Target was at the date it was imposed.

(e) ***Options***

Options granted under the Share Incentive Plan vest in accordance with any vesting schedule specified in the participant's option agreement. The price payable by participants in order to

exercise their option is set by the Board at the date of grant and must not be less than the nominal value of the Company's shares.

**(f) *Share Appreciation Rights***

Share Appreciation Rights ("SARs") granted under the Share Incentive Plan are options to acquire such number of shares in the Company as is equal in value to the difference between the market value of the shares subject to the SARs at the date of exercise less the Award Price of the SARs (normally the market value of the shares subject to the SARs at the date the Award is made). SARs vest in accordance with any vesting schedule and performance conditions specified in the participant's SAR agreement.

**(g) *Deferred Shares***

A Deferred Shares Award ("DSA") entitles the employee to acquire shares when the DSA vests (in accordance with any vesting schedule and performance conditions specified in the participant's DSA agreement). On vesting, shares in the Company are transferred for no cost, except in the case of a DSA satisfied by the issue of shares directly to a participant, in which case the amount payable for the shares will be no less than their nominal value.

**(h) *Conditional Shares***

Under a Conditional Shares Award ("CSA") shares are issued or transferred to a participant which are forfeitable in the event the employee ceases employment within a specified period and subject to other restrictions. These conditional shares are subject to forfeiture until the CSA vests (in accordance with any vesting schedule specified in the participant's CSA agreement), at which point the conditional shares are released to the participant. CSA agreements contain powers of attorney pursuant to which the Board may deal with or cancel any shares that are forfeited during the vesting period. Conditional shares are awarded to employees for no cost, except in the case of a CSA satisfied by the issue of shares directly to a participant, in which case the amount payable for the shares is no less than their nominal value.

**(i) *Exercise and lapse of Options and SARs***

Options and SARs can be exercised in accordance with any vesting schedule and performance conditions but will lapse on the tenth anniversary of the date of grant. Options lapse immediately on the bankruptcy of the optionholder or a winding-up of the Company.

**(j) *Cessation of Employment – Options and SARs***

If a participant ceases to be an employee or director by reason of injury, disability, retirement, redundancy, a sale of the employing company or business in which the employee is employed outside the group or (at the sole discretion of the Board) any other reason, the participant may exercise all Options or SARs to the extent that any performance conditions attaching to such Options or SARs have been satisfied or waived within 180 days, after which they lapse unless the Board exercises its discretion to permit the options to be exercisable for a longer period.

If a participant ceases to be an employee for any other reason, unvested Options or SARs lapse, but vested Options or SARs remain exercisable for 180 days, after which they lapse.

**(k) *Vesting of DSAs and CSAs***

DSAs and CSAs vest in whole or in part in accordance with any vesting schedule. The Board has discretion to accelerate vesting where a participant ceases to be an employee or director by reason of injury, disability, retirement, redundancy, a sale of the employing company or business in which the employee is employed outside the group or (at the sole discretion of the Board) any other reason.

**(l) *Takeovers, reconstructions, liquidation and variation of share capital***

If another company acquires control of the Company, Awards become exercisable or continue to vest, provided the performance conditions have been met, for 180 days after the change in control of the Company after which they lapse. If there is a scheme of arrangement under s.425 Companies Act 1985, Awards are exercisable or continue to vest after the court sanctions the scheme until the arrangement becomes effective at which point they lapse.

Where any takeover or reconstruction occurs, the Company may procure that the optionholders will be granted new rights in substitution for their existing rights, provided that the new rights are no less valuable overall than the prior rights.

Where an offer is made to acquire control of the Company which the Board believes will result in a change of control it may, at its absolute discretion, resolve that all options become exercisable before the date of the change of control.

If there is any variation in the share capital of the Company, Awards will be adjusted in such manner as the Board considers appropriate.

**(m) *Tax liability on exercise/vesting***

As a condition of receiving their shares on exercise or vesting of an Award, participants must pay to the Company a sum equal to the income tax and employee social security contributions (if any) for which the Company or any group company must account under any withholding tax system or enter into such other arrangements as will enable the Company to account for the amount that is subject to withholding.

**(n) *Share Incentive Plan Limits***

The number of shares in respect of which Awards may be made under the Share Incentive Plan when added to subscription rights granted under any other employee share plan operated by the Company in the last 10 years (excluding rights that have lapsed) must not exceed 20 per cent. of the Company's issued ordinary share capital from time to time on a fully diluted basis.

**(o) *Amendments***

The Board may alter the Rules from time to time except that no alteration or addition may be made to the advantage of participants without the approval of the Company in general meeting, unless it is a minor amendment to benefit the administration of the Plan. Additionally, no amendment can be made which would adversely affect the rights of participants without their consent.

**(p) *Issue of shares***

Ordinary Shares allotted following the exercise or vesting of rights to acquire shares granted under the Plan rank equally with the then issued Ordinary Shares (except that they do not rank for any dividend or other right having a record date prior to date of the allotment). Conditional shares do not carry vesting rights or dividend rights until they become vested (and do not rank for any dividend or other right having a record date prior to the date of vesting).

7.7 Copies of the rules of the 2003 Share Option Scheme, the 2007 EMI Plan, the SAYE Plan and the Share Incentive Plan are available for inspection at the offices of Kirkpatrick & Lockhart Preston Gates Ellis LLP, 110 Cannon Street, London EC4N 6AR from the date hereof to the close of the EGM and will be available for inspection for at least 15 minutes prior to the EGM at the place the EGM is being held.

**8. Directors' and Proposed Directors' Service Agreements/Letters of Appointment**

8.1 Andrew Brundle entered into a service agreement with the Company on 17 November 2003. The agreement was subsequently amended on 14 May 2004. The terms of the agreement include amongst others the following: (i) salary of £85,000 per annum (ii) a bonus calculated and payable at the

absolute discretion of the Board (iii) terminable on twelve months' notice by either party or summarily by the Company if Mr Brundle is, among other things, guilty of gross misconduct under the agreement (iv) private medical insurance (v) employer's pension contributions equivalent to 10 per cent. of basic salary (vi) £12,000 per annum in lieu of a car allowance (vii) 25 days holiday per annum, and (viii) up to 40 days' sick pay in any 12 month period at full rate. With effect from April 2005 Andrew Brundle's salary was increased from £85,000 to £93,000. Following termination of the agreement, Mr Brundle will be subject to a number of restrictive covenants.

- 8.2 Oliver Cooke entered into a service agreement with the Company on 15 October 2003. This agreement include amongst others the following: (i) salary of £100,000 per annum (ii) annual bonus calculated and payable at the absolute discretion of the Board (iii) 9 million share options in the Company (as detailed at paragraph 5.1 above) (iv) terminable on twelve months' notice by either party or terminable summarily by the Company if Mr Cooke is, among other things, guilty of gross misconduct under the agreement (v) benefits package including private medical insurance permanent health insurance and life assurance cover (vi) employer's pension contributions equal to 10 per cent. of basic salary (vii) an allowance of £14,400 per annum in lieu of providing a car (viii) 25 days holiday per annum, and (ix) up to 6 months' sick pay in any 12 month period at full rate. With effect from April 2005 Oliver Cooke's salary was increased from £100,000 to £130,000. Following termination of the agreement, Mr Cooke will be subject to a number of restrictive covenants.
- 8.3 On 15 May 2007, the Company entered into a conditional compromise agreement with Mr Cooke (the "Compromise Agreement"). Pursuant to the terms of the compromise agreement and conditional on Completion, Mr Cooke will resign as a director of the Company and his employment will terminate. As compensation for loss of office, the Company will pay £30,000 and issue and allot to Mr Cooke 20,000 10p Ordinary Shares at the Placing Price. In addition, Mr Cooke has agreed not to compete with the Policing Services Division of the Enlarged Group for a period of 6 months following Completion, and to waive any and all claims he may have against the Group in connection with his employment or otherwise.
- 8.4 Janet Barn was appointed as an executive director on 7 June 2006 pursuant to a letter of appointment dated 14 April 2006. She is paid a salary of £120,000 per annum and is entitled to a discretionary bonus of up to 100 per cent. of salary. In addition, Ms Barn receives a car allowance of £10,000 per annum, private health insurance employer's pension contributions equal to 5 per cent. of basic salary and is entitled to 25 days holiday per annum. The appointment is terminable on the giving of six months notice by either party. Following termination of the agreement, Mrs Barn will be subject to a number of restrictive covenants.
- 8.5 David Marks was appointed as a non-executive director on 1 November 2004 pursuant to a letter of appointment dated 28 October 2004. He is paid a fee of £20,000 per annum (pursuant to reviews of his fee by the Directors in accordance with the letter of appointment.) His appointment is for 2 years and is terminable at any time on 3 months' notice by either side. The appointment may be terminated summarily by the Company if the appointee is, among other things, guilty of gross misconduct or neglecting or failing to perform his duties under his appointment. Following termination of the agreement, Mr Marks will be subject to certain restrictive covenants.
- 8.6 On 15 May 2007, Darren Browne entered into a service agreement with Multi, conditional on Admission. Mr Browne's period of employment will begin on Admission. His period of continuous employment began on 1 April 2000. The terms of the service agreement include, amongst others: (i) salary of £175,000 per annum (ii) a bonus of up to 75 per cent. of salary per year to be determined by the Remuneration Committee having regard to the achievement of targets for the financial year however no pro rata payments of the bonus will be made or payable in the event that Mr Browne is not employed at the date set for payment, or if notice to terminate has been given by either party (iii) terminable on 12 months' notice by either party (iv) 30 days' holiday per annum (v) up to 12 months' sick pay at full salary less the amount of any statutory sick pay (vi) employer's pension contributions of £12,000 per annum (vii) benefits package including private medical insurance and life assurance

- cover (viii) car allowance of £12,000 per annum. Following termination of the agreement, Mr Browne will be subject to a number of restrictive covenants.
- 8.7 The Company has appointed Bob Morton, conditional on Admission, as a non-executive director of the Company pursuant to a letter of appointment for services. The terms of the proposed letter include, amongst others, the following: (i) no entitlement to any director's fee (ii) the duration of appointment is subject to satisfactory performance and re-appointment and is terminable by either party on three months notice or summarily by the Company if Mr Morton is, among other things, unable to perform his duties to the reasonable satisfaction of the Board (iii) review of performance by the Board on an annual basis (iv) obligations relating to Company confidential information (v) compliance with the Company's rules relating to share dealings by directors and their families and to procure compliance in relation to spouses and other persons.
- 8.8 The Company has appointed John Foley, conditional on Admission, as a non-executive director of the Company pursuant to a letter of appointment for services. The terms of the proposed letter include, amongst others, the following: (i) a time commitment of not more than 2 days per month or otherwise as agreed between Mr Foley and the Board (ii) a director's fee of £20,000 per annum (iii) the duration of his appointment is subject to satisfactory performance and re-appointment and is terminable by either party on three months notice or summarily by the Company if Mr Foley is, among other things, unable to perform his duties to the reasonable satisfaction of the Board (iv) obligations in relation to confidential information relating to the Company.
- 8.9 Tony Rogers entered into a service agreement with Dream on 1 January 2007. This service agreement will remain in force following Admission. On 15 May 2007 Mr Rogers and Multi entered into a side letter ("Side Letter"), conditional on Admission, incorporating into his service agreement a requirement that he comply with Multi's share dealing code. Mr Rogers' period of continuous employment began on 5 April 2004. The terms of the service agreement as amended by the Side Letter include, amongst others, the following: (i) salary of £80,000 per annum together with a director's fee of £12,000 per annum for acting as an executive director of the Company (ii) a bonus based on his performance as measured against key performance indicators as set by the board of directors of Dream, which shall not exceed £12,000 per annum (iii) commission paid in accordance with terms determined by the Board (iv) terminable on twelve months notice by either party or summarily by the Company if Mr Rogers is, amongst other things, guilty of gross misconduct (v) 30 days' holiday per annum (vi) up to 3 months' sick pay in any 12 month period (vii) private medical insurance (viii) company car and expenses associated with that car payable by the Company. Following termination of the agreement, Mr Rogers will be subject to a number of restrictive covenants conditional upon, and with effect from Admission, Mr Rogers shall have the title and position of Managing Director of Dream Solutions (formerly Dream Policing Support Division).
- 8.10 On 15 May 2007, Miles Davis entered into a service agreement with the Company as an executive director of Multi, conditional on and with effect from Admission. His period of continuous employment began on 10 April 2000. The terms of the service agreement include, amongst others: (i) salary of £88,000 per annum (ii) a bonus at the absolute discretion of the Remuneration Committee. No pro rata payments of the bonus will be made or payable in the event that Mr Davis is not employed at the date set for payment, or if notice to terminate has been given by either party (iii) terminable on not less than 12 months written notice by either party (iv) 30 days' holiday per annum (v) up to 6 months' sick pay in any 12 month period (vi) employer's pension contribution of £1,000 per month (vii) private medical insurance for Mr Davis and his family (viii) car allowance of £12,000 per annum. The contract contains detailed confidentiality provisions and following termination of the agreement Mr Davis will be subject to a number of restrictive covenants.
- 8.11 Save as disclosed in paragraphs 8.1 to 8.10 above, there are no service contracts, existing or proposed, between any Director or Proposed Director and the Company. None of the existing service contracts of the Directors has been amended in the six months preceding the date of this document.

8.12 In the period February 2007 to April 2007 inclusive, Oliver Cooke, Andrew Brundle and Janet Barn agreed to defer part of the payment of their salaries. The total gross sums deferred for the three month period are as follows:

- (a) Oliver Cooke                    £13,116;
- (b) Andrew Brundle                £9,525; and
- (c) Janet Barn                        £11,331.

It is also anticipated that the May 2007 salaries will be deferred and payment in respect of the deferred sums will be made post Completion.

8.13 Save as disclosed in this paragraph 8 of Part V, there are no arrangements under which any Director or Proposed Director has agreed to waive or vary future emoluments nor have there been any waivers or variations of such emoluments during the financial year immediately preceding the date of this document.

8.14 The aggregate remuneration and benefits in kind paid to the Directors for the financial period ending 31 March 2006 was approximately £346,000. It is estimated that under the agreements currently in force, the aggregate remuneration and benefits in kind to be paid to the Directors for the financial period ended 31 March 2007 was £473,056.

**9. Additional Information on the Directors and Proposed Directors**

9.1 In addition to the Company, the Directors hold or have held the following directorships or been a partner in the following partnerships within the five years prior to the date of this document:

***Oliver Cooke***

*Current*

1st 4 Locums Limited  
Corrib Associates (Partnership)  
Berry Medical Limited  
Berry Recruitment Holdings Limited  
Meadow Two Plc

*Previous*

Berry Recruitment Limited  
Cascade Management  
Consultants Limited  
Erudigm Limited  
GE.Cache Limited  
GE.Clear Limited  
GE.Mart Limited  
GE.Track Limited  
GE.Ware Limited  
Gladstone MRM Limited  
Gladstone Plc  
In4mation.Net Limited  
Job4life.Net Limited  
Like4llike.Net Limited  
Membertrack Limited  
The Electronic Club Limited  
The Fit Club Limited  
Torstar Limited  
Transware Europe Limited  
Transware Limited  
Transware UK Limited

**Andrew Brundle**

*Current*

1st 4 Locums Limited  
Berry Medical Limited  
Berry Recruitment Holdings Limited  
Meadow Two Plc

*Previous*

Access Direct PLC  
Access Direct Scaffolding Limited  
Berry Recruitment Limited  
Doctors on Call Limited  
Eurogen Systems Limited  
Global Medics Limited  
Multigen Limited  
Midchoice Limited  
Meadow Three Plc  
Meadow Four Plc  
Meadow Five Plc  
Meadow Six Plc  
Meadow Seven Plc  
Westminster Event Hire Limited

**Janet Barn**

*Current*

None

*Previous*

Blue Arrow Limited  
Blue Arrow Care Limited  
Medics Healthcare Services Plc  
PRN Recruitment Limited

**David Marks**

*Current*

Lanton Investments Limited

*Previous*

UK Healthcare Partners (General Partner)  
Limited  
Lomond Capital Partners II Limited  
Pall Mall Life Limited  
Monstermob Group plc  
Monstermob Limited

- 9.2 The Proposed Directors hold or have held the following directorships or been a partner in the following partnerships within the five years prior to the date of this document:

**Darren Browne**

*Current*

Day to Day Teachers Limited  
Dream Group Limited  
Dream Recruitment Limited

*Previous*

A Miller Associates Ltd  
Dream I.T. (UK) Limited  
Force Direct Ltd  
Private I.T. Limited  
Dream Internet Limited  
thedoghouse.co.uk Ltd

**Bob Morton**

*Current*

Armour Group plc  
Cryptic Software Limited  
Harrier Group Plc  
Lenross Limited  
Lorien plc  
Merritts Properties Limited  
St Peter Port Capital Ltd  
Spargonet Consulting plc  
Stackbourne Limited  
Tenon Group plc  
Vislink plc

*Previous*

Adium Properties Limited  
BSOFTB plc  
Clarity Commerce Solutions plc  
Drakefield Group Limited  
Drakefield Insurance Services Limited  
Drakefield Services Limited  
Freecom Ventures plc  
Interclubnet plc  
Jobsin.co.uk Limited  
Maclellan Group Limited  
Riverurban Property Management Limited  
Systems Union Group Limited  
Tangent Techniques Group Ltd

**John Foley**

*Current*

Hallco 1404 Limited  
Lorien plc  
National Cradle Maintenance Limited  
Penta Consulting Limited  
Trelawne Services Limited

*Previous*

Deltalawn Limited  
Elequip Holdings Limited  
Excellence Limited  
Excellence Support Services Limited  
First Security Group Limited  
First Security (Guards) Limited  
Interserve Technical Services Limited  
Jordec Management Services Limited  
Maclellan Attlaw Security Limited  
Maclellan Group Limited  
Maclellan Management Services Limited  
One Real Estate Services Limited  
River Taff Properties Limited  
Skycaps Limited  
SSD Group Limited  
Tass (Europe) Limited

**Miles Davis**

*Current*

Day to Day Teachers Limited  
Dream Group Limited  
Dream Recruitment Limited

*Previous*

A Miller Associates Ltd  
Dream I.T. (UK) Limited  
Force Direct Ltd  
Private I.T. Limited

**Tony Rogers**

*Current*

None

*Previous*

None

- 9.3 Andrew Brundle was a director of Meadow Four Plc when it was placed into liquidation by its directors on 2 April 2004 with £1,366,708 owing to creditors.
- 9.4 Andrew Brundle was a director of Meadow Five Plc when it was placed into liquidation by its directors on 2 April 2004 with £579,796 owing to creditors.

- 9.5 Darren Browne was a director of Dream Recruitment Limited when it was the subject of a creditors' voluntary liquidation on 7 February 2005 with £1,813,329.85 owing to creditors.
- 9.6 Bob Morton has been a director of the following:
- Amilyn Limited which was put into receivership on 28 July 1978 and into compulsory liquidation on 30 April 1979;
- Langley Metal Products Limited which was put into creditors' voluntary liquidation on 4 November 1980;
- Merritts Industrial Services Limited which was put into creditors' voluntary liquidation on 27 February 1990 with an estimated deficiency as regards creditors of £84,950;
- QBF Group Limited which was put into administrative receivership on 19 July 1991;
- Tangent Techniques Group Plc which was placed in a company voluntary arrangement on 8 August 1997 and a notice of completion was filed on 7 October 1998, with unsecured creditors receiving a dividend of 42.8p in the pound; and
- Baron Corporation Plc which was put into creditors' voluntary liquidation on 16 October 2001 with an estimated deficiency as regards creditors of £1,045,917.
- 9.7 Miles Davis was a director of Dream Recruitment Limited when it was the subject of a creditors' voluntary liquidation on 7 February 2005 with £1,813,329.85 owing to creditors.
- 9.8 Save as disclosed above none of the Directors or the Proposed Directors has:
- (i) any unspent convictions in relation to indictable offences;
  - (ii) had any bankruptcy order made against him or entered into any voluntary arrangements;
  - (iii) been a director of a company which has been placed in receivership, compulsory liquidation, creditors' voluntary liquidation, administration, been subject to a voluntary arrangement or any composition or arrangement with its creditors generally or any class of its creditors whilst he was a director of that company or within the 12 months after he ceased to be a director of that company;
  - (iv) been a partner in any partnership which has been placed in compulsory liquidation, administration or been the subject of a partnership voluntary arrangement whilst he was a partner in that partnership or within the 12 months after he ceased to be a partner in that partnership;
  - (v) been the owner of any assets or a partner in any partnership which has been placed in receivership whilst he as a partner in that partnership or within the 12 months after he ceased to be a partner in that partnership;
  - (vi) been publicly criticised by any statutory or regulatory authority (including designated professional bodies);
  - (vii) been disqualified by a court from acting as a director of any company or from acting in the management or conduct of the affairs of a Company; or
  - (viii) had a name other than his/her existing name.

## **10. Concert Party**

- 10.1 The members of the Existing Concert Party at the date of this document are Southwind, Oliver Cooke, Michael Jackson and Antony Berry.

## 10.2 The Dream Vendors are:

<i>Dream Vendor</i>	<i>Number of Dream ordinary shares held</i>	<i>Percentage of Dream share capital at the date of this document</i>
Southwind	2,500,000	16.9%
Geoff Brown	60,000	0.4%
Louise Brown	60,000	0.4%
Diane Browne	25,000	0.2%
Darren Browne	8,848,333	59.7%
John Browne	25,000	0.2%
Miles Davis	1,348,333	9.1%
Dallas Ross	25,000	0.2%
Pat Ross	25,000	0.2%
Seraffina Holdings Limited	1,884,200	12.7%
Retro Grand Limited <sup>1</sup>	nil	–%

Note 1: Prior to Completion, Retro Grand Limited will receive 3,346,713 Dream ordinary shares pursuant to the conversion of debt owed by Dream as further described in paragraph 11.11 of this Part V

## 10.3 The Panel have considered the nature of the Acquisition and have ruled that the Vendors, due to their relationship with Southwind should be added to the Existing Concert Party to form the Enlarged Concert Party.

The constitution of the Enlarged Concert Party and the method by which the members will have received their interests in the Enlarged Share Capital are set out below:

<i>Member</i>	<i>Ordinary Shares at the date of this Document</i>	<i>equivalent New Ordinary Shares</i>	<i>Consideration Shares</i>	<i>Conversion Shares</i>	<i>Settlement Shares</i>	<i>Placing Shares</i>	<i>Share Incentive Plan shares</i>	<i>New Ordinary Shares at Admission</i>	<i>Percentage of Enlarged Share Capital</i>
Anthony Berry	19,807,257	198,072	–	–	–	–	–	198,072	0.5%
Geoff Brown	–	–	35,856	–	–	–	400,000	435,856	1.1%
Louise Brown	–	–	35,856	–	–	–	–	35,856	0.1%
Diane Browne	–	–	14,940	–	–	–	–	14,940	0.04%
Darren Browne	–	–	5,287,775	–	–	2,000,000	400,000	7,687,775	18.8%
John Browne	–	–	14,940	–	–	–	–	14,940	0.04%
Oliver Cooke	4,000,000	40,000	–	–	20,000	–	–	60,000	0.1%
Miles Davis	–	–	805,765	–	–	–	400,000	1,205,765	2.9%
Michael Jackson	5,425,000	54,250	–	–	–	260,000	–	314,250	0.8%
Dallas Ross	–	–	14,940	–	–	–	–	14,940	0.04%
Pat Ross	–	–	14,940	–	–	–	–	14,940	0.04%
Seraffina Holdings Limited	–	–	1,126,000	6,994,929	–	–	–	8,120,929	19.9%
Southwind	275,304,524	2,753,045	1,494,003	–	–	–	–	4,247,048	10.4%
Retro Grand Limited	–	–	–	2,000,000	–	–	–	2,000,000	4.9%
	<u>304,536,781</u>	<u>3,045,367</u>	<u>8,845,015</u>	<u>8,992,000</u>	<u>20,000</u>	<u>2,083,200</u>	<u>1,200,000</u>	<u>24,365,311</u>	<u>59.6%</u>

## 11. Material contracts

The following section contains summaries of the principal contents of material contracts (not being contracts entered into in the ordinary course of business) to which any member of the Group or Dream is a party, for the two years immediately preceding the date of this document or under which any member of the Group or Dream has an obligation or entitlement which is or may be material:

### *Multi*

- 11.1 On 3 June 2005, the Company's wholly owned subsidiary Berry Recruitment Limited ("Berry Recruitment") entered into an agreement with Grays Personnel Limited ("Grays") pursuant to which Berry Recruitment agreed to acquire the business and assets of Grays for cash consideration of £250,000.

- 11.2 On 7 October 2005, the Company entered into an agreement pursuant to which the Company acquired 90 per cent. of the issued share capital of 1st 4 Locums Limited (trading as "The Locum Partnership") ("TLP") from Andrew Socratous and Nigel Berg for initial consideration of £2,460,000 satisfied as to £2,160,000 in cash and £300,000 by the issue of 9,887,936 Ordinary Shares. Additional consideration of up to £1,140,000 is linked to the attainment of certain agreed performance targets and will be payable upon signature of the audited accounts of TLP for the year ended 30 April 2006 to be satisfied by up to £440,000 in cash and up to £700,000 in Ordinary Shares at the then market price. The agreement contains customary warranties in favour of the Company. The Company has also been granted an option to acquire the remaining 10 per cent. of TLP's issued share capital, held by Andrew Socratous and Nigel Berg, at any time prior to 6 October 2008 for cash consideration to be determined by reference to a valuation of the business equivalent to eight times its annualised post tax profits at the date upon which the option is exercised.
- 11.3 On 23 December 2005, the Company entered into acquisition agreement made between the Company and Justyn Randall, Nasir Ahmed and Azhar Hussain (the "Original Global Shareholders") on 23 December 2005 (the "Global Acquisition Agreement") pursuant to which the Company agreed to acquire the entire issued share capital of Global Medics from the Original Global Shareholders. On 23 January 2006, the terms of the Global Acquisition Agreement were varied by a supplementary letter between the parties, such that the consideration payable for Global Medics was as follows:
- (i) initial consideration of £8,600,000 satisfied as to:
    - (a) £1,500,000 in cash on completion;
    - (b) a further £500,000 following completion (Outstanding Cash Amount);
    - (c) £1,000,000 in loan notes of the Company;
    - (d) the issue of 160,000,000 Ordinary Shares; and
    - (e) the issue of 2,600,000 Preference Shares;
  - (ii) deferred consideration, conditional on Global Medics reporting earnings before interest, taxation, depreciation and amortisation of at least £2,000,000 for the year ended 31 May 2007, and payable as follows:
    - (a) £2,500,000 in loan notes of the Company; and
    - (b) the issue of a further 2,600,000 Preference Shares.

During the 24 month period following completion of the Original Acquisition, the Original Global Shareholders agreed not to dispose of any of their interests in Ordinary Shares except with the prior written consent of the Company. Furthermore the Original Global Shareholders were subject to certain restrictive covenants not to compete with the activities of Global Medics and not to solicit any customers or employees of Global Medics until 31 May 2008. The agreement contains customary warranties in favour of the Company.

- 11.4 On 20 March 2006, the Company's wholly owned subsidiary Berry, entered into an agreement with Aldridge Recruitment Limited (a company controlled by Antony Berry) ("Aldridge") pursuant to which Berry agreed to sell the entire issued share capital of Berry Recruitment Limited for an initial consideration of £300,000 payable in cash on completion and deferred consideration of £250,000 payable in cash on the first anniversary of completion. In connection with the sale of Berry Recruitment Limited, the Berry Vendors agreed to release the Company from its obligation to pay deferred consideration pursuant to the Berry Acquisition Agreement and to waive all obligations of or claims against the Company it may have under the Berry Acquisition Agreement.
- 11.5 On 20 October 2006, the Company entered into a sale agreement (the "Global Sale Agreement") pursuant to which Global Group (UK) Limited ("Global UK") agreed to buy the entire issued share capital of Global Medics for:
- (a) £350,000 payable in cash on Completion; and

- (b) £170,000 to be satisfied by the issue by Global UK to the Company of loan notes, such loan notes to be repayable no later than 31 May 2007.

In addition the Original Global Shareholders agreed to:

- (a) convert 160,000,000 Ordinary Shares and 2,600,000 Preference Shares (being the shares issued to the Original Global Shareholders as part of the consideration for the acquisition of Global Medics) into 2,760,000,000 Deferred Shares;
- (b) convert the £1,000,000 nominal value loan notes held by them into 1,000,000,000 Deferred Shares;
- (c) release the Company from its obligation under the Global Acquisition Agreement to pay a further cash sum of £500,000 (together with accrued interest) to the Original Global Shareholders; and
- (d) release the Company from all future obligations to pay additional consideration to the Original Global Shareholders under the terms of the Global Acquisition Agreement.

The Company gave certain warranties to Global UK in respect of the operation by it of certain back office functions of Global Medics and its subsidiaries (including the operation of PAYE, NI and VAT functions), the borrowings of Global Medics and the creation of encumbrances.

The Global Sale Agreement contained a mutual release by the Original Global Shareholders and the Company of any obligation or claim in respect of the other pursuant to the Global Acquisition Agreement, such that any outstanding or future obligations under the Global Acquisition Agreement shall terminate with effect from Completion.

- 11.6 On 15 May 2007, the Company entered into the Acquisition Agreement pursuant to which the Company conditionally agreed to acquire 99.97 per cent. of the issued share capital of Dream from the Vendors for a total consideration of £4,459,986 to be satisfied by the issue of the Consideration Shares at Completion and the assumption of Dream's debts. The Acquisition is conditional on, *inter alia*, Admission, the completion of the Placing, the passing of the EGM Resolutions by the Shareholders and the conversion, in the period between exchange of the Acquisition Agreement and Completion, of certain existing debts of Dream into ordinary shares in the capital of Dream. Customary warranties have been given by Darren Jonathan Browne and Miles Grant Davis, the principal managers of Dream (the "Warrantors"). During the 12 month period following Completion, the Warrantors have agreed not to dispose of any of their interests in the Consideration Shares (except with the prior written consent of the Company). During the 24 month period following Completion, the Warrantors are subject to certain restrictive covenants not to compete with the activities of the Enlarged Group and not to solicit any customers or employees of Dream.
- 11.7 On 15 May 2007, the Company entered into a consultancy agreement with Corrib Associates (a partnership, in which Oliver Cooke is a partner) pursuant to which Corrib Associates will provide the services of Oliver Cooke to assist the Board in the investigation and completion of acquisitions and other matters relating to the development of the Company. The term of the consultancy is one year from the date of the agreement unless extended by the Company and the annual fee payable by the Company for the provision of the services is £66,000 plus VAT, payable in equal monthly instalments. In addition, Corrib will be paid success fees to be agreed on an individual basis in respect of any completed transactions.
- 11.8 On 15 May 2007 the Company entered into a consultancy agreement with Hawk Consulting Limited ("Hawk") (a company incorporated in Jersey) pursuant to which Hawk will serve the Company as a consultant of the Company's business with effect from Admission. The agreement is subject to Jersey law. Hawk have appointed Bob Morton as their executive under the agreement and he is required to devote no less than 80 hours per year advising the Company. Hawk shall be paid a monthly fee of £2,500 (inclusive of expenses) from Admission. This sum shall be reviewed every 12 months, the first review being on the first anniversary of Admission. The agreement can be terminated by either party giving three months' notice in writing, or summarily by the Company if, amongst other things, Hawk

or any executive appointed are guilty of gross misconduct. Obligations in relation to confidential Company information are placed upon Hawk should the agreement be terminated.

- 11.9 On 15 May 2007 the Company entered into a placing agreement with Blue Oar, the Directors and the Proposed Directors under which Blue Oar has agreed to use reasonable endeavours to procure subscribers for the Placing Shares at the Placing Price. In consideration for its services in connection with the transaction as a whole, Blue Oar will be paid a fee of £90,000 plus VAT. The Placing Agreement provides that the Company will reimburse the reasonable the costs and expenses of Blue Oar in connection with the Placing. The Placing Agreement contains certain customary warranties given by the Company in favour of Blue Oar and a customary indemnity given by the Company in favour of Blue Oar by the Company. The Company's liability under the warranties and indemnities is uncapped. Claims against the Company must be brought before 11 May 2008. The Placing Agreement may be terminated in certain circumstances prior to the Admission including by reason of force majeure and any change in the existing financial, political or economic conditions which make it impracticable or inadvisable to proceed with the Placing. The obligations of Blue Oar are conditional on *inter alia*, the passing of the EGM Resolutions and Admission occurring on or before 8.00 a.m. on 8 June 2007 or such later date as may be agreed.
- 11.10 On 10 April 2007 the Company entered into an agreement with Williams de Broë Limited ("WdB") pursuant to which, in return for sourcing places for the Placing, it has agreed to pay WdB a commission equal to 2 per cent. of the gross proceeds of the Placing.

#### **Dream**

- 11.11 On 15 May 2007, Dream entered into a deed of capitalisation and release with Seraffina Holdings Limited, Retro Grand Limited and Southwind pursuant to which, conditional on the passing of the EGM Resolutions, the principal outstanding amounts and agreed accrued interest owed by Dream to each of Seraffina Holdings Limited and Retro Grand Limited was redeemed by way of conversion into fully paid ordinary shares in the capital of Dream. Pursuant to this deed of capitalisation and release, subject to the passing of the EGM Resolutions, Seraffina Holdings Limited and Retro Grand Limited irrevocably consented to the conversion in full and final satisfaction of all Dream's liabilities and obligations under the loan documentation between the parties; and each of Seraffina Holdings Limited, Retro Grand Limited and Southwind agreed to the full release of all charges in their favour over the Company's assets. Subject to Completion, Seraffina Holdings Limited agreed to waive all interest which has accrued and is due to it from Dream between 1 January 2005 and Completion.
- 11.12 On 18 April 2006, Dream accepted the terms and conditions upon which The Royal Bank of Scotland acting as agent for National Westminster Bank Plc ("RBS") would make available to Dream an overdraft facility for the purposes of its business. The facility allows Dream to overdraw on its account with RBS up to a limit of £750,000. The facility is available until notification by either party of an intention to cancel the facility and interest is charged at a rate equivalent to 1.5 per cent. per annum over RBS' base rate from time to time. The facility is secured by a debenture dated 20 January 2005 granted by Dream in favour of RBS and two personal guarantees for £750,000 and £250,000 each granted by Bob Morton.
- 11.13 On 1 February 2005, Dream entered into a commercial invoice factoring agreement with Eurofactor (UK) Limited ("Eurofactor") pursuant to which Eurofactor agreed to advance to Dream 95 per cent. of the gross book value of amounts due to Dream up to a maximum aggregate amount of £1,200,000 at any one time. The agreement will remain in force until terminated by either party on not less than six months' written notice and is secured by a debenture dated 1 February 2005 granted by Dream in favour of Eurofactor.

#### **12. Litigation**

Neither the Company nor Dream is involved in any legal or arbitration proceedings which may have or have had in the 12 months preceding the date of this document a significant effect on the Company or Dream's respective financial positions and, so far as the Directors and the Proposed Directors are aware, there are no such proceedings pending or threatened against the Company or Dream.

### 13. Taxation

The following information is given in summary form only and is based on tax legislation as it exists at the present time. The information relates to the tax position of holders of Ordinary Shares in the capital of the Company who are resident or ordinarily resident in the United Kingdom for tax purposes who hold shares as investments, who are the absolute beneficial owners of those shares and who are not employees or connected with employees of the Company. The statements below do not constitute advice to any shareholder on his or her personal tax position, and may not apply to certain classes of investor (such as persons carrying on a trade in the United Kingdom or United Kingdom insurance companies).

**Any person who is in any doubt as to their tax position or who is subject to taxation in any jurisdiction other than the UK, should consult their own professional advisers immediately.**

#### 13.1 *Dividends*

Dividends paid by the Company will not be subject to withholding tax.

Dividends paid by the Company will carry an associated tax credit equal to one-ninth of the cash dividend paid. An individual Shareholder resident in the UK for tax purposes will be taxable on the total of any dividend received and the related tax credit (the "gross dividend").

The gross dividend forms the "top slice" of an individual's income for the purposes of ascertaining the rate of income tax applicable to the gross dividend. To the extent that the gross dividend falls to be charged at a rate less than the higher rate, the Shareholder will be liable to tax on the gross dividend at the rate of 10 per cent. The tax credit will fully satisfy such Shareholder's income tax liability in respect of this part of the gross dividend.

To the extent that the gross dividend falls to be charged at the higher rate, the Shareholder will be liable to tax on the gross dividend at the rate of 32.5 per cent. After taking into account the 10 per cent. tax credit, such an individual will be liable to pay additional income tax at the rate of 22.5 per cent. of the gross dividend (which is equal to 25 per cent. of the amount of the dividend received).

Subject to certain exceptions, a Shareholder which is a company resident for tax purposes in the UK will not be taxable on dividends paid by the Company and received by that Shareholder.

#### 13.2 *Taxation of Chargeable Gains*

A subsequent disposal of the Ordinary Shares by persons resident or ordinarily resident in the United Kingdom in a tax year which gives rise to gains may be liable to capital gains tax (individuals and trustees) and corporation tax (companies). Liability to tax and the rate of tax will depend on the Shareholder's circumstances and the availability of exemptions or allowable losses.

Indexation allowance, which increases the acquisition cost of an asset in line with the rise in the retail price index, may be available for corporate Shareholders during the period of ownership.

For individuals and trustees, taper relief may be available to reduce the amount of a chargeable gain according to how long the asset has been held.

Shares traded on AIM are treated as "unlisted" for the purposes of capital gains tax taper relief and consequently the Ordinary Shares may qualify as "business assets" in the hands of individual Shareholders, provided the other criteria for qualification are also satisfied.

Generally, a loss realised on the disposal of assets may be set against other gains made during the tax year or carried forward and set against gains in future tax years.

Different tax treatment applies to persons who trade in securities.

#### 13.3 *Inheritance Tax*

If any Shareholder is regarded as domiciled in the UK for inheritance tax purposes, inheritance tax may be payable in respect of the Ordinary Shares on the death of the Shareholder or on any gift of the

Ordinary Shares, subject to available exemptions and reliefs. Shares traded on AIM are treated as unquoted for Business Property Relief (BPR) purposes and consequently the Ordinary Shares may qualify for 100 per cent. BPR if held for 2 years or more, provided the other criteria for qualification are also satisfied.

#### **14. Licences**

Neither the Company nor Dream is dependent on any patents or licences or new manufacturing processes which are of fundamental importance to the their businesses or profitability.

#### **15. Consents**

15.1 BDO Stoy Hayward LLP has given and not withdrawn its consent to the inclusion in this document of its Accountant's Report in Part IV in the form and context in which it is included.

15.2 Blue Oar Securities Plc has given and not withdrawn its consent to the issue of this document with inclusion herein of references to its opinion and name in the form and context in which they are included.

#### **16. Other information**

16.1 The accounting reference date of the Company is 31 March and the accounting reference date of Dream is 31 January.

16.2 Save as disclosed in Part I of this document, there has been no significant change in the trading or financial position of either the Company since 30 September 2006, being the date to which the last interim accounts have been drawn up and published, or Dream since 31 January 2007, being the date to which the last audited accounts of Dream were prepared.

16.3 Other than as disclosed there have been no interruptions in any of the Group or Dream's businesses within the 12 months preceding the date of this document which may have or have had a material effect on the their respective financial positions.

16.4 The accounts of the Company for the year ended 31 December 2003 and the fifteen months ended 31 March 2006 were audited by BDO Stoy Hayward LLP of Emerald House, East Street, Epsom, Surrey KT17 1HS. The accounts of the Company for the year ended 31 December 2004 were audited by Baker Tilly of 2 Bloomsbury Street, London WC1B 3ST.

16.5 The accounts of Dream for the two years ended 31 January 2007 were audited by Shea & Co Limited of 105 Stanstead Road, London SE23 1HH. The accounts of Dream for the year ended 31 March 2004 and the ten months ended 31 January 2005 were audited by Haines Watts of Egmont House, 25-31 Tavistock Place, London WC1H 9SF.

16.6 The address of the Directors is Christopher Wren Yard, 117 High Street, Croydon CR0 1QG.

16.7 No person (excluding professional advisers as stated in this document and trade suppliers) has received directly or indirectly from the Group within the 12 months preceding the Company's application for Admission and no persons have entered into contractual arrangements to receive:

- (i) fees totalling £10,000 or more;
- (ii) securities in the Company with a value of £10,000 or more;
- (iii) any other benefit with a value of £10,000 or more at the date of Admission.

16.8 There are no promoters of any member of the Group and no cash, securities or benefits were paid, issued or given or proposed to be paid, issued or given to any promoters within the two years immediately preceding the date of this document.

- 16.9 The expenses of the Proposals are estimated at £515,000 (excluding VAT) and are payable by the Company.
- 16.10 Save for the acquisition of Dream described in Part I of this document, there are no significant investments in progress by the Company.
- 16.11 Except as stated in Part I of this document, no exceptional factors have influenced the Company's or Dream's activities.
- 16.12 There are no specific dates on which entitlement to dividends or interest thereon on Ordinary Shares arises.
- 16.13 There are no environmental issues which may affect the business of the Company.
- 16.14 Information on Dream set out in Part I of this document has been supplied by the Proposed Directors. This information has been accurately reproduced and, as far as the Company and the Directors are aware or are able to ascertain from information available no facts have been omitted which would render the reproduced information inaccurate or misleading.
- 16.15 The average number of employees of the Group and Dream respectively in the last three financial years was:

	<i>Average number of employees of the Group</i>
<i>Year ended:</i>	
31 December 2003	230
31 December 2004	107
31 March 2006	84
	<i>Average number of employees of Dream</i>
<i>Year ended:</i>	
31 January 2005	2
31 January 2006	32
31 January 2007	37

- 16.16 The issue of the Consideration Shares and Placing Shares will result in existing Shareholders' relative ownership of the Company being reduced by approximately 86.7 per cent.

## **17. Copies of this Document**

Copies of this document will be available, free of charge, at the offices of Blue Oar at 30 Old Broad Street, London EC2N 1HT from the date of this document during normal business hours on any day (Saturdays, Sundays and public holidays excepted) for one month from the date of Admission.

Dated: 15 May 2007

## PART VI

# MULTI GROUP PLC

(Company Number 2641313)

(the "Company")

## NOTICE OF EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that an extraordinary general meeting of the Company will be held at the offices of Kirkpatrick & Lockhart Preston Gates Ellis LLP at 110 Cannon Street, London EC4N 6AR on 7 June 2007 at 10.00 a.m. for the purposes of considering and, if thought fit, passing the following resolutions, of which Resolutions 1 to 3 will be proposed as ordinary resolutions and Resolutions 4 to 7 will be proposed as special resolutions:

### Ordinary Resolutions

1. **THAT** the acquisition by the Company of 99.97 per cent. of the issued share capital of Dream Group Limited on the terms and conditions of the Acquisition Agreement (as further described in the admission document of the Company dated 15 May 2007 (the "Admission Document") be approved and that the directors of the Company (the "Directors") be authorised to do all such things as they may consider to be necessary or desirable to complete and give effect to that acquisition and to agree such non-material modifications, waivers and extensions of any of the terms and conditions of the Acquisition Agreement as they may consider to be necessary or desirable.
2. **THAT**, conditional on the passing of Resolution 1:
  - (a) the Servoca Plc 2007 Enterprise Management Incentive Share Option Plan (the "2007 EMI Plan"), the main features of which are summarised in the Admission Document and the rules of which have been signed by the Chairman of the meeting for the purposes of identification, be approved; and
  - (b) the Servoca Plc SAYE Share Option Plan (the "SAYE Plan"), the main features of which are summarised in the Admission Document and the rules of which have been signed by the Chairman of the meeting for the purposes of identification, be approved; and
  - (c) the Servoca Plc 2007 Share Incentive Plan (the "Share Incentive Plan"), the main features of which are summarised in the Admission Document and the rules of which have been signed by the Chairman of the meeting for the purposes of identification, be approved; and
  - (d) the Directors be authorised to (i) do all such acts and things as they may consider necessary or expedient to carry the 2007 EMI Plan, the SAYE Plan and the Share Incentive Plan into effect, including in respect of the SAYE Plan to make such amendments to the SAYE Plan as are required to obtain the approval of HM Revenue & Customs for the SAYE Plan and to adopt the final form of the SAYE Plan on behalf of the Company (or delegate that duty to any individual director); and (ii) to vote, and be counted in the quorum, on any matter connected with the 2007 EMI Plan, the SAYE Plan and the Share Incentive Plan, notwithstanding that they may be interested in the same and the provisions of the articles of association of the Company (the "Articles") be relaxed accordingly to that extent (except that no Director may be counted in a quorum or vote in respect of his own participation).
3. **THAT**:
  - (a) the share capital of the Company be increased from £8,713,509.15 to £13,400,000 by the creation of an additional 4,686,490,850 new ordinary shares of 0.1 pence each having the rights and being subject to the restrictions set out in the articles of association of the Company; and
  - (b) the Directors be and are hereby generally and unconditionally authorised for the purposes of Section 80 of the Act to allot relevant securities (as defined in Section 80(2) of the Act) up to an aggregate nominal amount of £12,855,295.18, being the entire authorised but unissued share

capital of the Company at the date of this resolution, such authority (unless previously revoked or varied) to expire on the day falling five years following the passing of this Resolution save that the Company may at any time prior to the expiry of such authority make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities in pursuance of such offer or agreement as if such authority had not expired.

#### **Special Resolutions**

4. **THAT**, conditional on the passing of Resolution 3, the Directors be empowered in accordance with Section 95 of the Act to allot equity securities (as defined in Section 94 of the Act) for cash pursuant (except in the case of a sale of shares falling within Section 94(3A) of the Act) to the authority conferred by Resolution 3 as if Section 89(1) of the Act did not apply to the allotment and shall cease to have effect when the authority conferred by Resolution 3 is revoked or expires except that the Company may at any time prior to such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such offer or agreement as if this power had not expired;
5. **THAT**, conditional on the passing of Resolution 1 pursuant to Article 48 of the Articles, every 100 ordinary shares of 0.1 pence each in the capital of the Company, both issued and unissued, be consolidated into one ordinary share of 10 pence on the basis that no member shall be entitled to a fraction of a share and fractional entitlements shall be aggregated and sold for the benefit of the Company;
6. **THAT**, conditional on the passing of Resolution 1, the name of the Company be changed to “Servoca Plc”; and
7. **THAT**, conditional on Completion (as such term is defined in the Admission Document), the amounts that stand, immediately following Completion, to the credit of the share premium account of the Company and the capital redemption reserve of the Company, shall be cancelled and the balance transferred to the Company’s profit and loss reserve.

By Order of the Board

**Andrew Brundle**  
*Company Secretary*

Date: 15 May 2007

*Registered Office:*

Christopher Wren Yard  
117 High Street,  
Croydon,  
Surrey CR0 1QG

**Notes:**

- (1) A member entitled to attend and vote at this meeting is entitled to appoint one or more proxies to attend and, on a poll, vote in his stead. A proxy need not be a member of the Company.
- (2) A Form of Proxy is enclosed with the document of which this Notice of Extraordinary General Meeting forms part. To be valid, a Form of Proxy and the power of attorney or other authority (if any) under which it is signed, or a copy of such authority certified notorally or in some other way approved by the board of directors of the Company, must be lodged with the Company’s Registrars, Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU not less than 48 hours before the time fixed for the meeting. Lodging a Form of Proxy will not preclude a member from attending the meeting and voting in person.
- (3) In accordance with regulation 41 of the Uncertificated Securities Regulations 2001, only those ordinary shareholders registered in the register of members of the Company as at 10.00 a.m. on 5 June 2007 or in the event that the meeting is adjourned, in such register 48 hours before the time of any adjourned meeting, shall be entitled to attend or vote at the meeting in respect of the number of shares registered in the name of the shareholder at the relevant time. Changes to entries in the register of members after 10.00 a.m. on 5 June 2007 or, in the event that the meeting is adjourned, in such register less than 48 hours before the time of any adjourned meeting, shall be disregarded in determining the rights of any person to attend or vote at the meeting.

**PART VII**  
**MULTI GROUP PLC**  
*(Company Number 2641313)*  
(the "Company")

**NOTICE OF ANNUAL GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that the annual general meeting of the Company will be held at the offices of Kirkpatrick & Lockhart Preston Gates Ellis LLP at 110 Cannon Street, London EC4N 6AR on 14 June 2007 at 10.00 a.m. for the purposes of considering and, if thought fit, passing the following resolutions all of which will be proposed as ordinary resolutions:

**Ordinary Resolutions**

1. **THAT** the directors' report and accounts, for the years ended 31 December 2003, 31 December 2004 and the fifteen months ended 31 March 2006, and the auditors' reports on such accounts be received and approved.
2. **THAT** the directors' remuneration reports (as that term is used in Section 241A of the Companies Act 1985 (the "Act")) for the years ended 31 December 2003, 31 December 2004 and the fifteen months ended 31 March 2006, be approved.
3. **THAT** Andrew Edward Brundle, who retires by rotation, be reappointed.
4. **THAT** Darren Jonathan Browne, who was appointed since the date of the last annual general meeting of the Company, be reappointed.
5. **THAT** Tony John Rogers, who was appointed since the date of the last annual general meeting of the Company, be reappointed.
6. **THAT** Miles Grant Davis, who was appointed since the date of the last annual general meeting of the Company, be reappointed.
7. **THAT** Arthur Leonard Robert Morton, who was appointed since the date of the last annual general meeting of the Company, be reappointed.
8. **THAT** John Robert Foley, who was appointed since the date of the last annual general meeting of the Company, be reappointed.
9. **THAT** the appointment of BDO Stoy Hayward LLP as auditors of the Company to replace Baker Tilly, who resigned, be and is hereby ratified and approved and that the directors of the Company be authorised to fix their remuneration.

By Order of the Board

**Andrew Brundle**  
*Company Secretary*

Date: 15 May 2007

*Registered Office:*  
Christopher Wren Yard  
117 High Street,  
Croydon,  
Surrey CR0 1QG

**Notes:**

- (1) A member entitled to attend and vote at this meeting is entitled to appoint one or more proxies to attend and, on a poll, vote in his stead. A proxy need not be a member of the Company.
- (2) A Form of Proxy is enclosed with the document of which this Notice of Annual General Meeting forms part. To be valid, a Form of Proxy and the power of attorney or other authority (if any) under which it is signed, or a copy of such authority certified notorially or in some other way approved by the board of directors of the Company, must be lodged with the Company's Registrars, Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU not less than 48 hours before the time fixed for the meeting. Lodging a Form of Proxy will not preclude a member from attending the meeting and voting in person.
- (3) In accordance with regulation 41 of the Uncertificated Securities Regulations 2001, only those ordinary shareholders registered in the register of members of the Company as at 10.00 a.m. on 12 June 2007 or in the event that the meeting is adjourned, in such register 48 hours before the time of any adjourned meeting, shall be entitled to attend or vote at the meeting in respect of the number of shares registered in the name of the shareholder at the relevant time. Changes to entries in the register of members after 10.00 a.m. on 12 June 2007 or, in the event that the meeting is adjourned, in such register less than 48 hours before the time of any adjourned meeting, shall be disregarded in determining the rights of any person to attend or vote at the meeting.

