SERVOCA Plc

Provider of Public Sector Resourcing and Outsourced services

Interim report
For the six months ended 31 March 2009

Highlights

- Revenue up 83% to £30.1 m (March 2008 £16.46m)
- Gross Profit up 67% to £8.46 m (March 2008 £5.07m)
- Profit before taxation of £0.86 m (March 2008 £0.36m loss)
- Strong organic growth
- Restructuring process completed
- Equity Fundraising of £5 m in March 2009
- EPS of 1.77p (March 2008 loss of 0.89p)

Andrew Church, Chief Executive, commented:

Turnover, gross profit and profit before tax are all ahead of Board expectations and the Group has made a solid start to the year. The Group completed a substantial restructuring and cost reduction exercise during the period and the results for the first half reflect the impact of this exercise.

Current trading remains positive and the performance of the Group in the first half gives the Board confidence for the full year.

For further enquiries:

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Interim report for the six months ended 31 March 2009

SERVOCA Plc
Interim Statement
For the six months ended 31 March 2009

Introduction

During the six months ended 31 March 2009 Servoca completed a major restructuring and cost reduction exercise. This involved the appointment of a new Group Chief Executive, the exit from poorly performing Group businesses and a reduction in overhead expenditure. As a result Servoca is pleased to report its maiden set of profits for the period.

The 2008 results showed good underlying growth marred by several one off costs and loss making businesses which have now been closed. With the restructuring process complete and the cost base realigned, the performance of Servoca has been transformed.

The Group is now focussed on public sector education and healthcare recruitment and our secure solutions offering. These Public Sector businesses are proving resilient to the current economic climate and Servoca has seen strong demand for its services across these areas and strong organic growth.

Financial review

During the six months ended 31 March 2009, revenues increased by 83% to £30.1 million (March 2008 - £16.46 million), which produced an increased gross profit of £8.46 million up 67% (March 2008 - £5.07 million).

The profit before tax for the period was £0.86 million after losses on closed business units of £0.34 million (March 2008 – loss £0.36 million).

Basic earnings per share for the period to March 2009 was 1.77p (March 2008: loss per share 0.89p).

In March 2009, the Company raised £5 million, before expenses, through a placing of 62,500,000 ordinary shares of 1p each at a price of 8p per share. Net debt at 31 March 2009 was £1.5 million (March 2008: £7.5 million).

Closed businesses

On 28th January 2009, Windsor Recruitment & Training Limited was put into administration due to poor trading conditions and losses suffered in the Company's training division.

On 9th February 2009, Salus Recruitment Limited was placed into administration.

In December 2008, the Company closed its Complex Care division which had operated as part of the Healthcare division.

SERVOCA Plc
Interim statement (continued)
For the six months ended 31 March 2009

Operational highlights

Strategy and delivery

Following a number of acquisitions made by the Group in 2008, our strategy is to concentrate on organic growth in our existing three principal markets of Education, Healthcare, and Secure Solutions. The management team is focused on profit delivery and realising the Group's potential.

Resourcing

Healthcare:

Our Healthcare business operates through four distinct brands, **Firstpoint, Servoca Nursing and Care, Triple West Medical and The Locum Partnership (TLP)**. These businesses supply a broad spectrum of skills including Allied Health Professionals, Doctors, Nurses, Care Workers and other associated specialisations. This allows us to offer a complete service by having the ability to cover all major staffing disciplines within this sector.

Our businesses in this area have experienced strong trading conditions and performance. As part of our restructuring programme we have moved towards a strategy of building larger "hub" offices and closed smaller, loss making branches. This has created a more efficient operation that retains an ability to generate similar levels of Gross Margin on a substantially reduced cost base. This focus on profit delivery has seen all businesses perform beyond expectation and the restructuring activity during the period leaves them well positioned to continue their progress in the second half.

The healthcare sector is proving resilient to the current economic climate and we remain of the view that the sector holds positive long-term prospects.

Education:

Our education business operates through three brands, **Academics, Day to Day Teachers and Dream Education**.

Academics was acquired in 2008 and the business has performed strongly since being incorporated into the Group and made a significant contribution to the Groups performance over the period. Academics operates as an education recruitment and training provider which supplies education professionals on a contract or permanent basis to clients in London and the Home Counties. The business offers significant scope for expansion from a proven business model in existing, national and international markets.

SERVOCA Plc
Interim statement (continued)
For the six months ended 31 March 2009

Strategy and delivery (*continued)*

Dream Education provides long term teaching professionals to schools across the UK, mostly within secondary schools. Historically this business has focused exclusively on the supply of overseas candidates but is now increasingly supplying UK trained professionals. The increase in candidate flow is improving the growth prospects for the business in what remains a sector characterised by shortages in manpower supply.

Day to Day Teachers is our education recruitment business that provides supply teachers and classroom assistants to cover short-term periods of absence within schools. The business operates from two locations and there are further opportunities to develop the scale and reach of the business.

The margin generated from our education division is expected to exceed that generated from our healthcare activities for the full year. This reflects the progress made in this area since the acquisition of Academics and Day to Day Teachers during 2008. The sector remains characterised by shortages of manpower supply and substantial investment has been made in improving our ability to generate improved candidate flow. This sector is also proving resilient to the current economic climate and again we remain of the view that the sector holds positive long term prospects.

Secure Solutions:

Our Security Division – Secure Solutions – incorporates two main business areas; corporate security services and criminal justice operations. Our corporate security offering comprises manned guarding, systems services and a corporate investigations unit that engages in a variety of sensitive and highly specialist activities. Our criminal justice operation provides resourcing, training and outsourcing services to a majority of police constabularies throughout the UK. This area also provides investigative skills and services to a range of local and central government authorities.

Our criminal justice business has performed creditably over the period and has, as with our other public sector facing activities, proved resilient to the economic climate. Our corporate security business has a greater reliance on the private sector economy and has therefore faced a more challenging environment. As a result of the market conditions in this area, we have undertaken a review of the cost base required and focused on protecting margins and bottom line profit in the face of these conditions. This review has led to the implementation of a number of cost saving initiatives that have sustained an efficient business in the first half of the year and sets the framework for improved profitability in the second half.

The focus of our activities in these areas will continue to be ensuring that they continue to make a profitable contribution to the Group's performance.

SERVOCA Plc
Interim statement (continued)
For the six months ended 31 March 2009

Board changes

Tony Rogers resigned as a Director with effect from 3 October 2008.

Darren Browne resigned as Chief Executive Officer on 3 November 2008.

Andrew Church, formerly managing director of Lorien Resourcing, was appointed as Chief Executive Officer on 24 November 2008.

Emma Sugarman, founder and Managing Director of Academics Limited, was appointed to the Board on 16 December 2008.

Outlook.

Servoca holds some attractive market positions in resilient sectors and the focus will be on further developing the potential within the Group through organic growth. The current operation offers considerable scope for development and the management team look forward to realising this potential.

Servoca will continue to serve many areas of public sector recruitment that suffer from manpower supply shortages. The underlying growth in public sector recruitment remains strong and the Board remain of the view that this provides positive long term prospects.

Current trading remains positive and the performance of the Group in the first half gives the Board confidence for the full year.

Bob Morton
Chairman
10 June 2009

Andrew Church
Chief Executive Officer

Interim report for the six months ended 31 March 2009

SERVOCA Plc

Consolidated income statement

For the six months ended 31 March 2009

	Note	**Six months ended 31 March 2009 (unaudited) Total £'000**	Six months ended 31 March 2008 (unaudited) Total £'000	Year ended 30 September 2008 (audited) Total £'000
Revenue		**30,096**	16,458	42,050
Cost of sales		**(21,634)**	(11,389)	(29,320)
Gross profit		**8,462**	5,069	12,730
Administrative expenses		**(7,418)**	(5,285)	(19,473)
Operating profit/(loss) for continuing businesses before goodwill impairment and exceptional costs		**1,379**	(422)	207
Profits/(losses) in closed businesses	10	**(335)**	206	(811)
Goodwill impairment		**-**	-	(3,131)
Exceptional costs		**-**	-	(3,008)
Profit/(loss) from operations		**1,044**	(216)	(6,743)
Finance income		**-**	3	4
Finance costs		**(188)**	(150)	(429)
Profit/(loss) before taxation		**856**	(363)	(7,168)
Tax expense		**-**	-	-
Profit/(loss) for the period		**856**	(363)	(7,168)
Earnings/(loss) per share:		**Pence**	Pence	Pence
- Basic	5	**1.77**	(0.89)	(16.13)
- Diluted	5	**1.45**	(0.89)	(16.13)

Interim report for the six months ended 31 March 2009

SERVOCA Plc

Consolidated balance sheet

At 31 March 2009

	Note	**31 March 2009 (unaudited) £'000**	31 March 2008 (unaudited) £'000	30 September 2008 (audited) £'000
Assets				
Non-current assets				
Intangible assets		**6,272**	10,606	7,237
Property, plant and equipment		**719**	704	697
Total non-current assets		**6,991**	11,310	7,934
Current assets				
Trade and other receivables		**10,416**	8,949	9,908
Cash and cash equivalents		**3,662**	1,322	204
Total current assets		**14,078**	10,271	10,112
Total assets		**21,069**	21,581	18,046
Liabilities				
Current liabilities				
Trade and other payables		**(8,783)**	(6,440)	(7,642)
Other financial liabilities	6	**(5,257)**	(4,288)	(6,471)
Contingent consideration	7	**(3,430)**	(5,250)	(4,628)
Corporation tax liability		**(367)**	(698)	(367)
Provisions		**(506)**	(144)	(1,040)
Total current liabilities		**(18,343)**	(16,820)	(20,148)
Non-current liabilities				
Other financial liabilities		**(907)**	(3,258)	(1,234)
Contingent consideration	7	**-**	(406)	(460)
Provisions		**(249)**	(192)	(352)
Total non-current liabilities		**(1,156)**	(3,856)	(2,046)
Total liabilities		**(19,499)**	(20,676)	(22,194)
Total net assets/(liabilities)		**1,570**	905	(4,148)

SERVOCA Plc

Consolidated balance sheet *(continued)*

At 31 March 2009

	Note	**31 March 2009 (unaudited) £'000**	31 March 2008 (unaudited) £'000	30 September 2008 (audited) £'000
Capital and reserves attributable to equity holders of the company				
Called up share capital	8	**5,437**	4,179	4,812
Share premium account		**6,291**	-	2,054
Merger reserve		**2,772**	3,622	2,772
Reverse acquisition reserve		**(12,268)**	(12,268)	(12,268)
Retained earnings		**(662)**	5,372	(1,518)
		1,570	905	(4,148)

SERVOCA Plc
Consolidated statement of changes in equity
For the six months ended 31 March 2009

Unaudited	Share capital £'000	Share premium £'000	Capital redemption reserve £'000	Merger reserve £'000	Reverse acquisition reserve £'000	Retained earnings £'000	Total equity £'000
Balance as at 1 October 2007	3,931	8,812	6,036	2,772	(12,268)	(9,198)	**85**
Changes in equity for the period ended 31 March 2008							
Loss for the period	-	-	-	-	-	(363)	(363)
Cost of share based payment	-	-	-	-	-	85	85
Reduction in capital	-	(8,812)	(6,036)	-	-	14,848	-
Issue of share capital	248	-	-	850	-	-	1,098
	248	(8,812)	(6,036)	850	-	14,933	1,183
Balance as at 31 March 2008	**4,179**	**-**	**-**	**3,622**	**(12,268)**	**5,372**	**905**
Changes in equity for the period ended 30 September 2008							
Loss for the period	-	-	-	-	-	(6,805)	(6,805)
Share based payment adjustment	-	-	-	-	-	(85)	(85)
Reserve transfers	-	850	-	(850)	-	-	-
Issue of share capital	633	1,204	-	-	-	-	1,837
	633	2,054	-	(850)	-	(85)	1,752
Balance as at 30 September 2008	**4,812**	**2,054**	**-**	**2,772**	**(12,268)**	**(1,518)**	**(4,148)**
Changes in equity for the period ended 31 March 2009							
Profit for the period	-	-	-	-	-	856	856
Issue of share capital	625	4,237	-	-	-	-	4,862
Balance as at 31 March 2009	**5,437**	**6,291**	**-**	**2,772**	**(12,268)**	**(662)**	**1,570**

The movement between the merger reserve and the share premium reserve is a result of a reclassification of reserves.

Interim report for the six months ended 31 March 2009

SERVOCA Plc

Consolidated cash flow statement

For the six months ended 31 March 2009

	Note	**Six months ended 31 March 2009 (unaudited) £,000**	Six months ended 31 March 2008 (unaudited) £'000	Year ended 30 September 2008 (audited) £'000
Operating activities				
Profit/(loss) before tax		**856**	(363)	(7,168)
Adjustments for:				
Depreciation and amortisation		**126**	79	394
Finance costs		**188**	150	429
Finance income		**-**	(3)	(4)
Loss on disposal of fixed assets		**-**	-	-
Goodwill impairment		**-**	-	3,131
Increase in trade and other receivables		**(1,011)**	(1,412)	(2,371)
Increase in trade and other payables		**2,150**	1,761	4,370
Movement in provisions		**(637)**	(158)	899
Cash generated from operations		**1,672**	54	(320)
Interest paid		**(188)**	(150)	(429)
Corporation tax paid		**-**	-	(326)
Cash flows from operating activities		**1,484**	(96)	(1,075)
Investing activities				
Acquisitions, net of cash acquired		**(247)**	(3,515)	(3,544)
Purchase of property, plant and equipment		**(163)**	(290)	(595)
Interest received		**-**	3	4
		(410)	(3,802)	(4,135)
Financing activities				
Issue of ordinary shares	8	**3,731**	-	1,900
Share issue costs		**(139)**	(5)	(68)
Loan finance		**-**	3,200	-
Inception/(repayment) of finance lease creditor		**6**	(3)	42
		3,598	3,192	1,874
Increase/(decrease) in cash and cash equivalents		**4,672**	(706)	(3,336)
Cash and cash equivalents at the beginning of the period		**(5,565)**	(2,230)	(2,229)
Cash and cash equivalents at the end of the period	9	**(893)**	(2,936)	(5,565)

SERVOCA Plc

Notes forming part of the financial information

For the six months ended 31 March 2009

1 Accounting periods

The accounting reference date of the Group is 30 September. The current interim results are for the six months ended 31 March 2009. The comparative interim results are for those for the six months ended 31 March 2008. The comparative period end's results are for the year ended 30 September 2008.

2 Financial information

The interim financial information for the six months ended 31 March 2009 does not constitute statutory accounts as defined in Section 240 of the Companies Act 1985. The interim financial information has been prepared under the accounting policies set out in the Annual Report for the period ended 30 September 2008.

The financial information for the periods ended 31 March 2009 and 31 March 2008 are unaudited and have been prepared in accordance with IAS 34 "Interim Financial Reporting". The comparative figures for the year ended 30 September 2008 are not the full statutory accounts for the period. A copy of the statutory accounts for that year has been delivered to the Registrar of Companies. The auditors have reported on those accounts; their reports were unqualified, but contained an emphasis of matter paragraph in relation to going concern. The accounts were prepared on a going concern basis subject to shareholder approval on 30 March 2009. This approval was subsequently obtained.

3 Basis of preparation

The interim financial statements have been prepared using the recognition and measurement principles of IFRS as endorsed for use in the European Union.

The accounting policies used in the preparation of these condensed financial statements are set out in the statutory financial statements for the year ended 30 September 2008 which are also the policies that are expected to be applicable at 30 September 2009.

SERVOCA Plc

Notes forming part of the financial information

For the six months ended 31 March 2009

4 Segmental information

The Group's primary format for reporting segment information is by business segment, being by type of service supplied. The operating divisions are organised and managed by reporting segment where applicable and by divisions within a reporting entity where necessary.

The Medical and Care segment provides recruitment services to the Healthcare sector.

The Education Recruitment segment provides recruitment services to the Education sector.

The Secure Solutions segment provides outsourced services to the Security sector.

	Healthcare £'000	Education £'000	Secure Solutions £'000	Unallocated £'000	Total £'000
For the six months ended 31 March 2009:					
Revenue	13,291	11,534	5,271	-	30,096
Segment expense	(13,162)	(9,890)	(5,226)	(774)	(29,052)
Operating (loss)/profit	129	1,644	45	(774)	1,044
Interest expense	(47)	(41)	(37)	(63)	(188)
Profit/(loss)	82	1,603	8	(837)	856
Balance sheet					
Assets	4,662	8,053	3,820	4,534	21,069
Liabilities	(6,225)	(8,582)	(3,411)	(1,281)	(19,499)
Net assets/(liabilities)	(1,563)	(529)	409	3,253	1,570

SERVOCA Plc
Notes forming part of the financial information
For the six months ended 31 March 2009

4 Segmental information (continued)

	Healthcare £'000	Education £'000	Secure Solutions £'000	Unallocated £'000	Total £'000
For the six months ended 31 March 2008:					
Revenue	11,203	1,378	3,877	-	16,458
Segment expense	(11,102)	(1,223)	(3,949)	(400)	(16,674)
Operating (loss)/profit	101	155	(72)	(400)	(216)
Interest expense	(87)	(10)	(20)	(33)	(150)
Finance income	-	2	1	-	3
Profit/(loss)	14	147	(91)	(433)	(363)
Balance sheet					
Assets	6,040	9,002	6,029	510	21,581
Liabilities	(5,918)	(8,631)	(3,382)	(2,745)	(20,676)
Net assets/(liabilities)	122	371	2,647	(2,235)	905

4 Segmental information (continued)

	Healthcare £'000	Education £'000	Secure Solutions £'000	Unallocated £'000	Total £'000
For the year ended 30 September 2008:					
Revenue	22,967	9,819	9,264	-	42,050
Segment expense	(23,721)	(8,654)	(9,538)	(741)	(42,654)
Goodwill impairment	(670)	-	(2,461)	-	(3,131)
Exceptional costs	(2,218)	(15)	(296)	(479)	(3,008)
Operating (loss)/profit	(3,642)	1,150	(3,031)	(1,220)	(6,743)
Interest expense	(178)	(69)	(50)	(132)	(429)
Finance income	-	-	3	1	4
(Loss)/profit	(3,820)	1,081	(3,078)	(1,351)	(7,168)
Balance sheet					
Assets	5,253	9,342	2,705	746	18,046
Liabilities	(9,169)	(10,437)	(2,522)	(66)	(22,194)
Net assets/(liabilities)	(3,916)	(1,095)	183	680	(4,148)
Other					
Depreciation, amortisation and impairment	861	65	2,535	64	3,525

5 Earnings/(loss) per share

The calculation of earnings/(loss) per share for the period ended 31 March 2009 is based on a weighted average number of shares in issue during the period of:

	Basic	Dilutive effect of share options and shares to be issued	Diluted
31 March 2009	**48,461,862**	**10,485,669**	**58,947,531**
31 March 2008	40,865,463	-	40,865,463
30 September 2008	44,430,904	-	44,430,904

The above same number of shares are used in all of the earnings/(loss) per share calculations below

Additional disclosure is also given in respect of earnings/(loss) per share before goodwill impairment as the directors believe this gives a more accurate presentation of maintainable earnings.

	Six months ended 31 March 2009 (unaudited) £'000	Six months ended 31 March 2008 (unaudited) £'000	Year ended 30 September 2008 (audited) £'000
Profit/(loss) used for basic and diluted calculation	**856**	(363)	(7,168)
Goodwill impairment	**-**	-	6,139
Profit/(loss) before goodwill impairment	**856**	(363)	(1,029)
	Pence	Pence	Pence
Basic earnings/(loss) per share	**1.77**	(0.89)	(16.13)
Goodwill impairment	**-**	-	13.81
Basic earnings/(loss) per share before goodwill impairment	**1.77**	(0.89)	(2.32)
Diluted earnings/(loss) per share	**1.45**	(0.89)	(16.13)
Goodwill impairment	**-**	-	13.81
Diluted earnings/(loss) per share before goodwill impairment	**1.45**	(0.89)	(2.32)

6 Other financial liabilities

	31 March 2009 (unaudited) £'000	31 March 2008 (unaudited) £'000	30 September 2008 (audited) £'000
Bank overdraft	**25**	1,282	235
Invoice discounting facilities	**4,530**	2,976	5,534
Obligations under finance leases	**35**	30	35
Bank loan	**667**	-	667
	5,257	4,288	6,471

7 Contingent consideration

Movement in contingent consideration in the periods are as follows:

	31 March 2009 (unaudited) £'000	31 March 2008 (unaudited) £'000	30 September 2008 (audited) £'000
Balance at beginning of period	**5,088**	300	300
On acquisition	**-**	5,406	5,807
Paid in period	**(447)**	(50)	(300)
Adjustment - see below	**(1,211)**	-	(719)
	3,430	5,656	5,088

This is due as follows:

	31 March 2009 (unaudited) £'000	31 March 2008 (unaudited) £'000	30 September 2008 (audited) £'000
Due in less than one year	**3,430**	5,250	4,628
Due after more than one year	**-**	406	460
	3,430	5,656	5,088

The contingent share consideration in respect of Academics Limited has been fair valued to the published share price at 31 March 2009 of 9.5p.

SERVOCA Plc

Notes forming part of the financial information

For the six months ended 31 March 2009

8 Share capital

	31 March 2009 Number '000 (unaudited)	**31 March 2009 £'000 (unaudited)**	31 March 2008 Number '000 (unaudited)	31 March 2008 £'000 (unaudited)	30 September 2008 Number '000 (audited)	30 September 2008 £'000 (audited)
Authorised:						
Ordinary shares of 1p each	**1,566,917**	**15,669**	-	-	-	-
Ordinary shares of 10p each	**-**	**-**	60,000	6,000	200,000	20,000
Deferred shares of 9p each	**48,120**	**4,331**	-	-	-	-
Preference shares of £1 each	**7,400**	**7,400**	7,400	7,400	7,400	7,400
Allotted, issued and fully paid:						
Ordinary shares of 1p each	**110,620**	**1,106**	-	-	-	-
Ordinary shares of 10p each	**-**	**-**	41,787	4,179	48,120	4,812
Deferred shares of 9p each	**48,120**	**4,331**	-	-	-	-
Preference shares of £1 each	**-**	**-**	-	-	-	-

The 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 they are paid up.

The deferred shares hold no dividend rights except in the event of a winding up of the Company when the holders are entitled to the amount paid up on each share after repayment of the capital paid up on the ordinary shares and the repayment of £10,000,000 per ordinary share.

8 Share capital (continued)

Movements in issued share capital

	Ordinary Shares of 10p each Number '000 (unaudited)	Ordinary shares of 1p each Number '000 (unaudited)	Deferred Shares of 9p each Number '000 (unaudited)
Issued: number			
In issue at 1 October 2008	48,120	-	-
Sub-division of shares	(48,120)	48,120	48,120
Issued during period	-	62,500	-
In issue at 31 March 2009	**-**	**110,620**	**48,120**

	Ordinary Shares of 10p each £'000 (unaudited)	Ordinary shares of 1p each £'000 (unaudited)	Deferred Shares of 9p each £'000 (unaudited)	Total £'000 (unaudited)
Issued: £'000				
In issue at 1 October 2008	4,812	-	-	4,812
Sub-division of shares	(4,812)	481	4,331	-
Issued during period	-	625	-	625
In issue at 31 March 2009	**-**	**1,106**	**4,331**	**5,437**

On 30 March 2009, each 10p ordinary share in issue was sub-divided into one New Ordinary Share of 1p each and one deferred share of 9p each. Each authorised but unissued ordinary 10p share was sub-divided into 10 New Ordinary Shares of 1p each.
On the same date, the Company issued 62,500,000 New Ordinary Shares of 1p each by way of a placing at 8p per share. £1.27 million of the funds from this placing was received on 1 April 2009.

9 Cash and cash equivalents

	31 March 2009 (unaudited)	31 March 2008 (unaudited)	30 September 2008 (audited)
Cash at bank	**3,662**	1,322	204
Bank overdraft	**(25)**	(1,282)	(235)
Invoice discounting facility	**(4,530)**	(2,976)	(5,534)
	(893)	(2,936)	(5,565)

10 Losses in closed businesses

During the period, two subsidiary companies, Windsor Recruitment & Training Limited and Salus Recruitment Limited were placed into administration. In addition to this, the Complex Care division of another subsidiary company was closed in the period. The total turnover of these closed businesses in the six months was £536,000 and the combined operating losses of these businesses was £335,000.

SERVOCA Plc
Independent review report to Servoca Plc

Introduction
We have been engaged to review the condensed consolidated set of financial statements in the half-yearly financial report for the 6 months ended 31 March 2009 which comprises the consolidated income statement, consolidated balance sheet, consolidated statement of changes in equity, consolidated cash flow statement and related notes. We have read the other information contained in the half yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the company in accordance with guidance contained in ISRE 2410 (UK and Ireland) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Servoca Plc and its subsidiaries, for our work, for this report, or for the conclusions we have formed.

Directors' Responsibilities
The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with International Accounting Standards 34, “Interim Financial Reporting,” as adopted by the European Union.

As disclosed in note 3, the annual financial statements of the company are prepared in accordance with IFRSs as adopted by the European Union. The condensed consolidated set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standards 34, “Interim Financial Reporting,” as adopted by the European Union.

Our Responsibility
Our responsibility is to express to Servoca Plc and its subsidiaries a conclusion on the condensed consolidated set of financial statements in the half-yearly financial report based on our review.

Scope of Review
We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion
Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated set of financial statements in the half-yearly financial report for the 6 months ended 31 March 2009 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union.

Ernst & Young LLP
London
9 June 2009