

**WYATT GROUP PLC AND ITS  
SUBSIDIARY UNDERTAKINGS**

PRELIMINARY RESULTS  
ANNOUNCEMENT

FOR THE YEAR ENDED

31 MARCH 2007

# WYATT GROUP PLC AND ITS SUBSIDIARY UNDERTAKINGS

## CHAIRMAN'S STATEMENT

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I am delighted to report on what has been a significant year in the Group's development. It is a pleasure to be able to announce that the Group made an operating profit before joint venture, amortisation and interest of £353,662 compared to a loss last year of £541,571. This was on a turnover of £2,990,863 (2006: £1,296,149) which represents an increase of 131%. The profit attributable to shareholders (after amortisation, depreciation, interest, joint venture interests, minority interests and tax was £121,589 (2006: £687,280 loss).

### Operations

The Group's principal subsidiaries are Risksmart Limited, Premier Employer Solutions Limited ('PES') and Wyatt Biotech Limited.

**Risksmart** provides an on-line fire risk assessment solution for small and medium sized businesses. The long awaited Fire Safety legislation became effective on 1<sup>st</sup> October 2006. This has been the turning point that the team were awaiting and Risksmart is now close to trading profitably on a month on month basis. This is just reward for the management team who have worked hard to build the foundations despite the continued set-backs that the considerable delays in implementing the legislation have presented.

**PES** provides a range of employment related consultancy and support services focused around human resources, reward and employment tax. It has made significant progress in 2006/07 and has continued to develop its range of products and services and to build on its impressive client base. The results for the year ended 31 March 2007 are excellent with the company generating a profit for the year after tax. PES is currently marketing a tax product that has proved tremendously successful, generating significant revenues and giving it access to a number of high profile blue chip clients. The management team are reinvesting much of the revenues generated from this product into building and expanding the core business activities of PES. The beginning of the current financial year has already been encouraging and we are confident of yet another strong performance.

**Wyatt Biotech** is the Group's drug testing operation. It has been a long and frustrating year for this business. There have been unforeseen delays in the testing and production of the drug testing product, resulting in it still not being ready to commence market trials. I believe that if these issues can be overcome then there is an exciting future for this business. However, in the short term the Group is taking steps to limit further funding for ongoing costs. It is intended that these costs will instead be met by the US inventor/developer who will inject funds into the business to bring the product up to the point where it can be taken to market. In return, the company will become a joint venture between Wyatt and the US inventor. I believe that this course of action is in the best interests of our shareholders.

### Prospects

This is a fantastic turnaround for the Group and hopefully indicates to shareholders that their continued patience and belief will be rewarded in the future. I would like to thank everybody involved in Wyatt for their hard work and dedication. We have now built a platform for growth and with continued hard work we will be able to take Wyatt to the next level.

R HOLT  
Chairman  
11 July 2007

# WYATT GROUP PLC AND ITS SUBSIDIARY UNDERTAKINGS

## CONSOLIDATED PROFIT AND LOSS ACCOUNT

For the year ended 31 March 2007

	Note	2007 £	2006 £
Turnover: Group and share of joint venture		<b>2,990,863</b>	1,296,149
Less: Share of joint venture's turnover		<b>(19,763)</b>	(33,919)
<b>Turnover</b>		<b>2,971,100</b>	1,262,230
Cost of sales		<b>(781,047)</b>	(458,272)
<b>Gross profit</b>		<b>2,190,053</b>	803,958
Operating charges			
Other operating charges		<b>(1,836,391)</b>	(1,345,529)
Amortisation	3	<b>(133,071)</b>	(131,780)
Total operating charges		<b>(1,969,462)</b>	(1,477,309)
<b>Operating profit/(loss)</b>		<b>220,591</b>	(673,351)
Share of operating loss in joint venture		<b>(31,963)</b>	(6,153)
Net interest		<b>(80,427)</b>	(37,755)
<b>Profit/(loss) on ordinary activities before taxation</b>		<b>108,201</b>	(717,259)
Tax on profit/(loss) on ordinary activities		-	-
<b>Profit/(loss) on ordinary activities after taxation</b>		<b>108,201</b>	(717,259)
Equity minority interests		<b>13,388</b>	29,979
<b>Profit/(loss) for the financial year</b>	4	<b>121,589</b>	(687,280)
Basic earnings/(loss) per share	2	<b>0.96p</b>	(5.43)p

All of the activities of the Group are classed as continuing.

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

**WYATT GROUP PLC AND ITS SUBSIDIARY UNDERTAKINGS**

CONSOLIDATED BALANCE SHEET AT 31 MARCH 2007

	Note	2007 £	2006 £
<b>Fixed assets</b>			
Intangible assets	3	<b>1,151,936</b>	1,254,163
Tangible assets		<b>207,312</b>	239,943
Investments		<b>67,574</b>	67,574
Investment in joint venture:			
Share of gross assets		-	18,085
Share of gross liabilities		-	(31,583)
Transfer to creditors due in less than one year		-	13,498
		<u>-</u>	<u>-</u>
		<b>1,426,822</b>	1,561,680
<b>Current assets</b>			
Stocks		<b>15,500</b>	52,027
Debtors		<b>586,904</b>	246,015
		<b>602,404</b>	298,042
<b>Creditors: amounts falling due within one year</b>		<b>(1,674,725)</b>	(1,147,328)
<b>Net current liabilities</b>		<b>(1,072,321)</b>	(849,286)
<b>Total assets less current liabilities</b>		<b>354,501</b>	712,394
<b>Creditors: amounts falling due after more than one year</b>		<b>(949,265)</b>	(1,351,110)
		<b>(594,764)</b>	(638,716)
<b>Capital and reserves</b>			
Called up share capital		<b>126,594</b>	126,594
Share premium account		<b>1,902,700</b>	1,902,700
Merger reserve		<b>41,802</b>	41,802
Other reserve		<b>(45,640)</b>	-
Profit and loss account		<b>(2,479,257)</b>	(2,600,846)
<b>Shareholders' deficit</b>	4	<b>(453,801)</b>	(529,750)
Equity minority interests		<b>(140,963)</b>	(108,966)
		<b>(594,764)</b>	(638,716)

# WYATT GROUP PLC AND ITS SUBSIDIARY UNDERTAKINGS

## CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 March 2007

	Note	2007 £	2006 £
<b>Net cash inflow/(outflow) from operating activities</b>	5	<b>409,740</b>	(538,398)
<b>Returns on investments and servicing of finance</b>			
Interest paid		<u>(80,427)</u>	<u>(37,755)</u>
<b>Net cash outflow from returns on investments and servicing of finance</b>		<u>(80,427)</u>	<u>(37,755)</u>
<b>Taxation</b>		-	-
<b>Capital expenditure and financial investment</b>			
Purchase of tangible fixed assets		<u>(89,738)</u>	<u>(42,315)</u>
<b>Net cash outflow from capital expenditure and financial investment</b>		<u>(89,738)</u>	<u>(42,315)</u>
<b>Acquisitions</b>			
Purchase of subsidiary undertaking		<u>(2,050)</u>	-
Net cash acquired with subsidiary undertaking		<u>(1,056)</u>	-
<b>Net cash outflow from acquisitions</b>		<u>(3,106)</u>	-
<b>Net cash inflow/(outflow) before financing</b>		<u>236,469</u>	<u>(618,468)</u>
<b>Financing</b>			
Repayment in short term borrowings		-	(11,000)
Repayment of borrowings		<u>(42,236)</u>	<u>(49,088)</u>
<b>Net cash outflow from financing</b>		<u>(42,236)</u>	<u>(60,088)</u>
<b>Increase/(decrease) in cash</b>	6	<u>194,233</u>	<u>(678,556)</u>

# WYATT GROUP PLC AND ITS SUBSIDIARY UNDERTAKINGS

For the year ended 31 March 2007

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## **1 BASIS OF PREPARATION**

The financial information set out in the announcement does not constitute the Group's statutory accounts for the years ended 31 March 2007 or 2006. The financial information for the year ended 31 March 2006 is derived from the statutory accounts for that year which have been delivered to the Registrar of Companies. The auditors reported on those accounts; their report was unqualified and did not contain a statement under s.237 (2) or (3) Companies Act 1985. The statutory accounts for the year ended 31 March 2007 will be finalised on the basis of the financial information presented by the directors in this preliminary announcement and will be delivered to the Registrar of Companies

## **2 EARNINGS PER SHARE**

The basic earnings per share is based upon an equity profit of £121,589 (2006: £687,280 loss) and 12,659,446 (2006: 12,659,446) ordinary shares of 1p each, being the weighted average number of shares in issue during the period.

The diluted profit per share is identical to the basic profit per share as the profit attributable to ordinary shareholders and weighted average number of ordinary shares for the purpose of calculating the diluted earnings per ordinary share are identical to those used for basic earnings per ordinary share. This is because the exercise price of all the share options in issue during the year was greater than the average market price of the share throughout the year. In the prior year, the diluted loss per share was identical to the basic loss per share. This is because the exercise of share options would have the effect of reducing the loss per ordinary share and is therefore not dilutive under the terms of FRS 22 Earnings per Share.

# WYATT GROUP PLC AND ITS SUBSIDIARY UNDERTAKINGS

For the year ended 31 March 2007

## 3 INTANGIBLE FIXED ASSETS

<b>Group</b>	<b>Goodwill on consolidation £</b>	<b>Licences £</b>	<b>Total £</b>
Cost			
At 1 April 2006	1,529,183	186,434	1,715,617
Additions	30,844	-	30,844
At 31 March 2007	<u>1,560,027</u>	<u>186,434</u>	<u>1,746,461</u>
Amortisation			
At 1 April 2006	461,454	-	461,454
Provided in the year	133,071	-	133,071
At 31 March 2007	<u>594,525</u>	<u>-</u>	<u>594,525</u>
<b>Net book amount at 31 March 2007</b>	<b><u>965,502</u></b>	<b><u>186,434</u></b>	<b><u>1,151,936</u></b>
Net book amount at 31 March 2006	<u>1,067,729</u>	<u>186,434</u>	<u>1,254,163</u>

During the year, a Group company, Premier Employer Solutions Limited (PES) increased its shareholding in its joint venture company Premier Employee Benefits Limited (PEB). The shareholding was increased from 49% of PEB's issued share capital to 80%. The consideration for these shares was £2,050. This transaction resulted in the creation of £30,844 of goodwill on consolidation. On 1 April 2007 PES acquired a further 20% of the share capital in PEB to make it a wholly owned subsidiary.

## 4 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' DEFICIT

	<b>2007 £</b>	<b>2006 £</b>
Profit/(loss) for the financial year	121,589	(687,280)
Increase in other reserves	<u>(45,640)</u>	<u>-</u>
Net increase/(decrease) in shareholders' funds	75,949	(687,280)
Shareholders' deficit at 31 March 2006	<u>(529,750)</u>	<u>157,530</u>
Shareholders' deficit at 31 March 2007	<u><u>(453,801)</u></u>	<u><u>(529,750)</u></u>

# WYATT GROUP PLC AND ITS SUBSIDIARY UNDERTAKINGS

For the year ended 31 March 2007

## 5 NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES

	2007 £	2006 £
Operating profit/(loss)	220,591	(673,351)
Depreciation and amortisation	256,651	238,459
Decrease/(increase) in stocks	36,527	(18,055)
Increase in debtors	(328,772)	(104,779)
Increase in creditors	270,203	19,328
Increase in other reserves	(45,460)	-
	<u>409,740</u>	<u>(538,398)</u>
Net cash inflow/(outflow) from operating activities	<u>409,740</u>	<u>(538,398)</u>

## 6 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2007 £	2006 £
Increase/(decrease) in cash in the year	194,233	(678,556)
Cash outflow from decrease in debt	42,236	60,088
	<u>236,469</u>	<u>(618,468)</u>
Change in net cash resulting from cash flows and movement in net debt in the period	236,469	(618,468)
Net debt at 1 April 2006	(894,467)	(275,999)
	<u>(657,998)</u>	<u>(894,467)</u>
Net debt at 31 March 2007	<u>(657,998)</u>	<u>(894,467)</u>

## 7 ANALYSIS OF CHANGES IN NET DEBT

	At 1 April 2006 £	Cash flow £	At 31 March 2007 £
Cash in hand and at bank	-	-	-
Overdrafts	(772,920)	194,233	(578,687)
	<u>(772,920)</u>	<u>194,233</u>	<u>(578,687)</u>
Other loan	-	(3,000)	(3,000)
Bank loan	(121,547)	45,236	(76,311)
	<u>(894,467)</u>	<u>236,469</u>	<u>(657,998)</u>

## 8 PRELIMINARY FINANCIAL STATEMENTS

Further copies of the preliminary statements are available from the registered office of Wyatt Group PLC at Parkway House, Hambrook Lane, Stoke Gifford, Bristol, BS34 8QB.