SERVOCA Plc

Provider of Public Sector Resourcing and Outsourced services

Interim report
For the six months ended 31 March 2010

Highlights

- Revenue down 14.8% to £25.64m (March 2009 £30.10m, including £2.28m from closed businesses)

- Profit before taxation (excluding share based payments and amortisation) up 10.5% to £0.95m (March 2009 £0.86m). Profit before taxation of £0.71m (March 2009 £0.86m)

- Administrative expenses down 20.2% (excluding share based payments and amortisation) to £5.92m (March 2009 £7.42m)

- Net Debt reduced to £1.90m (March 2009 £2.50m)

- EPS of 0.60p (March 2009 1.77p)

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The Company has been advised that, with effect from 30 April 2010, its Nominated Adviser and Broker has changed its name to finnCap Ltd.

Interim report for the six months ended 31 March 2010

SERVOCA Plc
Interim Statement
For the six months ended 31 March 2010

Introduction

The Board is pleased to report a 10.5% increase in profit before tax (before share based payments) over the same period last year on a reduced level of turnover and gross profit.

As cautioned in our preliminary announcement of the results for the year ended 30 September 2009 we have seen pressure on our businesses operating in the education recruitment market and this is reflected in the reduced turnover. On a like for like basis (excluding businesses closed during the period to March 2009) turnover in our education businesses is down by £2.9m over the same period last year as compared to an increase of £1.4m from our healthcare recruitment businesses.

We have continued to drive down the Group's overheads and are pleased to report a significant reduction in our costs of £1.5m when compared to March 2009. Profitability and improved cash collection have helped to reduce net debt to £1.9m.

Financial review

During the six months to 31 March 2010, revenues decreased by 14.8% to £25.64m (March 2009 - £30.10m), which resulted in a reduction in gross profit from £8.46m in the six months to 31 March 2009 to £6.92m in the current period.

The profit before tax, share based payment and amortisation, increased by 10.5% to £0.95m (March 2009 - £0.86m).

Basic earnings per share for the period to 31 March 2010 were 0.60p (March 2009 – 1.77p).

Net debt at 31 March 2010 was £1.90m (March 2009 - £2.50m).

Operational highlights

Strategy and delivery

During the period the Group retained its focus on developing our existing three principal markets of Education Recruitment, Healthcare Recruitment and Secure Solutions. The management team has remained focused on profit delivery. The Board will consider acquisition opportunities where it believes shareholder value can be enhanced.

SERVOCA Plc
Interim statement (continued)
For the six months ended 31 March 2010

Healthcare Recruitment:

Our Healthcare Recruitment business operates through a number of discrete brands and supply is focused on Doctors, Nurses, Care Workers and Allied Health Professionals. 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 performed creditably over the period with turnover and gross profit both up on the same period last year (on a like for like basis, excluding businesses closed in 2009) and their contribution towards central costs ahead of internal expectations at the half year.

As communicated in our year end statement, our nursing supply businesses were awarded a place on the NHS framework for the supply of nurses to all NHS bodies in England and selected parts of the UK for three years last July. These businesses have seen encouraging initial progress over the period with reduced margin but improved volume, increasing the weekly gross profit run rate. However, towards the end of the period trading conditions became more challenging with some Trusts reporting budget restraints, these conditions are moderating growth rates though we remain hopeful of further progress.

Across the NHS we are seeing the pressures associated with the much publicised need to reduce public sector spending start to impact and for that reason we anticipate a more challenging trading environment in the second half. This is being evidenced in our Doctors supply business which delivered 26% more Gross Profit in the period compared to the same period last year but has started to see downward pressure on its run rate margin as we enter the current half year.

Education Recruitment:

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

Academics operate 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. Academics were a major contributor to the Group's profitability last year and were expected to deliver a similar level of Contribution this year. However, performance in the first half is such that the performance of the business in the second half is expected to fall well short of expectations. Historically the business has enjoyed high levels of Permanent recruitment fees with the vast majority of this revenue falling in September for the start of the academic year. The demand for Permanent recruitment services from schools has been lower so far this year, we expect this trend to continue into the key month of September and have a material impact on second half expectation and full year result.

Dream Education provides long-term teaching professionals to schools across the UK, mostly within secondary schools. As reported in our results for the year ended 30 September 2009 this business has historically focussed exclusively on the supply of overseas candidates. This model was no longer viable as we entered the new financial year as changes to work permit regulations had removed the ability to continue supply on the same basis. New management was appointed in the early part of the period and we are now making progress in positioning this business as a quality supplier of UK trained teaching professionals.

SERVOCA Plc
Interim statement (continued)
For the six months ended 31 March 2010

Education Recruitment (continued):

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.

As cautioned in our year end statement we have experienced a more challenging trading environment in the period. Greater candidate availability and reduced demand has placed particular pressure on permanent recruitment fees.

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 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.

The performance of our Security business has been transformed in the period in comparison to the prior year. Marginally loss making in the first half of 2009, the impact of numerous cost saving initiatives last year and a substantial contract win as we entered our current financial year, have substantially improved profitability. The business struggled in the first half of 2009 amidst a difficult trading climate in the private sector but conditions in the first half of this year have improved. Whilst competition is fierce and therefore margin pressure is significant, we remain positive on the business delivering against internal expectations for the full year.

The Criminal Justice operation is under new management and is evolving into an improved, sales led operation. The business has delivered in line with internal expectations for the period though the pressure on public sector finances is starting to impact this area.

Board changes

Miles Davis resigned as a Director with effect from 11 February 2010 and we thank him for his valuable contribution to the Group.

SERVOCA Plc
Interim statement (continued)
For the six months ended 31 March 2010

Outlook

Despite a positive first half performance, it is increasingly clear that uncertainty regarding public sector spending and in particular a reduction on historically high levels of permanent recruitment fees in education, will mean that it is unlikely the Group will deliver against its full year expectation.

The current operation still offers considerable scope for internal improvement, with several new management appointments already starting to make a positive impact on the development of the Group. These improvements will not make an immediate impact on profitability but will lead to a more sustainable business capable of substantial levels of growth in the longer term. Further strengthening of the management team and the internal operation is on-going.

The Group is cash generative and has made substantial strides in improving the levels of net debt in the business. This positions the Group positively for the future and we look forward to developing the capabilities of the Group. Despite the uncertainty surrounding public sector spending the Board believes the key markets of Healthcare and Education still hold relatively resilient long term prospects and we also continue to pursue our activities in the private sector.

Bob Morton
Chairman
16 June 2010

Andrew Church
Chief Executive Officer
16 June 2010

Interim report for the six months ended 31 March 2010

SERVOCA Plc

Consolidated statement of comprehensive income
For the six months ended 31 March 2010

	Note	**Six months ended 31 March 2010 (unaudited)** Before amortisation, share based payments and exceptional items £'000	Amortisation, share based payments and exceptional items £'000	Total £'000	Six months ended 31 March 2009 (unaudited) Before amortisation, share based payments and exceptional items £'000	Amortisation, share based payments and exceptional items £'000	Total £'000	Year ended 30 September 2009 (audited) Before amortisation, share based payments and exceptional items £'000	Amortisation, share based payments and exceptional items £'000	Total £'000
Continuing operations										
Revenue		**25,644**	**-**	**25,644**	30,096	-	30,096	57,645	-	57,645
Cost of sales		**(18,729)**	**-**	**(18,729)**	(21,634)	-	(21,634)	(40,823)	-	(40,823)
Gross profit		**6,915**	**-**	**6,915**	8,462	-	8,462	16,822	-	16,822
Administrative expenses		**(5,916)**	**(240)**	**(6,156)**	(7,418)	-	(7,418)	(14,420)	(322)	(14,742)
Other operating income		**-**	**-**		-	-	-	174	-	174
Operating profit/(loss)		**999**	**(240)**	**759**	1,044	-	1,044	2,576	(322)	2,254
Finance income		**-**	**-**	**-**	-	-	-	6	-	6
Finance costs		**(53)**	**-**	**(53)**	(188)	-	(188)	(373)	-	(373)
Profit before taxation		**946**	**(240)**	**706**	856	-	856	2,209	(322)	1,887
Tax credit		**-**	**-**	**-**	-	-	-	142	-	142
Total comprehensive income for the period, net of tax, attributable to equity holders of the company		**946**	**(240)**	**706**	856	-	856	2,351	(322)	2,029
Earnings per share:		**Pence**	**Pence**	**Pence**	Pence	Pence	Pence	Pence	Pence	Pence
- Basic	5	**0.80**	**(0.20)**	**0.60**	1.77	-	1.77	2.89	(0.39)	2.50
- Diluted	5	**0.78**	**(0.20)**	**0.58**	1.45	-	1.45	2.78	(0.38)	2.40

SERVOCA Plc
Consolidated statement of financial position
At 31 March 2010

	Note	**31 March 2010 (unaudited) £'000**	31 March 2009 (unaudited) £'000	30 September 2009 (audited) £'000
Assets				
Non-current assets				
Intangible assets		**6,673**	6,272	6,613
Property, plant and equipment		**554**	719	618
Total non-current assets		**7,227**	6,991	7,231
Current assets				
Trade and other receivables		**6,885**	10,416	8,654
Cash and cash equivalents		**306**	3,662	278
Total current assets		**7,191**	14,078	8,932
Total assets		**14,418**	21,069	16,163
Liabilities				
Current liabilities				
Trade and other payables		**(5,930)**	(8,783)	(6,959)
Other financial liabilities	6	**(2,036)**	(5,257)	(3,173)
Contingent consideration	7	**(552)**	(3,430)	(460)
Corporation tax liability		**(109)**	(367)	(225)
Provisions		**(681)**	(506)	(773)
Total current liabilities		**(9,308)**	(18,343)	(11,590)
Non-current liabilities				
Other financial liabilities		**(171)**	(907)	(514)
Provisions		**(119)**	(249)	(131)
Total non-current liabilities		**(290)**	(1,156)	(645)
Total liabilities		**(9,598)**	(19,499)	(12,235)
Total net assets		**4,820**	1,570	3,928
Capital and reserves attributable to equity holders of the company				
Called up share capital	8	**5,557**	5,437	5,513
Share premium account		**7,802**	6,291	7,078
Merger reserve		**2,772**	2,772	2,772
Reverse acquisition reserve		**(12,268)**	(12,268)	(12,268)
Own shares		**(790)**	-	-
Retained earnings		**1,747**	(662)	833
		4,820	1,570	3,928

SERVOCA Plc

Consolidated statement of changes in equity

For the six months ended 31 March 2010

Unaudited	Share capital £'000	Share premium £'000	Merger reserve £'000	Reverse acquisition reserve £'000	Own shares £'000	Retained earnings £'000	Total equity £'000
Balance as at 1 October 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**
Changes in equity for the period ended 30 September 2009							
Profit for the period	-	-	-	-	-	1,173	1,173
Share based payment transaction	-	-	-	-	-	322	322
Issue of share capital	76	787	-	-	-	-	863
	76	787	-	-	-	322	1,185
Balance as at 30 September 2009	**5,513**	**7,078**	**2,772**	**(12,268)**	**-**	**833**	**3,928**
Changes in equity for the period ended 31 March 2010							
Profit for the period	-	-	-	-	-	706	706
Issue of share capital	44	746	-	-	(790)	-	-
Share issue costs	-	(22)	-	-	-	-	(22)
Share based payment transaction	-	-	-	-	-	208	208
	44	724	-	-	(790)	208	186
Balance as at 31 March 2010	**5,557**	**7,802**	**2,772**	**(12,268)**	**(790)**	**1,747**	**4,820**

SERVOCA Plc
Consolidated statement of cash flows
For the six months ended 31 March 2010

	Note	**Six months ended 31 March 2010 (unaudited) £'000**	Six months ended 31 March 2009 (unaudited) £'000	Year ended 30 September 2009 (audited) £'000
Operating activities				
Profit before tax		**706**	856	1,887
Non cash adjustment to reconcile profit before tax to net cash flows:				
Depreciation and amortisation		**161**	126	250
Share based payments		**208**	-	322
Finance costs		**53**	188	373
Finance income		**-**	-	(6)
Profit on disposal of fixed assets		**(11)**	-	(4)
Movement in provisions		**(104)**	(637)	(488)
Working capital adjustments:				
Decrease/(increase) in trade and other receivables		**1,770**	(1,011)	(419)
(Decrease)/increase in trade and other payables		**(1,030)**	2,483	1,319
Net cash generated from operations		**1,753**	2,005	3,234
Interest paid		**(53)**	(188)	(373)
Corporation tax paid		**(116)**	-	-
Net cash flows from operating activities		**1,584**	**1,817**	**2,861**
Investing activities				
Acquisitions, net of cash acquired		**-**	(247)	(3,404)
Purchase of property, plant and equipment		**(69)**	(163)	(215)
Proceeds of sale of property, plant and equipment		**14**	-	28
Interest received		**-**	-	6
Net cash flows used in investing activities		**(55)**	**(410)**	**(3,585)**
Cash flows from financing activities				
Issue of ordinary shares		**-**	3,731	5,000
Share issue costs		**(22)**	(139)	(184)
Repayment of loan		**(333)**	(333)	(666)
Inception/(repayment) of finance lease creditor		**(28)**	6	(53)
Net cash flows (used in)/from financing activities		**(383)**	**3,265**	**4,097**
Increase in cash and cash equivalents		**1,146**	4,672	3,373
Cash and cash equivalents at the beginning of the period		**(2,192)**	(5,565)	(5,565)
Cash and cash equivalents at the end of the period	9	**(1,046)**	(893)	(2,192)

SERVOCA Plc

Notes forming part of the financial information

For the six months ended 31 March 2010

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 2010. The comparative interim results are those for the six months ended 31 March 2009. The comparative year end's results are for the year ended 30 September 2009.

2 Financial information

The interim financial information for the six months ended 31 March 2010 does not constitute statutory accounts as defined in Section 434 of the Companies Act 2006.

The financial information for the periods ended 31 March 2010 and 31 March 2009 are unaudited and have been prepared in accordance with IAS 34 "Interim Financial Reporting". The comparative figures for the year ended 30 September 2009 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, did not contain an emphasis of matter paragraph and did not contain a statement under Section 498 of the Companies Act 2006.

3 Basis of preparation and accounting policies

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 adopted in the preparation of these condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 30 September 2009, except for the adoption of new standards and interpretations as of 1 October 2009, or from the effective date if later, noted below:

IFRS 2 Share Based Payment – Group Cash-settled Share Based Payment Transactions

The standard has been amended to clarify the accounting for group cash-settled share based payment transactions. This amendment also supersedes IFRIC 8 and IFRIC 11. The adoption of this amendment did not have any impact on the financial position or performance of the Group.

IFRS 3 Business Combinations (Revised) and IAS 27 Consolidated and Separate Financial Statements (Amended)

IFRS 3 (Revised) introduces significant changes in the accounting for business combinations occurring after 1 July 2009 and the Group has adopted this standard from 1 October 2009. Changes affect the valuation of non-controlling interest, the accounting for transaction costs, the initial recognition and subsequent measurement of a contingent consideration and business combinations achieved in stages. These changes will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs and future reported results.

IAS 27 (Amended) requires that a change in the ownership interest of a subsidiary (without loss of control) is accounted for as a transaction with owners in their capacity as owners. Therefore, such transactions will no longer give rise to goodwill, nor will they give rise to gains or losses. The changes by IFRS 3 (Revised) and IAS 27 (Amended) will affect future acquisitions or loss of control of subsidiaries with non-controlling interests.

The adoption of this revision and amendment was applied prospectively and did not have any impact on the financial position or performance of the Group.

3 Basis of preparation and accounting policies (continued)

IFRS 8 Operating Segments

This Standard replaces IAS 14 Segmental Reporting for accounting periods commencing after 1 January 2009. IFRS 8 clarifies that segmental disclosures should be made in accordance with operating segments used within the internal reporting structure as reviewed by the chief operating decision maker. The Group concluded that the operating segments determined in accordance with IFRS 8 are the same as the business segments previously identified under IAS 14.

Amended IAS 1 Presentation of Financial Statements

The revised Standard separates owner and non-owner changes in equity. The statement of changes in equity includes only transactions with owners, with non-owner changes in equity presented as a single line. In addition, the Standard introduces the statement of comprehensive income: it presents all items of recognised income and expense, either in one single statement, or two linked statements. The Group has elected to present one single statement.

IAS 39 Financial Instruments: Recognition and Measurement – Eligible Hedged Items

The amendment addresses the designation of a one-sided risk in a hedged item, and the designation of inflation as a hedged risk or portion in particular situations. The amendment has no impact on the financial position or performance of the Group.

IFRIC 17 Distribution of Non-cash Assets to Owners

This interpretation provides guidance on accounting for arrangement whereby an entity distributes non-cash assets to shareholders either as a distribution of reserves or as dividends. The interpretation had no effect on the financial position or performance of the Group.

All other amendments resulting from Improvements to IFRSs did not have any impact on the accounting policies, financial position or performance of the Group.

SERVOCA Plc

Notes forming part of the financial information

For the six months ended 31 March 2010

4 Segmental information

The Group's 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 information presented is consistent with that used by the chief operating decision maker. All revenues are generated from external customers.

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.

Unaudited	Healthcare Recruitment £'000	Education Recruitment £'000	Secure Solutions £'000	Unallocated £'000	Total £'000
For the six months ended 31 March 2010:					
Revenue	12,620	8,587	4,437	-	25,644
Operating profit/(loss)	488	712	117	(558)	759
Interest expense	(16)	(6)	(5)	(26)	(53)
Profit/(loss)	472	706	112	(584)[1]	706
As at 31 March 2010:					
Assets	3,717	7,953	2,128	620	14,418
Liabilities	(3,442)	(3,112)	(2,106)	(938)	(9,598)
Net assets/(liabilities)	275	4,841	22	(318)	4,820

[1] The profit for each operating segment does not include holding company director costs, group legal costs central share based payment charges and a share of central property costs.

4 Segmental information (continued)

Unaudited	Healthcare Recruitment £'000	Education Recruitment £'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
Operating profit/(loss)	129	1,644	45	(774)	1,044
Interest expense	(47)	(41)	(37)	(63)	(188)
Profit/(loss)	82	1,603	8	(837)[1]	856
As at 31 March 2009:					
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

[1] The profit for each operating segment does not include holding company director costs, group legal costs, central share based payment charges and a share of central property costs.

	Healthcare Recruitment £'000	Education Recruitment £'000	Secure Solutions £'000	Unallocated £'000	Total £'000
For the year ended 30 September 2009: Revenue	27,094	20,754	9,797	-	57,645
Operating profit/(loss)	1,232	2,829	320	(2,127)	2,254
Finance costs	(98)	(92)	(72)	(111)	(373)
Finance income	-	-	-	6	6
Profit/(loss)	1,134	2,737	248	(2,232)[1]	1,887
As at 30 September 2009:					
Assets	4,412	8,683	2,148	920	16,163
Liabilities	(4,357)	(3,925)	(2,146)	(1,807)	(12,235)
Net assets/(liabilities)	55	4,758	2	(887)	3,928

[1] The profit for each operating segment does not include holding company director costs, group legal costs, central share based payment charges and a share of central property costs.

5 Earnings per share

The calculation of earnings per share for the period ended 31 March 2010 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 2010 (excluding own shares) (unaudited)	**118,191,759**	**2,907,050**	**121,098,809**
31 March 2009 (unaudited)	48,461,862	10,485,669	58,947,531
30 September 2009	81,328,160	3,286,448	84,614,608

The above same number of shares are used in all of the earnings per share calculations below.

Additional disclosure is also given in respect of earnings per share before share based payments as the directors believe this gives a more accurate presentation of maintainable earnings.

	Six months ended 31 March 2010 (unaudited) £'000	Six months ended 31 March 2009 (unaudited) £'000	Year ended 30 September 2009 (audited) £'000
Profit used for basic and diluted calculation	**706**	856	2,029
Share based payments and amortisation	**240**	-	322
Profit before share based payments and amortisation	**946**	856	2,351
	Pence	Pence	Pence
Basic earnings per share	**0.60**	1.77	2.50
Share based payments and amortisation	**0.20**	-	0.39
Basic earnings per share before share based payments and amortisation	**0.80**	1.77	2.89
Diluted earnings per share	**0.58**	1.45	2.40
Share based payments and amortisation	**0.20**	-	0.38
Diluted earnings per share before share based payments and amortisation	**0.78**	1.45	2.78

6 Other financial liabilities

	31 March 2010 (unaudited) £'000	31 March 2009 (unaudited) £'000	30 September 2009 (audited) £'000
Bank overdraft	**32**	25	100
Invoice discounting facilities	**1,320**	4,530	2,370
Obligations under finance leases	**17**	35	36
Bank loan	**667**	667	667
	2,036	5,257	3,173

7 Contingent consideration

Movements in contingent consideration in the periods are as follows:

	31 March 2010 (unaudited) £'000	31 March 2009 (unaudited) £'000	30 September 2009 (audited) £'000
Balance at beginning of period	**460**	5,088	5,088
Paid in period	**-**	(447)	(2,697)
Adjustment	**92**	(1,211)	(1,931)
Due in less than one year	**552**	3,430	460

8 Share capital

	31 March 2010 Number '000 (unaudited)	31 March 2010 £'000 (unaudited)	31 March 2009 Number '000 (unaudited)	31 March 2009 £'000 (unaudited)	30 September 2009 Number '000 (audited)	30 September 2009 £'000 (audited)
Authorised:						
Ordinary shares of 1p each	**1,566,917**	**15,669**	1,566,917	15,669	1,566,917	15,669
Deferred shares of 9p each	**48,120**	**4,331**	48,120	4,331	48,120	4,331
Preference shares of £1 each	**7,400**	**7,400**	7,400	7,400	7,400	7,400
	1,622,437	**27,400**	1,622,437	27,400	1,622,437	27,400
Allotted, issued and fully paid:						
Ordinary shares of 1p each	**122,591**	**1,226**	110,620	1,106	118,191	1,182
Deferred shares of 9p each	**48,120**	**4,331**	48,120	4,331	48,120	4,331
Preference shares of £1 each	**-**	**-**	-	-	-	-
	170,711	**5,557**	158,740	5,437	166,311	5,513

The preference shares, none of which are issued, 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.

Movements in issued share capital

	Ordinary shares of 1p each Number '000 (unaudited)	Deferred Shares of 9p each Number '000 (unaudited)	Total Number '000 (unaudited)
Issued: number			
In issue at 1 October 2009	118,191	48,120	166,311
Issued during period	4,400	-	4,400
In issue at 31 March 2010	**122,591**	**48,120**	**170,711**

8 Share capital (continued)

Movements in share capital (continued)

	Ordinary shares of 1p each £'000 (unaudited)	Deferred Shares of 9p each £'000 (unaudited)	Total £'000 (unaudited)
Issued: £'000			
In issue at 1 October 2009	1,182	4,331	5,513
Issued during period	44	-	44
In issue at 31 March 2010	**1,226**	**4,331**	**5,557**

On 26 January 2010, the company issued 4,400,000 ordinary 1p shares in respect of a subscription by the Servoca Plc Employee Benefit Trust.

9 Cash and cash equivalents

	31 March 2010 £'000 (unaudited)	31 March 2009 £'000 (unaudited)	30 September 2009 £'000 (audited)
Cash at bank	**306**	3,662	278
Bank overdraft	**(32)**	(25)	(100)
Invoice discounting facility	**(1,320)**	(4,530)	(2,370)
	(1,046)	(893)	(2,192)

10 Net debt

	31 March 2010 £'000 (unaudited)	31 March 2009 £'000 (unaudited)	30 September 2009 £'000 (audited)
Cash and cash equivalents	**(1,046)**	(893)	(2,192)
Finance lease obligations	**(22)**	(108)	(50)
Loans	**(833)**	(1,500)	(1,167)
	(1,901)	(2,501)	(3,409)

SERVOCA Plc
Independent review report to Servoca Plc

Introduction
We have been engaged by the company to review the condensed consolidated set of financial statements in the half-yearly financial report for the 6 months ended 31 March 2010 which comprises the consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated statement of changes in equity, the consolidated statement of cash flows and related notes 1 to 10. 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 International Standard on Review Engagements 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 company, 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 Standard 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 Standard 34, “Interim Financial Reporting,” as adopted by the European Union.

Our Responsibility
Our responsibility is to express to the company 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 2010 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union.

Ernst & Young LLP
London
16 June 2010