6pm Holdings p.l.c.

Report and financial statements

31 December 2010

6pm Holdings p.l.c | 6pm House | 188, 21st September Avenue | Naxxar | NXR1012 | Malta | Co. Reg No.: C41492
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6pm Holdings p.l.c.

Directors, officer and other information

Directors:	Jason Brickell – Chairman Ivan Bartolo – Chief Executive Officer Stephen Wightman Alan West Robinson Hector Spiteri
Secretary:	Dr. Ivan Gatt LL.D.
Registered office:	6pm House, 188, 21st September Avenue, Naxxar, Malta.
Country of incorporation:	Malta
Company registration number:	C 41492
Auditor:	Deloitte, Deloitte Place, Mriehel Bypass, Mriehel, Malta.
Legal advisers:	Gatt Tufigno Gauci Advocates, 66, Old Bakery Street, Valletta, Malta.

The directors have pleasure in submitting their report and the audited financial statements of the group and the company for the year ended 31 December 2010.

Principal activities

The group provides a range of solutions to enable organisations to enhance and optimise business efficiency. The group's services mainly consist of managed services and product solutions. The company acts as a holding company.

Performance review

The consolidated financial statements cover 6pm Holdings p.l.c. (parent) and its subsidiaries 6pm Management Consultancy (UK) Limited, 6pm Limited and four months of Softweb Limited.

The group's pre-tax loss was *GBP447,235* (2009 – profit of *GBP 150,265*). The gross profit for the year amounted to *GBP1,241,649* (2009 – *GBP 2,041,082*) equivalent to *40%* (2009 – *38%*) of total revenues. Administrative expenses amounted to *GBP1,576,406* (2009 – *GBP1,764,587*).

In 2010 the economic slowdown in the UK and the resulting drop in consumer spending resulted in a significant decrease in revenue and profitability.

During the year, the group intensified its efforts to finalise the development of several business solutions for the National Health Service ('NHS'). Nonetheless the recessionary economy and uncertainty created by the UK's general election delayed all decisions in respect of any form of capital expenditure by the NHS.

On a positive note the group commenced marketing its products and services in Malta to open up alternative revenue streams. This initiative proved successful as 6pm Limited secured some significant projects from Maltese corporate clients.

During the last quarter of 2010 the directors approved a new overall strategic business plan to secure the future operations and development of the group which includes intensifying sales efforts in the UK and Malta and diversifying its risks by increasing its product range, client base and markets and to grow organically and through mergers and acquisitions.

In Malta, towards the end of 2010 the group acquired a majority stake in Softweb Limited, immediately giving the group access to a wider client base to which it can provide various products and solutions and agreements are already in place to acquire another locally based company operating in the IT sector.

The financing structure of the group has also taken on a different dimension through the refinancing of bank borrowings during January 2011 and through a rights issue which was fully subscribed to on 29 April 2011.

Group total equity at the year end amounted to *GBP2,419,666* (2009 – *GBP2,740,359*).

Results and dividends

The results for the year ended 31 December 2010 are shown in the statements of comprehensive income on page 13. The group registered a loss after tax of *GBP293,057* (2009 – profit of *GBP213,132*). The company registered a loss of *GBP9,134* (2009 – *GBP9,552*). The directors do not recommend the payment of a dividend.

Directors

The directors of the company who served during the period were:

Jason Brickell – Chairman
Ivan Bartolo – Chief Executive Officer
Stephen Wightman
Alan West Robinson
Hector Spiteri (appointed on 31 July 2010)
Stephen Marquez (resigned on 5 August 2010)
Clyde La Rosa (resigned on 31 July 2010)

In accordance with article 55.1 of the company's articles of association, the directors shall be appointed by the shareholders during the forthcoming annual general meeting.

Auditor

Following an internal restructuring of the Deloitte Malta firm a resolution to appoint Deloitte Audit Limited, a company forming part of the same firm in Malta, will be proposed at the forthcoming annual general meeting.

Going concern

As required by Listing Rule 5.62, and after making the necessary enquiries and after reviewing the group's plans for the coming financial years, as explained in more detail in note 1 to the financial statements, the directors are satisfied that at the time of approving the financial statements, the company and the group have adequate resources to continue operating for the foreseeable future.

For this reason, the directors feel it is appropriate to continue adopting the going concern basis in preparing these financial statements.

Information required by Malta Financial Services Authority Listing Rule

The information required to be published in the directors' report pursuant to Listing Rule 5.64 is set out in pages 52 to 56.

Approved by the board of directors and signed on its behalf on 30 April 2011 by:

Ivan Bartolo
Chief Executive Officer

Hector Spiteri
Director

6pm Holdings p.l.c.

Statement of directors' responsibilities

The directors are required by the Companies Act (Chap. 386) to prepare financial statements in accordance with International Financial Reporting Standards as adopted by the EU, which give a true and fair view of the state of affairs of the company and the group at the end of each financial year and of the profit or loss of the company and its group for the year then ended. In preparing the financial statements, the directors should:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable; and
- prepare the financial statements on a going concern basis, unless it is inappropriate to presume that the company and the group will continue in business as a going concern.

The directors are responsible for ensuring that proper accounting records are kept which disclose with reasonable accuracy at any time the financial position of the company and the group and which enable the directors to ensure that the financial statements comply with the Companies Act (Chap. 386). This responsibility includes designing, implementing and maintaining such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The directors 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.

Statement of responsibility persuant to the Listing Rules issued by the Listing Authority

We, the undersigned declare that to the best of our knowledge, the consolidated financial statements set out on pages 13 to 49 are prepared in accordance with the requirements of International Financial Reporting Standards as adopted by the EU, give a true and fair view of the assets, liabilities, financial position and profit and loss of the company and the group included in the consolidation taken as a whole and that the directors' report includes a fair review of the development and performance of the business and the position of the company and the group included in the consolidation taken as a whole, together with a description of the principle risks and uncertainties that they face.

Signed on behalf of the board of directors on 30 April 2011 by:

Ivan Bartolo
Chief Executive Officer

Hector Spiteri
Director

6pm Holdings p.l.c.

Corporate governance statement

Pursuant to the Malta Financial Services Authority Listing Rules 5.97 the company is hereby reporting on the extent of its adoption of the "Code of Good Corporate Governance" ("the Code") currently in force appended to the said Listing Rules as well as on the measures adopted to ensure compliance therewith.

1. Compliance

The Board of Directors ("the Board") has always placed great importance on responsible corporate governance and has endorsed the principles of the Code.

The Board considers that the Company has been in compliance with the Code throughout the period under review. The following sections explain how the Company applies the principles of the Code.

2. Board of directors ("the Board")

The Memorandum and Articles of Association of the Company specifically regulates the appointment of directors.

The Board consists of 5 members who are appointed by the shareholders and the current structure of the Board is as follows:

Mr. Jason Brickell (Chairman)	Non-Executive Director
Mr. Ivan Bartolo (Chief Executive Officer)	Executive Director
Mr. Stephen David Wightman	Executive Director
Mr. Alan West-Robinson	Non-Executive Director
Mr. Hector Spiteri	Non-Executive Director

All the directors, individually and collectively, are of the appropriate calibre, with the necessary skills and experience to assist them in providing leadership, integrity and judgment in directing the company.

To comply with the requirements of the Code as regards the disclosure of directors' remuneration, the Board has opted to disclose an aggregate figure. For the financial period under review the aggregate remuneration of the directors of the company amounted to *GBP165,343*.

The Board supports the executive management team in delivering sustainable added value for shareholders. It considers strategic issues, key projects and major investments and regularly monitors performance against delivery of the key targets of the business plan. It approves the corporate plan and the annual budget and reviews performance against targets at every meeting.

There is a clear division of responsibilities between the Chairman and the Chief Executive which is set out in writing and has been approved by the Board.

The Board considers that all of the non-executive directors are independent of management and free from any business or other relationship which could materially interfere with the exercise of their independent judgment.

Article 55.1 of the Articles of Association of the company entitles every member with voting rights and holding not less than 0.5 per cent of the issued share capital of the company or a number of members who in the aggregate hold not less than 0.5 per cent of the issued share capital of the company having voting rights to nominate a fit and proper person for appointment as a director of the company. Similarly, the directors themselves are entitled to submit nominations for the appointment of directors by the shareholders at the next annual general meeting.

The Board meets once a month unless further meetings are required. The Board has a formal schedule of matters reserved for it to discuss and includes a review of the market outlook, operational performance and future prospects as well as a financial report.

Directors have access to the advice and services of the company secretary and are regularly informed of their dealing in securities of the company within the parameters of law and the code.

2.1 Conflict of interest

Directors should always act in the best interests of the Company and its shareholders. The procedures internally followed by the Board reflect the importance given to how efficiently conflicts of interest are to be handled, if and when they arise. Any actual, potential or perceived conflict of interest must be immediately declared by a director to the other members of the Board, who then (also possibly through a referral to the Audit Committee) decide on whether such a conflict exists. In the event that the Board perceives such interest to be conflicting with the director's duties, the conflicted director is required to leave the meeting and both the discussion on the matter and the vote, if any, on the matter concerned are conducted in the absence of the conflicted director.

3. Committees

The Board delegates certain powers, authorities and discretions to the Audit Committee and the Remuneration Committee.

Each of the committees is composed of Hector Spiteri as chairman and Jason Brickell and Ivan Bartolo as members.

3.1 Audit Committee

The Audit Committee's primary role is to support the main Board in terms of quality control of the group's financial reports, its internal controls and in managing the Board's relationships with the external auditors.

The Board considers that Hector Spiteri possesses the required competence in accounting and/or auditing. Mr. Hector Spiteri holds a warrant of a Certified Public Accountant and a Practicing certificate in Auditing. He is a fellow member of the Malta Institute of Taxation and a Member of the Malta Institute of Management.

Other executive directors or members of management are normally requested to attend when required.

3.2 Remuneration Committee

The Remuneration Committee is responsible for the development and implementation of the remuneration and related policies of the group, particularly incentive based remuneration and share option plans, and for ensuring compliance with the relevant provisions and regulations of good corporate governance on remuneration and related matters.

3.2.1 Remuneration Statement

Throughout the period under review:

- All remuneration payable to the directors and to the senior executives of the Company and the Group is of a fixed nature and, save for an annual review undertaken at the end of every year is not linked to performance;
- There is no supplementary pension or early retirement scheme for Directors and/or senior Executives;
- There is no share option plan or share-incentive scheme currently in place;
- All the contracts of employment of the directors and senior executives are of an indefinite duration and comply with all applicable laws and regulations, particularly the provisions of the Employment and Industrial Relations Act, Chapter 452 of the Laws of Malta;
- No compensation is paid or receivable by any former executive Director or senior executive in connection with the termination of his activities during that financial year;

The remuneration of the directors and the key-management personnel is disclosed in note 9 to the financial statements.

3.4 Attendance

The Directors attended the following number of meetings of the Board and its respective Committees. The Number of meetings held is shown in brackets.

	Board	Audit Committee	Remuneration Committee
Jason Brickell	16(17)	2(2)	1(1)
Ivan Bartolo	17(17)	4(4)	1(1)
Stephen David Wightman	13(17)	-	-
Alan West-Robinson	17(17)	-	-
Hector Spiteri *	8(8)	2(2)	1(1)
Clyde la Rosa ¥	8(9)	2(2)	-
Steve Marquez ∞	9(10)	2(2)	-

* appointed on the Board of Directors on the 31 July 2010
¥ resigned from the Board of Directors on the 31 July 2010
∞ resigned from the Board of Directors on the 5 August 2010

4. Internal control

The Board is ultimately responsible for the identification and evaluation of key risks applicable to the different areas of the business, and for ensuring that proper systems of internal controls are in place although this authority is delegated to the CEO within the limits set by the Board.

Such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable, and not absolute, assurance against material misstatement or loss. Through the Audit Committee, the Board reviews the process and procedures to ensure the effectiveness of the group's system of internal control.

The key features of the group's system of internal control are as follows:

4.1 Organisation

The group operates through Boards of directors of subsidiary companies with clear reporting lines and delegation of powers.

4.2 Control Environment

The group is committed to the highest standards of business conduct and seeks to maintain these standards across all of its operations. Group policies and employee procedures are in place for the reporting and resolution of negligent activities. The group has an appropriate organisational structure for planning, executing, controlling and monitoring business operations in order to achieve group objectives.

4.3 Risk Identification

Group management is responsible for the identification and evaluation of key risks applicable to their areas of business. The Board reviews its risk management policies and strategies and oversees their implementation to ensure that identified key risks are properly assessed and managed.

4.4 Reporting

Functional, operating and financial reporting standards are applicable to all entities of the group. These are supplemented by operating standards set, as required, by the Board. Systems and procedures are in place to identify, control and to report on the major risks including customer credit risk, changes in the market prices and condition, liquidity and operational error. Exposure to these risks is monitored by the Audit Committee. The Board receives periodic management information giving comprehensive analysis of financial and business performance including variances against budgets.

5. Performance Evaluation

Under the present circumstances, the Board performs a self-evaluation of its own performance on a regular basis during Board meetings, and the Board's performance is always under the scrutiny of the shareholders. The Board is currently considering setting up an evaluation committee to assess the performance of the Board. The committee will principally take into consideration the following: (i) a director's contribution to the effective functioning of the Company; (ii) any change in the director's principal area of responsibility; (iii) whether the director continues to bring relevant experience to the Board; (iv) whether the director has the ability to attend meetings and fully participate in the activities of the Board; and (v) whether the director has developed any relationships with another organisation, or other circumstances have arisen, that might make it inappropriate for the director to continue serving on the Board.

6. Corporate social responsibility

The Company understands that it has an obligation towards society at large to put into practice sound principles of Corporate Social Responsibility (CSR). Therefore the group is committed to playing a leading and effective role in the country's sustainable development, whilst tangibly proving itself to be a responsible and caring citizen of the community in which it operates.

In its dealings with its employees the group seeks to put into practice good CSR principles. The group considers itself to be a good employer, encouraging open communication and personal development whilst creating opportunities based on performance, creativity and initiative. The group is committed towards social investment and the quality of life of its work force and their families, as well as of the local communities it supports. Various initiatives have been organised throughout the period by the company within the context of the group-wide strategy.

In 2008 the Company took the decision to set up the 6pm Charity Foundation. The objectives of the Foundation are to provide sustained and substantial support to underprivileged children and families in Malta and in the UK. Towards the end of 2009, the 6pm Charity Foundation together with the Santu Wistin parish in Valletta reached a milestone with the opening of the Santu Wistin 6pm IT & Resource Centre.

The IT Centre was created in order to get the children off the streets and provide them with the resources, equipment and guidance necessary to pursue their education. The parish will also use the Centre to run a series of courses directed at parents and single mothers to help build awareness on certain parenting issues, as well as providing the skills to re-introduce them into the workforce.

In 2010 the location for the second 6pm Children's IT Centre was identified. The 6pm Foundation worked with the Qawra parish and raised funds to open another 6pm IT and Resource Centre for children in Qawra. The Centre is already in use and the official launch is due to take place over the next few months.

7. Annual General Meeting and other communications with shareholders

An Annual General Meeting (AGM) will be convened for which all eligible shareholders are served with a notice to attend in terms of the Companies Act. The notice shall contain all the resolutions proposed for approval by the AGM and, as necessary, notes accompanying such resolutions.

Advance notification of the resolutions proposed is also given by way of a company announcement as soon as these are decided and approved, normally at the same Board meeting that approves the financial statements. The Board also considers the annual report to be an effective document which, in addition to the statutory disclosures, contains detailed information about the company and the group's performance.

During the AGM, the Board will ensure that information is communicated to shareholders in a transparent and accountable manner. The AGM will be held primarily to consider the financial statements of the company and the group, the directors' and auditors' report for the period, to decide on dividends recommended by the Board, to elect the directors and to appoint and fix the remuneration of the auditors.

The Company is committed to maintaining good communications with investors. Normal shareholder contact is the responsibility of the Chief Executive Officer who is ably assisted by the Marketing Manager.

Company announcements are also issued periodically by the company secretary in accordance with the Listing Rules either via the stock exchange or the media as the case may be. At the time of the AGM or whenever significant events affecting the company or the group occur, public meetings are held with institutional investors, financial intermediaries and stockbrokers.

The company's presence is also on the worldwide web through its website at www.6pmmalta.com, which contains company spotlight, news and information sections.

8. Strategic planning

Group business entities participate in periodic strategic reviews and workshops, which include consideration of long-term financial projections and the evaluation of business alternatives. Each business entity prepares regular budgets and strategic plans, which are incorporated into a Group Strategic Plan for consideration and approval by the Board. Performance against these plans is actively monitored and reported to the Board.

Approved by the Board of directors and signed on its behalf on 30 April 2011 by:

Ivan Bartolo	***Hector Spiteri***
Chief Executive Officer	***Director***

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Independent auditor's report to 6pm Holdings p.l.c. on corporate governance

Pursuant to the Listing Authority Listing Rules 5.94 and 5.97 issued by the Malta Financial Services Authority, the directors are required to include in their annual financial report a Corporate Governance Statement to the extent to which they have adopted the Code of Principles of Good Corporate Governance and the effective measures that they have taken to ensure compliance with these principles.

Our responsibility is laid down by Listing Rule 5.98 which requires us to include a report on the Corporate Governance Statement.

We read the Corporate Governance Statement and 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.

We are not required to perform additional work necessary to, and we do not, express an opinion on the effectiveness of either the company's or the group's systems of internal control or their corporate governance procedures.

In our opinion, the Corporate Governance Statement set out on pages six to eleven has been properly prepared in accordance with the requirements of Listing Rules 5.94 and 5.97.

Paul Darmanin as Principal
in the name and on behalf of
DELOITTE
Registered auditor

30 April 2011

6pm Holdings p.l.c.

Statements of comprehensive income
Year ended 31 December 2010

	Notes	**Group 2010 GBP**	**Holding company 2010 GBP**	Group 2009 GBP	Holding company 2009 GBP
Revenue	*6*	**3,067,602**	**-**	5,367,475	-
Cost of sales		**(1,825,953)**	**-**	(3,326,393)	-
Gross profit		**1,241,649**	**-**	2,041,082	-
Administrative expenses		**(1,576,406)**	**(9,134)**	(1,764,587)	(9,555)
Operating (loss)/profit		**(334,757)**	**(9,134)**	276,495	(9,555)
Finance costs	*7*	**(112,478)**	**-**	(126,250)	-
Interest income		**-**	**-**	20	4
(Loss)/profit before tax	*8*	**(447,235)**	**(9,134)**	150,265	(9,551)
Income tax credit / (charge)	*11*	**154,178**	**-**	62,867	(1)
(Loss)/profit for the year		**(293,057)**	**(9,134)**	213,132	(9,552)
Other comprehensive expense					
Exchange differences arising on translation of foreign operations		**(40,791)**	**-**	(91,146)	-
Total comprehensive (expense)/ income for the year		**(333,848)**	**(9,134)**	121,986	(9,552)
Attributable to:					
Owners of the company		**(336,277)**		121,986	
Non-controlling interest		**2,429**		-	
		(333,848)		121,986	
Earnings per share	5	**(GBP0.039)**		GBP0.028	

6pm Holdings p.l.c.

Statements of financial position

31 December 2010

	Notes	**Group 2010 GBP**	**Holding company 2010 GBP**	Group 2009 GBP	Holding company 2009 GBP
ASSETS AND LIABILITIES					
Non-current assets					
Intangible assets	*12*	**1,680,220**	**-**	1,694,157	-
Property, plant and equipment	*13*	**1,075,828**	**-**	1,139,299	-
Investments in subsidiaries	*14*	**-**	**1,600,094**	-	1,511,138
Deferred tax assets	*15*	**1,274,132**	**-**	1,194,016	-
		4,030,180	**1,600,094**	4,027,472	1,511,138
Current assets					
Trade and other receivables	*16*	**832,767**	**88,531**	1,206,805	97,893
Cash and cash equivalents	*21*	**215,424**	**2,057**	45,542	2,073
Current tax asset		**37,868**	**-**	12,131	-
		1,086,059	**90,588**	1,264,478	99,966
Total assets		**5,116,239**	**1,690,682**	5,291,950	1,611,104
Current liabilities					
Trade and other payables	*17*	**766,221**	**5,336**	530,981	5,580
Bank overdrafts and loans	*19*	**1,265,925**	**-**	1,206,162	-
Current tax liabilities		**-**	**-**	37,594	-
Other financial liabilities	*18*	**258,961**	**88,956**	-	-
		2,291,107	**94,292**	1,774,737	5,580
Non-current liabilities					
Bank loans	*19*	**405,466**	**-**	776,854	-
Total liabilities		**2,696,573**	**94,292**	2,551,591	5,580
Net assets		**2,419,666**	**1,596,390**	2,740,359	1,605,524
EQUITY					
Share capital	*20*	**1,500,000**	**1,500,000**	1,500,000	1,500,000
Retained earnings		**718,070**	**96,390**	1,013,109	105,524
Exchange reserve		**186,459**	**-**	227,250	-
Minority interest		**15,137**	**-**	-	-
Total equity		**2,419,666**	**1,596,390**	2,740,359	1,605,524

These financial statements were approved by the board of directors, authorised for issue on 30 April 2011 and signed on its behalf by:

Ivan Bartolo
Chief Executive Officer

Hector Spiteri
Director

Statements of changes in equity

Year ended 31 December 2010

Group

	Share capital GBP	Exchange reserve GBP	Retained earnings GBP	Attributable to owners of the company GBP	Non-controlling interest GBP	Total GBP
Balance at 1 January 2009	1,500,000	318,396	799,977	2,618,373	-	2,618,373
Profit for the year	-	-	213,132	213,132	-	213,132
Other comprehensive expense for the year	-	(91,146)	-	(91,146)	-	(91,146)
Total comprehensive income/(expense) for the year	-	(91,146)	213,132	121,986	-	121,986
Balance at 1 January 2010	1,500,000	227,250	1,013,109	2,740,359	-	2,740,359
Loss for the year	-	-	(295,486)	(295,486)	2,429	(293,057)
Other comprehensive expense for the year	-	(40,791)	-	(40,791)	-	(40,791)
Effect of acquisition of subsidiary	-	-	447	447	12,708	13,155
Total comprehensive income/(expense) for the year	-	(40,791)	(295,039)	(335,830)	15,137	(320,693)
Balance at 31 December 2010	**1,500,000**	**186,459**	**718,070**	**2,404,529**	**15,137**	**2,419,666**

6pm Holdings p.l.c.

Statements of changes in equity (continued)
Year ended 31 December 2010

Holding company

	Share capital GBP	Retained earnings GBP	Total GBP
Balance at 1 January 2009	1,500,000	115,076	1,615,076
Loss for the year	-	(9,552)	(9,552)
Total comprehensive expense for the year	-	(9,552)	(9,552)
Balance at 1 January 2010	1,500,000	105,524	1,605,524
Loss for the year	-	(9,134)	(9,134)
Total comprehensive expense for the year	-	(9,134)	(9,134)
Balance at 31 December 2010	**1,500,000**	**96,390**	**1,596,390**

6pm Holdings p.l.c.

Statements of cash flows

Year ended 31 December 2010

	Notes	**Group 2010 GBP**	**Holding company 2010 GBP**	Group 2009 GBP	Holding company 2009 GBP
Cash flows from operating activities					
(Loss)/profit before tax		**(447,235)**	**(9,134)**	150,265	(9,551)
Adjustments for:					
Depreciation and amortisation		**219,566**	**-**	220,771	-
Interest expense		**112,477**	**-**	126,250	-
Provision for doubtful debts		**1,892**	**-**	23,466	-
Exchange adjustments		**-**	**(1,100)**	-	(1,296)
Operating (loss)/profit before working capital movements		**(113,300)**	**(10,234)**	520,752	(10,847)
Movement in trade and other receivables		**372,135**	**10,462**	685,534	15,338
Movement in trade and other payables		**235,240**	**(244)**	(337,840)	1,126
Cash flows from operations		**494,075**	**(16)**	868,446	5,617
Net income taxes paid		**(26,256)**	**-**	(15,635)	(5,626)
Net cash flows from operating activities		**467,819**	**(16)**	852,811	(9)
Cash flows from investing activities					
Purchase of property, plant and equipment		**(44,431)**	**-**	(23,669)	-
Payments to acquire intangible assets		**(157,225)**	**-**	(217,817)	-
Net cash flows from investing activities		**(201,656)**	**-**	(241,486)	-
Cash flows from financing activities					
Movement in related party balances		**258,961**	**-**	-	-
Movement in bank borrowings		**(100,071)**	**-**	(93,823)	-
Interest paid		**(112,477)**	**-**	(126,586)	-
Net cash flows from financing activities		**46,413**	**-**	(220,409)	-
Net movement in cash and cash equivalents		**312,576**	**(16)**	390,916	(9)
Cash and cash equivalents at the beginning of year		**(1,066,006)**	**2,073**	(1,498,112)	2,082
Effect of foreign exchange rate changes		**68,860**	**-**	41,190	-
Cash and cash equivalents at the end of the year	*21*	**(684,570)**	**2,057**	(1,066,006)	2,073

1. Basis of preparation

The financial statements have been prepared on the historical cost basis and in accordance with International Financial Reporting Standards, as adopted by the EU. EU-endorsed IFRSs may differ from IFRSs as published by the International Accounting Standards Board ("IASB") if, at any point in time, new or amended IFRSs have not been endorsed by the EU. At the date of authorisation of these financial statements there were no unendorsed standards effective for the period then ended affecting these financial statements, and therefore there is no difference between IFRSs as adopted by the EU and IFRSs as issued by the IASB in terms of their application to the company and the group.

The group experienced a significant downturn in revenue and profitability particularly due to the economic slowdown in the United Kingdom ("UK") which represents the group's main client market. The economic recession caused a drop in consumer confidence and spending resulting in corporations taking drastic actions to reduce costs. This triggered falling orders and revenue for the group.

In addition despite the fact that in 2010 the group finalised the development of several business solutions for the National Health Service ('NHS') in the UK and notwithstanding the interest registered from the NHS, the uncertainty created by the UK's general election, and the subsequent change in government, delayed all decisions in respect of any form of capital expenditure by the NHS and this inevitably effected the group's results for the year under review. In addition the group was impacted negatively by the weakened Pound Sterling. During 2010 the group also commenced marketing its products and services in Malta to open up alternative revenue streams. This initiative proved successful as 6pm Limited secured some significant projects from Maltese corporate clients.

As a result of the above the group reported a loss for the year under review of *GBP293,057* compared to a profit of *GBP213,132* reported during the financial year ended 31 December 2009 and at the year end the group's current liabilities exceeded current assets by *GBP1,205,048* (2009 - *GBP510,259*). Total equity at the year-end amounted to *GBP2,419,666* (2009 – *GBP2,740,359*).

During the last quarter of 2010 the directors approved a new overall strategic business plan to secure the future operations and development of the group. The strategic plan comprises a number of initiatives and is intended to strengthen sales efforts in the UK and Malta. The strategy of the group is to diversify its risks by increasing its product range, client base and markets within which it operates and to grow organically and through mergers and acquisitions.

The group has developed products aimed specifically at the NHS sector and has acquired a better understanding of this niche market through experience. In 2011 the group will be enhancing its marketing efforts in this sector. The revenue streams from the NHS market is important since the group is able to generate yearly revenue from the sale of licences and implementation services, and annuity revenue through support and maintenance agreements. The group will also be enhancing its sales efforts to the UK private sector.

In Malta, towards the end of 2010 the group acquired a majority stake in one of its intended targets, Softweb Limited, immediately giving the group access to a wider client base to which it can provide various products and solutions and agreements are already in place to acquire another locally based company operating in the IT sector.

1. Basis of preparation (continued)

The financing structure of the group has also taken on a different dimension through the refinancing of bank borrowings during January 2011 and through a rights issue which was fully subscribed to on 29 April 2011.

Out of the net proceeds amounting to *GBP2,597,000* raised from the rights issue, *GBP472,000* are to be utilised to settle short term bank loans, *GBP850,000* are to be utilised to acquire targeted investments in subsidiaries, a further *GBP850,000* will form part of the group's working capital requirements, and the remaining *GBP425,000* shall remain in a reserve account for future investment acquisitions.

With the group's operational strategy in place and being implemented as well as the group's revised financial structure the board is confident that the group will reap the necessary improved results in the coming years and have therefore considered it appropriate to continue to prepare these financial statements on a going concern basis despite the loss incurred and the net current liability position reported above.

The significant accounting policies adopted are set out in note 2 below.

2. Significant accounting policies

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the holding company and entities controlled by the holding company (its subsidiaries). Control is achieved where the holding company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, in preparing these consolidated financial statements, appropriate adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those used by group entities. All intragroup balances, transactions, income and expenses are eliminated on consolidation.

The acquisition of subsidiaries is accounted for by applying the purchase method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control, plus any costs directly attributable to the business combination. An adjustment to the cost of the combination contingent on future events is included to the extent that the adjustment is probable and can be measured reliably. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition are recognised at their fair values at the acquisition date.

Any excess of the cost of the business combination over the group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised at the date of acquisition is recognised as goodwill. The goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses. Any excess of the group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost of the business combination, after reassessment, is recognised immediately in profit or loss.

2. Significant accounting policies (continued)

Investments in subsidiaries

Investments in subsidiaries are accounted for in the separate financial statements of the holding company on the basis of the direct equity interest and are stated at cost less any accumulated impairment losses. Dividends from investments are recognised in profit or loss.

Property, plant and equipment

The group's property, plant and equipment are classified into the following classes – freehold land and buildings, motor vehicles, furniture, fittings and other equipment.

Property, plant and equipment are initially measured at cost. Subsequent costs are included in the asset's carrying amount when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. Expenditure on repairs and maintenance of property, plant and equipment is recognised as an expense when incurred.

Land and buildings are held for use in the supply of services or for administrative purposes. Subsequent to initial recognition, land and buildings are stated at cost less any accumulated depreciation and any accumulated impairment losses.

Other tangible assets are stated at cost less any accumulated depreciation and any accumulated impairment losses.

Property, plant and equipment are derecognised on disposal or when no future economic benefits are expected from their use or disposal. Gains or losses arising from derecognition represent the difference between the net disposal proceeds, if any, and the carrying amount, and are included in profit or loss in the period of derecognition.

Depreciation

Depreciation commences when the depreciable assets are available for use and is charged to profit or loss so as to write off the cost, less any estimated residual value, over their estimated useful lives, using the straight-line method, on the following bases:

Buildings	-	2% per annum
Motor vehicles	-	20% per annum
Furniture, fittings and other equipment	-	10% - 33% per annum

No depreciation is charged on freehold land.

The depreciation method applied, the residual value and the useful life are reviewed, and adjusted if appropriate, at the end of each reporting period.

2. Significant accounting policies (continued)

Intangible assets

An intangible asset is recognised if it is probable that the expected future economic benefits that are attributable to the asset will flow to the group and the cost of the asset can be measured reliably.

Intangible assets are initially measured at cost. Expenditure on an intangible asset is recognised as an expense in the period when it is incurred unless it forms part of the cost of the asset that meets the recognition criteria.

The useful life of intangible assets is assessed to determine whether it is finite or indefinite. Intangible assets with a finite useful life are amortised. Amortisation is charged to profit or loss so as to write off the cost of intangible assets less any estimated residual value, over their estimated useful lives. The amortisation method applied, the residual value and the useful life are reviewed, and adjusted if appropriate, at the end of each reporting period.

Intangible assets are derecognised on disposal or when no future economic benefits are expected from their use or disposal. Gains or losses arising from derecognition represent the difference between the net disposal proceeds, if any, and the carrying amount, and are included in profit or loss in the period of derecognition.

(i) Research and development costs

Expenditure on research activities is recognised as an expense in the period in which it is incurred. An internally-generated intangible asset arising from the group's development of software is recognised only if all of the following can be demonstrated by the group:

(a) the technical feasibility, the availability of resources and the intention and ability of completing the asset so that it will be available for use or sale,

(b) how the asset will generate probable future economic benefits, and

(c) the ability to measure reliably the expenditure attributable to the asset during its development.

Where no internally-generated intangible asset can be recognised, development expenditure is recognised as an expense in the period in which it is incurred. After initial recognition, internally-generated intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally-generated intangible assets are amortised on a straight-line basis over their estimated useful lives from the date when they become available for use, which is generally assumed to be five years.

(ii) Computer software

In determining the classification of an asset that incorporates both intangible and tangible elements, judgment is used in assessing which element is more significant. Computer software which is an integral part of the related hardware is classified as property, plant and equipment and accounted for in accordance with the group's accounting policy on property, plant and equipment. Where the software is not an integral part of the related hardware, this is classified as an intangible asset and carried at cost less any accumulated amortisation and any accumulated impairment losses. Computer software classified as an intangible asset is amortised on a straight-line basis over five to ten years.

2. Significant accounting policies (continued)

Other financial instruments

Financial assets and financial liabilities are recognised in the statement of financial position when the entity becomes party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially recognised at their fair value plus directly attributable transaction costs for all financial assets or financial liabilities not classified at fair value through profit or loss.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when the entity has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when the contractual rights to the cash flows from the financial assets expire or when the entity transfers the financial asset and the transfer qualifies for derecognition.

Financial liabilities are derecognised when they are extinguished. This occurs when the obligation specified in the contract is discharged, cancelled or expires.

An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

(i) Trade and other receivables

Trade and other receivables are classified with current assets and are stated at their nominal value unless the effect of discounting is material, in which case trade and other receivables are measured at amortised cost using the effective interest method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired.

(ii) Bank borrowings

Subsequent to initial recognition, interest-bearing bank loans are measured at amortised cost using the effective interest method.

Subsequent to initial recognition, interest-bearing bank overdrafts are carried at face value in view of their short-term maturities.

(iii) Other borrowings

Subsequent to initial recognition, other borrowings are measured at amortised cost using the effective interest method unless the effect of discounting is immaterial.

2. Significant accounting policies (continued)

Other financial instruments (continued)

(iv) Trade and other payables

Trade and other payables are classified with current liabilities and are stated at their nominal value unless the effect of discounting is material in which case trade and other payables are measured at amortised cost using the effective interest method.

(v) Shares issued by the holding company

Ordinary shares issued by the holding company are classified as equity instruments.

Redemptions or refinancing of equity instruments are recognised as changes in equity.

Impairment

All assets are tested for impairment except for deferred tax assets. At the end of each reporting period the carrying amount of assets, including cash-generating units are reviewed to determine whether there is any indication or objective evidence of impairment, as appropriate, and if any such indication or objective evidence exists, the recoverable amount of the asset is estimated.

Goodwill arising on the acquisition of subsidiaries and intangible assets with an indefinite useful life and that are not yet available for use, are tested for impairment annually and whenever there is an indication of impairment.

An impairment loss is the amount by which the carrying amount of an asset exceeds its recoverable amount.

The recoverable amount is the higher of fair value less costs to sell (which is the amount obtainable from a sale in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal) and value in use (which is the present value of the future cash flows expected to be derived, discounted using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset). Where the recoverable amount is less than the carrying amount, the carrying amount of the asset is reduced to its recoverable amount, as calculated.

Goodwill is allocated to the group's cash-generating units expected to benefit from the synergies of the combination. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised. The impairment loss is allocated first to reduce the carrying amount of any goodwill allocated and then to the other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit.

2. Significant accounting policies (continued)

Impairment (continued)

Impairment losses are recognised immediately in profit or loss.

An impairment loss recognised in a prior year is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years.

An impairment loss recognised for goodwill is not reversed in a subsequent period.

Impairment reversals are recognised immediately in profit or loss.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable for services provided in the normal course of business, net of value-added tax and discounts, where applicable. Revenue is recognised to the extent that it is probable that future economic benefits will flow to the group and these can be measured reliably. The following specific recognition criteria must also be met before revenue is recognised:

(i) Provision of services

Revenue from the provision of services is recognised in the period in which the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided. For practical purposes, when services are performed by an indeterminate number of acts over a specified period of time, revenue is recognised on a straight-line basis over the specified period unless there is evidence that some other method better represents the stage of completion.

(ii) Government grants

Government grants are recognised when there is reasonable assurance that all conditions attaching to them are complied with and the grants will be received.

Government grants related to income are recognised in profit or loss over the periods necessary to match them with related costs which they are intended to compensate, on a systematic basis. Such grants are deducted in reporting the related expense.

2. Significant accounting policies (continued)

Borrowing costs

Borrowing costs include the costs incurred in obtaining external financing.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised from the time that expenditure for these assets and borrowing costs are being incurred and activities that are necessary to prepare these assets for their intended use or sale are in progress. Borrowing costs are capitalised until such time as the assets are substantially ready for their intended use or sale. Borrowing costs are suspended during extended periods in which active development is interrupted. All other borrowing costs are recognised as an expense in profit or loss in the period in which they are incurred.

Taxation

Current and deferred tax is recognised to profit or loss, except when it relates to items recognised in other comprehensive income or directly in equity, in which case the current and deferred tax is also dealt with in other comprehensive income or in equity as appropriate.

Current tax is based on the taxable result for the period. The taxable result for the period differs from the result as reported in profit or loss because it excludes items which are non-assessable or disallowed and it further excludes items that are taxable or deductible in other periods. It is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets, including deferred tax assets for the carry forward of unused tax losses and unused tax credits, are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences (or the unused tax losses and unused tax credits) can be utilised.

Deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither accounting profit nor taxable profit.

Deferred tax liabilities are not recognised for taxable temporary differences arising on investments in subsidiaries where the group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets are recognised for deductible temporary differences arising on investments in subsidiaries where it is probable that taxable profit will be available against which the temporary difference can be utilised and it is probable that the temporary difference will reverse in the foreseeable future.

2. Significant accounting policies (continued)

Taxation (continued)

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be utilised.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted by the end of the reporting period date.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against liabilities and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities/assets are expected to be settled or recovered.

Employee benefits

Contributions towards the state pension are made in accordance with local legislation. The only obligation is to make the required contributions. Costs are expensed in the period in which they are incurred.

Currency translation

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purposes of the consolidated financial statements, the results and financial position of each group entity are expressed in Pound Sterling, which is the functional currency of the company and the presentation currency for the consolidated financial statements. In preparing the financial statements of the individual entities transactions denominated in currencies other than the functional currency are translated at the exchange rates ruling on the date of transaction. Monetary assets and liabilities denominated in currencies other than the functional currency are re-translated to the functional currency at the exchange rate ruling at year-end. Exchange differences arising on the settlement and on the re-translation of monetary items are dealt with in profit or loss.

For the purpose of presenting these consolidated financial statements, income and expenses of foreign operations having a different functional currency to that of the group are translated to Pound Sterling at the exchange rates ruling on the date of transaction. Assets and liabilities of operations having a different functional currency to that of the group are translated to Pound Sterling at the exchange rate ruling at the end of the reporting period. Exchange differences are recognised within the Exchange Reserve as a separate component of equity. Such differences are recognised in profit or loss in the period in which the foreign operation is disposed of.

Foreign exchange gains and losses are included within operating profit/(loss) except in the case of significant exchange differences arising on investing or financing activities, which are classified within investment income, investment losses or finance costs as appropriate.

2. Significant accounting policies (continued)

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits. Bank overdrafts that are repayable on demand and form an integral part of the group's or the company's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows and are presented in current liabilities on the statement of financial position.

Dividends

Dividends to holders of equity instruments are recognised as liabilities in the period in which they are declared. Dividends to holders of equity instruments are debited directly to equity.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting year that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year relate to:

1) The crystallisation of deferred tax asset
2) The carrying amount of goodwill
3) The carrying amount of other intangible assets

As mentioned in note 1 to the financial statements the directors have prepared a strategic business plan which reflects the group's forecast for a 3 year period ending 31 December 2013. The strategic business plan is based on a number of assumptions. The principal assumptions for the group's expectations relate to:

- Sales volume and product/service mix
- New product and service launches
- General economic trends
- Developments in the markets within which the group operates
- Technological developments
- Foreign exchange rates
- Achieving costs savings
- Economies of scale derived from acquisitions and mergers
- Synergies with new additions to the group

The above key assumptions have also been used by the directors in assessing the crystallisation of the deferred tax assets and the carrying value of goodwill and other intangible assets.

4. International Financial Reporting Standards in issue but not yet effective

At the date of the approval of these financial statements, a number of standards and interpretations issued by the International Accounting Standards Board were either not yet endorsed by the EU or were not yet applicable to the group and the company.

IAS 24 (revised in 2009) - Related Party Disclosures

The revised IAS 24 supersedes IAS 24 – Related Party Disclosures issued in 2003 and is mandatory for annual periods beginning on or after 1 January 2011. Earlier application, in whole or in part, is permitted. The revised standard clarifies and simplifies the definition of a related party and provides certain exemptions for government-related entities. The group will apply the revised standard from 1 January 2011. The group is assessing the potential impact, if any, of the revised standard on the related party disclosures.

IFRS 9 (as amended in 2010) – Financial Instruments

IFRS 9 - Financial Instruments issued in November 2009 and amended in October 2010 introduces new requirements for the classification and measurement of financial assets and financial liabilities and the accounting for financial liabilities.

IFRS 9 requires all recognised financial assets that are within the scope of IAS 39 Financial Instruments: Recognition and Measurement to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent accounting periods.

The most significant effect of IFRS 9 regarding the classification and measurement of financial liabilities relates to the accounting for changes in fair value of a financial liability (designated as at fair value through profit or loss) attributable to changes in the credit risk of that liability. Specifically, under IFRS 9, for financial liabilities that are designated as at fair value through profit or loss, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Previously, under IAS 39, the entire amount of the change in the fair value of the financial liability designated as at fair value through profit or loss was recognised in profit or loss.

IFRS 9 is effective for annual periods beginning on or after 1 January 2013, with earlier application permitted. However, this standard has not yet been endorsed by the EU. The Group is in the process of assessing the impact of the new standard on the financial position and performance of the Group.

4. International Financial Reporting Standards in issue but not yet effective (continued)

Amendments to IAS 1 – Presentation of Financial Statements and IAS 34 – Interim Financial Reporting

The amendments to IAS 1 and IAS 34 are part of the May 2010 Improvements to IFRSs 2010. The amendments to IAS 1 clarify that an entity may present the analysis of other comprehensive income by item either in the statement of changes in equity or in the notes to the financial statements. The amendments to IAS 34 emphasises the principle in IAS 34 that the disclosure about significant events and transactions in interim periods should update the relevant information presented in the most recent annual financial report, and clarifies how to apply this principle in respect of financial instruments and their fair values.

The amendments to IAS 1 and IAS 34 are effective for annual periods beginning on or after 1 January 2011 with earlier application permitted. The group does not currently expect these amendments to have a significant impact on its annual financial statements or the interim financial reports to be issued in the period of initial application.

The Board of directors anticipate that the adoption of the International Financial Reporting Standards that were in issue at the date of authorisation of these financial statements, but not yet effective, other than the above, will have no material impact on the financial statements of the group and the company in the period of initial application.

5. Earnings per share

The basic earnings per share for the group has been calculated on the profits attributable to shareholders as recognised in the consolidated statement of comprehensive income divided by the weighted average number of ordinary shares outstanding during the period.

The weighted average number of ordinary shares outstanding during the period amounted to *7.5 million* (2009 - *7.5 million*).

There is no difference between the basic and diluted earnings per share.

6. Segment information

IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the group that are regularly reviewed by the chief operating decision makers in order to allocate resources to the segments and to assess their performance.

Information reported to the group's chief operating decision makers for the purpose of resource allocation and assessment performance is focused on the service provided. The group's reportable segments under IFRS 8 are therefore as follows:

- Resourcing
- Product solutions and consultancy

Information regarding the group's reportable segments is presented below.

6.1 Segment revenues and results

Group revenue represents the amount primarily receivable for services rendered during the year, net of any indirect taxes.

The following is an analysis of the group's revenue and results from continuing operations by reportable segments:

	Segment revenue		**Segment profit**	
	2010	2009	**2010**	2009
	GBP	GBP	**GBP**	GBP
Resourcing	**779,308**	1,992,431	**294,787**	488,645
Product solutions and consultancy	**2,288,294**	3,375,044	**946,862**	1,552,437
	3,067,602	5,367,475	**1,241,649**	2,041,082
Administrative expenses			**(1,576,406)**	(1,764,587)
Operating loss/(profit)			**(334,757)**	276,495
Finance costs			**(112,478)**	(126,250)
Interest income			**-**	20
(Loss)/profit before tax			**(447,235)**	150,265

6. Segment information (continued)

6.1 Segment revenues and results (continued)

Revenue reported above represents revenue from external customers. The accounting policies of the reportable segments are the same as the group accounting policies described in note 2. Segment profit represents the profit earned by each segment without allocation of administrative expenditure, finance costs and income taxes. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

6.2 Segment current assets and liabilities

Current assets	**2010**	2009
	GBP	GBP
Resourcing	**175,910**	210,618
Product solutions and consultancy	**558,024**	985,355
Total segment current assets	**733,934**	1,195,973
Unallocated *	**352,125**	68,505
Consolidated current assets	**1,086,059**	1,264,478

* The unallocated amounts include the current tax asset, cash and cash equivalents, and other receivables.

Current liabilities	**2010**	2009
	GBP	GBP
Resourcing	**156,211**	117,444
Product solutions and consultancy	**398,481**	290,978
Total segment current liabilities	**554,692**	408,422
Unallocated *	**1,736,415**	1,366,315
Consolidated current liabilities	**2,291,107**	1,774,737

* The unallocated amounts include current tax liabilities, bank overdraft and loans, and other creditors and accruals.

6. Segment information (continued)

6.3 Non-current assets and liabilities

Non-current assets and liabilities are not analysed on a segmental basis by the chief operating decision maker and are thus considered unallocated.

6.4 Geographical information

The group operates in two geographical areas – United Kingdom and Malta.

The group's revenue from external customers and information about its non-current assets by geographical location are detailed below:

	Revenue from external customers		Non-current assets	
	2010	2009	**2010**	2009
	GBP	GBP	**GBP**	GBP
United Kingdom	**2,321,965**	5,087,207	**51,787**	26,653
Malta	**745,637**	280,268	**3,978,393**	4,000,819
Consolidated total	**3,067,602**	5,367,475	**4,030,180**	4,027,472

6.5 Information about major customers

Group revenue includes *GBP 1,386,324* of product solutions and consultancy (2009 – *GBP 1,663,715*) and *GBP 647,192* of resourcing (2009 – *GBP1,814,703*) that amounts to 66% (2009 – 65%) of total group revenue, which arose from sales to the group's four largest customers (2009 – two largest customers).

7. Finance costs

	Group 2010 GBP	**Holding company 2010 GBP**	Group 2009 GBP	Holding company 2009 GBP
Interest on bank overdrafts and loans	**108,019**	**-**	119,282	-
Other interest	**4,459**	**-**	6,968	-
	112,478	**-**	126,250	-

8. (Loss)/profit before tax

	Group 2010 GBP	**Holding company 2010 GBP**	Group 2009 GBP	Holding company 2009 GBP
This is stated after charging/(crediting):				
Depreciation of property, plant and equipment	**64,763**	**-**	66,543	-
Government training grants	**(6,898)**	**-**	-	-
Amortisation of intangible assets	**154,803**	**-**	154,228	-
Net exchange differences	**30,801**	**(1,100)**	2,211	(1,296)

The group loss before tax is also stated after charging auditor's fees of *GBP28,004* (2009 – *GBP27,621*) and other non-audit services of *GBP16,375* (2009 – *GBP5,968*). The loss before tax of the holding company is also stated after charging auditor's fees of *GBP4,135* (2009 – *GBP4,135*).

9. Key management personnel compensation

	Group 2010 GBP	**Holding company 2010 GBP**	Group 2009 GBP	Holding company 2009 GBP
Directors' compensation:				
Short-term benefits:				
Management remuneration	**165,343**	**-**	299,069	-
Other key management personnel compensation:				
Short-term benefits:				
Salaries and social security contributions	**128,473**	**-**	184,033	-
Total key management personnel compensation:				
Short-term benefits	**293,816**	**-**	483,102	-

Included within directors' compensation is *GBP nil* (2009 – *GBP 64,193*) which was capitalised with software development costs.

Included with other key management personnel compensation is *GBP nil* (2009 – *GBP11,630*) which was capitalised with software development costs.

10. Staff costs and employee information

	Group 2010 GBP	Holding company 2010 GBP	Group 2009 GBP	Holding company 2009 GBP
Staff costs:				
Wages and salaries	**1,317,566**	**-**	1,541,865	-
Social security costs	**103,742**	**-**	133,494	-
	1,421,308	**-**	1,675,359	-

The average number of persons employed by the group during the year, including executive directors, was made up as follows:

	Group 2010	Holding company 2010	Group 2009	Holding company 2009
Service	**33**	**-**	29	-
Administration	**15**	**-**	13	-
Sales	**4**	**-**	8	-
	52	**-**	50	-

11. Income tax credit/(charge)

	Group 2010 GBP	Holding company 2010 GBP	Group 2009 GBP	Holding company 2009 GBP
Current tax	**37,063**	**-**	(38,900)	(1)
Deferred tax (note 15)	**117,115**	**-**	101,767	-
	154,178	**-**	62,867	(1)

11. Income tax credit/(charge) - continued

Tax applying the statutory domestic income tax rate and the income tax credit / (charge) for the year are reconciled as follows:

	Group 2010 GBP	**Holding company 2010 GBP**	Group 2009 GBP	Holding company 2009 GBP
(Loss)/profit before tax	**(447,235)**	**(9,134)**	150,265	(9,551)
Tax at the applicable rate of 35%	**156,532**	**3,197**	(52,593)	3,343
Tax effect of:				
Different tax rates in foreign jurisdictions	**(21,839)**	-	9,731	-
Marginal tax relief arising on UK profits		-	5,902	-
Disallowed expenses	**(4,741)**	**(3,197)**	(6,702)	(3,344)
Movement in unabsorbed investment tax credits	**50,103**	-	115,121	-
Other permanent differences	**(22,309)**	-	(8,592)	-
Exempt profits	**2,456**	-	-	-
Small companies rate in the UK on tax losses utilised	**(6,024)**	-	-	-
Income tax credit/(charge) for the year	**154,178**	-	62,867	(1)

12. Intangible assets

	Computer software and licences GBP	Developed software GBP	Web page design GBP	Goodwill GBP	Total GBP
Cost					
At 01.01.2009	398,431	383,742	3,328	1,149,182	1,934,683
Additions	-	217,817	-	-	217,817
Net foreign currency exchange differences	(24,969)	(25,945)	(225)	-	(51,139)
At 01.01.2010	373,462	575,614	3,103	1,149,182	2,101,361
Additions	7,534	143,086	-	-	150,620
Acquired through acquisition of subsidiary	7,139	-	-	-	7,139
Net foreign currency exchange differences	(10,698)	(17,551)	(97)	-	(28,346)
At 31.12.2010	**377,437**	**701,149**	**3,006**	**1,149,182**	**2,230,774**
Accumulated amortisation					
At 01.01.2009	153,834	116,021	3,328	-	273,183
Provision for the year	36,275	117,953	-	-	154,228
Net foreign currency exchange differences	(2,384)	(17,598)	(225)	-	(20,207)
At 01.01.2010	187,725	216,376	3,103	-	407,204
Provision for the year	33,950	120,848	-	-	154,798
Acquired through acquisition of subsidiary	533	-	-	-	533
Net foreign currency exchange differences	(5,474)	(6,410)	(97)	-	(11,981)
At 31.12.2010	**216,734**	**330,814**	**3,006**	-	**550,554**
Carrying amount					
At 31.12.2009	185,737	359,238	-	1,149,182	1,694,157
At 31.12.2010	**160,703**	**370,335**	-	**1,149,182**	**1,680,220**

The amortisation expense is included in the line item 'administrative expenses' in the statement of comprehensive income.

Included in the cost of intangible assets is internal software development costs amounting to *GBP726,148* (2009 – *GBP575,614*) which are amortised over 5 years.

The amounts capitalised during the year amounting to *GBP143,086* (2009 – *GBP217,817*) represent primarily labour costs and expenses incurred in the development of two major products, which the group expects to generate significant revenues in the next few years.

13. Property, plant and equipment

	Freehold land and buildings GBP	Furniture, fittings and other equipment GBP	Motor vehicles GBP	Total GBP
Cost				
At 01.01.2009	1,073,380	364,729	99,371	1,537,480
Additions	-	23,669	-	23,669
Net foreign currency exchange differences	(72,573)	(22,495)	(6,718)	(101,786)
At 01.01.2010	1,000,807	365,903	92,653	1,459,363
Additions	-	40,810	-	40,810
Acquired through acquisition of subsidiary	-	18,339	-	18,339
Net foreign currency exchange differences	(31,215)	(20,602)	(2,893)	(54,710)
At 31.12.2010	**969,592**	**404,450**	**89,760**	**1,463,802**
Accumulated depreciation				
At 01.01.2009	12,895	223,609	34,891	271,395
Provision for the year	12,185	41,214	13,144	66,543
Net foreign currency exchange differences	(1,034)	(14,305)	(2,535)	(17,874)
At 31.12. 2010	24,046	250,518	45,500	320,064
Provision for the year	11,616	37,090	16,063	64,768
Acquired through acquisition of subsidiary	-	14,717	-	14,717
Net foreign currency exchange differences	(717)	(9,484)	(1,374)	(11,576)
At 31.12.2010	**34,945**	**292,841**	**60,189**	**387,974**
Carrying amount				
At 31.12.2009	976,761	115,385	47,153	1,139,299
At 31.12.2010	**934,647**	**111,609**	**29,572**	**1,075,828**

Freehold land and buildings:

Cost of land included in total cost of land and buildings amounts to *Euro450,000* (2009 – *Euro450,000*) equivalent to *GBP387,180* (2009 – *GBP399,645*). The group's land and buildings with a carrying amount of *GBP934,647* (2009 – *GBP976,761*) have been pledged to secure bank borrowings of 6pm Limited (see note 19).

14. Investments in subsidiaries

In the separate financial statements shares in subsidiary undertakings are accounted for at cost.

The group financial statements consolidate the results and position of the following subsidiary undertakings which all have co-terminous year ends with that of the holding company:

Name of subsidiary and Place of incorporation	**Proportion of ownership interest and voting power held**	
	2010	2009
6pm Limited, 6pm House, 188, 21st September Avenue, Naxxar, Malta.	**99.9**	99.99
6pm Management Consultancy (UK) Limited, 94 Cross Drove, Coates, Whittlesey, Peterborough, PE7 2HJ, United Kingdom.	**100**	100
Softweb Limited (note 26) 6pm House, 188, 21st September Avenue, Naxxar, Malta.	**70**	-

15. Deferred tax assets

The balances at 31 December 2010 and 31 December 2009 for the group can be analysed as follows:

2010	Opening balance	Recognised directly in equity	Recognised in profit and loss	**Closing balance**
	GBP	GBP	GBP	**GBP**
Arising on:				
Unabsorbed investment tax credits	1,240,418	(38,549)	50,103	**1,251,972**
Allowance for doubtful debts	10,060	(335)	(3,304)	**6,421**
Unabsorbed capital allowances	5,991	26	76,098	**82,115**
Unrealised difference on exchange	19,497	(661)	(18,836)	**-**
Excess of tax allowances over depreciation	(81,950)	2,520	(14,221)	**(93,651)**
Tax losses carried forward	-	-	27,275	**27,275**
	1,194,016	(36,999)	117,115	**1,274,132**

15. Deferred tax assets (continued)

2009	Opening balance GBP	Recognised directly in equity GBP	Recognised in profit and loss GBP	**Closing balance GBP**
Arising on:				
Unabsorbed investment tax credits	1,208,530	(83,233)	115,121	**1,240,418**
Allowance for doubtful debts	2,170	(255)	8,145	**10,060**
Unabsorbed capital allowances	8,322	(539)	(1,792)	**5,991**
Unrealised difference on exchange	25,142	(1,647)	(3,998)	**19,497**
Excess of tax allowances over depreciation	(71,229)	4,988	(15,709)	**(81,950)**
	1,172,935	(80,686)	101,767	**1,194,016**

The judgements involved in the recognition of the deferred tax asset are discussed in note 3.

16. Trade and other receivables

	Group 2010 GBP	**Holding company 2010 GBP**	Group 2009 GBP	Holding company 2009 GBP
Trade receivables	**564,408**	**-**	844,248	-
Other receivables	**1,036**	**-**	10,832	-
Prepayments and accrued income	**267,323**	**-**	351,725	-
Amounts owed by subsidiary undertaking	**-**	**88,531**	-	97,893
	832,767	**88,531**	1,206,805	97,893

The terms and conditions of amounts owed by the subsidiary undertaking are disclosed in note 22. No interest is charged on trade and other receivables.

Allowance for estimated irrecoverable amounts

During the year, an allowance has been made for estimated irrecoverable amounts from the provision of services of *GBP1,892* (2009 – *GBP23,466*). This allowance is included with administrative expenses.

Group	**Specific allowance GBP**
At 1 January 2009	5,313
Impairment movement	23,466
At 1 January 2010	28,779
Impairment movement	1,892
At 31 December 2010	**30,671**

17. Trade and other payables

	Group 2010 GBP	**Holding company 2010 GBP**	Group 2009 GBP	Holding company 2009 GBP
Trade payables	**420,016**	**-**	179,426	-
Other payables	**101,568**	**-**	138,926	-
Accruals and deferred income	**244,637**	**5,336**	210,001	5,580
Amounts owed to directors	**-**	**-**	2,628	-
	766,221	**5,336**	530,981	5,580

No interest is payable on trade and other payables.

Amounts owed to directors are unsecured, interest-free, and have no fixed date of repayment.

18. Other financial liabilities

	Group 2010 GBP	**Holding company 2010 GBP**	Group 2009 GBP	Holding company 2009 GBP
Amounts owed to related undertakings	**258,961**	**88,956**	-	-

Amounts owed to related undertakings are unsecured, repayable on demand and interest free, except for *GBP86,881*, which bears interest at 5% per annum.

19. Bank overdrafts and loans

	Group 2010 GBP	Holding company 2010 GBP	Group 2009 GBP	Holding company 2009 GBP
Bank overdrafts	**899,993**	**-**	1,111,548	-
Bank loans	**771,398**	**-**	871,468	-
	1,671,391	**-**	1,983,016	-
Less: amount falling due within one year	**(1,265,925)**	**-**	(1,206,162)	-
Amount falling due after one year	**405,466**	**-**	776,854	-

Bank overdrafts and loans are repayable as follows:

	Group 2010 GBP	Holding company 2010 GBP	Group 2009 GBP	Holding company 2009 GBP
On demand or within one year	**1,265,925**	**-**	1,206,162	-
In the second year	**26,389**	**-**	79,254	-
In the third year	**28,157**	**-**	47,624	-
In the fourth year	**30,043**	**-**	50,389	-
After five years	**320,877**	**-**	599,587	-
	1,671,391	**-**	1,983,016	-

The carrying amounts of the group's borrowings are denominated in the following currencies:

	2010			2009		
	In Euro GBP	**In GBP GBP**	**Total GBP**	In Euro GBP	In GBP GBP	Total GBP
Bank overdrafts	**790,481**	**109,512**	**899,993**	563,027	548,521	1,111,548
Bank loans	**771,398**	**-**	**771,398**	871,468	-	871,468
	1,561,879	**109,512**	**1,671,391**	1,434,495	548,521	1,983,016

The bank overdrafts denominated in Euro bears interest between 3.5% and 3.875% per annum (2009 – 3.5%) over the bank's base rate.

The overdraft denominated in GBP is based on an invoice discounting facility up to a funding limit of 85% of eligible debts and bears a discounting charge of 2.25% above the sterling base rate per annum quoted by the Royal Bank of Scotland plc together with a service charge of 0.225% of the Notified Value of each debt. This facility is secured by way of a fixed and floating charge over trade debtors and all other assets of 6pm Management Consultancy (UK) Limited. This facility is also personally guaranteed by two of the company's directors.

19. Bank overdrafts and loans (continued)

Interest on bank loans is charged at rates varying between 3% to 4% per annum (2009 – 3% to 4.2% per annum) over the bank's base rate. The bank overdraft and loans denominated in Euro are secured by a special hypothec over the immoveable property and by general hypothecs over the assets of 6pm Limited, a general hypothec over the assets of the company, various guarantees given by the company and its subsidiary, 6pm Management consultancy (UK) Limited and also by the principal shareholders of the company.

20. Share capital

	2010 and 2009 Authorised GBP	2010 and 2009 Issued and called up GBP
7,500,000 ordinary shares of GBP 0.20 each (all of which have been issued and called up)	**1,500,000**	**1,500,000**

Ordinary shares carry one vote per share and carry a right to dividends.

On 28 March 2011, the company proposed a rights issue of 1.4384 new ordinary shares for each share held as at that date for a total of 10,788,000 new ordinary shares of a nominal value of GBP 0.20 each at a share issue price of GBP 0.25 per share. The rights issue was fully subscribed on 29 April 2011.

21. Cash and cash equivalents

Cash and cash equivalents included in the statement of cash flows comprise the following amounts in the statement of financial position:

	Group 2010 GBP	**Holding company 2010 GBP**	Group 2009 GBP	Holding company 2009 GBP
Cash at bank and on hand	**215,424**	**2,057**	45,542	2,073
Bank overdraft	**(899,994)**	**-**	(1,111,548)	-
Cash and cash equivalents in the statement of cash flows	**(684,570)**	**2,057**	(1,066,006)	2,073

22. Related party disclosures

The holding company is the parent company of the undertakings described in note 14.

During the year under review, in addition to transactions with key management personnel and guarantees provided for bank facilities undertaken by its subsidiary as disclosed in notes 9 and 19 to the financial statements, the group entered into transactions with related parties as set out below.

Related party transactions were made on terms equivalent to those prevailing in arm's length transactions.

	Related party activity GBP	2010 Total activity GBP	%
Administrative expenses:			
Related party transactions with:			
Shareholders	-	**1,576,406**	-

	Related party activity GBP	2009 Total activity GBP	%
Administrative expenses:			
Related party transactions with:			
Shareholders	6,530	1,764,587	0.4

The amounts due to/from related parties at year end are disclosed in notes 16, 17 and 18 to these financial statements. The terms and conditions do not specify the nature of the consideration to be provided in settlement. No other guarantees have been given or received, except as disclosed in note 19.

No expense has been recognised in the period for bad or doubtful debts in respect of amounts due by related parties.

23. Fair values of financial assets and financial liabilities

At 31 December 2010 and 31 December 2009 the carrying amounts of financial assets and financial liabilities classified with current assets and current liabilities respectively approximated their fair values due to the short term maturities of these assets and liabilities. The fair values of non-current financial liabilities are not materially different from their carrying amounts.

24. Events after the balance sheet date

In January 2011, as part of its overall strategic restructuring, the group restructured its bank facilities. The repayment terms in note 19 reflect the position after the said restructuring.

On 28 March 2011, the Company proposed a rights issue, details of which are noted in note 20.

25. Financial risk management

The exposures to risk and the way risks arise, together with the group's objectives, policies and processes for managing and measuring these risks are disclosed in more detail below.

The objectives, policies and processes for managing financial risks and the methods used to measure such risks are subject to continual improvement and development.

Where possible, the group aims to reduce and control risk concentrations. Concentrations of financial risk arise when financial instruments with similar characteristics are influenced in the same way by changes in economic or other factors. The amount of the risk exposure associated with financial instruments sharing similar characteristics is disclosed in more detail in the notes to the financial statements. The financial risk management strategy has remained unchanged from the prior year.

Credit risk

Financial assets which potentially subject the group to concentrations of credit risk consist principally of receivables and cash at bank.

Receivables are presented net of an allowance for estimated irrecoverable amounts. An allowance for doubtful debts is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows. Credit risk with respect to receivables is limited due to credit control procedures and the credit quality of customers comprising the group's debtor base. Cash at bank is placed with reliable financial institutions.

The maximum exposure to credit risk for trade receivables at the reporting date, net of impairment losses, by type of customer is as follows:

	2010	2009
	GBP	GBP
Trade receivables by class:		
Public interest entities	**340,029**	662,875
Other entities	**220,404**	181,373
	560,433	844,248

78% of the carrying amounts of trade receivables as at 31 December 2010 were due from five major customers which individually owed amounts higher than 10% of total trade receivables. There are no other concentrations of credit risk.

25. Financial risk management (continued)

Credit risk (continued)

The group assesses the credit quality of its customers by taking into account their financial standing, past experience and other factors. Management considers the credit quality of its financial assets as being acceptable.

Included in the group's trade receivables balance are the following debtors which are past due at the end of the reporting period for which the group has not provided as the amounts are still considered recoverable.

	2010	2009
	GBP	GBP
31 – 60 days	**210,287**	269,610
61 – 90 days	**69,555**	54,001
91 – 180 days	**40,122**	7,906
181 – 365 days	-	40,617
Over 365 days	**12,651**	9,814
	332,615	381,948

Interest rate risk

The group has taken out bank facilities to finance its operations as disclosed in note 19. The interest rates thereon and the terms of such borrowings are disclosed accordingly in the note. The group is exposed to cash flow interest rate risk on bank borrowings carrying a floating interest rate. Management monitors the movement in interest rates and, where possible, reacts to material movements in such rates by restructuring its financing structure.

The carrying amounts of the group's financial instruments carrying a rate of interest at the reporting date are disclosed in the notes to the financial statements. With the current interest rate levels the directors are of the view that any variation in interest rates will not significantly impact the group's results.

Liquidity risk

The group monitors and manages its risk to a shortage of funds by monitoring forecast and actual cash flows, and by monitoring the availabilty of raising funds to meet commitments associated with its financial liabilities by means of cash flow forecasts on the basis of expected cash flows over a twelve month period which is then monitored on a monthly basis.

The group is exposed to liquidity risk in relation to meeting the future obligations associated with its financial liabilities, which comprise principally interest bearing bank borrowings (note 19). Prudent liquidity risk management includes maintaining sufficient cash and committed credit lines to ensure the availablity of an adequate amount of funding to meet the group's obligations.

The following maturity analysis for financial liabilities shows the remaining contractual maturities using the contractual undiscounted cashflows on the basis of the earliest date on which the group can be required to pay. The analysis includes both interest and principal cashflows.

25. Financial risk management (continued)

Liquidity risk (continued)

	On demand or within one year GBP	In the second year GBP	In the third year GBP	In the fourth year GBP	After five years GBP	Total GBP
2010						
Non-derivative financial liabilities						
Non-interest bearing	944,576	-	-	-	-	944,576
Variable rate instruments	1,170,201	77,596	77,596	77,596	436,936	1,839,925
	2,114,777	77,596	77,596	77,596	436,936	2,784,501
2009						
Non-derivative financial liabilities						
Non-interest bearing	530,981	-	-	-	-	530,981
Variable rate instruments	1,259,195	126,744	91,285	90,999	825,909	2,394,132
	1,790,176	126,744	91,285	90,999	825,909	2,925,113

Capital risk management

The group's objectives when managing capital are to safeguard its ability to continue as a going concern and to maximise the return to stakeholders through the optimisation of the debt and equity balance. The group's overall strategy remains unchanged from 2009.

The capital structure of the company and group consists of items presented within equity in the statement of financial position.

The company's directors manage the company's capital structure and make adjustments to it, in light of changes in economic conditions. The capital structure is reviewed on an ongoing basis. Based on recommendations of the directors, the company may balance its overall capital structure through the payments of dividends, new share issues as well as the issue of new debt or the redemption of existing debt. The group is not subject to any externally imposed capital requirements.

25. Financial risk management (continued)

Currency risk

Foreign currency transactions arise when the group enters into transactions denominated in a foreign currency or when the group incurs or settles liabilities in a foreign currency. Foreign currency transactions comprise mainly transactions denominated in Euro. As the main transactions of the group are denominated in GBP the group's foreign currency risk exposure is minimal.

26. Acquisition of subsidiaries

On 6 December 2010, 6pm Holdings plc acquired 70% shareholding in Softweb Ltd. The effective date of the transaction was 1 September 2010, and as a result the income statement of the group includes 4 months of the results of the acquired company.

The fair value of assets acquired and liabilities assumed at the effective date of acquisition may be analysed as follows:

	GBP
Cash and cash equivalents	19,930
Assets	104,326
Liabilities	(35,300)
Total consideration	**88,956**

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Independent auditor's report
to the members of

6pm Holdings p.l.c.

Report on the financial statements

We have audited the accompanying financial statements of 6pm Holdings p.l.c. and its group set out on pages thirteen to forty-nine, which comprise the statements of financial position of the company and the group as at 31 December 2010, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the company and the group for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the financial statements

As explained more fully in the statement of directors' responsibilities on page five, the directors of the company are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted by the EU and the requirements of the Companies Act (Chap. 386), and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's and the group's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the company and the group. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Deloitte.

Independent auditor's report (continued)
to the members of

6pm Holdings p.l.c.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the company and its group as at 31 December 2010 and of the company's and its group's financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU, and have been properly prepared in accordance with the requirements of the Companies Act (Chap. 386).

Emphasis of matter

Without qualifying our opinion we draw attention to notes 1 and 3 to the financial statements which describe the group's operating and financial restructuring, and the related judgements and key assumptions concerning the future, made by the directors in their assessment of the carrying amounts of deferred tax assets, goodwill and other intangible assets.

Paul Darmanin as Principal
in the name and on behalf of
DELOITTE
Registered auditor

30 April 2011

5.64.1 THE STRUCTURE OF THE COMPANY'S CAPITAL, INCLUDING SECURITIES WHICH ARE NOT ADMITTED TO TRADING ON A REGULATED MARKET IN A MEMBER STATE, WHERE APPROPRIATE WITH AN INDICATION OF THE DIFFERENT CLASSES OF SHARES AND, FOR EACH CLASS OF SHARES, THE RIGHTS AND OBLIGATIONS ATTACHING TO IT AND THE PERCENTAGE OF TOTAL SHARE CAPITAL THAT IT REPRESENTS;

As of 31 December 2010, the authorised and issued share capital of the Company was of one million and five hundred thousand pounds sterling (£1,500,000) divided into seven million and five hundred thousand Shares (7,500,000) of twenty pence (£0.20) each.

At an extraordinary general meeting held on the 26 March 2011, the shareholders of the company approved an increase in the authorised share capital of the Company to five million pounds sterling (*GBP5,000,000*) divided into twenty five million Ordinary Shares (*25,000,000*) of twenty pence (*GBP0.20*) each.

All the share capital is admitted to trading on the Regulated Market and there are no different classes of Shares.

All the shares in the Company have the same rights and entitlement and rank pari passu between themselves. The following are highlights of the rights attaching to the Shares:

Dividends:	The shares carry equal right to participate in any distribution of dividend declared by the company;
Voting Rights:	Each share shall be entitled to one vote at the meetings of the shareholders;
Pre-emption Rights:	Subject to the limitations contained in the Memorandum and Articles of Association, shareholders are entitled to be offered any new shares to be issued by the Company, in proportion to their current shareholding, before such shares are offered to the public or to any person not being a shareholder;
Capital Distributions:	The shares carry the right for the holders thereof to participate in any distribution of capital made whether on a winding up or otherwise;
Transferability:	The shares are freely transferable in accordance with the rules and regulations of the Malta Stock Exchange applicable from time to time;
Other	The shares are not redeemable.

5.64.2 ANY RESTRICTIONS ON THE TRANSFER OF SECURITIES, SUCH AS LIMITATIONS ON THE HOLDING OF SECURITIES OR THE NEED TO OBTAIN THE APPROVAL OF THE COMPANY OR OTHER HOLDERS OF SECURITIES;

In accordance with the provision of Article 5 of the Articles of Association of the Company, unless otherwise provided in the terms and conditions of issue thereof, all listed Equity Securities of the Company shall be freely transferable and shall be subject to the rules and regulations of the Malta Stock Exchange.

As part of the rights' issue terms, Ivan Bartolo and Vassallo Builders Group Limited, each holding 18.59% of all Ordinary Shares in the Company have each undertaken that for a period of 24 months from the date that the Company's new Ordinary Shares are admitted to listing on the Official List of the MSE they shall not transfer, sell, assign or otherwise dispose of their shares in the Company (the "Lock-up Period").

This undertaking shall subsist notwithstanding any provision of the Act, the Listing Rules and the Memorandum and Articles of Association of the Company that would otherwise have permitted any transfer or disposal of shares in the Lock-up Period.

5.64.3 ANY DIRECT AND INDIRECT SHAREHOLDINGS, INCLUDING INDIRECT SHAREHOLDINGS THROUGH PYRAMID STRUCTURES AND CROSS-SHAREHOLDINGS, IN EXCESS OF 5% OF THE SHARE CAPITAL;

The following shareholders held or will hold more than 5% of the Share Capital of the Company:

Name	As at 31 December 2010			Post rights' issue	
	Number of Shares	% Holding		Number of Shares	% Holding
Ivan Bartolo	1,505,600	20.074%		3,400,000	18.59%
Stephen David Wightman	1,505,600	20.074%		1,080,296	5.91%
Alan Timothy West-Robinson	1,505,600	20.074%		1,080,295	5.91%
Jason Brickell	750,000	10%		750,000	4.10%
Vassallo Builders Group Ltd	-	-		3,400,000	18.59%
Brian Zarb Adami	-	-		1,044,209	5.71%

As far as the Company is aware, no other person held as of the 31 December 2010, and no other person will hold post rights' issue, an indirect shareholding in excess of 5% of its total issued share capital.

5.64.4 THE HOLDERS OF ANY SECURITIES WITH SPECIAL CONTROL RIGHTS AND A DESCRIPTION OF THOSE RIGHTS;

The Company endeavours to ensure equality of treatment for all holders of all holders of such Equity Shares who are in the same position. No holder of any securities has any special control rights.

5.64.5 THE SYSTEM OF CONTROL OF ANY EMPLOYEE SHARE SCHEME WHERE THE CONTROL RIGHTS ARE NOT EXERCISED DIRECTLY BY THE EMPLOYEES;

The Company's share option scheme ("Scheme") is administered by the Board of Directors. The decision of the Board on all disputes concerning the Scheme shall be final.

5.64.6 ANY RESTRICTION ON VOTING RIGHTS, SUCH AS LIMITATIONS OF THE VOTING RIGHTS OF HOLDERS OF A GIVEN PERCENTAGE OR NUMBER OF VOTES, DEADLINES FOR EXERCISING VOTING RIGHTS, OR SYSTEMS WHEREBY, WITH THE COMPANY'S COOPERATION, THE FINANCIAL RIGHTS ATTACHING TO SECURITIES ARE SEPARATED FROM THE HOLDING OF SECURITIES;

There are no restrictions on voting rights. In accordance with the provisions of the Companies Act, a resolution is deemed to be adopted if it receives the assent of more than fifty percent of the members voting and present at the meeting, in which a quorum is deemed to be present.

Any two shareholders of the Company holding at least ten (10 %) percent of the Shares conferring a right to attend and vote at the general meeting are empowered to convene an extraordinary general meeting.

Furthermore, any shareholder or shareholders holding not less than five per cent (5%) in nominal value of all the shares entitled to vote at the meeting may (a) request the Company to include items on the agenda of the general meeting, provided that each item is accompanied by a justification or a draft resolution to be adopted at the annual general meeting and (b) table draft resolutions for items included in the agenda of a general meeting.

A shareholder or a number of shareholders holding not less than 0.5 percent of the issued share capital of the Company having voting rights shall be entitled to nominate a fit and proper person for appointment of Director at the following annual general meeting.

5.64.7 ANY AGREEMENTS BETWEEN SHAREHOLDERS WHICH ARE KNOWN TO THE COMPANY AND MAY RESULT IN RESTRICTIONS ON THE TRANSFER OF SECURITIES AND/OR VOTING RIGHTS;

As part of the terms of the rights issue, Ivan Bartolo and Vassallo Builders Group Limited have each undertaken that for a period of 24 months from the date that the Company's new Ordinary Shares are admitted to listing on the Official List of the MSE (the "Lock-up Period"), each of Ivan Bartolo and Vassallo Builders Group Limited shall not transfer, sell, assign or otherwise dispose of their shares in the Company.

The Company is not aware of any other agreement which may result in restrictions on the transfer of securities and/or voting rights.

5.64.8 THE RULES GOVERNING THE APPOINTMENT AND REPLACEMENT OF BOARD MEMBERS AND THE AMENDMENT OF THE MEMORANDUM AND ARTICLES OF ASSOCIATION;

The Memorandum and Articles of the Company regulates the appointment of directors. Article 55.1 of the Articles of Association provides a member holding not less than 0.5 per cent of the issued share capital of the Company having voting rights or a number of Members who in the aggregate hold not less than 0.5 per cent of the issued share capital of the Company having voting rights shall be entitled to nominate a fit and proper person for appointment as a director of the Company. In addition, the directors themselves or a committee appointed for the purpose by the directors, may make recommendations and nominations to the shareholders for the appointment of directors at the next annual general meeting.

Unless they resign or are removed, directors shall hold office for a period of one year. Directors whose term of office expires or who resign or are removed are eligible for re-appointment.

Any director may be removed at any time by the Company in a General Meeting, provided that the director who is to be removed shall be given the opportunity of making representations. A resolution for the appointment and/or removal of a director shall be considered to be adopted if it received the assent of more than fifty percent of the members present and voting at the general meeting.

In accordance with the provisions of the Companies Act, an extraordinary resolution must be filed in order to amend the Memorandum and Articles of Association of the Company.

Clause 53 of the Articles of Association of the Company and Article 135 of the Companies Act specify the requirements of an extraordinary resolution.

Without prejudice to the above, the Listing Rules require that prior written authorisation is obtained from the Listing Authority following which a Company Announcement and a Circular explaining the proposed changes to the Memorandum and Articles of Association of the Company must be made.

5.64.9 THE POWERS OF THE BOARD MEMBERS, AND IN PARTICULAR THE POWER TO ISSUE OR BUY BACK SHARES;

The board of directors shall be responsible for the business and affairs of the Company. Article 75 stipulates that the Board of Directors shall have power to transact all business of whatever nature not expressly reserved by the Memorandum and Articles of Association of the Company to be exercised by the Company in general meeting or by any provision contained in any law for the time being in force.

In accordance with the provisions of Article 7(d) of the Memorandum of the Company, any unissued shares in the capital of the Company shall be at the disposal of the Board of Directors who, subject to any provision in the Memorandum and Articles of Association, may allot, issue or otherwise deal with or dispose of the same to such persons on such terms and conditions and at such times as the Board of Directors shall think fit.

No issue of Shares can be made which would dilute a substantial interest without prior approval of the shareholders in general meeting.

INFORMATION REQUIRED BY LISTING RULES

At an extraordinary general meeting held on the 26 March 2011, the Shareholders of the Company resolved to generally and unconditionally authorise the Directors, pursuant to Article 85 of the Companies Act to allot and issue Ordinary Shares up to an aggregate amount of three million five hundred thousand British Pounds [*GBP3,500,000*], which amount includes 10,788,000 Ordinary Shares having a nominal value of *GBP0.20* each issued in connection with a rights issue, details of which can be found in a Prospectus dated 28 March 2011.

Article 10 of the Articles of Association of the Company authorises the Board, subject to such restrictions, limitations and conditions contained in the Companies Act, to acquire its own Equity Securities. An Issuer shall only be able to acquire or sell its own Shares if, without prejudice to Articles 106 and 107 of the Companies Act, complies with all the conditions stipulated in the Listing Rules.

5.64.10 ANY SIGNIFICANT AGREEMENT TO WHICH THE COMPANY IS A PARTY AND WHICH TAKE EFFECT, ALTER OR TERMINATE UPON A CHANGE OF CONTROL OF THE COMPANY FOLLOWING A TAKEOVER BID, AND THE EFFECTS THEREOF, EXCEPT WHERE THEIR NATURE IS SUCH THAT THEIR DISCLOSURE WOULD BE SERIOUSLY PREJUDICIAL TO THE COMPANY AND THIS WITHOUT PREJUDICE TO DUTY OF THE COMPANY TO DISCLOSE SUCH INFORMATION ON THE BASIS OF OTHER LEGAL REQUIREMENTS;

Most of the Group's subsidiaries' contracts and agreements with one of its large prime contractor customers ("the Customer") include a competitor provision in respect of change of ownership. The provision grants the Customer a right of termination in the event that ownership of 6pm Limited is transferred and/or acquired by one of the Customer's competitors. The Customer must in all cases prove that any new owner is actually a competitor. An arbitration clause regulates any disputes that may arise.

5.64.11 ANY AGREEMENTS BETWEEN THE COMPANY AND ITS BOARD MEMBERS OR EMPLOYEES PROVIDING FOR COMPENSATION IF THEY RESIGN OR ARE MADE REDUNDANT WITHOUT VALID REASON OR IF THEIR EMPLOYMENT CEASES BECAUSE OF A TAKEOVER BID.

In the event that any Director is removed by the Company without just cause, the Company undertakes to pay such Director the amount which such Director would have earned during the remaining period of the contract.
The statutory notice period and the other conditions stipulated in the Employment and Industrial Relations Act apply to all employees.
In accordance with the provisions of the Transfer of Business (Protection of Employment) Regulations, the transfer of an undertaking, business or part of an undertaking or business shall not in itself constitute sufficient grounds for dismissal of employees by the transferor or the transferee.

Provided that this provision shall not stand in the way of dismissals that may take place for economic, technical or organisational reasons entailing changes in the workforce.

Whenever a transfer which involves a substantial change in working conditions to the detriment of the employee results in the termination of the contract of employment, the employer shall be regarded as having been responsible for such a termination.

5.70.1 THE NATURE AND DETAILS OF ANY MATERIAL CONTRACT TOGETHER WITH THE NAMES OF THE PARTIES TO THE CONTRACT, IRRESPECTIVE OF WHETHER THE TRANSACTION IS A RELATED PARTY TRANSACTION OR NOT, SUBSISTING DURING THE PERIOD UNDER REVIEW, TO WHICH THE ISSUER, OR ONE OF ITS SUBSIDIARY UNDERTAKINGS, IS A PARTY AND IN WHICH A DIRECTOR OF THE ISSUER IS OR WAS DIRECTLY OR INDIRECTLY INTERESTED.

During the year Sprint Holdings Limited advanced an amount of two hundred thousand Euros to the Company. Such amount is unsecured, interest free and repayable within a year.

5.70.2 The name of the company secretary, the registered address and any other contact details.

Company Secretary:	Dr. Ivan Gatt,
Registered address:	6pm House, 188, 21st September Avenue, Naxxar NXR 1012, Malta.
Telephone:	(+356) 21489657
Email:	info@6pmmalta.com
Website:	www.6pmmalta.com