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**TSE Group plc**  
Report and Financial Statements  
31 December 2007

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**Directors:**

Paul Foulger  
Adam Reynolds  
Neil McClure (appointment ceased 28 March 2008)  
Lars Haue-Pedersen (appointed 20 August 2007)  
Robin Courage (appointed 20 August 2007)  
Brian Blasdale (appointed 17 January 2008)

**Secretary:**

Paul Foulger

**Registered Office:**

14 Kinnerton Place South  
London  
SW1X 8EH

**Registered Number:**

5353387 (England & Wales)

**Auditors:**

Kingston Smith LLP  
Chartered Accountants and Registered Auditors  
Devonshire House  
60 Goswell Road  
London  
EC1M 7AD

**Bankers:**

Coutts & Co  
440 Strand  
London  
WC2R 0QS

**Nominated Advisor:**

Beaumont Cornish Limited  
5th Floor  
10-12 Copthall Avenue  
London  
EC2R 7DE

## Chairman's Statement

I am pleased to report on our results for the nine months ended 31 December 2007, a period which has been marked by some dramatic changes in the Company's activities. The audited accounts cover a nine month period, following the decision to change the Company's year end from 31 March to 31 December. The results include only four months contribution from TSE, which was acquired at the end of August 2007.

On 18 April 2007, the Company announced that it had completed a placing of 141,900,000 new Ordinary Shares with a number of investors at a price of 0.75 pence per share, raising a total of £1,064,250 before expenses. This fund-raising significantly improved the Company's balance sheet and gave it the strength to seek opportunities to acquire an established business with a proven management team.

On 20 August 2007, we were delighted to announce that shareholders had approved the proposed acquisition of Wilton International Consulting Limited, together with its wholly owned subsidiary, TSE Consulting SA, at a General Meeting. At the same time, the Company changed its name from Sandford plc to TSE Group plc.

Based in Lausanne, Switzerland, TSE Consulting SA is one of the most respected and leading providers of consultancy services to the world of international sport. TSE provides strategic advice to international sports organisations, the public sector and private companies including advice to cities and governments on bidding and hosting major sports events such as the Olympic Games.

During 2006, TSE established its first round of international networks outside of Switzerland with local partners; by the end of that year, offices had been opened in London, Denmark, USA, and China.

Since then, TSE has embarked on its second round of international expansion and in July 2007 opened its first office in Africa, with the launch of the Johannesburg operation under the Directorship of Victor Radebe. In September 2007 TSE Turkey opened its doors in Istanbul, under the Direction of Orhan Gorbon. Finally, in December 2007, TSE announced the opening of its new office in Moscow, Russia under the direction of Natasha Mezheritskaya.

The third phase of TSE's expansion plans is expected to begin in 2008; this expansion may well include the Middle East and South East Asia, two regions of the world that are demonstrating increasing activity in the world of international sport.

TSE Consulting continues to advise its public sector clients operating in international sport throughout the world on the development of their sporting strategies and through this work it assists cities and regional and national governments to attract major events. TSE also continues to work closely with a number of the leading sports organisations and governing bodies for major sports throughout the world.

The increasing need for governments to develop workable sports strategies for their countries and their cities continues to grow and there is increasing competition between governments to attract the cream of the world's major sporting events to their countries. The business of sport continues to grow and now accounts for 2% of GDP within western economies.

Our company is ideally placed to benefit from this growing sector, which by its very nature will continue to offer a completely global marketplace with a generally recession-resistant public sector clientele.

During 2007 TSE Consulting successfully assisted the Governments of Poland and Ukraine in their bid to host the UEFA European Football Championships in 2012 and recently assisted the Turkish Athletics Federation to secure the rights to host the IAAF World Indoor Athletics Championships in 2013. Also during the year TSE continued to work with a number of major international sports organisations including the Olympic Solidarity department at the IOC, the governing body for European Football

## Chairman's Statement *(continued)*

(UEFA) and the world governing body for Athletics (IAAF). Our United States office continued to work for the United States Olympic Committee and for the cities of Denver and Phoenix.

TSE Group's business strategy remains focused on the development of a group of companies providing specialist services to the major events market. A number of corporate discussions are ongoing and our Company continues to look at businesses to either acquire or to form other business relationships with.

The current year has started well and the Board is confident about the prospects for TSE in the year ahead.

Another year of solid growth from TSE Consulting, coupled with the completion of ongoing acquisition and joint venture discussions, together with the containment of costs within both the operating company and at a Group level, should ensure a strong year ahead for TSE Group plc.



**Adam Reynolds**

*Chairman*

## Report of the Directors

The directors have pleasure in presenting their report and audited financial statements for the 9 month period ended 31 December 2007.

### **Executive directors**

#### **ADAM REYNOLDS, Executive Chairman (age 45)**

Adam began his career as a stockbroker in 1980, working first with Rowe Rudd and then Jacobson & Townsley as a commission salesman. In 1983, he established the London office of John Siddall & Son, becoming a director in 1987. In 1988, he brokered the sale of that office to Branston & Gothard, where he headed up the UK equity sales team that he had brought with him for the next five years. He remained at Branston & Gothard as a UK equity salesman until 1998, when he joined Basham & Coyle, a financial PR firm, as a director in charge of investor relations, specialising in developing the PR strategies of smaller companies. In February 2000, he established Hansard Group plc, a financial PR firm, listing it on AIM in November 2000, before successfully leading a management buy-out of the business in 2004 at which time Hansard group acquired a major division of Ennergem Resources Inc. which changed its name to FirstAfrica Oil plc. Adam is also the chairman of International Brand Licensing plc, owners of the Admiral sports clothing brand and a director of Wilton International Management Group Limited.

#### **ROBIN COURAGE, Chief Executive (age 62)**

Robin began his career in advertising and later moved into television and film production. In the early 1970s he acted as impresario to present major international entertainment artistes in cabaret and on stage in London. In 1987 Robin joined The Rowland Company, a wholly-owned subsidiary of the Saatchi & Saatchi Group. In 1994 he founded the sports marketing company, Atkinson Courage, where he worked with his multinational clients to exploit their sponsorships of major international events. He ran Atkinson Courage for seven years prior to forming TSE. As the London-based Director of TSE, Robin focuses on developing long-term strategic plans and near-term marketing programmes for international sports federations and national and local governments. Robin is also Chairman of Fundraising and a member of the Executive Council of WheelPower, the governing body for wheelchair sport in the UK and owner of the UK's national disability sports centre at Stoke Mandeville, the birthplace of the Paralympic Games.

#### **PAUL FOULGER, Finance Director (age 38)**

Paul has considerable public and private company experience, having been a director of a number of successful businesses as well as being involved in a large variety of corporate transactions over the years including acting as finance director in the reversal of First Africa Oil plc into Financial Development Corporation plc. Paul previously worked in the publishing industry with HarperCollins Publishers and subsequently became finance director at Elsevier Science, a subsidiary of Reed Elsevier plc. He led a management buy-out of previously quoted financial communications group Hansard in 2004, of which he remains a director. He also consulted on the AIM listing of Table Mountain Minerals plc in 2005 and its subsequent acquisition by Plectrum Petroleum plc. In 2005, he became a director of Cielo Holdings plc, now called Curidium Medica plc, and successfully completed an acquisition of Curidium Limited in July 2006. His other directorships include International Brand Licensing plc and Wilton International Management Group. Paul is a qualified certified accountant and is currently completing his MBA at Warwick Business School.

#### **LARS HAUE-PEDERSEN, Executive Director (age 46)**

Lars was born and grew up in Copenhagen, Denmark. He now lives in Lausanne, Switzerland. Lars's background is as an economist and he gained an MSc in economics from Odense University, Denmark. Lars was a sportsman who transferred into sports administration and from 1991 to 1995 was Secretary General of the Danish Volleyball Federation. In 1995 he joined the International Volleyball Federation (FIVB) in Lausanne as Development Director. In 1999 he formed Beaufort Sports Consulting SA, also based in Lausanne. He co-founded TSE in 2001, where he remains as the Director in charge of the Lausanne head office. In addition to managing the international growth of the company Lars provides consulting services to major international sports organisations. He develops management training courses

## Report of the Directors (continued)

for sports organisations and event owners, and works extensively with national and regional governments involved in bidding for and/or staging major sports events. Lars is an external lecturer in sport management and sport economics at Copenhagen Business School and is an external lecturer at a number of European universities including Klagenfurt (Austria), Lausanne (Switzerland), St Petersburg (Russia) and Neuchatel (Switzerland).

### **BRIAN BLASDALE, Non Executive Director (age 58)**

Following an early career as a Purser with P&O Shipping Company, Brian held a number of senior sales & marketing roles with blue chip companies including Kodak Limited. Thereafter he formed his own IT outsourcing company, achieving success in attracting a number of major blue-chip companies as clients. Subsequently he co-founded I-B Net Limited, which was listed on the AIM market as Deal Group plc in March 2000. Since this time Brian has actively been involved with a number of companies as Chairman and non executive director for and on behalf of Lloyds Development Capital Private Equity (“LDC”). Currently, Brian is Chairman of Hiatt Hardware Limited, acting for and on behalf of LDC, and a non executive director of MET Limited, an IT company.

### **Business review and principal activities**

The principal activity of the group was previously as an investing company.

On 20 August 2007, the company acquired an International sports consultancy firm headquartered in Lausanne, Switzerland, constituting a ‘reverse-takeover’ under the AIM Rules. At the same time the company changed its name from Sandford plc to TSE Group plc.

The results for the company show a pre-tax loss of £227,124 (31 March 2007: £227,013) for the 9 month period and sales of £317,427 (31 March 2007: £nil). The results of the two subsidiary companies, Wilton International Consulting Limited and TSE Consulting SA, were only consolidated into the Group results with effect from 21 August 2007. Accordingly, the results reflect only four months contribution from TSE.

The consolidated income statement for the period is set out on page 16. No dividends will be distributed for the period ended 31 December 2007.

### **Future Outlook**

The external commercial environment is expected to remain as competitive as it has been historically in 2008, however the Company believes it is well positioned to take advantage of the ever-growing International Sports Consultancy market through both organic and acquisitive growth.

### **Key Performance Indicators (“KPIs”)**

Given the straightforward nature of the business, the Company’s directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business at this stage.

### **Principal risks and uncertainties**

At the time of the acquisition of Wilton International Consulting Limited in August 2007, the directors identified a number of risk factors which it was thought might affect the Group’s ability to deliver its strategic goals. The directors are of the opinion that, in general, the risk factors identified at that time continue to be relevant to the business. A list of these risks is given below. This list does not purport to be an exhaustive summary of the risks affecting the Group, is given in no particular order of priority and contains risks considered to be outside the control of the directors.

## Report of the Directors (continued)

- **Client relationships**

As a management consultancy TSE is reliant upon developing its relationships with its clients. The success of the Group therefore depends on the personal relationships established by TSE's consultants with key individuals within sports organisations. The loss of any of these key relationships could have an adverse effect on the Company.

- **Management, employees and overseas consultants**

The success of the Group depends to a significant extent on key directors and employees and in particular Robin Courage and Lars Haue-Pedersen. In addition, the Directors expect that the overseas offices will contribute an increasing proportion of the Company's sales. Although the Directors believe they have access to strength and depth in the expanded management team, the loss of one or more of the key Directors or overseas office consultants could have an adverse effect on the Company.

The Group faces competition in attracting and retaining qualified employees. The Group's ability to continue to compete effectively in its businesses will depend upon its ability to attract new employees and retain and motivate existing employees.

- **Future acquisitions**

The Directors and Proposed Directors intend to grow the Group both organically and by acquisition. There can be no guarantee that the Directors will be able to agree the acquisitions of further suitable companies and/or businesses on acceptable terms nor any guarantee that the Group will be able to raise sufficient future finance at such time. Insofar as the Directors do agree further acquisitions on behalf of the Company, while they will seek to protect the Company by conducting full due diligence and agreeing suitable warranties and indemnities from the vendors, there can be no assurance that such new acquisitions could be successfully integrated into the Enlarged Group. Finally, under the AIM Rules, acquisitions over a certain size would constitute a reverse takeover, and therefore in the event that the Company announced such an acquisition prior to the publication of an admission document, the Company's Ordinary Shares would be suspended from trading on AIM.

- **Dilution of existing shareholders**

The Directors intend that the Group should be able to issue new Ordinary Shares as consideration for further acquisitions and/or raise additional working capital for the Enlarged Group as required. Insofar as such new Ordinary Shares are not offered first to existing Shareholders, then their interests in the Enlarged Group will be diluted.

- **Agent network**

The Company continues to expand into new international markets through the establishment of local agents under a common brand. In the event that the local agent underperforms or does not comply with TSE's Direction Manual setting out the Company's operating procedures, then there is a risk that TSE's brand may be undermined. In such circumstance, TSE's operations would be adversely affected and it may be unable to secure new consulting contracts.

- **Political risk**

A significant proportion of TSE's revenues are accounted for by contracts with governments and cities. Accordingly, a change of national or regional administration following local or national elections could result in a loss of a contract which could have an adverse effect on the Company.

- **Currency risk**

TSE's international agents invoice for a proportion of their services in their local currency. TSE's costs are mainly payable in Swiss Francs. Accordingly, TSE's financial operations could be adversely affected by exchange rate volatility which results in a shortfall in revenue in Swiss Francs.

## Report of the Directors (continued)

- **Considerations relating to future prospects**

- **Commercial agreements**

TSE has a number of commercial agreements in place. However these agreements are terminable on notice (the periods of which vary) and there can be no guarantee that the TSE's customers will not withdraw from these commercial agreements in the future.

- **Financial projections**

There can be no guarantee that the Company's objectives will be achieved. The Directors have prepared the financial projections internally. These financial projections are based on many assumptions, of which some are described. These include assumptions on the timing and success of the Company's future development efforts, the increased acceptance of its services, its ability to successfully implement its hiring goals, the size of the market, general industry conditions and other matters. Many of these assumptions relate to matters beyond the Company's control and they are susceptible to wide variation. To the extent that the Company's actual experience differs from any one or more of these assumptions, the actual financial results will differ. Such differences are likely to be material.

- **Lack of dividends for the foreseeable future**

For the foreseeable future, the Company intends to retain any future earnings for the business and therefore the Company does not anticipate paying dividends in the short term.

- **Market forces**

The market may not grow as rapidly as anticipated. The Group may lose clients to its competitors. The Group's major competitors may have significantly greater financial resources than those available to the Enlarged Group. There is no certainty that the Group will be able to achieve its projected levels of sales or profitability.

### Environment

The directors consider that the nature of the Group's activities during the current business development stage is not inherently detrimental to the environment.

### Employees

The Group places considerable value on the involvement of its employees and they are regularly briefed on the Group's activities through company meetings. The Board acknowledges that the Group's employees are a key asset in the future success of the Group and their retention and motivation is a high priority.

The Group closely monitors staff attrition rates which it seeks to maintain at current low levels and aims to structure staff compensation packages at competitive rates in order to attract and retain high-calibre personnel. All employees are afforded an equal opportunity to progress and develop their careers as the Group grows.

### Disabled employees

Applications for employment by disabled persons are always fully considered, bearing in mind the specific aptitudes of the applicant concerned. It is the policy of the Group that the training, career development and promotion of disabled persons, as far as possible, be identical with that of other employees.

## Report of the Directors (continued)

### Dividends

The directors do not propose to pay a final dividend for the 9 month period ending 31 December 2007 (31 March 2007: £nil).

### Directors' interests

The directors who served the company during the period together with their interests (including family interests) in the shares of the company and other group companies at the beginning (or subsequent date of appointment) and end of the period, were as follows;

	<i>Ordinary shares of 0.1p each</i>	
	<i>31 December 2007</i>	<i>31 March 2007</i>
Neil McClure	83,333	83,333
Paul Foulger	58,441,296	37,500,000
Adam Reynolds	58,441,295	37,500,000
Robin Courage	10,000,000	–
Lars Haue-Pedersen	10,000,000	–

### Creditor payment policy

The company's current policy concerning the payment of trade creditors is to:

- settle the terms of payment with suppliers when agreeing the terms of each transaction;
- ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; and
- pay in accordance with the company's contractual and other legal obligations.

Trade creditor days based on creditors at 31 December 2007 were 116 days (2007: 79 days).

### Stakeholder pension

The Group has designated a stakeholder pension scheme to which its employees can contribute. No contributions were made during the year by the Group.

### Charitable and political donations

The Group made no charitable or political donations during the year (31 March 2007: £nil).

### Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Kingston Smith LLP be reappointed as auditors of the company will be put to the Annual General Meeting.

### Disclosure of information to the auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. The directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

## Report of the Directors (continued)

### Statement of Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the group and of the profit or loss of the group for that period.

In preparing those financial statements, the directors are required to select suitable accounting policies and then apply them consistently; make judgements and estimates that are reasonable and prudent; state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and prepare the financial statements on a going concern basis unless it is inappropriate to assume the group will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and the group and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### On behalf of the Board



**Paul Foulger**

*Director*

14 Kinnerton Place South  
London  
SW1X 8EH

Date: 1 May 2008

## Corporate Governance

### Compliance

The directors recognise the value of the Principles of the Combined Code on Corporate Governance (“the Combined Code”). Although, as an AIM company, compliance with the Combined Code is not required the Group seeks to apply the Combined Code when practicable and appropriate for a company of its size.

The following statement describes how the Group as at 31 December 2007 sought to address the principles underlying the Combined Code.

### Board composition and responsibility

For approximately half of the period, the Board consisted of two executive and a non-executive Chairman. Robin Courage and Lars Haue-Pedersen joined as executive directors on 20 August 2007 and Brian Blasdale joined as a non executive director on 17 January 2008. Neil McClure ceased to be a director on 28 March 2008.

All directors are equally accountable for the proper stewardship of the Group’s affairs.

In broad terms, the on-going remit of the Board is as follows:

- Approval of the Company’s annual budgets and forecasts and ongoing review of Company strategy and performance;
- Approval of the annual report and any statements made therein;
- Approval of any significant changes in accounting policies and practices;
- Appointment or removal of directors or the Company Secretary;
- Approval of appointment of senior staff and setting of their remuneration;
- Approval of any material expenditure or capital commitments;
- Ensure maintenance of robust systems of internal control – including all operating and financial systems through annual review and assessment;
- Review of the Board’s own effectiveness; and
- Ensure continued compliance with any regulatory requirements.

The non-executive directors have a particular responsibility to scrutinize and assess the strategy proposed by the executive management, to evaluate performance, business risk and the integrity of financial information and controls, and to ensure appropriate remuneration and succession arrangements are put in place for the executive directors.

After careful review, giving particular consideration to the provision of the Combined code in respect of the independence of non executive directors, the Board has concluded that Brian Blasdale, as the only non executive director at the date of signing the balance sheet is independent in character, judgement and opinion.

### Chairman’s commitments

The commitments of the Chairman outside those relating to the Company are given in detail in the Board of Directors on page 5. The Chairman’s commitments have not materially changed during the period.

## Corporate Governance (continued)

### Policy on election

Directors are required to offer themselves for election every 3 years and at least one third of the Board must offer itself for re-election each year.

At the forthcoming Annual General Meeting on 19 June 2008, Brian Blasdale, Lars Haue-Pedersen and Robin Courage will be offering themselves for re-election. Brief biographical details for each of these Directors are given on page 5.

### Board meetings

Seven board meetings were held during the period. The directors' attendance record during the period is as follows:-

Adam Reynolds – executive	Three
Paul Foulger – executive	Seven
Lars Haue-Pedersen – executive	Four
Robin Courage – executive	Five
Neil McClure – non executive	Seven

### Audit Committee

The audit committee is chaired by Neil McClure and comprises Paul Foulger and Neil McClure. The audit committee determines the terms of engagement of the Group's and Company's auditors and determines, in consultation with the Group's and Company's auditors, the scope of audits. It receives and reviews reports from management and the Group's auditors relating to the interim and annual accounts and the accounting and internal control systems in use by the Group. The Board has adopted a policy for the periodic review of the auditors' objectivity and independence.

The Audit Committee did not meet during the period but did meet subsequent to the period end in order to fully review the 2007 results as well as the audit scope and process.

The Board considers that given the relative size of the Group and the relative costs and benefits that would ensue, there is no necessity for the Group to operate an internal audit function.

### Remuneration Committee

The remuneration committee is chaired by Neil McClure and comprises Adam Reynolds and Neil McClure. The remuneration committee reviews the scale and structure of both the Executive Directors' and other key employees' future remuneration and the terms of their service agreements with due regard to the interests of shareholders.

### Nomination Committee

The nomination committee is chaired by Robin Courage and comprises Neil McClure and Robin Courage. The nomination committee reviews the appointment of directors and the suitability of their appointment to the Board.

The nomination committee sat once during the year.

### Internal control and risk

The directors are responsible for establishing and maintaining the Group's system of internal control and reviewing its effectiveness. By its nature, such a system is designed to manage rather than eliminate the risk

## **Corporate Governance** (continued)

of failure to achieve business objectives and can only provide reasonable but not absolute assurance against material misstatement or loss.

The Group continually reviews its internal controls and procedures and corrective actions taken to mitigate risks identified implemented where thought necessary.

### **Board effectiveness**

For the time being, the Board itself considers its effectiveness, and that of its committees and directors, on an ongoing basis. It considers this appropriate to a company of this size.

### **Shareholder communication**

The Board encourages regular dialogue with the Group's shareholders and has a policy of making itself available to shareholders at the Annual General Meeting to which all shareholders are invited to attend. Non-executive directors are regularly briefed by executive management on developments within the Group in order to facilitate their continued understanding of the Group's products and processes.

### **Corporate social responsibility**

The Board recognises that it has a duty to be a good corporate citizen and is conscious that its business processes minimise harm to the environment, contributes as far as is practicable to the local community and takes a responsible and positive approach to employment practices.

## Report of the Auditors

### Independent Auditors' Report to the Shareholders of TSE Group plc

We have audited the group and parent company financial statements (the 'financial statements' of TSE Group plc for the period ended 31 December 2007 which comprise the Consolidated Income Statement, the Consolidated and Parent Company Balance Sheets, the Consolidated Cash Flow Statement, the Statement 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 and, as regards the group financial statements, Article 4 of the IAS Regulation. 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 Directors' Report, the unaudited part of the Directors' Remuneration Report, and the Operating and Financial Review. 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.

## Report of the Auditors (continued)

### 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 2007 and of its loss for the period 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 2007;
- the financial statements have been properly prepared in accordance with the Companies Act 1985 and, as regards the group financial statements, Article 4 of the IAS Regulation; 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: 1 May 2008

A handwritten signature in black ink, appearing to read 'Kingston Smith LLP', is written over a light grey background.

## Consolidated income statement

for the 9 months ended 31 December 2007

	<i>Notes</i>	<i>Period to 31.12.07 £</i>	<i>Year to 31.03.07 £</i>
Group revenue		317,427	–
Operating costs		<u>(545,506)</u>	<u>(124,730)</u>
<b>Operating Loss</b>	3	<b>(228,079)</b>	<b>(124,730)</b>
Finance revenue		20,187	–
Finance costs	4	<u>(19,232)</u>	–
Settlement of liabilities	5	–	<u>247,500</u>
<b>(Loss)/Profit before tax</b>		<b>(227,124)</b>	<b>122,770</b>
Taxation	6	12,726	–
Discontinued activities		–	<u>104,243</u>
<b>(Loss)/Profit for the year</b>		<b><u>(214,398)</u></b>	<b><u>227,013</u></b>
(Loss)/Earnings per share (basic & diluted)		<u><b>(0.04p)</b></u>	<u>0.3p</u>

## Consolidated balance sheet

as at 31 December 2007

	<i>Notes</i>	<i>At</i> <i>31.12.07</i> £	<i>At</i> <i>31.03.07</i> £
<b>Non-current assets</b>			
Intangible assets	7	1,737,158	–
Tangible assets	8	18,954	–
<b>Current assets</b>			
Trade and other receivables	9	347,712	12,631
Cash and cash equivalents		97,945	203,871
		<u>445,657</u>	<u>216,502</u>
<b>Current liabilities</b>			
Trade and other payables	10	(336,217)	(54,553)
<b>Net current assets</b>		<u>109,440</u>	<u>161,949</u>
<b>Total assets less current liabilities</b>		<u>1,865,552</u>	<u>161,949</u>
<b>Non-current liabilities</b>			
Long term payables	11	(200,000)	–
Provision for liabilities and charges	12	(35,114)	(50,000)
<b>Net assets</b>		<u>1,630,438</u>	<u>111,949</u>
<b>Equity</b>			
Issued share capital	13	1,231,900	1,000,000
Shares to be issued reserve		204,000	–
Share premium account		2,608,385	1,011,035
Retained losses		(2,413,847)	(1,899,086)
<b>Shareholders' funds</b>		<u>1,630,438</u>	<u>111,949</u>

The financial statements were approved by the Board of Directors on 1 May 2008.



**Paul Foulger**

*Director*

## Company balance sheet

as at 31 December 2007

	<i>Notes</i>	<i>At</i> <i>31.12.07</i> £	<i>At</i> <i>31.03.07</i> £
<b>Non-current assets</b>			
Intangible assets		–	–
Tangible assets	8	2,179,894	–
<b>Current assets</b>			
Trade and other receivables	9	101,906	12,631
Cash and cash equivalents		42,696	203,871
		<u>144,602</u>	<u>216,502</u>
<b>Current liabilities</b>			
Trade and other payables	10	(119,474)	(54,553)
<b>Net current assets</b>		<u>25,128</u>	<u>161,949</u>
<b>Total assets less current liabilities</b>		<u>2,205,022</u>	<u>161,949</u>
<b>Non-current liabilities</b>			
Long term payables	11	(200,000)	–
Provision for liabilities and charges	12	(35,114)	(50,000)
<b>Net assets</b>		<u>1,969,908</u>	<u>111,949</u>
<b>Equity</b>			
Issued share capital	13	1,231,900	1,000,000
Shares to be issued reserve		204,000	–
Share premium account		2,608,385	1,011,035
Retained losses		(2,074,377)	(1,899,086)
<b>Shareholders' funds</b>		<u>1,969,908</u>	<u>111,949</u>

The financial statements were approved by the Board of Directors on 1 May 2008.



**Paul Foulger**

*Director*

## Consolidated cash flow statement

for the 9 months ended 31 December 2007

	<i>Period</i> <i>to 31.12.07</i>	<i>Year</i> <i>to 31.03.07</i>
	£	£
<b><i>Cash flow from operating activities</i></b>		
Loss before taxation	(228,079)	(124,730)
<b><i>Adjusted for:</i></b>		
(Increase)/decrease in trade and other receivables	(335,081)	66,416
Increase/(decrease) in trade payables	457,545	(224,513)
Tax refunded/(paid)	–	–
<b><i>Net cash from operating activities</i></b>	<b>(105,615)</b>	<b>(282,827)</b>
<b><i>Cash flows from investing activities</i></b>		
Receipts from disposal of subsidiaries	–	1
Cash expended on discontinued activities of subsidiaries	–	(20,112)
Acquisition of subsidiary, net of cash acquired	(813,517)	–
Interest received	20,187	–
Interest paid	(19,232)	–
<b><i>Net cash outflow from investing activities</i></b>	<b>(812,562)</b>	<b>(20,111)</b>
<b><i>Cash flows from financing activities</i></b>		
Proceeds from the issue of shares (net of issue costs)	812,251	268,720
Redemption of loan notes/new loan notes issued	–	(82,500)
<b><i>Net cash used in financing activities</i></b>	<b>812,251</b>	<b>186,220</b>
<b><i>Net Decrease in cash &amp; cash equivalents</i></b>	<b>(105,926)</b>	<b>(116,718)</b>
<b><i>Cash &amp; cash equivalents at 01.04.07</i></b>	<b>203,871</b>	<b>320,589</b>
<b><i>Cash &amp; cash equivalents at 31.12.07</i></b>	<b>97,945</b>	<b>203,871</b>

## Statement of changes in equity

for the 9 months ended 31 December 2007

	<i>Share Capital</i> £	<i>Shares to be Issued Reserve</i> £	<i>Share premium</i> £	<i>Profit and loss account</i> £	<i>Total equity</i> £
<b>Balance at 01.04.06</b>	720,000	–	1,022,315	(2,126,099)	<b>(383,784)</b>
Profit for the period	–	–	–	227,013	<b>227,013</b>
Issue of share capital	280,000	–	(11,280)	–	<b>268,720</b>
<b>Balance at 01.04.07</b>	1,000,000	–	1,011,035	(1,899,086)	<b>111,949</b>
Loss for the period	–	–	–	(214,398)	<b>(214,398)</b>
Shares to be issued Reserve	–	204,000	–	–	<b>204,000</b>
Acquisition of TSE	–	–	–	(300,363)	<b>(300,363)</b>
Issue of share capital	231,900	–	1,597,350	–	<b>1,829,250</b>
<b>Balance at 31.12.07</b>	<b>1,231,900</b>	<b>204,000</b>	<b>2,608,385</b>	<b>(2,413,847)</b>	<b>1,630,438</b>

## Notes to the financial statements

for the 9 months ended 31 December 2007

### 1. General information

TSE Group plc is a public limited company incorporated in the United Kingdom under the Companies Act 1985 (Registration Number 5353387). The address of the registered office is given on page 2.

As disclosed in the Report of the Directors, the principal activities of the Group were that of an investing company, up to the date of the acquisition of Wilton International Consulting Limited (“WICL”), from which time the principal activity became 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 income statement and balance sheet include the financial statements of the company up to 31 December 2007. The results of subsidiaries sold or acquired are included in the income statement up to, or from, the date control passes.

##### (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

Revenue represents the invoiced value of goods and services provided net of valued added tax.

##### (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.

## Notes to the financial statements

for the 9 months ended 31 December 2007 (continued)

### (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) Patents

Patents are valued at cost less accumulated amortisation. Amortisation is calculated to write off the cost in equal instalments annual over their estimated useful life of 20 years.

### (i) Leasing commitments

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

## 2. Staff costs

	<i>Period</i> <i>to 31.12.07</i>	<i>Year</i> <i>to 31.03.07</i>
	£	£
Wages and Salaries	48,442	–
Directors Remuneration	63,382	57,061
Social Security costs	10,165	6,515
	<u>121,989</u>	<u>63,576</u>

The average monthly number of employees was as follows:

	<i>Period</i> <i>to 31.12.07</i>	<i>Year</i> <i>to 31.03.07</i>
	No.	No.
Administration (including Directors)	<u>10</u>	<u>5</u>

## 3. Operating loss

The operating loss is stated after charging:

	<i>Period</i> <i>to 31.12.07</i>	<i>Year</i> <i>to 31.03.07</i>
	£	£
Auditors remuneration – audit	<u>15,500</u>	<u>7,500</u>

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

## Notes to the financial statements

for the 9 months ended 31 December 2007 (continued)

### 4. Finance costs

	<i>Period</i> <i>to 31.12.07</i>	<i>Year</i> <i>to 31.03.07</i>
	£	£
Bank interest	19,232	–
	<u>19,232</u>	<u>–</u>

### 5. Settlement of liabilities

	<i>Period</i> <i>to 31.12.07</i>	<i>Year</i> <i>to 31.03.07</i>
	£	£
Amounts waived on redemption of loan notes	–	247,500
	<u>–</u>	<u>247,500</u>

### 6. Taxation

	<i>Period</i> <i>to 31.12.07</i>	<i>Year</i> <i>to 31.03.07</i>
	£	£
<b>Analysis of charge in the year:</b>		
Current tax	(12,726)	–
	<u>(12,726)</u>	<u>–</u>

The tax assessed for the year differs from the standard rate of corporation tax in the UK at 30%. The differences are explained below:

(Loss)/Profit before tax	(227,124)	227,013
	<u>(227,124)</u>	<u>227,013</u>
(Loss)/Profit before tax multiplied by the standard rate of corporation tax in the UK of 30%	(68,137)	68,104
Accrued tax payable at date of acquisition of subsidiary	(36,629)	–
Tax losses and disallowable items	92,040	(68,104)
	<u>(12,726)</u>	<u>–</u>

The total amount of unused tax losses for which no deferred tax asset is recognised in the balance sheet is approximately £410,000 (2007 – £160,000).

## Notes to the financial statements

for the 9 months ended 31 December 2007 (continued)

### 7. Intangible fixed assets – Group and Company

	<i>Patents</i> £	<i>Goodwill</i> £	<i>Total</i> £
<b>Cost</b>			
At 1 April 2006	176,438	655,133	<b>831,571</b>
Disposals	(176,438)	(655,133)	<b>(831,571)</b>
At 1 April 2007	–	–	–
Additions	–	1,737,158	<b>1,737,158</b>
Disposals	–	–	–
At 31 December 2007	–	1,737,158	<b>1,737,158</b>
<b>Amortisation</b>			
At 1 April 2006	5,000	655,133	<b>660,133</b>
Disposals	(5,000)	(655,133)	<b>(660,133)</b>
At 1 April 2007	–	–	–
Disposals	–	–	–
At 31 December 2007	–	–	–
<b>Net Book Value</b>			
At 31 March 2007	–	–	–
At 31 December 2007	–	1,737,158	<b>1,737,158</b>

## Notes to the financial statements

for the 9 months ended 31 December 2007 (continued)

### 8. Tangible Assets – Group

	<i>Office Furniture and machinery</i> £	<i>IT equipment</i> £	<i>Motor Vehicles</i> £	<i>Total</i> £
<b>Cost</b>				
At 1 April 2006	260,771	5,264	14,274	<b>280,309</b>
Disposals	(260,771)	(5,264)	(14,274)	<b>(280,309)</b>
At 1 April 2007	–	–	–	–
Additions	28,937	11,723	–	<b>40,660</b>
Disposals	–	–	–	–
At 31 December 2007	<u>28,937</u>	<u>11,723</u>	<u>–</u>	<b><u>40,660</u></b>
<b>Depreciation</b>				
At 1 April 2006	54,189	1,407	3,568	<b>59,164</b>
Disposals	(54,189)	(1,407)	(3,568)	<b>(59,164)</b>
At 1 April 2007	–	–	–	–
Charge for the period	11,428	10,278	–	<b>21,706</b>
Disposals	–	–	–	–
At 31 December 2007	<u>11,428</u>	<u>10,278</u>	<u>–</u>	<b><u>21,706</u></b>
<b>Net Book Value</b>				
At 31 March 2007	–	–	–	–
At 31 December 2007	<u>17,509</u>	<u>1,445</u>	<u>–</u>	<b><u>18,954</u></b>

## Notes to the financial statements

for the 9 months ended 31 December 2007 (continued)

### 8. Tangible Assets – Company

	<i>Investment in Subsidiaries</i>
	£
<b>Cost &amp; Net Book Value</b>	
At 1 April 2006 & 1 April 2007	–
Additions	2,179,894
At 31 December 2007	<u>2,179,894</u>
<b>Goodwill on acquisition of investment in subsidiary:</b>	
Consideration	1,961,401
Less: Fair value of net assets acquired:	
Tangible assets	13,805
Trade and other receivables	220,234
Cash and cash equivalents	47,961
Trade and other payables	<u>(57,757)</u>
	<u>(224,243)</u>
Goodwill	<u>1,737,158</u>

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

### 9. Trade and Other Receivables – Group

	<i>At</i>	<i>At</i>
	<i>31.12.07</i>	<i>31.03.07</i>
	£	£
Trade debtors: Gross	261,432	
Less: provision for bad debts	<u>(37,934)</u>	
	223,498	–
Other debtors	65,548	–
Prepayments and accrued income	<u>58,666</u>	<u>12,631</u>
	<u>347,712</u>	<u>12,631</u>

## Notes to the financial statements

for the 9 months ended 31 December 2007 (continued)

### 9. Trade and Other Receivables – Company (continued)

	<i>At</i> <i>31.12.07</i> £	<i>At</i> <i>31.03.07</i> £
Other debtors	70,772	–
Prepayments and accrued income	31,134	12,631
	<u>101,906</u>	<u>12,631</u>

### 10. Trade and Other Payables – Group

	<i>At</i> <i>31.12.07</i> £	<i>At</i> <i>31.03.07</i> £
Trade creditors	162,182	27,053
Taxes and social security costs	4,472	–
Other creditors	169,563	20,000
Accrued expenses	–	7,500
	<u>336,217</u>	<u>54,553</u>

### Trade and Other Payables – Company

	<i>At</i> <i>31.12.07</i> £	<i>At</i> <i>31.03.07</i> £
Trade creditors	119,474	27,053
Other creditors	–	20,000
Accrued expenses	–	7,500
	<u>119,474</u>	<u>54,553</u>

## Notes to the financial statements

for the 9 months ended 31 December 2007 (continued)

### 11. Long term payables – Group & Company

	<i>At</i> 31.12.07	<i>At</i> 31.03.07
	£	£
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>200,000</u>	<u>–</u>

### 12. Provision for liabilities & charges – Group & Company

	<i>At</i> 31.12.07	<i>At</i> 31.03.07
	£	£
Provision for claim for breach of contract (see below)		
Balance brought forward at 1 April 2007	50,000	–
(Released in year)/Charged to income statement	(14,886)	50,000
	<u>35,114</u>	<u>50,000</u>
Balance carried forward at 31 December 2007	35,114	50,000
	<u>35,114</u>	<u>50,000</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.

### 13. Share capital

	<i>At</i> 31.12.07	<i>At</i> 31.03.07
	£	£
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:		
583,900,000 Ordinary shares of 0.1p each	583,900	352,000
72,000,000 Deferred shares of 0.9p each	648,000	648,000
	<u>1,231,900</u>	<u>1,000,000</u>
	<u>1,231,900</u>	<u>1,000,000</u>

During the year 141,900,000 Ordinary 0.1p shares were issued at a premium of 0.65p each, raising £1,064,250.

During the year 90,000,000 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.

#### Share options

Hansard granted an option to Neil McClure to purchase from Hansard up to 8,800,000 Ordinary Shares at a purchase price of 0.1p per Ordinary Share at any time on or before the 28 March 2010.

## Notes to the financial statements

for the 9 months ended 31 December 2007 (continued)

### Warrants

Neil McClure 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 anytime before the expiry of a three year period from the date of grant.

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

### 14. 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.

	<i>Period ended</i> <i>31.12.07</i> <i>Number</i>	<i>Period ended</i> <i>31.03.07</i> <i>Number</i>
Weighted average number of shares	529,110,584	72,460,300
	£	£
(Loss)/Profit for the period/year	(214,398)	227,013
Basic earnings per share	(0.04p)	0.3p

The warrants and options as disclosed in note 13 above are potentially dilutive, however due to the losses in the year the diluted earnings per share has not been separately disclosed.

### 15. Related party transactions

#### *Group & Company*

Adam Reynolds and Paul Foulger, directors of the Company, are also directors of Wilton International Management Group Limited which was one of the vendors of Wilton International Consulting Limited.

During the period the Company was invoiced £36,000 by Hansard Communications.com Limited, a company which both Adam Reynolds and Paul Foulger are directors of, for directors' fees relating to both Adam Reynolds and Paul Foulger. In addition, £6,935 of travel expenses were recharged to the Company. At the year end, a balance existed within Trade Creditors of £49,210.

During the period the Company was invoiced £7,500 by Alan Bailey (Studios) Limited, a company which both Adam Reynolds and Paul Foulger are directors of, for office rent and administration costs. At the year end a balance existed within Trade Creditors of £5,875.

During the period, the Company was invoiced £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.

## Notes to the financial statements

for the 9 months ended 31 December 2007 (continued)

### 16. 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 £175,291 (2007: profit £227,013).

### 17. TSE Consulting SA

On 20 August 2007, Sandford plc acquired the entire issued share capital of Wilton International Consulting Limited ("WICL") for a total consideration of £1,919,000, comprising £950,000 cash and 90,000,000 ordinary shares of 0.1p in Sandford plc. WICL is the owner of TSE Consulting SA.

The results of TSE Consulting SA are shown below:

#### *Income Statement for the twelve months ended 31 December 2007*

	<i>Year to 31.12.07</i>	<i>Year to 31.12.06</i>
	£	£
Revenue	871,929	683,067
Operating costs	(775,620)	(588,037)
<b>Operating profit</b>	<u>96,309</u>	<u>95,030</u>
Finance revenue	2,337	56
Finance costs	(1,181)	(5,877)
<b>Profit before tax</b>	<u>97,465</u>	<u>89,209</u>
Taxation	(23,903)	(21,310)
<b>Profit for the period</b>	<u><u>73,562</u></u>	<u><u>67,899</u></u>

## Notes to the financial statements

for the 9 months ended 31 December 2007 (continued)

### Balance Sheet as at 31 December 2007

	<i>At</i> <i>31.12.07</i> £	<i>At</i> <i>31.12.06</i> £
<b>Non-current assets</b>		
Tangible assets	18,954	22,382
	<u>18,954</u>	<u>22,382</u>
<b>Current assets</b>		
Trade and other receivables	251,030	155,504
Cash and cash equivalents	55,249	49,727
	<u>306,279</u>	<u>205,231</u>
<b>Current liabilities</b>		
Trade and other payables	(121,967)	(116,921)
	<u>184,312</u>	<u>88,310</u>
<b>Net current assets</b>	<u>184,312</u>	<u>88,310</u>
<b>Total assets less current liabilities</b>	<u>203,266</u>	<u>110,692</u>
<b>Equity</b>		
Issued share capital	45,455	41,322
Retained losses	157,811	69,370
	<u>203,266</u>	<u>110,692</u>
<b>Shareholders' funds</b>	<u>203,266</u>	<u>110,692</u>

## TSE GROUP PLC

(Incorporated in England and Wales with registered number 5353387)

### NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2008 Annual General Meeting of TSE Group Plc (the "Company") will be held at the offices of Fasken Martineau Stringer Saul LLP, 17 Hanover Square, London W1S 1HU at 12 noon on Thursday 19 June 2008 for the purpose of considering and, if thought fit, passing the following resolutions of which numbers 1 to 6 will be proposed as Ordinary Resolutions and number 7 will be proposed as a Special Resolution.

### ORDINARY RESOLUTIONS

1. To receive and adopt the reports of the Directors and auditors and the audited accounts of the Company for the year ended 31 December 2007.
2. To re-elect as a Director, Brian Blasdale, who retires by rotation in accordance with article 102 of the Articles of Association of the Company.
3. To re-elect as a Director, Robin Courage, who retires by rotation in accordance with article 102 of the Articles of Association of the Company.
4. To re-elect as a Director, Lars Haue-Pedersen, who retires by rotation in accordance with article 102 of the Articles of Association of the Company.
5. To reappoint Kingston Smith LLP as auditors of the Company until the conclusion of the next annual general meeting of the Company and to authorise the Directors to fix the remuneration of Kingston Smith LLP.
6. To consider, and if thought fit, to pass the following resolution which is proposed as an Ordinary Resolution:

That the Directors be and they are hereby generally and unconditionally authorised to allot relevant securities (within the meaning of section 80 of the Companies Act 1985) (the "Act") up to an aggregate nominal amount of £194,633.33 provided that this authority shall expire on the earlier of the conclusion of the annual general meeting of the Company to be held in 2009 or the expiry of 15 months from the date of the passing of this Resolution 6 (whichever is earlier) and, unless and to the extent that such authority is renewed or extended prior to such date, that the Company may before such expiry make an offer or agreement which would, or might, require relevant securities to be allotted after such expiry and the Directors may allot relevant securities in pursuance of such offer or agreement as if the authority conferred hereby has not expired.

### SPECIAL RESOLUTION

7. As special business, to consider, and if thought fit, to pass the following resolution which is proposed as a Special Resolution:

That the Directors be and they are hereby empowered pursuant to section 95 of the Act to allot equity securities (within the meaning of section 94 of the Act) for cash pursuant to the authority conferred by Resolution 6 above as if section 89(1) of the Act did not apply to such allotment provided that this power shall be limited to:

- (a) the allotment of equity where the equity securities respectively attributable to the interests of all shareholders are proportionate (as nearly as may be) to the number of Ordinary Shares held by them but subject to such exclusions or other arrangements as the Directors may deem

## TSE GROUP PLC

(continued)

necessary or expedient to deal with legal or practical problems in respect of overseas holders, fractional entitlements or otherwise;

- (b) the allotment of equity securities of up to an aggregate nominal amount of £29,195 in connection with the issue of Ordinary Shares by the Company pursuant to the exercise of options proposed to be granted by the Company;
- (c) the allotment (other than pursuant to sub-paragraphs (a) and (b) above) of equity securities up to an aggregate nominal amount of £29,195,

and shall expire on the earlier of the conclusion of the annual general meeting of the Company to be held in 2009 or the expiry of 15 months from the date of the passing of this Resolution 7 (whichever is earlier) save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted before such expiry and the Directors may allot equity securities in pursuance of such offer or agreement as if the authority conferred hereby had not expired.

16 May 2008

**Registered Office**  
14 Kinnerton Place South  
London  
SW1X 8EH

**BY ORDER OF THE BOARD**  
**PAUL FOULGER**  
*Company Secretary*

## TSE GROUP PLC

(continued)

### Notes:

#### Entitlement to attend and vote

1. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that only those members registered on the Company's register of members at 12 noon on 17 June 2008 or, if this Meeting is adjourned, at 12 noon on the day two days prior to the adjourned meeting, shall be entitled to attend and vote at the Meeting.

#### Appointment of proxies

2. If you are a member of the Company at the time set out in note 1 above, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the Meeting and you should have received a proxy form with this notice of meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form.
3. If you are not a member of the Company but you have been nominated by a member of the Company to enjoy information rights, you do not have a right to appoint any proxies under the procedures set out in this "Appointment of proxies" section. Please read the section "Nominated persons" below.
4. A proxy does not need to be a member of the Company but must attend the Meeting to represent you. Details of how to appoint the Chairman of the Meeting or another person as your proxy using the proxy form are set out in the notes to the proxy form. If you wish your proxy to speak on your behalf at the Meeting you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them.
5. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, it will be necessary to notify the registrar in accordance with Note 7 below.
6. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the Meeting.

#### Appointment of proxy using hard copy proxy form

7. The notes to the proxy form explain how to direct your proxy how to vote on each resolution or withhold their vote. To appoint a proxy using the proxy form, the form must be:
  - completed and signed;
  - sent or delivered to SLC Registrars, Thames House, Portsmouth Road, Esher, Surrey KT10 9AD; and
  - received by SLC Registrars no later than 12 noon on 17 June 2008.

In the case of a member which is a company, the proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.

#### Appointment of proxy by joint members

8. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).

## TSE GROUP PLC

(continued)

### Changing proxy instructions

9. To change your proxy instructions simply submit a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments (see above) also apply in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded. Where you have appointed a proxy using the hard-copy proxy form and would like to change the instructions using another hard-copy proxy form, please contact SLC Registrars. If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

### Termination of proxy appointments

10. In order to revoke a proxy instruction you will need to inform the Company by sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to SLC Registrars, Thames House, Portsmouth Road, Esher, Surrey KT10 9AD. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice. The revocation notice must be received by SLC Registrars no later than 12 noon on 17 June 2008. If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to the paragraph directly below, your proxy appointment will remain valid. Appointment of a proxy does not preclude you from attending the Meeting and voting in person. If you have appointed a proxy and attend the Meeting in person, your proxy appointment will automatically be terminated.

### Issued shares and total voting rights

11. As at 5.00 p.m. on 16 May 2008, the Company's issued share capital comprised 583,900,000 ordinary shares of 0.1 pence each and 72,000,000 deferred shares of 0.9p each. Each ordinary share carries the right to one vote at a general meeting of the Company and each deferred share has no right to vote at a general meeting, therefore, the total number of voting rights in the Company as at 5.00 p.m. on 16 May 2008 is 583,900,000.

### Nominated persons

12. If you are a person who has been nominated under section 146 of the Companies Act 2006 to enjoy information rights (Nominated Person):
  - You may have a right under an agreement between you and the member of the Company who has nominated you to have information rights ("Relevant Member") to be appointed or to have someone else appointed as a proxy for the Meeting.
  - If you either do not have such a right or if you have such a right but do not wish to exercise it, you may have a right under an agreement between you and the Relevant Member to give instructions to the Relevant Member as to the exercise of voting rights.
  - Your main point of contact in terms of your investment in the Company remains the Relevant Member (or, perhaps, your custodian or broker) and you should continue to contact them (and not the Company) regarding any changes or queries relating to your personal details and your interest in the Company (including any administrative matters). The only exception to this is where the Company expressly requests a response from you.

### Communication

13. Except as provided above, members who have general queries about the Meeting should call SLC Registrars on +44 (0) 1372 467308. No other methods of communication will be accepted.

You may not use any electronic address provided either in this notice of general meeting or any related documents (including the proxy form) to communicate with the Company for any purposes other than those expressly stated.

# TSE Group Plc

(Registered Number: 5353387)

## FORM OF PROXY

For use by shareholders at the 2008 Annual General Meeting of TSE Group Plc (the "Company") to be held at the offices of Fasken Martineau Stringer Saul LLP on 19 June 2008 at 12 noon.

Shareholder's name: .....

(BLOCK CAPITALS PLEASE)

Shareholder's address: .....

Before completing this form, please read the explanatory notes below

I/We being (a) member(s) of the Company appoint the Chairman of the meeting or (*see note 3*)

as my/our proxy to attend, speak and vote on my/our behalf at the 2008 Annual General Meeting of the Company to be held on 19 June 2008 at 12 noon and at any adjournment of the meeting.

I/We direct my/our proxy to vote on the following resolutions as I/we have indicated by marking the appropriate box with an 'X'. If no indication is given, my/our proxy will vote or abstain from voting at his or her discretion and I/we authorise my/our proxy to vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is properly put before the meeting.

Ordinary business – Resolutions	For	Against	Vote withheld	Discretionary
1. Ordinary Resolution to receive and adopt the Report and Accounts				
2. Ordinary Resolution to re-elect Brian Blasdale as a Director				
3. Ordinary Resolution to re-elect Robin Courage as a Director				
4. Ordinary Resolution to re-elect Lars Haue-Pedersen as a Director				
5. Ordinary Resolution to reappoint Kingston Smith LLP as auditors				
6. Ordinary Resolution to authorise the Directors to allot relevant securities				
<b>Special business - Resolutions</b>				
7. Special Resolution to disapply statutory pre-emption rights pursuant to section 95 of the Companies Act 1985				

Date: .....

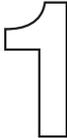
Signature: .....

### Notes to the proxy form

- As a member of the Company you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at a general meeting of the Company. You can only appoint a proxy using the procedures set out in these notes.
- Appointment of a proxy does not preclude you from attending the meeting and voting in person. If you have appointed a proxy and attend the meeting in person, your proxy appointment will automatically be terminated.
- A proxy does not need to be a member of the Company but must attend the meeting to represent you. To appoint as your proxy a person other than the Chairman of the meeting, insert their full name in the box. If you sign and return this proxy form with no name inserted in the box, the Chairman of the meeting will be deemed to be your proxy. Where you appoint as your proxy someone other than the Chairman, you are responsible for ensuring that they attend the meeting and are aware of your voting intentions. If you wish your proxy to make any comments on your behalf, you will need to appoint someone other than the Chairman and give them the relevant instructions directly.
- You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, please contact the Company's Registrars, SLC Registrars, Thames House, Portsmouth Road, Esher, Surrey KT10 9AD, on +44 (0) 1372 467308.
- To direct your proxy how to vote on the resolutions mark the appropriate box with an 'X'. To abstain from voting on a resolution, select the relevant "Vote withheld" box. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If you either select the "Discretionary" option or if no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the meeting.
- To appoint a proxy using this form, the form must be:
  - completed and signed;
  - sent or delivered to SLC Registrars, Thames House, Portsmouth Road, Esher, Surrey KT10 9AD; or
  - sent via facsimile to SLC Registrars on +44 (0) 1372 463620; and
  - received by SLC Registrars no later than 12 noon on 17 June 2008.
- In the case of a member which is a company, this proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.
- Any power of attorney or any other authority under which this proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.
- In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).
- If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.
- For details of how to change your proxy instructions or revoke your proxy appointment see the notes to the notice of meeting.

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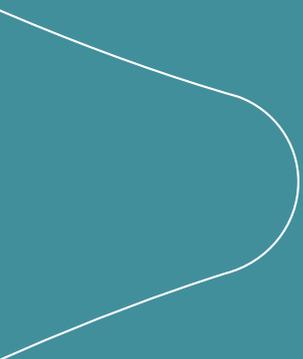
BUSINESS REPLY SERVICE  
Licence No. RRRG ELUY YCCB



**Capita Registrars  
Proxy Processing Centre  
Telford Road  
Bicester  
OX26 4LD**

First Fold

Third Fold and tuck in



tse | group plc