

TSE GROUP PLC
(the “Company” or “TSE”)

AUDITED RESULTS
FOR THE YEAR ENDED 31 DECEMBER 2008

The Board of TSE is pleased to announce its audited results for the year ended 31 December 2008. The Report and Accounts are being posted to shareholders today and a copy is available from the Company’s website, www.tsegroupplc.com.

Chairman’s Statement

I am pleased to report on our results for the year ended 31 December 2008. This period has for the first time included a full 12 months trading by the Group’s subsidiary TSE Consulting SA, the Swiss based management consultancy operating exclusively in the world of international sport.

During 2008, TSE continued to expand its consulting business organically and continued to benefit from being a company with a broad international presence and operating mainly in the public sector around the world. The company’s international offices are now firmly established and the Group is able to report its first annual pre-tax profit of £31,904 (2007: loss of £244,192) on sales of £1,103,053 (2007: £317,427).

TSE Consulting’s policy of international expansion started to contribute during the year, with strong earnings developing from its offices in the United States, Denmark, Turkey and South Africa. The company’s head office, based in the Olympic capital of Lausanne, Switzerland, continues to be the main source of income. The policy for international expansion is set to continue with the establishment of new regional offices due in the near future. The development of the strong TSE brand over the past 5 years within the world of international sport is coming to fruition and the company is respected more than ever as the leading provider of consultancy services within this market.

During the past year TSE has entered into new assignments with the government of Saudi Arabia and the provincial government of Gauteng in South Africa (the continent’s fourth largest economic area). The Company continues to provide services to many of the major international sporting organisations, including the Olympic Solidarity department at the International Olympic Committee (IOC), the Union of European Football Associations (UEFA), and the international governing bodies for Athletics, Swimming, Archery, Air Sports, Basketball and the World Games Association amongst its clients. TSE also continues to work with the United States Olympic Committee, which it is assisting with the bid for Chicago to host the Olympic Games in 2016. In addition, TSE’s Danish office will be heavily involved with the IOC’s Session and Congress in Copenhagen in October, where the host city for the 2016 Olympic Games will be decided.

Since the year end, TSE has continued to show strong growth. As announced in February, the company has now increased its business offering with the launch of a new division providing consultancy services in sports performance to governments and Olympic Committees around the world; this should reap benefits in 2009 and already, trading in the first quarter of 2009 is well ahead of 2008, reflecting the performance of the newly established offices and the strength of TSE’s international brand. In the last month the company also published its first management book entitled “The new sports organisation”, which has been critically acclaimed and is selling well around the world.

Major sporting events continue even during a global recession and governments are increasingly accepting that sport has an important role to play in the health and wellbeing of its citizens whilst the hosting of international events can provide strong brand benefits to a city or nation. TSE’s long held belief that the future growth of international sport will increasingly depend upon its relationships with its public sector partners has positioned the company in the right place to benefit from its strong relationships in this area over the coming years.

Following a successful year of growth and a very strong start to 2009, we believe that TSE is ideally placed to show continued organic growth over the years ahead.

Adam Reynolds
Chairman

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REPORT OF THE AUDITORS

Independent Auditors' Report to the Shareholders of TSE Group plc

We have audited the group and parent company financial statements of TSE Group plc for the year ended 31 December 2008 which comprise the Consolidated Income Statement, the Consolidated and Parent Company Balance Sheets, the Consolidated and Parent Company Cash Flow Statements, the Statements of Changes in Equity and the related notes. These financial statements have been prepared under the accounting policies set out therein.

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

Respective responsibilities of directors and auditors

The Directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and whether the financial statements have been properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

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

Basis of audit opinion

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

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

Opinion

In our opinion:

- the group financial statements give a true and fair view, in accordance with IFRSs as adopted by the European Union, of the state of the group's affairs as at 31 December 2008 and of its profit for the year then ended;
- the parent company financial statements give a true and fair view, in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 1985, of the state of the parent company's affairs as at 31 December 2008
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

Kingston Smith LLP

Chartered Accountants and Registered Auditors

Devonshire House

60 Goswell Road

London

EC1M 7AD

Date: 5 June 2009

CONSOLIDATED INCOME STATEMENT

	Notes	12 Months to 31.12.08 £	As restated 9 Months to 31.12.07 £
Group revenue	2	1,103,053	317,427
Operating costs		(1,065,196)	(562,574)
OPERATING PROFIT/(LOSS)	5	<u>37,857</u>	<u>(245,147)</u>
Finance revenue		19,713	20,187
Finance costs	6	(25,666)	(19,232)
PROFIT/(LOSS) BEFORE TAX		<u>31,904</u>	<u>(244,192)</u>
Taxation	7	(9,242)	12,726
PROFIT/(LOSS) FOR THE YEAR		<u>22,662</u>	<u>(231,466)</u>
Earnings/(Loss) per share (basic)	17	<u>0.004p</u>	<u>(0.04p)</u>
Earnings/(Loss) per share (diluted)	17	<u>0.003p</u>	<u>(0.04p)</u>

CONSOLIDATED BALANCE SHEET

	Notes	At 31.12.08 £	As restated 31.12.07 £
Non-current assets			
Intangible assets	8	2,482,721	1,737,158
Property, plant, and equipment	9	38,219	18,954
Current assets			
Trade and other receivables	11	552,460	347,712
Cash and cash equivalents		155,523	97,945
		<u>707,983</u>	<u>445,657</u>
Current liabilities			
Trade and other payables	12	<u>(394,727)</u>	<u>(336,217)</u>
Net current assets		313,256	109,440
Total assets less current liabilities		<u>2,834,196</u>	<u>1,865,552</u>
Non-current liabilities			
Long term payables	13	-	(200,000)
Provision for liabilities and charges	14	-	(35,114)
NET ASSETS		<u>2,834,196</u>	<u>1,630,438</u>
Equity			
Issued share capital	16	1,457,600	1,231,900
Shares to be issued reserve		136,000	204,000
Share premium account		2,791,920	2,608,385
Retained losses		(2,371,679)	(2,413,847)
Translation reserve		820,355	-
SHAREHOLDERS' FUNDS		<u>2,834,196</u>	<u>1,630,438</u>

The financial statements were approved by the Board of Directors and authorised for issue on 5 June 2009.

Paul Foulger
Director

COMPANY BALANCE SHEET

	Notes	At 31.12.08 £	As restated 31.12.07 £
Non-current assets			
Investments	10	2,197,326	2,179,894
Current assets			
Trade and other receivables	11	84,963	101,906
Cash and cash equivalents		<u>131,465</u>	<u>42,696</u>
		216,428	144,602
Current liabilities			
Trade and other payables	12	(87,576)	(119,474)
Net current assets			
		<u>128,852</u>	<u>25,128</u>
Total assets less current liabilities			
		<u>2,326,178</u>	<u>2,205,022</u>
Non-current liabilities			
Long term payables	13	-	(200,000)
Provision for liabilities and charges	14	-	(35,114)
NET ASSETS			
		<u>2,326,178</u>	<u>1,969,908</u>
Equity			
Issued share capital	16	1,457,600	1,231,900
Shares to be issued reserve		136,000	204,000
Share premium account		2,791,920	2,608,385
Retained losses		(2,059,342)	(2,074,377)
SHAREHOLDERS' FUNDS			
		<u>2,326,178</u>	<u>1,969,908</u>

The financial statements were approved by the Board of Directors and authorised for issue on 5 June 2009.

Paul Foulger
Director

CONSOLIDATED CASH FLOW STATEMENT

	12 Months to 31.12.08 £	As restated 9 Months to 31.12.07 £
Cash flow from operating activities		
Operating profit / (loss)	37,857	(245,147)
Adjusted for:		
Depreciation	13,012	21,706
(Increase)/decrease in trade and other receivables	(97,171)	(335,081)
Increase/(decrease) in trade payables	5,213	450,725
Share based payments P&L charge	19,506	17,068
Decrease in provisions	(35,114)	(14,886)
Foreign exchange loss	7,912	-
Tax refunded / (paid)	(50,983)	-
Net cash from operating activities	<u>(99,768)</u>	<u>(105,615)</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	(28,171)	-
Acquisition of subsidiary, net of cash acquired	(17,432)	(813,517)
Interest received	19,713	20,187
Interest paid	(25,666)	(19,232)
Net cash outflow from investing activities	<u>(51,556)</u>	<u>(812,562)</u>
Cash flows from financing activities		
Proceeds from the issue of shares (net of issue costs)	341,235	812,251
Repayment of deferred cash consideration relating to the acquisition of Wilton International Consulting Limited	(155,000)	-
Net cash used in financing activities	<u>186,235</u>	<u>812,251</u>
Net Increase/(Decrease) in cash & cash equivalents	34,911	(105,926)
Cash & cash equivalents at 01.01.08	97,945	203,871
Effect of exchange rate changes	22,667	-
Cash & cash equivalents at 31.12.08	<u><u>155,523</u></u>	<u><u>97,945</u></u>

COMPANY CASH FLOW STATEMENT

	12 Months to 31.12.08 £	As restated 9 Months to 31.12.07 £
Cash flow from operating activities		
Operating loss	(8,105)	(213,260)
Adjusted for:		
Decrease/(increase) in trade and other receivables	16,943	(89,275)
(Decrease)/increase in trade payables	(267,012)	250,035
Share based payments P&L charge	19,506	17,068
Tax refunded / (paid)	-	-
Net cash from operating activities	<u>(238,668)</u>	<u>(35,432)</u>
Cash flows from investing activities		
Acquisition of subsidiary, net of cash acquired	(17,432)	(2,179,894)
Interest received	3,634	20,901
Net cash outflow from investing activities	<u>(13,798)</u>	<u>(2,158,993)</u>
Cash flows from financing activities		
Proceeds from the issue of shares (net of issue costs)	341,235	2,033,250
Net cash used in financing activities	<u>341,235</u>	<u>2,033,250</u>
Net Increase/(Decrease) in cash & cash equivalents	88,769	(161,175)
Cash & cash equivalents at 01.01.08	42,696	203,871
Cash & cash equivalents at 31.12.08	<u><u>131,465</u></u>	<u><u>42,696</u></u>

STATEMENT OF CHANGES IN EQUITY

GROUP

	Share Capital £	Shares to be Issued Reserve £	Share premium £	Profit and loss account £	Translati on reserve £	Total equity £
Balance at 01.04.07	1,000,000	-	1,011,035	(1,899,086)	-	111,949
Loss for the period (as previously reported)	-	-	-	(214,398)	-	(214,398)
Shares to be issued Reserve	-	204,000	-	-	-	204,000
Acquisition of TSE	-	-	-	(300,363)	-	(300,363)
Issue of share capital	231,900	-	1,597,350	-	-	1,829,250
Balance at 31.12.07 (as previously reported)	1,231,900	204,000	2,608,385	(2,413,847)	-	1,630,438
Prior year adjustment:						
Share options – IFRS2 P&L charge	-	-	-	(17,068)	-	(17,068)
IFRS2 charge – Credited to reserves	-	-	-	17,068	-	17,068
As restated	1,231,900	204,000	2,608,385	(2,413,847)	-	1,630,438
Profit for the period	-	-	-	22,662	-	22,662
Shares issued	-	(68,000)	-	-	-	(68,000)
Issue of share capital	225,700	-	212,390	-	-	438,090
Expenses of share issue	-	-	(28,855)	-	-	(28,855)
IFRS2 charge – Credited to reserves	-	-	-	19,506	-	19,506

Exchange difference	-	-	-	-	820,355	820,355
Balance at 31.12.08	<u>1,457,600</u>	<u>136,000</u>	<u>2,791,920</u>	<u>(2,371,679)</u>	<u>820,355</u>	<u>2,834,196</u>

COMPANY

	Share Capital	Shares to be Issued Reserve	Share premium	Profit and loss account	Total equity
	£	£	£	£	£
Balance at 01.04.07	1,000,000	-	1,011,035	(1,899,086)	111,949
Loss for the period	-	-	-	(175,291)	(175,291)
Shares to be issued Reserve	-	204,000	-	-	204,000
Issue of share capital	231,900	-	1,597,350	-	1,829,250
Balance at 31.12.07 (as previously reported)	1,231,900	204,000	2,608,385	(2,074,377)	1,969,908
Prior year adjustment: Share options – IFRS2 P&L charge	-	-	-	(17,068)	(17,068)
IFRS2 charge – credited to reserves	-	-	-	17,068	17,068
As restated	<u>1,231,900</u>	<u>204,000</u>	<u>2,608,385</u>	<u>(2,074,377)</u>	<u>1,969,908</u>
Profit for the period	-	-	-	(4,471)	(4,471)
IFRS2 charges – credited to reserves	-	-	-	19,506	19,506
Shares to be issued Reserve	-	(68,000)	-	-	(68,000)
Issue of share capital	225,700	-	212,390	-	438,090
Expenses of share issue	-	-	(28,855)	-	(28,855)
Balance at 31.12.08	<u>1,457,600</u>	<u>136,000</u>	<u>2,791,920</u>	<u>(2,059,342)</u>	<u>2,326,178</u>

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

TSE Group plc is a public limited company incorporated in the United Kingdom under the Companies Act 1985 (Registration Number 05353387).

The principal activity of the Group is that of an International Sports Consultancy firm.

STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with International Financial Reporting Standards, International Accounting Standards and their interpretations issued or adopted by the International Accounting Standards Board as adopted by the European Union ("IFRS").

ACCOUNTING POLICIES

(a) Basis of preparation of the financial statements

The financial statements have been prepared in accordance with International Financial Reporting Standards including standards and interpretations issued by the International Accounting Standards Board, and have been prepared using the historical cost convention.

The financial statements are prepared in Pounds Sterling rounded to the nearest pound.

(b) Basis of consolidation

The consolidated profit and loss account and balance sheet include the financial statements of the company and its subsidiary undertakings made up to 31 December 2008. The results of subsidiaries sold or acquired are included in the profit and loss account up to, or from the date control passes. Intra-group sales and profits are eliminated fully on consolidation.

(c) Depreciation

Depreciation on fixed assets is provided at rates estimated to write off the cost, less estimated residual value of each asset over its expected useful life, as follows:

Computer equipment	25% reducing balance
Fixtures, fittings & equipment	25% reducing balance

(d) Cash and cash equivalents

Cash and cash equivalents comprise current bank balances which are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value. This definition is also used for the cash flow statement.

(e) Revenue

Both fee income and recharged costs are billed in the period in which the work was completed or the costs incurred. Where there are exceptions to this income is deferred or accrued as necessary. For projects falling over the financial year end, income is recognised to reflect the partial performance of the contractual obligations.

(f) Deferred tax

Deferred income is provided, using the liability method, on temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax assets relating to the carry-forward of unused tax losses are recognised to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised.

(g) Goodwill

Goodwill is determined by comparing the amount paid on the acquisition of a business and the aggregate fair value of its separable net assets, and is tested annually for impairment or more frequently if circumstances exist that indicate impairment may have occurred.

(h) Leasing commitments

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

(i) Pensions and similar obligations

The Group operates a defined contribution plan. Payments to defined contribution pension plans are charged as an expense to the income statement, as incurred, when the related employee service is rendered. The Group has no further legal or constructive payment obligations once the contributions have been made.

(j) Foreign currency translation

Amounts included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency).

The consolidated financial statements are presented in pounds sterling, the company's functional and presentation currency. Transactions in foreign currencies are translated into the functional currency using the exchange rate prevailing at the date of the transaction. Foreign exchange gains and losses resulting from settlement of such transactions, and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies, are recognised in the income statement except when deferred in equity as qualifying cash flow and net investment hedges.

The results and financial position of all Group companies that have a functional currency other than sterling are translated as follows:

- income and expenses are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rate prevailing on the transaction date, in which case income and expenses are translated at the date of the transaction);
- assets and liabilities are translated at the closing exchange rate at the date of the balance sheet; and
- all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities, and from borrowings and other currency instruments designated as hedges of such investments, are taken to equity. When a foreign operation is sold, such exchange differences are recognised in the income statement as part of the gain or loss on sale. Goodwill and fair value adjustments on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing exchange rate.

(k) Share-based payments

The Group makes equity-settled and cash-settled share-based payments to its employees. Equity-settled share-based awards granted after 7 November 2002 but not vested by 1 January 2005 are measured at fair value at the date of grant using an options pricing methodology and expensed over the vesting period of the award. At each balance sheet date, the Group reviews its estimate of the number of options that are expected to vest. Cash-settled share-based payments are accrued over the vesting period of the award, based on the current fair market value at each balance sheet date. When share options are exercised, the proceeds received, net of any transaction costs, are credited to share capital (nominal value) and share premium.

(l) Basis of consolidation

The consolidated financial statements include the financial statements of TSE Group plc and its subsidiaries and the Group's share of the post acquisition results of associates and joint ventures.

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than 50% of the voting rights. Subsidiaries are consolidated from the date on which control is transferred to the Group and de-consolidated from the date on which control ceases. The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The excess of the cost of an acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement. All intra-group transactions are eliminated as part of the consolidation process. In preparing the Group financial statements, accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

(m) Revenue recognition

Revenue represents the turnover, net of discounts, derived from services provided to and invoiced to customers. Long-term contracts are accounted for in accordance with the contractual terms either on a percentage of completion basis or on a time as incurred basis.

(n) Intangible assets

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the identifiable net assets (including intangible assets) of the acquired subsidiary, associate or joint venture at the date of acquisition.

Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill and intangibles on acquisition of associates and joint ventures is included in the carrying value of the investment. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on disposal of an entity include the carrying amount of goodwill relating to the entity or investment sold.

2. SEGMENTAL REPORTING

The board considers that the Group has a single business segment which delivers international sports consultancy services. The revenue, expenditure and result reported in the income statement and the assets and liabilities reported in the balance sheet all relate to this single segment. An analysis of turnover by geographical destination is given below.

	12 Months to 31.12.08 £	9 Months to 31.12.07 £
Europe (including Cayman Island and Switzerland)	624,011	238,262
Africa	17,826	4,332
America	209,145	44,616
Asia	252,071	25,880
Australia/Oceania	-	4,337
	<u>1,103,053</u>	<u>317,427</u>

3. STAFF COSTS

12 Months	9 Months
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	to 31.12.08 £	to 31.12.07 £
Wages and Salaries	211,247	48,442
Directors Remuneration	231,000	63,382
Social Security costs	39,364	10,165
	<u>481,611</u>	<u>121,989</u>

The remuneration of the highest paid Director included above was £96,000 (2007: £41,025).

The average monthly number of employees was as follows:

	12 Months to 31.12.08 No.	9 Months to 31.12.07 No.
Administration (including Directors)	<u>12</u>	<u>10</u>

4. RETIREMENT BENEFITS

TSE Group plc operates a defined contribution plan into which contributions of £8,442 (2007: £10,396) were made during the year.

5. OPERATING PROFIT / (LOSS)

The operating Profit/(Loss) is stated after charging:

	12 Months to 31.12.08 £	9 Months to 31.12.07 £
Depreciation of property, plant and equipment	13,012	21,706
Auditors remuneration - audit	<u>11,000</u>	<u>15,500</u>

During the year, the Group was charged £nil (2007: £47,500) in respect of non-audit services provided by associated businesses of the auditors.

6. FINANCE COSTS

	12 Months to 31.12.08 £	9 Months to 31.12.07 £
Bank interest	<u>25,666</u>	<u>19,232</u>

7. TAXATION

	12 Months to 31.12.08 £	9 Months to 31.12.07 £
Analysis of charge in the year:		
Current tax	9,242	(12,726)
	<u>9,242</u>	<u>(12,726)</u>

The tax assessed for the year differs from the standard rate of corporation tax in the UK at 28%. The differences are explained below:

Profit/(Loss) before tax	31,904	(244,192)
Profit/(Loss) before tax multiplied by the standard rate of corporation tax in the UK of 28%	8,933	(68,374)
Accrued tax payable at date of acquisition of subsidiary	-	(36,629)
Tax losses and disallowable items	309	92,277
	<u>9,242</u>	<u>(12,726)</u>

The total amount of unused tax losses for which no deferred tax asset is recognised in the balance sheet is approximately £373,000 (2007 - £410,000).

8. INTANGIBLE FIXED ASSETS – GROUP

	Goodwill £
Cost	
At 1 April 2007	-
Additions	1,737,158
Disposals	-
At 31 December 2007	<u>1,737,158</u>
Additions	17,432
Translation difference	728,131
At 31 December 2008	<u>2,482,721</u>
Amortisation	
At 1 April 2007	-
Disposals	-
At 31 December 2007	<u>-</u>
Disposals	-
At 31 December 2008	<u>-</u>
Net Book Value	
At 31 December 2007	<u>1,737,158</u>
At 31 December 2008	<u>2,482,721</u>

Impairment tests of goodwill

No impairment losses in respect of goodwill have been recognised in 2008 or 2007. An annual goodwill impairment review is performed as at 31 December. This review compares the carrying value of goodwill with the present value of future cash flows arising from TSE Consulting SA, the Swiss subsidiary and main operating unit. If the present value is less than the carrying value of the goodwill, an impairment loss is recognised immediately in the income statement.

Key assumptions used in the value in use calculations are as follows:

Cash flow projections are derived from financial plans approved by the Board and cover a twelve month period. They reflect management's expectations of revenue growth, operating cost and margin for TSE Consulting SA based on past experience.

A post-tax discount rate of 10% to 15% has been applied to cash flow projections reflecting management's view that this range of discount rates are suitable for the year.

9. PROPERTY, PLANT AND EQUIPMENT - GROUP

	Office Furniture and machinery £	IT Equipment £	Motor Vehicles £	Total £
Cost				
At 1 April 2007	-	-	-	-
Additions	28,937	11,723	-	40,660
At 31 December 2007	<u>28,937</u>	<u>11,723</u>	-	<u>40,660</u>
Translation difference	11,872	4,809	-	16,681
Additions	19,471	8,700	-	28,171
Disposals	-	-	-	-
At 31 December 2008	<u><u>60,280</u></u>	<u><u>25,232</u></u>	-	<u><u>85,512</u></u>
Depreciation				
At 1 April 2007	-	-	-	-
Charge for the period	11,428	10,278	-	21,706
Disposals	-	-	-	-
At 31 December 2007	<u>11,428</u>	<u>10,278</u>	-	<u>21,706</u>
Translation difference	6,182	6,393	-	12,575
Charge for the period	5,296	7,716	-	13,012
Disposals	-	-	-	-
At 31 December 2008	<u><u>22,906</u></u>	<u><u>24,387</u></u>	-	<u><u>47,293</u></u>
Net Book Value				
At 31 December 2007	17,509	1,445	-	18,954
At 31 December 2008	<u><u>37,374</u></u>	<u><u>845</u></u>	-	<u><u>38,219</u></u>

10. INVESTMENTS – COMPANY

	Investment in Subsidiaries
	£
Cost & Net Book Value at 1 April 2007	-
Additions	2,179,894
Cost & Net Book Value at 31 December 2007	2,179,894
Additions	17,432
Cost & Net Book Value at 31 December 2008	<u>2,197,326</u>

Name of subsidiary	Country of Incorporation	Percentage shareholding	Principal activities during year
Wilton International Consulting Limited	England & Wales	100%	Dormant
TSE Consulting SA	Switzerland	100%	International sports consultancy

11. TRADE AND OTHER RECEIVABLES - GROUP

	At 31.12.08	At 31.12.07
	£	£
Trade debtors: Gross	528,608	261,432
Less: provision for bad debts	(52,879)	(37,934)
	<u>475,729</u>	<u>223,498</u>
Other debtors	53,971	65,548
Prepayments and accrued income	22,760	58,666
	<u>552,460</u>	<u>347,712</u>

TRADE AND OTHER RECEIVABLES - COMPANY

	At 31.12.08	At 31.12.07
	£	£
Trade debtors: Gross	41,544	-
Less: provision for bad debts	-	-
	<u>41,544</u>	<u>-</u>
Other debtors	25,981	70,772
Prepayments and accrued income	17,438	31,134
	<u>84,963</u>	<u>101,906</u>

12. TRADE AND OTHER PAYABLES - GROUP

	At 31.12.08	At 31.12.07
	£	£
Trade creditors	151,267	162,182
Taxes and social security costs	-	4,472
Other creditors	243,460	169,563
Accrued expenses	-	-
	<u>394,727</u>	<u>336,217</u>

TRADE AND OTHER PAYABLES - COMPANY

	At 31.12.08	At 31.12.07
	£	£
Trade creditors	29,214	119,474
Other creditors	58,362	-
Accrued expenses	-	-
	<u>87,576</u>	<u>119,474</u>

13. LONG TERM PAYABLES – GROUP & COMPANY

	At 31.12.08	At 31.12.07
	£	£
Amounts falling due after one year:		
Deferred cash consideration relating to the acquisition of the entire issued share capital of Wilton International Consulting Ltd	-	200,000
	<u>-</u>	<u>200,000</u>

14. PROVISION FOR LIABILITIES & CHARGES – GROUP & COMPANY

	At 31.12.08	At 31.12.07
	£	£
Provision for claim for breach of contract (see below):		
Balance brought forward at 1 January 2008	35,114	50,000
Legal charges incurred in year	(12,910)	(14,886)
Provision released in year	(22,204)	-
Balance carried forward at 31 December 2008	<u>-</u>	<u>35,114</u>

At 31 December 2007, a provision of £35,114 (31 March 2007: £50,000) was made to allow for a potential claim for breach of contract regarding J E Farmer, a former director of the company. In April 2008, Mr Farmer withdrew his request for a hearing and hence the remaining provision was released.

15. FINANCIAL INSTRUMENTS – RISK MANAGEMENT

The Group and the Company in principle do not use or trade in derivative financial instruments.

Financial assets categorised as loans and receivables	Notes	Group 2008	Group 2007
		£	£

Trade and other receivables	11	552,460	347,712
Cash and cash equivalents		<u>155,523</u>	<u>97,945</u>
		707,983	445,657
Financial liabilities measured at amortised cost			
Trade payables	12	151,267	162,182
Other payables	12	243,460	169,563
Other taxes and social security	12	<u>-</u>	<u>4,472</u>
		394,727	336,217
Financial assets categorised as loans and receivables			
	Notes	Company 2008	Company 2007
		£	£
Trade and other receivables	11	84,963	101,906
Cash and cash equivalents		<u>131,465</u>	<u>42,696</u>
		216,428	144,602
Financial liabilities measured at amortised cost			
Trade payables	12	29,214	119,474
Other payables	12	<u>58,362</u>	<u>-</u>
		87,576	119,474

The main risks arising from the financial instruments of the Group and of the Company are credit risk, interest rate risk, liquidity risk and fair value risk. The Board reviews and agrees policies for managing these risks and they are summarised below. These policies have remained unchanged throughout the financial period.

Credit risk

The exposure to credit risk of the Group and of the Company is limited to the carrying values of financial assets recognised at the balance sheet date, as summarised below:

	Group 2008	Group 2007
	£	£
Classes of financial assets – carrying amount		
Cash and cash equivalents	155,523	97,945
Trade and other receivables	<u>552,460</u>	<u>347,712</u>
	707,983	445,657
	Company 2008	Company 2007
	£	£
Classes of financial assets – carrying amount		
Cash and cash equivalents	131,465	42,696
Trade and other receivables	<u>84,963</u>	<u>101,906</u>
	216,428	144,602

The maximum exposure to credit risk in relation to trade receivables is equivalent to the period end balance. It is the policy of the Group and of the Company to assess the credit risk of its customers. The Group and the Company closely monitor the credit worthiness of customers and other counterparties, and will require an advance payment if necessary. The Group and the Company will terminate business with a poor credit history.

The Directors consider that all the above financial assets that are not impaired for each of the reporting dates under review are of good credit quality, based on financial information and past trading history, including those that are past due.

Neither the Group nor the Company are exposed to any significant credit risk exposure to any single counterparty or Group of counterparties having similar characteristics. The credit risk for cash and cash equivalents is considered negligible since the counterparties are reputable banks with high quality external credit ratings.

Liquidity risk

The objectives of the Group and of the Company are to maintain a balance between continuity of funding and flexibility through cash pooling and shareholder funding. The Group monitors its liquidity risk on an ongoing basis by undertaking rigorous cash flow forecasting procedures.

The financial liabilities of the Group and of the Company have contracted maturities, which are summarised below:

	Group 2008 £ Within 6 months	Group 2008 £ 6 to 12 months	Group 2007 £ Within 6 months	Group 2007 £ 6 to 12 months
Trade Payables	151,267	-	162,182	-
	Company 2008 £ Within 6 months	Company 2008 £ 6 to 12 months	Company 2007 £ Within 6 months	Company 2007 £ 6 to 12 months
Trade Payables	151,267	-	162,182	-

Interest rate risk

The Group and the Company finance themselves using their own cash balances which comprise cash and short-term deposits, and therefore has no significant interest rate risk. Additionally, borrowings on short term and long term borrowings are on fixed rates.

16. SHARE CAPITAL

	At 31.12.08 £	At 31.12.07 £
Authorised:		
1,352,000,000 Ordinary shares of 0.1p each	1,352,000	1,352,000
72,000,000 Deferred shares of 0.9p each	648,000	648,000
	<u>2,000,000</u>	<u>2,000,000</u>
Allotted, called up & fully paid:		
809,600,000 Ordinary shares of 0.1p each	809,600	583,900
72,000,000 Deferred shares of 0.9p each	648,000	648,000
	<u>1,457,600</u>	<u>1,231,900</u>

During the year 217,700,000 Ordinary 0.1p shares were issued at a premium of 0.07p each, raising £370,090 excluding expenses.

During the year 8,000,000 Ordinary 0.1p shares were issued at a premium of 0.75p each, as part consideration for the acquisition of the entire issued share capital of Wilton International Consulting

Limited.

Deferred Shares

The special rights, privileges, restrictions and limitations attached to the Deferred shares are as follows:

- a) A holder of Deferred shares shall have no right to receive notice of or to attend or vote at any General meeting of the company
- b) A holder of Deferred shares shall have no right to receive any dividend or distribution
- c) A holder of Deferred shares shall on a return of capital in a liquidation, but not otherwise, be entitled to receive only the amount credited as paid up on each share but only after the holder of each Ordinary share shall have received the amount paid up or credited as paid up on such share, together with a payment of 0.1 pence per share but the holders of Deferred shares shall not be entitled to any further participation in the assets or profits of the Company.

Warrants

Neil McClure, a former Director of the Company, currently holds 8,800,000 Warrants. Each Warrant entitles Neil McClure to receive, upon exercise of the Warrants, one Ordinary Share at an exercise price of 0.1p per Ordinary Share.

The Warrants may be exercised at any time before the expiry of a three year period from the date of grant.

Beaumont Cornish Limited currently holds 7,500,000 Warrants. Each Warrant entitles Beaumont Cornish to receive, upon exercise of the Warrants, one Ordinary Share at an exercise price of 0.85p per Ordinary Share. The Warrants may be exercised at anytime before the expiry of a five year period from the date of grant.

17. EARNINGS PER SHARE

The basic earnings per share is calculated by dividing the profit for the financial year attributable to shareholders by the weighted average number of shares in issue.

	12 Months to 31.12.08 Number	9 Months to 31.12.07 Number
Weighted average number of shares (ordinary)	<u>645,685,714</u>	<u>529,110,584</u>
Weighted average number of shares (dilutive)	<u>682,985,714</u>	<u>529,110,584</u>
Profit/(Loss) for the year/period	<u>£</u> 22,662	<u>£</u> (231,466)
Basic earnings per share	<u>0.004p</u>	<u>(0.04p)</u>
Diluted earnings per share	<u>0.003p</u>	<u>(0.04p)</u>

18. RELATED PARTY TRANSACTIONS

GROUP & COMPANY

During the year the Company received credit notes of £36,000 (2007: Invoiced £36,000) by Hansard

Communications.com Limited, a company of which both Adam Reynolds and Paul Foulger are directors, representing directors' fees waived relating to both Adam Reynolds and Paul Foulger. At the year end, a balance existed within Trade Creditors of £nil (2007: £36,000).

During the year the Company was invoiced £13,750 (2007: £7,500) by Alan Bailey (Studios) Limited, a company of which both Adam Reynolds and Paul Foulger are directors, for office rent and administration costs. At the year end £Nil (2007: £5,875) was included in trade payables.

During the year the Company was invoiced the following amounts by Diablo Consulting Limited, a company of which both Adam Reynolds and Paul Foulger are directors:

- Office rent and administration costs = £1,250 (2007: £Nil)
- Director fees = £2,000 (2007: £Nil)
- Fundraising introductory fees = £7,000 (2007: £Nil)

At the year end a balance existed within Trade Creditors of £11,788 (2007: £Nil)

During the year the Company was invoiced £12,000 (2007: £Nil) by CICS Limited, a company of which Brian Blasdale is a director, for director's fees earned.

During the year, the Company was invoiced £6,450 (2007: £16,000) by Neil McClure, a former director, in relation to director's fees earned. At the year end, all amounts had been fully paid.

19. POST BALANCE SHEET EVENTS

In February 2009, the Company cancelled the existing options held by certain key employees over 16.5 million shares at an exercise price of 1p per Ordinary Share which had been previously awarded in 2007. At the same time, the Company awarded in aggregate options over 32 million New Ordinary Shares to key employees of its wholly owned subsidiary, TSE Consulting SA, in accordance with the terms of the Company's share option scheme. The options will vest on 18 February 2011 and must be exercised on or before 18 February 2014 at an exercise price of 0.23p per ordinary share.

20. PROFIT ACCOUNTED FOR IN THE PARENT COMPANY

As permitted by section 230 of the Companies Act 1985, the profit and loss account of the parent Company is not presented as part of the financial statements. The parent company's loss for the financial year was £4,471 (2007: loss £192,359).

21. SHARE BASED PAYMENTS

As at 31 December 2008, the following share options and warrants were outstanding over the ordinary shares of the Company.

	Date of grant	Vesting date	Expiry date	Balance at 31 December 2008 Number	Exercise price Pence	Fair value of option at grant date Pence
Warrants	28/02/07	28/02/07	28/02/10	8,800,000	0.10p	0.0p
Warrants	26/07/07	26/07/07	26/07/12	7,500,000	0.85p	0.0p
Total warrants outstanding				16,300,000		
Share option scheme:						
2007	21/08/07	21/08/09	21/08/17	21,000,000	1.00p	0.325p
Total share options outstanding				21,000,000		
Total equity instruments				37,300,000		

outstanding

The exercise price of the warrants is the lowest average closing price for a preceding quarter or the current exercise price, whichever is the lower.

The fair value of share options and warrants at grant date has been determined using the Black-Scholes formula. The assumptions and other inputs used in the models in respect of share options issued during the year were as follows:

	Share option scheme 2007
Share price on date of grant	0.395p
Exercise price	1.00p
Expected volatility	30%
Expected dividends	Nil
Option life	3 years
Risk free interest rate	5.0%

At the dates of issue of shares under the various share option schemes, there was insufficient historical data to calculate a reliable estimate of expected share volatility in respect of the Company itself and accordingly expected volatility has been based on the average volatility of a range of similar UK listed companies operating in similar markets.

The following tables reconcile the outstanding warrants and share options granted under the employee share option schemes at the beginning and end of the financial year.

	Number 2008	Weighted average exercise price 2008	Number 2007	Weighted average exercise price 2007
Balance at beginning of the financial year	37,300,000	0.76p	-	-
Granted during the year	-	-	37,300,000	0.76p
Exercised during the year	-	-	-	-
Balance at end of the financial year	37,300,000	0.76p	37,300,000	0.76p
Exercisable at end of the financial year	16,300,000	0.4p	16,300,000	0.4p

No warrants were exercised during the year.

22. PRIOR PERIOD ADJUSTMENT

No charge was made in the income statement for 2007 for the share options issued to the Swiss employees under IFRS2 in error. As a result of this a prior period adjustment has been made and the effect on 2007 was to increase the loss by the relevant IFRS2 charge as shown below.

The income statement charge which has now been made for each period is as follows:

Group 2008	Group 2007
£	£

Share based payment charge to income statement

19,506

17,068

23. The financial information in this announcement has been derived from the Company's statutory accounts for the year ended 31 December 2008, which were approved by the Directors on 5 June 2009 and on which the auditors have given an unqualified opinion and did not make a statement under sections 237(2) or 237(3) of the Companies Act 1985. The financial information set out in this announcement does not constitute statutory accounts within the meaning of section 240 of the Companies Act 1985. Statutory accounts for the year ended 31 December 2008 will be delivered to the Registrar of Companies in accordance with section 242 of the Companies Act 1985. The financial information for the year ended 31 December 2007 is derived from the Company's statutory accounts, which have been delivered to the Registrar of Companies and on which the auditors gave an unqualified opinion.

ENDS