Blue Star Capital plc

Annual Report and Financial Statements

for the year ended 30 September 2007

Annual report and financial statements

FOR THE PERIOD ENDED 30 SEPTEMBER 2007

Contents

Directors and Advisers

Directors

Nigel Robertson
Executive Chairman

Haresh Kanabar
Chief Executive and Finance Director

Company Secretary and Registered Office

Haresh Kanabar
8-10 New Fetter Lane
London EC4A 1RS

Company number

5174441

Nominated Adviser and Broker

Landsbanki Securities (UK) Ltd.
Beaufort House
15 St Botolph Street
London EC3A 7QR

Auditors

BDO Stoy Hayward LLP
55 Baker Street
London W1U 7EU

Solicitors

Charles Russell LLP
8-10 New Fetter Lane
London EC4A 1RS

Registrars

Capita Registrars
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Public Relations Advisor

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London EC3M 1EU

Chairman's Statement

I am pleased to report Blue Star's results for the year ended 30 September 2007. These results reflect further progress made by the company as evidenced by a turnaround in our financial performance. We are reporting a profit for the financial year.

It is the company's strategic objective to create a diverse portfolio of investments from which it hopes to see appreciation in value and thereby provide returns to shareholders. Blue Star's investments have been made across a variety of sectors, including property, oil and gas, social networking, pest control and e-marketing.

I am pleased to report that there has been significant activity within our portfolio companies during the period under review. I have set out below a brief review of each of the investee companies.

ZENERGY POWER PLC

Zenergy Power is listed (AIM: ZEN) is a global specialist manufacturer and developer of commercial applications for superconductive materials. Comprising three operating subsidiaries located in Germany (Trithor), USA (SC Power Systems) and Australia (Australian Superconductors), Zenergy is developing a number of energy efficient applications to be adopted in renewable energy power generation, energy distribution and large- scale, energy intensive industrial processes.

The business has continued to successfully capitalise on many years of hard work. Converteam has appointed Zenergy as exclusive collaborative partner for all high temperature super conductive material activities ("HTS") in the Field. In conjunction with Converteam, Zenergy will be launching a range of highly efficient and compact electricity generators into both the global wind and hydro-power generation markets. Zenergy is also working on a project with E.ON Wasserkraft GmbH (`E.ON') to install the world's first HTS hydroelectric generator.

Following these endorsements of its technology and the continuing success in ongoing development activities Zenergy raised a further £6,000,000 placing in April 2007 and a further £10,000,000 in December 2007. The way in which society produces, distributes and uses energy is an issue of great concern for a growing number of industrial corporations, governments, private households and individual consumers. These are the central issues that Zenergy's HTS technology directly addresses and by working with corporations such as E.ON and Converteam, as well as government bodies, including the European Commission, US Department of Energy and the UK Government's Department of Trade and Industry.

The global addressable market for Zenergy's HTS products and contribution in these areas alone is expected to be worth up to €2.2bn per annum for wind power (a market growing at 25% per annum) and €0.4bn for hydro-power. The Converteam collaboration is an extremely significant development for Zenergy and suitably positions it to move into a global billion dollar market that is renowned for its high barriers to entry and where first mover advantages are significant. Its alliance with one of the leading participants in this industry brings it direct route to market through established commercial relationships and supply channels.

Zenergy has developed and completed its proprietary HTS induction heater, which replaces traditionally employed copper-based components with HTS materials. The HTS induction heater has been demonstrated to operate with energy efficiency levels of over 90% as compared to conventional induction heaters which operate at efficiency levels of between 35% and 45%. This effective halving of the overall electrical energy requirement is particularly significant when it is considered that, dependent on the country, between 1% and 5% of the total annual electricity consumed in industrialised countries is directly attributable to the operation of such heating equipment.

Further independent validation of the environmental significance of the Zenergy HTS induction heater was provided by the German Environmental Fund, who contributed significant development funds following extensive due diligence. This funding was provided in recognition of the potential environmental improvements offered by HTS technology.

Chairman's Statement

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Zenergy has also been awarded an US$11million grant to contribute towards an overall project to design, test and install a high-voltage version of its Fault Current Limiter (`HVFCL') into the Californian electricity grid.

An HTS FCL acts as a instantaneously (automated) resetting fuse that protects electrical power grids from damaging power surges, and is regarded by the U.S. Federal Government to be an essential component of future self-healing – or self-regulating – 'smart' electricity grids. Such `smart' grids are also considered to be central to the much needed modernisation of the US's national electricity grid, which are expected to become reliant upon the deployment of a range of HTS devices. The grant from the U.S. DOE was part of a US$51.8 million investment in HTS research projects announced by the United States Government aimed at establishing a diverse and stable supply of reliable, affordable and environmentally responsible energy.

INDIAN RESTAURANTS GROUP PLC

Indian Restaurants Group plc (AIM: IRGP), is listed on AIM. The Company's original strategy was to seek acquisition opportunities primarily in the Indian business processing outsourcing ("BPO")market as this market continues to grow strongly. Valuations of BPO companies in India are continuing at a level where the creation of value from an acquisition is difficult to deliver. As a result the IRGP Board, in consultation with its key shareholders, decided to widen its search for potential acquisitions and investments to ensure that any transaction that is carried out will create value for our shareholders.

IRGP has looked at various potential projects both in India and elsewhere, within and outside the BPO sector. Most of the initial due diligence on these projects has been carried out in-house, thereby minimising external professional and other costs. After a systematic and detailed review of these potential projects, some of them have failed to meet the required criteria and hence these projects did not proceed.

However, Indian Restaurants announced on the 28 January 2008 that it has conditionally agreed to acquire the Mela Group. The Consideration for this Acquisition will be £1,998,999, to be satisfied by £100,000 in cash and the issue of the Consideration Shares (valued at 26.37p each) conditional, inter alia, on Admission and, in the case of the Deferred Consideration Shares, also conditional on the achievement of certain targets. In conjunction with the Acquisition IRGP proposes to increase its share capital, change its original name and increase its borrowing powers.

The intent of the planned reverse acquisition of the profitable Mela Group is to create a chain of Indian Restaurants providing authentic, home style Indian Food on a consistent basis across the Group. Currently the UK Indian restaurant sector has a market size of more than £3 billion and is very fragmented, with no national branded provider

The Mela Group consists of three highly acclaimed restaurants and has received numerous prestigious awards, offers an outstanding opportunity to roll out the first UK chain of branded Indian Restaurants. Given the large but fragmented Indian restaurant market in the UK, the IRGP board believe IRGP is particularly well placed to replicate the success seen in pizza, pasta and tapas chains. IRGP are delighted that the award winning founders of Mela Group will be joining the IRGP Board and will play a critical role in the expansion.

The IRGP Directors believe that the combination of the Mela Group's business and the Company's existing cash resources and its access to the equity market, has the potential for delivering positive returns to shareholders in the medium term. The Directors believe that this strategy will create shareholder value and that the Acquisition satisfies the Company's investment criteria as the Mela Group has a management team with a track record of developing new businesses, an ability to generate revenue streams and an existing platform from which further growth can be achieved

A General Meeting was held on 25 February 2008 and the shareholders approved the transaction.

Chairman's Statement

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BLACK RAVEN PROPERTIES PLC

Black Raven Properties plc (AIM: BRP) joined AIM in February 2005 with the strategy of identifying investment opportunities in the property sector. Since flotation, Black Raven has pursued its strategy of seeking and making some acquisitions in the commercial, residential and leisure sectors largely in Portugal.

The company announced that White Raven Capital Partners ('White Raven'), Black Raven's wholly owned Portuguese Property Fund, has exercised its option to buy outright the Palacete Vilhena development in Lisbon in which White Raven previously held a 30% profit participation agreement.

The total purchase price is €6.8 million, of which €1 million has already been paid with the balance of €5.8 million payable in cash. The cash consideration is being financed through a loan facility provided to White Raven from Banco Invest S.A. The Palacete Vilhena development in completed form has been valued by DTZ at €10.5 million.

Christies Great Estates – Lifestyle Properties has been appointed to market the properties for sale off-plan. Construction work at Palacete Vilhena began in January 2007.

White Raven has agreed to a four-month extension to its option to acquire outright the Bairro Alto development, also in Lisbon. A total of €1.1 million has been paid for a 30% profit participation agreement with the option to acquire the development outright for a total consideration of €11 million. The Bairro Alto development in completed form has been valued by DTZ at €16 million. White Raven intends to exercise the option during the extension period on similar terms to the Palacete Vilhena development.

GASOL PLC

Gasol plc (AIM: GAS) joined AIM in March 2005 with the strategy of seeking acquisition and investment opportunities in the oil and gas sector. There are exciting opportunities available to Gasol as a quoted, Africa-focussed pure-play liquefied natural gas("LNG") company. LNG is a high growth business worldwide, with Western Africa emerging as a key supplier.

The worldwide natural gas markets are showing exciting growth, due to high oil prices, growth in demand for energy and natural gas being competitive for power generation. The fact that natural gas is a clean source of energy finds favour with governments and industry. The increasing demand for natural gas, combined with the substantial distances between where gas is needed and where gas is produced, has fuelled the growth in the LNG business. Worldwide LNG markets are expected to show high growth due to increasing overall demand, declining sources of domestic natural gas in gas-consuming countries, the objective of consuming countries to diversify sources of supply and the desire of gas-producing countries to commercialise their gas resources.

Gasol's strategy of creating value by connecting LNG produced in West and Central Africa to high value markets in US and Europe and looking further into the growing markets in Asia is particularly timely. It is a well known fact that West and Central Africa, especially Nigeria, has one of the largest untapped gas reserves. Much of the gas has fragmented ownership providing an opportunity to pool the gas into economic sizes for liquefaction and export. The region also has large quantities of gas being flared, which provides an opportunity for monetising flared gas by putting in place appropriate technology and infrastructure. Gasol, through its investment in African LNG ("AFLNG"), is seeking to access substantial gas reserves and flared gas to underpin development of multiple LNG trains in the region.

It is increasingly accepted that West Africa will become a major supply point for LNG for countries throughout the Atlantic Basin including the key markets of Europe and North America. The quantum growth in LNG-consuming markets can be sustained only if West African gas can be transported to these markets via the LNG route. Utility and energy majors and large financial institutions have become very interested in taking strategic gas and LNG positions in the region, which provides scope for mutually beneficial partnerships and strategic alliances.

Chairman's Statement

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Gasol has a sound strategy to deliver value across the LNG gas chain by building a substantial LNG business and selling LNG sourced from Africa into the high value markets in the US and Europe, and ultimately to Asia. It is on track to attain its objective of liquefying and selling 5 million tonnes of LNG per annum in about five years' time.

The company recently announced that to properly value AfLNG and its portfolio of LNG opportunities, it is in the final stages of discussions with leading consultancies and investment banks to carry out appropriate due diligence and provide an expert independent valuation, which will commence early in 2008. To allow time for this exercise and complete other related formalities, Gasol has negotiated an extension to its option period to acquire the balance of 80 per cent of AfLNG's shares that it does not own from 24 December 2007 to 30 April 2008.

ESEEKERS LIMITED

Eseekers a private company operates an innovative social networking site, sharenow.com, and it has recently completed a funding round raising US$ 4 Million at a post market value of US$40 million. A new investor Kaptek Inc subscribed on the latest funding round and Mr David Kaplin is joining the Board of Eseekers as their representative. The latest fundraising is at a valuation substantially higher than the level at which we invested.

The company has now fully established its presence in the US, via its wholly owned subsidiary eSeekers California Inc, and leased premises in Los Angeles.

The eSeekers team has been expanded with Stephan Miller, former Director of Communities & Operations at Myspace, joining the team as Chief Web Officer, and Andy Walraven, previously contractor to the Company, joining full time as Creative Director.

A survey of current online communities has been undertaken in the sports, fashion and leisure segments. ShareNow "experts" have also been recruited in each segment to endorse ShareNow's proposition and facilitate migration of community websites to the ShareNow platform.

ShareNow is currently negotiating with XPO over the launch of an international Model Search competition. The proposal is to take over Hawaiian Tropic competition infrastructure (being dismantled further to business sale). Competition would include live events supported by online registration and interactivity.

MEDCENTER HOLDINGS INC

Blue Star holds a minority stake in this private company. Medcenter is a multinational pharmaceutical marketing company specialising in innovative solutions that increase drug sales and business effectiveness. Operating for over 10 years with offices in Europe and the Americas, Medcenter works with 50 of the most important international laboratories comprising 80 of the most sold products in the global market. Medcenter has a team of highly qualified pharmaceutical marketing professionals ready to respond with creativity to the needs of the pharmaceutical industry, with solutions in the areas of medical education, promotion, market research and marketing. These solutions are designed to strengthen the relationship between the pharmaceutical industry, physicians and patients in order to increase product prescription, market share and sales.

VENTECO PLC

Venteco plc is listed on AIM (VTO) it aims to capitalise on the growing trend towards non-toxic pest control, by offering green pest control technologies and services to the food industry and pest control companies worldwide. The key driving force in this trend is that end customers, regulators/legislators and international food/retail companies share a common goal of reducing the overall impact on the environment.

Within an industry generally known for its lack of innovation, Venteco's Cryonite technology provides a new and unique solution for control of crawling pests and infestation. The global market opportunity for Cryonite, Venteco's patented technology, is potentially vast, ranging from professional applications within 'clean' commercial and industrial environs such as hospitals, food producers, pharmaceutical companies, hotels and restaurants, through to

Chairman's Statement

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more general kitchen locations and the retail market. Ongoing product development continues, with a view to making available a complete offering that satisfies users ranging from professional pest control operators ("PCO") through to domestic users. Venteco sees a very significant market opportunity for such a range of patent-protected Cryonite products and seeks to satisfy this demand.

Its two acquisitions of Silvandersson, a leading manufacturer of insect glue traps, in January 2007 and Valiguard, the food industry certification and services body, in February 2007, have strengthened and expanded Venteco's portfolio of products. They can now offer a range of technologies and related services that will help it to capitalise on the increased regulation of hygiene and safety in the food manufacturing and logistics sectors. Distribution of Venteco's Cryonite technology and sales presence has been further extended in a number of new areas, which now include South Africa, Nigeria, Greece and Slovenia.

In recent years the market for pest control products has moved towards environmentally-friendly solutions. Against an increasingly regulated landscape this is expected to accelerate still further; attitudes within government and industry now tend toward policies of greater social responsibility, while an ever more 'ecologically-aware' public recognises the damaging effect of excessive use of toxins.

Financials

We continued to exercise careful cost control and are pleased to see a reduction in our administrative costs excluding impairment of £123,561 year on year. The Company finished the year with a healthy cash position, having £1.13 million in net cash as at 30 September 2007 and it has net assets of £4.2 million at the year end. Blue Star does not have any debt on its balance sheet as all its operations are funded through equity. The Company results shows profit after tax of £135,730 after charging an impairment which is recognised when the market value of fixed asset investments falls below carrying value. This charge amounted to £89,620. As the Company invests in early stage businesses, the timing of actually selling our shares cannot be predicted with ease. However we reduced our holdings in Zenergy in the year and locked in profits. We are reporting earnings per share of 0.13p. At the balance sheet date, the market value of the Company's investments was £4.24 million, compared with a balance sheet value of £2.79 million as at 30 September 2007.

Outlook

I am pleased with the turnaround seen in this years financial results and the level of activity at our investee companies gives us confidence for the future.

Nigel Robertson
Chairman

27 March 2008

Report of the Directors

FOR THE YEAR ENDED 30 SEPTEMBER 2007

The directors present their report together with the audited financial statements for the year ended 30 September 2007.

Results and dividends

The profit and loss account is set out on page 11 and shows the profit for the year.

The directors do not recommend the payment of a dividend for the year.

Principal activities, review of business and future development

The principal activity of the company is to provide initial seed capital for the development of early stage companies:

- To form and fund shell companies at the founder stage, upon IPO and subsequently (if required).
- To fund operating businesses prior to IPO (or alternative exit) that offer strong growth prospects and significant opportunities for capital appreciation.

A review of the company operations and future developments is included in the Chairman's statement on page 2 to 6.

Future developments

The Company is constantly looking at its portfolio with a view to selling shares where a profit can be realised and re-invest in other opportunities.

Principal risks and uncertainties

The share price of publicly traded companies, in particular those at an early stage of development, can be highly volatile. The price at which the Ordinary Shares will be quoted and the price which investors may realise for their Ordinary Shares will be influenced by a large number of factors, some specific to the Company and its operations and some which may effect quoted companies generally. These factors could include the performance of the Company's operations, large purchases or sales of Ordinary Shares, liquidity (or the absence of liquidity) in the Ordinary Shares, and general economic conditions. The value of the Ordinary Shares may go down as well as up. It may be more difficult for the company to realise its investment on AIM than to realise an investment in a company whose shares are quoted on the Official List.

It may be necessary to raise additional funds in the future by a further issue of new Ordinary Shares or other means.

The Company may not be able to identify suitable investment opportunities and there is no guarantee that investment opportunities will be available and the Company may incur costs in conducting due diligence into potential investment opportunities that may not result in an investment being made.

Through a diverse portfolio of investments in different sectors and geographic locations the Company spreads its risk profile.

Financial instruments

In relation to the disclosures made in note 17:

- As permitted by FRS 13, short term debtors and creditors are not treated as financial assets or financial liabilities except for the currency disclosures;
- The company does not hold or issue derivative financial instruments for trading purposes and
- The company does not enter into forward exchange contracts.

Directors

The directors of the company during the year were:

N Robertson
H D Kanabar

Directors interests

The interests of the directors in the share capital of the company at the year end were as follows:

	Ordinary shares of 5p each
N Robertson	34,000,000
H D Kanabar	8,000,000

Report of the Directors

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Significant shareholders

As at 16 January 2008, so far as the directors are aware, the only persons (other than the interests held by Directors) who are directly or indirectly interested in 3 per cent. or more of the nominal value of the company's share capital are as follows:

	Number of ordinary shares held	Ordinary shares as percentage of issued share capital
Blue Square Equity Investments Limited	50,000,000	47.4%

Payments to suppliers

The company has no formal code or standard, which deals specifically with the payment of suppliers. However, the company's policy on the payment of all creditors is to ensure that the terms of payment, as specified and agreed with the supplier, are not exceeded. At the year end trade creditors represented 22 days purchases. (2006: 2 days).

Donations

No charitable or political donations were made during the year.

General

At present the Company does not have third party Directors and officers indemnity insurance in place.

Related parties

The Company has entered into certain related party transactions and these are disclosed in note 17.

Post balance sheet events

Post balance sheet events are discussed in note 19 to the financial statements.

Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

A resolution to reappoint BDO Stoy Hayward LLP as auditors of the company will be proposed at the next Annual General Meeting.

On behalf of the Board of directors

Haresh Kanabar
Director

27 March 2008

Statement of Directors' Responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with the Companies Act 1985. The directors have chosen to prepare financial statements for the company in accordance with UK Generally Accepted Accounting Practice.

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 profit or loss of the company for that year. 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 the going concern basis unless it is inappropriate to presume that the company 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 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Financial statements are published on the company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the group's website is the responsibility of the directors. The directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Report of the Independent Auditors

TO THE SHAREHOLDERS OF BLUE STAR CAPITAL PLC

We have audited the financial statements of Blue Star Capital plc for the year ended 30 September 2007 which comprise the profit and loss account, the balance sheet, the cash flow statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 have been properly prepared in accordance with the Companies Act 1985 and whether the information given in the directors' report is consistent with those financial statements. We also 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 Report of the Directors, the Chairman's Statement and the Directors and Advisors. 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.

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Group'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 financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 30 September 2007 and of its profit for the year then ended;
- 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.

BDO Stoy Hayward LLP
Chartered Accountants
and Registered Auditors
London

27 March 2008

Profit and Loss Account

FOR THE YEAR ENDED 30 SEPTEMBER 2007

	Notes	Year ended 30 September 2007 £	Year ended 30 September 2006 £
Impairment to the value of fixed asset investments	2	(89,620)	(387,200)
Other administrative expenses		(463,894)	(587,455)
Administrative expenses		(553,514)	(974,655)
Other operating income	4	632,135	10,512
Operating profit/(loss)	2	78,621	(964,143)
Net interest receivable	3	57,109	112,427
Profit/(loss) on ordinary activities before taxation		135,730	(851,716)
Tax on profit/(loss) on ordinary activities	7	–	–
Profit/(loss) on ordinary activities after taxation	14, 15	135,730	(851,716)
Earnings per share – basic and diluted	8	0.13p	(0.81p)

All amounts relate to continuing activities.

All recognised gains and losses for the year ended have been included in the profit and loss account.

The notes on pages 15 to 22 form part of these financial statements.

Balance Sheet

AS AT 30 SEPTEMBER 2007

	Notes	2007 £	2006 £
Fixed assets			
Tangible assets	9	–	7,605
Investments	10	2,790,036	3,038,731
		2,790,036	3,046,336
Current assets			
Debtors	11	423,009	53,148
Cash at bank and in hand		1,135,479	1,122,166
		1,558,488	1,175,314
Creditors: amounts falling due within one year	12	(119,281)	(128,137)
Net current assets		1,439,207	1,047,177
Total assets less current liabilities		4,229,243	4,093,513
Capital and reserves			
Called up share capital	13	105,500	105,500
Share premium account	14	5,032,525	5,032,525
Profit and loss account	14	(908,782)	(1,044,512)
Shareholders' funds	15	4,229,243	4,093,513

The financial statements were approved by the board and authorised for issue on 27 March 2008 and were signed on its behalf by:

H D Kanabar
Director

The notes on pages 15 to 22 form part of these financial statements.

Cash Flow Statement

FOR THE YEAR ENDED 30 SEPTEMBER 2007

	Notes	Year ended 30 September 2007 £	Year ended 30 September 2006 £
Net cash outflow from operating activities	(a)	(835,006)	(635,662)
Returns on investments and servicing of finance			
Interest received		57,109	112,488
Interest paid		–	(61)
Net cash inflow from returns on investments and servicing of finance		57,109	112,427
Financial investments and capital expenditure			
Purchase of tangible fixed assets		–	(5,402)
Payments to acquire investments		(209,115)	(2,046,256)
Sale of investments		1,000,325	46,994
Net cash inflow/(outflow) from financial investments and capital expenditure		791,210	(2,004,664)
Net cash inflow/(outflow) before financing		13,313	(2,527,899)
Increase/(decrease) in net cash	(b)	13,313	(2,527,899)

The notes on pages 15 to 22 form part of these financial statements.

Notes to the Cash Flow Statement

FOR THE YEAR ENDED 30 SEPTEMBER 2007

(a) Reconciliation of operating loss to net cash outflow from operating activities

	2007 £	2006 £
Operating profit/(loss)	78,621	(964,143)
Depreciation of tangible fixed assets	7,605	8,608
Impairment of investment	89,620	387,200
Increase in debtors	(369,861)	(31,396)
Decrease in creditors	(8,856)	(25,419)
Other operating Income- gain on disposal of Investments	(632,135)	(10,512)
Net cash outflow from operating activities	(835,006)	(635,662)

(b) Reconciliation of net cash flow to movement in the net cash

	2007 £	2006 £
Increase /(decrease) in net cash in the year	13,313	(2,527,899)
Net cash at beginning of the year	1,122,166	3,650,065
Net cash at the end of the year	1,135,479	1,122,166

(c) Analysis of net funds

	At 1 October 2006 £	Cash flow £	At 30 September 2007 £
Cash and short term deposits	1,122,166	13,313	1,135,479
Net funds	1,122,166	13,313	1,135,479

Notes forming part of the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2007

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with the United Kingdom Generally Accepted Accounting Practice. The following principal accounting policies have been applied:

Foreign currency transactions

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken to the profit and loss account as they arise.

Non monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the date of the transaction.

Other operating income

Gains on sales of fixed asset investments are recognised at the transaction date and are shown as proceeds less carrying value net of directly attributable costs.

Fixed asset investments

Investments held as a part of an investment portfolio are stated at cost less allowance for impairment in value.

Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less the estimated residual value of each asset over its expected useful economic life, as follows:

Office and computer equipment – 2 years on a straight-line basis

Impairment of assets

The need for any fixed asset impairment write-down is assessed by comparison of the carrying value of the assets against the higher of realisable value and value in use. The carrying values of fixed assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed by the balance sheet date except that the recognition of deferred tax assets is limited to the extent that the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances are not discounted.

Leased assets

Rentals applicable to operating leases where substantially all of the benefits and risk of ownership remain with the lessor are charged to the profit and loss account on a straight line basis over the term of the lease.

Pension costs

Contributions to defined contribution pension schemes are charged to the profit and loss account in the period in which they become payable.

Notes forming part of the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2007

1 Accounting policies (continued)

Financial instruments

In relation to the disclosures made in note 17:

- As permitted by FRS 13, short term debtors and creditors are not treated as financial assets or financial liabilities except for the currency disclosures;
- The company does not hold or issue derivative financial instruments for trading purposes; and
- The company does not enter into forward exchange contracts.

2 Operating profit/(loss)	Year ended 30 September 2007 £	Year ended 30 September 2006 £
This is stated after charging:		
Operating lease rentals – land and buildings	39,500	39,500
Depreciation	7,605	8,608
Auditors remuneration – audit	15,850	11,000
Impairment in value of fixed asset investment	89,620	387,200

In accordance with accounting standards, an impairment charge is recognised when the market value of fixed asset investments falls below carrying value.

3 Net interest receivable	Year ended 30 September 2007 £	Year ended 30 September 2006 £
Interest received	57,109	112,488
Interest paid	–	(61)
	57,109	112,427

4 Other operating income

During the year company realised a gain of £632,135 (2006 – £10,512) on disposal of some investments.

5 Staff costs including directors	Year ended 30 September 2007 £	Year ended 30 September 2006 £
Wages and salaries	270,000	244,635
Social security costs	12,144	20,055
Other pension costs	30,000	25,000
	312,144	289,690
The average number of employees (including directors) – all administration	2	3

Notes forming part of the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2007

6 **Directors' remuneration**	**Year ended 30 September 2007 £**	**Year ended 30 September 2006 £**
Directors emoluments	270,000	229,167
Pension costs	30,000	25,000
	300,000	254,167

The highest paid director received emoluments totalling £135,000 (2006 – £141,667) excluding company pension contributions of £15,000 (2006: £14,375).

The company made contributions to two directors' defined contribution pension schemes.

All of Nigel Robertson's emoluments are paid via Brookspey Limited, a private service company.

There are no amounts owing to the above company at the year end.

7 Taxation

The tax assessed for the period is different than the standard rate of corporation tax in the UK. The differences are explained below:

	Year ended 30 September 2007 £	**Year ended 30 September 2006 £**
Profit/(loss) on ordinary activities before taxation	135,730	(851,716)
Profit/(loss) on ordinary activities at the standard rate of corporation tax in the UK of 19% and 20 % (2006 – 19%)	(26,467)	161,826
Effects of:		
Expenses not deductible for tax purposes	(1,670)	(950)
Tax losses utilised/(unutilised)	28,137	(160,876)
Current tax charge	–	–

The Company has approximately £167,800 (2006 – £196,000) of tax losses available for relief against future profits. The directors are not aware of any factors that would affect the tax charge in the future.

8 Earnings per share

The calculation of profit per share of 0.13 pence (2006 – loss 0.81 pence) is based on the profit for the year of £135,730 (2006 – loss £851,716) and on the weighted average number of shares in issue during the year of 105,500,000 (2006 – 105,500,000). There is no difference between basic and diluted earnings per share. There are no potentially dilutive shares in issue.

Notes forming part of the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2007

9 Tangible fixed assets	Office equipment £
Cost	
At 1 October 2006 and at 30 September 2007	20,093
Depreciation	
At 1 October 2006	12,488
Charge for the year	7,605
At 30 September 2007	20,093
Net book value	
At 30 September 2007	–
At 30 September 2006	7,605

10 Investments	£
Cost	
At 1 October 2006	3,425,931
Additions	209,115
Disposal	(503,888)
At 30 September 2007	3,131,158
Allowance for impairment in value	
At 1 October 2006	387,200
Disposals	(135,698)
Provided for the year	89,620
At 30 September 2007	341,122
Net book value	
At 30 September 2007	2,790,036
At 30 September 2006	3,038,731

Notes forming part of the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2007

10 **Investments** (continued)	Class of shares	% of issued share capital %	Balance sheet value £	Market value at balance sheet date £
Listed on the Alternative Investment Market of the London Stock Exchange:				
Black Raven Properties Plc	Ordinary 1p	10.6%	539,000	539,000
Gasol Plc	Ordinary 0.5p	13.9%	800,000	1,191,666
Indian Restaurants Group Plc	Ordinary 1p	16.0%	436,042	436,042
Venteco Plc	Ordinary 10p	3.06%	107,667	107,667
Zenergy Power Plc	Ordinary 1p	1.34%	244,135	1,307,184
			2,126,844	3,581,559
Others:				
Medcentre Holdings Inc** (incorporated in Cayman Islands)	Series-E preferred US$.01		363,192	363,192*
Eseekers Ltd (ShareNow)	Ordinary 1p		150,000	150,000*
Eseekers Ltd (ShareNow)**			150,000	150,000*
			2,790,036	4,244,751

*In the opinion of the directors the recoverable value of each investment is not less than the amount included in the balance sheet.

**These investments take the form of convertible loans.

All of the above investments are incorporated in the United Kingdom unless noted otherwise.

	Profit and loss £	Capital and reserves £	As at period end
The profit and loss and the aggregate amount of the capital and reserves are as follows:			
Black Raven Properties Plc	(1,018,000)	3,829,000	Interim 31 May 2007
Gasol Plc	(1,383,696)	9,659,085	Interim 31 August 2007
Indian Restaurants Group plc	(1,427,901)	2,510,791	Interim 31 March 2007
Venteco Plc	(167,000)	4,694,000	Interim 30 June 2007
Zenergy Power Plc	(6,194,000)	12,923,000	Interim 30 June 2007

Principle activities

Black Raven Properties Plc: a property company formed to purchase and develop commercial, residential and leisure sites.

Gasol Plc: to capitalise on acquisition and investment opportunities in the oil & gas sector.

Indian Restaurants Group Plc: to capitalise on acquisition and investment opportunities primarily in the Indian business process outsourcing market.

Venteco Plc: a pest control company looking to invest in companies involved in environmental friendly pest control technologies.

Zenergy Power plc: a specialist manufacturer and developer of commercial applications for superconductive materials.

Eseekers Limited: a private company operates an innovative social networking site, sharenow.com.

Notes forming part of the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2007

11 Debtors	2007 £	2006 £
Amounts falling due within one year:		
Trade debtors	310,215	–
Prepayments	48,231	22,636
Amounts owed by undertaking in which the company has a participating interest	49,900	18,577
Other debtors	1,588	–
Taxation and social security	13,075	9,935
	423,009	53,148

12 Creditors: amounts falling due within one year	2007 £	2006 £
Trade creditors	29,530	5,805
Accruals and deferred income	86,580	119,169
Taxation and social security	3,171	3,163
	119,281	128,137

13 Share capital	2007 Number	2006 Number	2007 £	2006 £
Authorised				
Ordinary shares of 0.1p each	500,000,000	500,000,000	500,000	500,000
Allotted, issued and fully paid				
Ordinary shares of 0.1p each	105,500,000	105,500,000	105,500	105,500

14 Reserves	Share premium £	Profit and loss account £	Total £
At 1 October 2006	5,032,525	(1,044,512)	3,988,013
Profit for the year	–	135,730	135,730
At 30 September 2007	5,032,525	(908,782)	4,123,743

15 Reconciliation of movements in shareholders' funds	Year ended 30 September 2007 £	Year ended 30 September 2006 £
Profit/(loss) for the year	135,730	(851,716)
Net addition to shareholders' fund	135,730	(851,716)
Opening shareholders' fund	4,093,513	4,945,229
Closing shareholders' fund	4,229,243	4,093,513

Notes forming part of the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2007

16 Financial Instruments

The Company's financial instruments during the year comprised cash at bank and various items such as trade creditors that arise directly from its operations. The main purpose of these instruments is to raise finance for operations. The Company has not entered into derivatives transactions and does not trade in financial instruments as a matter of policy. The main risk arising from the financial instruments is interest rate risk. The Company seeks to obtain a favourable interest rate on its cash balances through the use of bank treasury deposits.

Operations to date have been financed through the placing of shares and its Board policy to keep borrowings to a minimum.

Short term debtors and creditors are not treated as financial assets and liabilities respectively for disclosure purposes.

Interest rate risk

The company's exposure to changes in interest rates relates primarily to cash at bank. Cash is held either on current or on short term deposits at floating rates of interest determined by the relevant bank's prevailing base rate. The company seeks to obtain a favourable interest rate on its cash balances through the use of bank treasury deposits.

Market price risk

The investments are held at costs. In the opinion of the directors the main future risks are market price fluctuation. The market values of the company's investments are disclosed in note 11.

The company is actively seeking for prospective buyers for its investments.

Currency risk

The company financial assets and liabilities as at 30 September 2007 are denominated in sterling.

Liquidity risks

The operations to date have been financed through the placing of shares and it is Board policy to keep borrowings to a minimum.

Borrowing facilities

The operations to date have been financed through the placing of shares and it is Board policy to keep borrowings to a minimum.

Fair value

In the directors' opinion, there is no material difference between the book value and the fair value of the financial assets and liabilities except for investments as disclosed in note 11.

Credit risk

The company's credit risk is primarily attributable to the cash held on deposit at financial institutions. Cash is deposited with reputable financial institutions with a high credit rating. Trade debtors arise as a result of share trading and are usually settled within 3 days.

Notes forming part of the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2007

17 Related party transactions

The company made a loan of £49,900 (2006: £Nil) to Eseekers Limited. This loan carries an annual interest rate of 6% and is repayable in June 2008.

The company made an investment of £150,000 in September 2006 in Eseekers Limited which owns shareNow.com, a social networking website. A subsequent follow on investment of £150,000 was made in January 2007. Blue Star Capital plc's chairman Nigel Robertson is a Director and a shareholder of Eseekers Limited.

During the year the company and its fixed asset investments had the following directors in common.

Indian Restaurants Group Plc	Nigel Robertson and Haresh Kanabar
Gasol Plc	Haresh Kanabar
Venteco Plc	Haresh Kanabar

These investments are detailed in note 11.

During the year the company was involved in transactions with Indian Restaurants Group Plc, a company with common directors. The company shares office space with Indian Restaurants Group Plc, and there is £31,362 (2006 – £20,706) owed at the year end in relation to Indian Restaurants Group Plc share of the office rent and communication expenses. This amount has been fully provided at the year end.

In respect of other investments, there were no other transactions. Transactions in relation to directors emoluments are detailed in note 7.

18 Operating lease commitments

The company has entered into a lease agreement with Westbury Properties Limited, which is due to expire within 2 to 5 years for office premises at an annual rent of £39,500.

19 Post balance sheet events

The Company Invests in a number of AIM listed companies and the share prices of these companies can be volatile and move up or down on small volumes traded. The market value at 21 March 2008 of some of its investments are less than the carrying value at 30/09/2007.

		Balance sheet value £	21 March 2008 value £
Listed on the Alternative Investment Market of the London Stock Exchange:			
Black Raven Properties Plc	Ordinary 1p	539,000	285,670
Gasol Plc	Ordinary 0.5p	800,000	1,924,000
Indian Restaurants Group Plc	Ordinary 1p	436,042	178,208
Venteco Plc	Ordinary 10p	107,667	35,417
Zenergy Power Plc	Ordinary 1p	244,135	1,293,652
		2,126,844	3,716,947

The directors do not consider that this indicates any impairment in the carrying value of these investments.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT THE ANNUAL GENERAL MEETING of BLUE STAR CAPITAL PLC (the "Company") will be held at the offices of Landsbanki, Beaufort House, 15 St Botolph Street, London EC3A 7QR at 10.00 a.m. on 23 May 2008, for the following purposes:

ORDINARY RESOLUTIONS

1 To receive and adopt the accounts, together with the directors' and auditors' reports for the period ended 30 September 2007.

2 To re-elect Haresh Kanabar a director of the Company who being eligible offers himself for re-election.

3 To re-appoint BDO Stoy Hayward LLP as auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the directors to fix their remuneration.

SPECIAL BUSINESS

To consider and, if thought fit, pass the following resolutions of which Resolution 4 will be proposed as an ordinary resolution and Resolutions 5, and 6 will be proposed as special resolutions.

Ordinary Resolution

4 That the directors be and are hereby generally and unconditionally authorised in accordance with section 80 of the Companies Act 1985 (the "**Act**") to exercise all of the powers of the Company to allot relevant securities (within the meaning of that section) of the Company up to an aggregate amount of £10,550 such authority (unless previously revoked or varied) to expire five years from the date of the passing of this resolution save that the Company may make offers or agreements which would or might require relevant securities to be allotted after such expiry and the directors may allot relevant securities in pursuance of such offers or agreements as if the authority conferred hereby had not expired.

Special Resolutions

5 That, subject to the passing of the previous resolution, the directors be and they are hereby granted power pursuant to section 95 of the Act to allot equity securities (as defined in section 94 of the Act) for cash pursuant to the authority conferred on them by Resolution 5 above as if section 89(1) of the Act did not apply to such allotment, provided that such power be limited to:

(i) the allotment of equity securities which are offered to all the holders of equity securities of the Company (at a date specified by the directors) where the equity securities respectively attributable to the interests of such holders are as nearly as practicable in proportion to the respective number of equity securities held by them, but subject to such exclusions and other arrangements as the directors may deem necessary or expedient in relation to fractional entitlements and any legal or practical problems under any laws or requirements of any regulatory body or stock exchange in any territory or otherwise; and

(ii) the allotment (otherwise than pursuant to sub-paragraph (i) above) of equity securities up to an aggregate nominal amount of £10,550

and provided that this power shall expire on the earlier of the conclusion of the Company's next Annual General Meeting and fifteen months from the date of the passing of this resolution save that the Company may make an offer or enter into an agreement before the expiry of that date which would or might require equity securities to be allotted after that date and the directors may allot equity securities in pursuance of such an offer as if the power conferred hereby had not expired.

Notice of Annual General Meeting

6 THAT the Company be and is hereby generally and unconditionally authorised to make market purchases (within the meaning of Section 163(3) of the Companies Act 1985) of its ordinary shares of 0.1p each in the capital of the Company provided that:

(i) the maximum number of ordinary shares hereby authorised to be purchased is 10,550,000

(ii) the minimum price which may be paid for ordinary shares is 0.1p per ordinary share;

(iii) the maximum price at which ordinary shares may be purchased is an amount equal to 105% of the average of the middle market prices shown in the quotations for an ordinary share as derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the date of purchase; and

(iv) the authority to purchase hereby conferred shall, unless renewed prior to such time, expire at the date of the next annual general meeting of the Company save that the Company may before such expiry enter into a contract of purchase under which such purchase may be completed or executed wholly or partly after the expiration of this authority.

BY ORDER OF THE BOARD

H Kanabar
Company Secretary

Registered Office:
8-10 New Fetter Lane
London EC4A 1RS

Dated 27 March 2008

Notes:

1 Only those members entered in the register of members of the Company as at **10.00 am on 21 May 2008** or, in the event that the meeting is adjourned, in the register of members 48 hours before the time of any adjourned meeting shall be entitled to attend or vote at the meeting in respect of the number of shares registered in their name at the time. Changes to entries in the register of members after **10.00 am on 21 May 2008** or, in the event that the meeting is adjourned, after 48 hours before the time of any adjourned meeting shall be disregarded in determining the rights of any person to attend or vote at a meeting.

2 A member is entitled to appoint one or more persons as proxies to exercise all or any of his rights to attend, speak and vote at the meeting. A proxy need not be a member of the Company. A member may appoint more than one proxy in relation to the meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by him. To appoint more than one proxy you may photocopy the proxy form. Please indicate the proxy holder's name and the number of shares in relation to which they are authorised to act as your proxy (which, in aggregate, should not exceed the number of shares held by you). A failure to specify the number of shares each proxy appointment relates to or specifying a number in excess of those held by the member may result in the proxy appointment being invalid. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form.

Appointment of a proxy does not preclude a member from attending the AGM and voting in person.

3 A form of proxy is enclosed. To be valid, it must be completed, signed and sent to the offices of the Company's Registrars, Capita Registrars The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU. The form of proxy must be signed by the shareholder appointing Capita Registrars , so as to arrive no later than **10.00 am on 21 May 2008** or, in the event that the meeting is adjourned, by no later than 48 hours before the time of any adjourned.

4 CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

Notice of Annual General Meeting

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with Euroclear UK & Ireland's Limited's (formerly CRESTCo's) specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it relates to the appointment of a proxy or to an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the Capita Registrars (ID **RA10**) by no later than **10.00 am on 21 May 2008**. No such message received through the CREST network after this time will be accepted. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the Capita Registrars Limited is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change in instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service provider(s) should note that Euroclear UK & Ireland's Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service provider(s) are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

5. In order to facilitate voting by corporate representatives at the meeting, arrangements will be put in place at the meeting so that:

   (a) If a corporate member has appointed the chairman of the meeting as its corporate representative with instructions to vote on a poll in accordance with the directions of all of the other corporate representatives for that member at the meeting then on a poll those corporate representatives will give voting directions to the chairman and the chairman will vote (or withhold a vote) as corporate representative in accordance with those directions; and

   (b) if more than one corporate representative for the same corporate member attends the meeting but the corporate member has not appointed the chairman of the meeting as its corporate representative, a designated corporate representative will be nominated, from those corporate representatives who attend, who will vote on a poll and the other corporate representatives will give voting directions to that designated corporate representative.

   Corporate members are referred to the guidance issued by the Institute of Chartered Secretaries and Administrators on proxies and corporate representatives (http://www.icsa.org.uk/) for further details of this procedure. The guidance includes a sample form of representation letter if the chairman is being appointed as described in (a) above.

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Form of Proxy

FOR USE AT THE ANNUAL GENERAL MEETING

Name (Please print) ______________________________

Address (Please print) ______________________________

I/We, the undersigned, being (a) member(s) of Blue Star Capital plc hereby appoint the Chairman of the Meeting or

Name of Proxy (See Note 3) (Please print) ______________________________
as my/our proxy to vote for me/us and on my/our behalf of the Annual General Meeting of the Company to be held at Landsbanki, Beaufort House, 15 St Botolph Street, London EC3A 7QR on 23 May 2008 at 10.00 am and at any adjournment thereof.

I/We direct the proxy to vote in respect of the resolutions to be proposed at the Meeting as indicated below (see Note 6).

Signed ______________________ Dated this __________ day of ______________ 2008

Ordinary Resolutions	**For**	**Against**	**Abstention**
1 To receive and adopt the reports of the directors and the independent auditors and the accounts for the year ended 30 September 2007	☐	☐	☐
2 To re-elect Mr Haresh Kanabar as a director	☐	☐	☐
3 To re-appoint BDO Stoy Hayward LLP as independent auditors and to authorise the directors to fix their remuneration	☐	☐	☐
Special Business			
Ordinary Resolutions			
4 To authorise the directors to allot shares	☐	☐	☐
Special Resolutions			
5 To disapply the statutory pre-emption provisions	☐	☐	☐
6 To authorise the Company to buy back its own shares	☐	☐	☐

Notes:

1 Please indicate how you wish your proxy to vote on the resolutions by inserting 'X' in the appropriate space.

2 In the case of a corporation the proxy must be under its common seal (if any) or the hand of its duly authorised agent or officer. In the case of an individual the proxy must be signed by the appointor or his attorney, duly authorised in writing.

This form of proxy has been sent to you by post. It may be returned by either of the following methods: in hard copy form by post to Capita Registrars, (PROXIES), PO Box 25, Beckenham, Kent BR3 4BR or by courier or hand to Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU; or in the case of CREST members, by using the CREST electronic proxy appointment service. CREST members should refer to note 1 to the notice of Annual General Meeting enclosed with this form of proxy in relation to the submission of a proxy appointment via CREST.

In each case the proxy appointment must be received not less than 48 hours before the time for the holding of the meting or adjourned meeting together (except in the case of appointments utilising the CREST electronic appointment service) with any authority (or a notarially certified copy of such authority) under which it is signed.

3 If you wish to appoint a proxy other than the Chairman of the meeting, delete the words 'the Chairman of the Meeting' and insert the name and address of your proxy in the space provided. Please initial the amendment. A proxy, who need not be a member of the Company, must attend the meting in person to represent you.

4 In the case of joint holders the signature of only one of the joint holders is required but, if more than one votes, the vote of the first named on the register of members will be accepted to the exclusion of other joint holders.

5 Completion of a Form of Proxy will not prevent the holder(s) of Ordinary shares from attending and voting at the meeting in person should they so wish.

6 If no indication of how the proxy shall vote is given, the proxy will exercise discretion as to voting or abstention therefrom.

7 The Company, pursuant to regulation 41 of The Uncertificated Securities Regulations 2001, specifies that only those ordinary shareholders registered in the register of members of the Company at 6pm on the penultimate day before the meeting shall be entitled to attend or vote at the meeting in respect of the number of shares registered in their name at that time. Changes to entries on the relevant register of securities after that time will be disregarded in determining the rights of any person to attend or vote at the meeting.

8 To appoint more than one proxy you may photocopy this form. Please indicate the proxy holder's name and the number of shares in relation to which they are authorised to act as your proxy (which, in aggregate, should not exceed the number of shares held by you). Please also indicate if the proxy instruction is one of multiple instructions being given. All forms must be signed and should be returned together in the same envelope.

THIRD FOLD AND TUCK IN

BUSINESS REPLY SERVICE
Licence No. MB 122

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FIRST FOLD

Capita Registrars
(PROXIES)
PO Box 25
Beckenham
Kent BR3 4BR

SECOND FOLD

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