Directors' report and financial statements

for the year ended 31 December 2004

Contents

Company information

Registered Office	Unit 611 Highgate Studios 53-79 Highgate Road London NW5 1TL
Registration Number	3870101
Auditors	**Royce Peeling Green Limited** The Copper Room Deva Centre Trinity Way Manchester M3 7BG
Nominated Advisor and Broker	**John East & Partners Limited** Crystal Gate 28-30 Worship Street London EC2A 2AH
Bankers	**National Westminster Bank plc** 9th Floor 3 Shortlands Hammersmith London W6 8DA **Bank Hapoalim B.M.** 25 Savile Row London W1S 2ES
Lawyers	**Finers Stephens Innocent** 179 Great Portland Street London W1W 5LS
Registrars	**Capita Registrars** The Registry 34 Beckenham Road Beckenham Kent BR3 4TU

Chairman's statement

2004 was the year in which Totally Plc made the greatest strides yet in creating a global publishing and communications Group targeting the Jewish market. With the successful acquisition and integration of the Jewish Advocate, which has been profitable and cashflow generative since its acquisition in January 2004, the Company now has the content and distribution capability to grow rapidly and profitably on both sides of the Atlantic.

One of the key targets for the period under review was the successful integration of the Jewish Advocate and as a result, the creation of cost-based economies of scale between the London and Boston newspapers and websites. I am pleased to report that the introduction of new systems and working practices created the opportunity to share significant amounts of content and editorial resources between the sister publications. This has helped the Company consolidate its editorial and production resources and will lead to a material reduction in the Company's operating costs in 2005 and beyond.

During 2004 advertising and subscription revenues in both London and Boston remained static. Whilst disappointing, this reflected the management team's primary focus on product and delivery development, the benefits of which will again be seen in 2005.

During the period under review the Group's turnover grew to £2.70 million (2003: £1.95 million). The operating loss for the Group increased to £0.30 million (2003: loss £0.21 million).

Board Changes

On the 16 May 2005, the Company strengthened the board through the appointment of Robin Morgan, the award winning, long serving Editor of Sunday Times Magazine, as non-executive director. Robin's appointment represents a significant endorsement of the current strategy and focus of the business.

In order to align the make up of the Board with the Group's primary activities, Andy Margolis and Dan Levitt, who head up the technology and marketing services arms of Totally Communications Limited respectively, will be stepping down from the main Board with effect from the conclusion of the Annual General Meeting. Andy Margolis will not be seeking re-election and Dan Levitt will be resigning. Going forward, Totally Communications Limited will be run more autonomously reflecting the Board's desire to see this business flourish. Andy Margolis and Dan Levitt will remain Directors of Totally Communications Limited and key figures in the Group's senior management.

Post Year End

Since the year end, the Group has entered into an agreement to merge its online travel business www.totallyjewishtravel.com with www.sederolam.com, the leading Israeli business travel site. The agreement covers the creation of a jointly and equally owned business which will take ownership of the combined assets of the two sites. By creating the world's largest Jewish travel portal, the Group hopes to exploit the ample opportunities within the Jewish travel sector, which is currently estimated to be worth in excess of $300 million per annum.

The Group is also about to launch a number of new websites targeting the global Jewish market. These will include a new Jewish dating portal targeting the 1,000,000 (approximately) Jewish singles across the world, a market estimated to be worth in excess of $2 million per annum. A new global Jewish directory service is also about to be launched, which your Directors believe will become the standard for directory listings across Europe and the United States.

Prospects

Having now completed its reorganization and restructuring, the Group is now positioned to take advantage of the opportunities for increased profits and growth, and the Directors believe that 2005 will be an exciting year with a positive outlook for the future.

Dr Michael Sinclair
Non-Executive Chairman

16 May 2005

Directors' report

The Directors present their report and the financial statements for the year to 31 December 2004.

Principal activities

The Group's principal activities have been the publishing of Jewish oriented media and the provision of communications services.

The primary publications within its portfolio have included The Jewish News, a free newspaper distributed in London, the community website, TotallyJewish.Com and the travel website TotallyJewishTravel.com, a global website devoted to the Jewish travel industry. During the year the Group has acquired The Jewish Advocate, a subscription newspaper distributed in Boston,USA.

The communications services part of the Group has provided marketing services, contract publishing services, technical consultancy, application development and website development.

The Group's primary objective remains the development of the market leading, publishing and communications Group, focussed on and around the world's Jewish communities.

Business review

The Chairman's statement on page 3 gives a review of the business and the likely future developments.

The Group incurred an operating loss for the year under review of £304,000 compared to an operating loss in 2003 of £208,000.

Results and dividends

The results for the year are set out on page 12.

No interim dividend has been paid and the Directors do not recommend a final dividend.

Share capital

Details of the changes in the authorised and the issued share capital are set out in note 13 to the financial statements.

Directors and their interests

The Directors who held office during the year were as follows:

	Warrants to subscribe for Ordinary shares of 1p each held 31 December 2004	Ordinary shares of 1p each held 31 December 2004	Warrants to subscribe for Ordinary shares of 1p each held 31 December 2003	Ordinary shares of 1p each held 31 December 2003
The Zvhil-Mezbuz Rebbe, Grand Rabbi Y.A. Korff of Boston (appointed 29 January 2004)	6,745,509	23,600,000	–	–
Steve Burns (Chief Executive)	2,221,469	9,083,999	1,083,332	9,083,999
Daniel J Assor	638,633	1,576,436	166,667	1,576,436
Daniel M Levitt	871,435	3,080,436	416,666	3,080,436
Andrew Margolis	871,905	2,747,102	333,332	2,747,102
Dr Michael J Sinclair (non-executive Chairman)*	3,517,825	13,859,791	1,166,666	13,859,791
Shimon Cohen (non executive)	–	–	–	–

*Dr MJ Sinclair's interests are held by him personally and by Sinclair Montrose Trust Limited. Sinclair Montrose Trust Limited is a company in which Dr MJ Sinclair and his immediate family have a controlling interest.

Directors' report
(continued)

According to the register of Directors' interests, no rights to subscribe for shares in or debentures of the Company or any other group company were granted to any of the Directors or their immediate families, or exercised by them, during the financial year (except as indicated below):

	Number of options during the year			Exercise	Date
	At start of year	Granted	At end of year	price pence	from which exercisable
Steve Burns	150,000	–	150,000	1.5	21/11/2004
	–	900,000	900,000	4.375	18/06/2006
	150,000	900,000	1,050,000		
Daniel J Assor	1,000,000	–	1,000,000	1.5	14/08/2003
	1,250,000	–	1,250,000	3.62	15/10/2006
	–	700,000	700,000	4.375	18/06/2006
	2,250,000	700,000	2,950,000		
Daniel M Levitt	325,000	–	325,000	1.5	21/11/2003
	–	700,000	700,000	4.375	18/06/2006
	325,000	700,000	1,025,000		
Andrew Margolis	325,000	–	325,000	1.5	21/11/2003
	1,250,000	–	1,250,000	3.62	15/10/2006
	–	700,000	700,000	4.375	18/06/2006
	1,575,000	700,000	2,275,000		
Shimon Cohen	300,000	–	300,000	4.88	15/12/2006

There have been no changes in the Directors' interests in the share capital of the Company between 31 December 2004 and 16 May 2005.

Substantial interests

In addition to the above holdings of the Directors, the Company has been notified, as at 4 May 2005, of the following interests in 3% or more of the ordinary shares in issue:

	Ordinary shares	%
Pershing Keen Nominees Limited TYCLT ACCT	9,614,701	10.70
Sinclair Montrose Trust Limited	6,914,322	7.70
Pershing Keen Nominees Limited GWCLT ACCT	4,740,000	5.28
Mr Leopold Noe	6,666,666	7.42

Creditor payment policy

It is the Company's policy to abide by terms of payment agreed with suppliers. In many cases the terms of payment are as stated in the supplier's own literature. In other cases the terms of payment are determined by specific written or oral agreement. The number of supplier days represented by trade creditors at 31 December 2004 was 33 days (2003: 78 days).

Financial instruments

The Group's financial instruments principally comprise bank borrowings. It is, and has been throughout the period under review, the Group's policy that no trading in financial instruments shall be undertaken.

The main risks arising from the Group's financial instruments are interest rate risk and liquidity risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below. These policies have remained unchanged throughout the year.

Interest rate risk

The Group finances its operations through a mixture of shareholders' funds and borrowings. The Group borrows principally in Sterling at floating rates of interest. At the year end, none of the Group's external borrowings were at fixed rates.

Liquidity risk

The Group's policy is to maintain a balanced financing structure. Any necessary short term flexibility is achieved by the use of overdraft facilities.

Political and charitable contributions

The Group made neither political contributions, nor donations to UK charities, during the year.

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution for the appointment of Royce Peeling Green Ltd as auditors of the Company is to be proposed at the forthcoming Annual General Meeting.

By order of the Board

Steven Burns
Director

Unit 611
Highgate Studios
53-79 Highgate Road
London
NW5 1TL

16 May 2005

Board report on Corporate Governance

for the year ended 31 December 2004

As an AIM listed company Totally Plc is not required to comply with the provisions of the Combined Code that apply to companies with a full London Stock Exchange Listing. The Board is accountable to the Company's shareholders for good corporate governance. This statement describes how the principles of corporate governance are applied to the Company and the Company's compliance with the Code provisions set out in Section 1 of the Combined Code prepared by the Committee on Corporate Governance.

The workings of the Board and its committees

During the year the Board comprised the non-executive Chairman, the Chief Executive, three other executive Directors and two other non-executive Directors. The Board is responsible to shareholders for the proper management of the Group. A statement of the Directors' responsibilities in respect of the accounts is set out on page 10.

The Board has a formal schedule of matters specifically reserved to it for decision. It meets at least ten times a year, reviewing trading performance, ensuring adequate funding, setting and monitoring strategy, examining acquisition opportunities and reporting to shareholders. The non-executive Chairman has a particular responsibility to ensure that the strategies proposed by the executive Directors are fully considered and also ensures that the Directors take independent professional advice as required.

The Remuneration Committee and the Audit Committee is comprised exclusively of the non-executive Chairman and Company Secretary. During the period they were as follows:

Dr M J Sinclair
P Stacey

Remuneration Committee

The Remuneration Committee is responsible for making recommendations to the Board, within agreed terms of reference, on the Company's framework of executive remuneration and its cost. The Committee determines the contract terms, remuneration and other benefits for each of the executive Directors, including performance-related bonus schemes, grant of share options, pension rights and compensation payments. The Board itself determines the remuneration of the non-executive Directors and Company Secretary.

Further details of the Company's policies on remuneration and service contracts are set out on page 9.

Audit Committee

The Audit Committee provides a forum for reporting by the Group's external auditors. The Committee is responsible for reviewing a wide range of matters, including half year and annual results before their submission to the Board, and for monitoring the internal controls that are in force to safeguard shareholders' investment and the Company's assets. The Committee advises the Board on the appointment of external auditors and on their remuneration for both audit and non-audit work, and discusses the nature, scope and results of the audit with the external auditors. The Committee keeps under review the cost effectiveness and the independence and objectivity of the external auditors.

Internal control and risk management

The Board is responsible for establishing and maintaining the Group's financial and non-financial controls. Internal control systems are designed to meet the particular needs of the Group and the risks to which it is exposed, and by their nature can provide reasonable but not absolute assurance against material misstatement or loss.

The Board has overall responsibility for the Group and there is a formal schedule of matters specifically reserved for decision by the Board. Each executive Director has responsibility for specific aspects of the group's affairs. The executive Directors constitute the management committee which meets regularly to discuss day-to-day operational matters.

The key procedures which the Directors have established with a view to providing effective internal control are set out below.

Corporate accounting and procedures

Responsibility levels are communicated throughout the Group, setting out the ethos of the Group, delegation of authority and authorisation levels, segregation of duties and other control procedures together with accounting policies and procedures.

Quality and integrity of personnel

The competence and integrity of personnel are ensured through high recruitment standards and subsequent training. High quality of personnel is seen as an essential part of the control environment.

Identification of business risks

The Board is responsible for identifying the major business risks faced by the Group and for determining the appropriate course of action to manage those risks.

Budgetary process

Each year the Board approves the annual budget and key risk areas identified. Performance is monitored and relevant action taken throughout the year through the monthly reporting to the Board of variances from budget, updated forecasts for the year and information on the key risk areas.

Investment appraisal

Capital expenditure is regulated by the budgetary process and authorisation levels.

Going concern

The Directors have prepared the financial statements on a going concern basis, as explained in note 1.

Board report on Corporate Governance

(continued)

Directors' remuneration

The Board is responsible for an overall remuneration package for executive Directors and other senior executives capable of achieving the Group's objectives and approved by the remuneration committee. The remuneration package is designed to attract, retain and motivate executive Directors of the right calibre.

Fees

The fees for non-executive Directors are determined by the Board within the limits stipulated in the Articles of Association. The non-executive Directors are not involved in any discussions or decisions about their own remuneration.

Details of amounts received by the Directors during the year ended 31 December 2004 are set out in note 4 to the financial statements.

Contracts of service

The current Directors, S Burns, DJ Assor, DM Levitt and A Margolis each have a service contract with the Company which can be terminated with a notice period of one year by either party. The Company considers that this is appropriate for the executive Directors.

Share options

Details regarding share options are set out in note 13 to the financial statements.

Statement of Directors' Responsibilities

Company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss for that period. In preparing those financial statements, the Directors are required to:

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

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Independent auditors' report to the members of Totally Plc

We have audited the financial statements on pages 12 to 27.

This report is made solely to the Company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The Directors are responsible for preparing the Directors' report and, as described on page 10, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' report is not consistent with the financial statements, if the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Directors' remuneration and transactions with the Group is not disclosed.

We read the other information accompanying the financial statements and consider whether it is consistent with those statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of audit opinion

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

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

Going concern

In forming our opinion, we have considered the adequacy of the disclosures made in note 1 to the financial statements concerning the uncertainty as to the adequacy of the future funding of the Company and Group. In view of the significance of this uncertainty we consider that it should be drawn to your attention but our opinion is not qualified in this respect.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the Company and the Group as at 31 December 2004 and of the loss of the Group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Royce Peeling Green Ltd
Chartered Accountants
Registered Auditor

16 May 2005

Consolidated profit and loss account

for the year ended 31 December 2004

	Note	2004 £000	2004 £000	2003 £000	2003 £000
Turnover	2				
Continuing operations			2,014		1,952
Acquisitions			684		–
			2,698		1,952
Other external charges					
Continuing operations			(697)		(680)
Acquisitions			(36)		–
			(733)		(680)
Staff costs:					
Wages and salaries	5				
Continuing operations		(1,173)		(1,031)	
Acquisitions		(217)		–	
Social security costs	5				
Continuing operations		(129)		(112)	
Acquisitions		(21)		–	
			(1,540)		(1,143)
Depreciation and other amounts written off tangible and intangible fixed assets	3				
Continuing operations			(29)		(24)
Acquisitions			(4)		–
			(33)		(24)
Other operating charges					
Continuing operations			(364)		(313)
Acquisitions			(332)		–
			(696)		(313)
Total expenses					
Continuing operations			(2,392)		(2,160)
Acquisitions			(610)		–
			(3,002)		(2,160)
Operating (loss)/profit	3				
Continuing operations			(378)		(208)
Acquisitions			74		–
			(304)		(208)
Interest payable and similar charges	7		(28)		(15)
Loss on ordinary activities before taxation			(332)		(223)
Taxation	6		68		44
Loss after tax for the year	15		(264)		(179)
Loss per share – basic	14		(0.34)p		(0.33)p
Loss per share – diluted	14		(0.34)p		(0.33)p

Consolidated statement of total recognised gains and losses

for the year ended 31 December 2004

	Year to 31 December 2004 £000	Year to 31 December 2003 £000
Loss for the financial year	(264)	(179)
Currency translation differences on foreign currency net investments	1	–
Total gains and losses recognised since last annual report	(263)	(179)

Consolidated balance sheet

at 31 December 2004

	Note	2004 £000	2004 £000	2003 £000	2003 £000
Fixed assets					
Intangible assets	8	941		–	
Tangible assets	9	184		46	
			1,125		46
Current assets					
Inventory		3		–	
Debtors	11	391		391	
Cash at bank and in hand		48		–	
		442		391	
Creditors:					
amounts falling due within one year	12	(1,142)		(647)	
Net current liabilities			(700)		(256)
Total assets less current liabilities			425		(210)
Net assets/(liabilities)			425		(210)
Capital and reserves					
Called up share capital	14, 15		788		582
Share premium account	15		2,947		2,255
Revaluation reserve	15		1		–
Profit and loss account	15		(3,311)		(3,047)
Shareholders' funds/(deficit) – equity interests	13		425		(210)

These financial statements were approved by the Board of Directors on 16 May 2005 and were signed on its behalf by:

Steven Burns
Director

Company balance sheet

at 31 December 2004

	Note	2004 £000	2004 £000	2003 £000	2003 £000
Fixed assets					
Investments	10	929		–	
Tangible assets	9	15		25	
			944		25
Current assets					
Debtors	11	56		62	
Cash at bank and in hand		–		–	
		56		62	
Creditors:					
amounts falling due within one year	12	(759)		(352)	
Net current liabilities			(703)		(290)
Net assets/(liabilities)			241		(265)
Capital and reserves					
Called up share capital	14, 15		788		582
Share premium account	15		2,947		2,255
Profit and loss account	15		(3,494)		(3,102)
Shareholders' funds/(deficit) – equity interests	15		241		(265)

These financial statements were approved by the Board of Directors on 16 May 2005 and were signed on its behalf by:

Steven Burns
Director

Consolidated cash flow statement

for the year ended 31 December 2004

	Note	2004 £000	2003 £000
Net cash outflow from operating activities	15	(215)	(175)
Returns on investments and servicing of finance			
Bank interest paid		(28)	(15)
		(243)	(190)
Taxation			
R&D tax credit		68	44
Capital expenditure			
Payments to acquire tangible fixed assets		(164)	(17)
Acquisitions			
Purchase of investments in subsidiary undertakings		(31)	–
Cash acquired with subsidiary		27	–
Cash outflow before financing		(343)	(163)
Financing			
Capital repayments under finance leases		–	(2)
Issue of ordinary share capital for cash		–	155
Expenses paid in connection with share issues		–	(4)
(Decrease)/increase in cash in the period	16	(343)	(14)

Notes to the financial statements

for the year ended 31 December 2004

1. Accounting policies

The financial statements have been prepared under the historical cost convention and in accordance with accounting standards applicable in the United Kingdom. Accounting policies have been consistently applied.

The Directors have departed from FRS 10 "Goodwill and intangible assets" by the non-amortisation of Goodwill in the financial statements in order to give a true and fair view of the Group's financial position and performance. The Directors believe that the purchased goodwill relating to the acquisition of The Jewish Advocate Publishing Corporation largely relates to the brand name of the The Jewish Advocate newspaper, which they regard as a trophy asset likely to retain it's value for a useful economic life greater than 20 years. To comply with FRS 10 the Group would have to amortise the purchased goodwill over a useful economic life of 20 years, leading to an amortisation charge in the year to 31 December 2004 of £43,000 increasing the Group's loss for the year to £307,000. This the Directors believe would not illustrate a true and fair view of the Group's financial performance and position for the year.

Basis of preparation

The financial statements are prepared on a going concern basis which the Directors believe to be appropriate for the following reasons. The Group currently meets its day to day working capital requirements through two overdraft facilities which are repayable on demand.

The Group has confirmed the availability of a facility of £500,000 with Bank Hapoalim which was renewed on 29 April 2005 until 28 April 2006. As security for the facility, the bank has obtained the unlimited Joint and Several Guarantees of Dr. Michael J. Sinclair (non-executive Director), Mr Leo Noe and Grand Rabbi Y.A. Korff of Boston (non-executive Director).

In addition, a working capital facility of £150,000 has been agreed with Natwest which is secured on the Group's debtor book. This facility is due for renewal on 31 October 2005.

The Directors have prepared projected cash flow information for the period ending twelve months from the date of their approval of these financial statements.

On the basis of cash flow forecasts and discussions with the group's bankers, the Directors consider that the Group will be able to operate within the facilities currently agreed.

Inherently, there can be no certainty in relation to these matters, but the Directors believe that the going concern basis of preparation continues to be appropriate.

Basis of consolidation

The Group accounts comprise a consolidation of the accounts of the parent company and its subsidiaries all of which are prepared up to the same date as the parent company. Uniform accounting policies are adopted by all companies in the Group.

As permitted by Section 230 of the Companies Act 1985 a separate profit and loss account is not presented in respect of the Company. The Company's loss for the year to 31 December 2004 was £392,000.

Turnover

Turnover represents the amounts (excluding valued added tax) derived from advertising, marketing and technical services.

Revenue is recognised in the profit and loss account on the accruals basis.

Fixed assets and depreciation

Depreciation has been provided to write off the cost less estimated residual value of tangible fixed assets by equal instalments over the estimated useful economic lives as follows:

Computer equipment	–	2 and 5 years
Fixtures and fittings	–	2 and 3 years
Short leasehold property	–	lease term

The Group capitalises website development costs, where application and infrastructure development costs, design costs and content costs, have created an asset, which the Directors anticipate, will give rise to future economic benefits for the Group. The policy is applied in accordance with UITF Abstract 29.

Notes to the financial statements
(continued)

1. Accounting policies (continued)

Goodwill
Goodwill, arising from the purchase of subsidiary undertakings, represents the excess of the fair value of the purchase consideration over the fair value of the net assets acquired.

All goodwill arising is capitalised as an intangible asset. The Group does not amortise goodwill over it's useful economic life, but performs an annual impairment review in accordance with FRS 10. Details of the impairment procedure are described below.

Fixed asset impairment
Goodwill and other intangible assets are reviewed for impairment: (1) at the end of the first financial year following acquisition; and together with tangible fixed assets, (2) in other periods if events or changes in circumstances indicate that the carrying values may not be recoverable. Such events may include continuing operating losses, technological obsolesence or significant adverse changes in the business or the market in which the fixed asset is used.

The impairment review is performed by comparing the carrying value of the asset, or group of assets, with their recoverable amount. The recoverable amount is the assets' value in use which is determined by estimating discounted future cash flows. Discount rates used are based on the current cost of borrowing. Any charge arising is included within the depreciation charge for the year.

Taxation
The charge for taxation is based on the result for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

Research and development expenditure
The Group does not capitalise research and development expenditure. All research and development expenditure is written off to the profit and loss account as it is incurred.

Foreign currency
Transactions in foreign currency are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date. The results of overseas operations are translated at the average rates of exchange during the period, and their balance sheets at the rates ruling at the balance sheet date. Exchange differences arising on translation of the opening net assets and results of overseas operations, where significant, are reported in a statement of total recognised gains and losses. All other exchange differences are included in the profit and loss account.

Leases
The Company has a short lease on its premises. This is accounted for as an 'operating lease' and the rental charges are charged to the profit and loss account on a straight line basis over the life of the lease. Other operating leases are treated in the same manner.

Notes to the financial statements

(continued)

2. Segmental analysis

The table below sets out information for the Group's business segments. In the Directors' opinion disclosure of profit before tax and net assets by business segment would be seriously prejudicial to the Group. All turnover disclosed below relates to customers external to the Group.

	Print and digital media		Technical and Marketing consulting		Total	
	2004 £000	**2003 £000**	**2004 £000**	**2003 £000**	**2004 £000**	**2003 £000**
Turnover	2,102	1,401	596	551	2,698	1,952

The table below sets out a geographical analysis of the Group's operations in terms of country of origin and destination. In the Directors' opinion disclosure of profit before tax and net assets by geographical segment would be seriously prejudicial to the Group. All turnover disclosed below relates to customers external to the Group.

	UK operations		US operations		Total	
	2004 £000	**2003 £000**	**2004 £000**	**2003 £000**	**2004 £000**	**2003 £000**
Turnover	2,014	1,952	684	–	2,698	1,952

3. Loss on operating activities before taxation

	Year to 31 December 2004 £000	**Year to 31 December 2003 £000**
Loss on ordinary activities before and after taxation is stated after charging:		
Auditors' remuneration for audit services	20	20
Operating lease charges	56	56
Depreciation and other amounts written off fixed assets – tangible (note 9)	33	24

Auditors' remuneration includes £10,000 (2003: £10,000) for the company.

4. Remuneration of Directors

	Year to 31 December 2004 £000	**Year to 31 December 2003 £000**
Directors' emoluments	323	290
	323	290

Under a service contract with The Jewish Advocate Publishing Corporation The Zvhil-Mezbuz Rebbe, Grand Rabbi Y.A. Korff of Boston was entitled to consultancy fees of 200,000 US dollars. However, during the year only 42,500 US dollars have been paid with the right to the residual amount being waived by the Director.

The aggregate of emoluments and amounts receivable under long term incentive schemes of the highest paid Director was £75,000 (2003: £65,000).

	Number of directors 2004	**2003**
Retirement benefits are accruing to the following number of Directors under:		
Money purchase schemes	–	–
The number of directors who exercised share options was	–	–
The number of directors in respect of whose services were received or receivable under long term incentive schemes was	–	–

Notes to the financial statements

(continued)

5. Staff numbers and costs

The average number of persons employed by the Company (including Directors) during the year, analysed by category, was as follows:

	Number of employees Year to 31 December 2004	Year to 31 December 2003
Management	4	3
Technical and production	10	9
Editorial	23	15
Sales and marketing	12	9
Administrative	2	1
	51	37

The aggregate payroll costs of these persons were as follows:

	Year to 31 December 2004 £000	Year to 31 December 2003 £000
Wages and salaries	1,506	1,031
Social security costs	165	112
	1,671	1,143

6. Taxation

	Year to 31 December 2004 £000	Year to 31 December 2003 £000
UK corporation tax	–	–
Foreign tax on subsidiary profits	2	–
Research and development tax credit	(70)	(44)
Total current tax credit	(68)	(44)

The current tax credit for the year is explained below:

	Year to 31 December 2004 £000	Year to 31 December 2003 £000
Current tax reconciliation		
Loss on ordinary activities before tax	(332)	(223)
Current tax at 30% (2003: 30%)	(100)	(70)
Effects of:		
Depreciation	10	7
Tax losses not recognised as deferred tax assets	90	63
Research and development tax credit	(70)	(44)
Foreign tax adjustment	2	–
Total current tax credits (see above)	(68)	(44)

Tax losses of £3,855,949 (2003: £3,624,172) are available to relieve future profits of the Group for which a deferred tax asset of £1,156,784 (2003: £1,087,252) has not been recognised.

Notes to the financial statements
(continued)

7. Interest payable and similar charges

	Year to 31 December 2004 £000	Year to 31 December 2003 £000
On bank loans and overdrafts	28	15

8. Intangible fixed assets

Group	**Goodwill £000**
Cost and net book value	
At 1 January 2004	–
Additions	941
At end of year	941

On 29 January 2004 the Group acquired 100% of the issued share capital of The Jewish Advocate Publishing Corporation for a share consideration of £929,000 The amount of goodwill arising as a result of the acquisition was £941,000. This has been capitalised on the Group balance sheet and is not to be amortised. As a result the Group performs an annual impairment review as described in note 1 “Accounting policies – Fixed Asset Impairment”. The Directors believe that the purchased goodwill relating to the acquisition of The Jewish Advocate Publishing Corporation largely relates to the brand name of The Jewish Advocate newspaper, which they regard as a trophy asset likely to retain it’s value for a useful economic life greater than 20 years.

The following table summarises the book value of The Jewish Advocate Publishing Corporation’s major categories of assets and liabilities at the date of acquisition by the Group. There were no differences between the book and fair values included in the financial statements at the date of acquisition.

	Book value £000
Net assets acquired:	
Fixed assets	7
Current assets	95
Creditors and provisions	(114)
	(12)
Consideration	929
Goodwill arising on acquisition	941

The results for The Jewish Advocate Publishing Corporation from the beginning of it’s financial year, 1 January 2004, to the date of acquisition, 29 January 2004, were as follows:

	£000
Turnover	62
Operating profit	12
Profit before taxation and profit after taxation	12

The loss after tax relating to The Jewish Advocate Publishing Corporation for the previous financial year to 31 December 2003 was £6,000.

9. Tangible fixed assets

Group	Short leasehold property £000	Computer equipment £000	Fixtures and fittings £000	Total £000
Cost				
At beginning of year	54	105	29	188
Acquired with subsidiary	–	–	64	64
Additions	–	155	9	164
Disposals	–	–	(29)	(29)
At end of year	54	260	73	387
Depreciation				
At beginning of year	29	90	23	142
Acquired with subsidiary	–	–	57	57
Charge for year	10	13	10	33
Disposals	–	–	(29)	(29)
At end of year	39	103	61	203
Net book value				
At 31 December 2004	15	157	12	184
At 31 December 2003	25	15	6	46

Company	Short leasehold property £000	Computer equipment £000	Fixtures and fittings £000	Total £000
Cost				
At beginning of year	54	6	11	71
Additions	–	1	–	1
At end of year	54	7	11	72
Depreciation				
At beginning of year	29	6	11	46
Charge for period	10	1	–	11
At end of year	39	7	11	57
Net book value				
At 31 December 2004	15	–	–	15
At 31 December 2003	25	–	–	25

Notes to the financial statements
(continued)

10. Investments

Company	Total £000
Investments in share capital of wholly owned subsidiaries	
Cost	
At beginning of year	–
Additions	929
At end of year	929

The Company acquired the whole of the issued share capital of The Jewish Advocate Publishing Corporation on 29 January 2004 for a share consideration of £929,000. This includes £31,000 in legal and professional fees relating to the acquisition.

The subsidiary companies, all of which have been consolidated at 31 December 2004 are as follows:

	Country of incorporation	Proportion of equity capital held	Nature of business
Subsidiary undertakings held directly			
Totally Jewish.com Limited	England	100%	Online media
The Jewish News Limited	England	100%	Print media
Totally Communications Limited	England	100%	Technical and marketing services
London Jewish News Limited	England	100%	Dormant
The Jewish Advocate Publishing Corporation	USA	100%	Print media
Subsidiary undertakings held through a subsidiary company			
The Jewish Advocate Inc.	USA	100%	Print media

11. Debtors

	Group 31 December 2004 £000	Group 31 December 2003 £000	Company 31 December 2004 £000	Company 31 December 2003 £000
Trade debtors	247	254	–	–
Amount due from group undertakings	–	–	–	–
Other debtors	26	34	26	26
Other taxation and social security	5	52	5	6
Prepayments and accrued income	113	51	25	30
	391	391	56	62

Included in other debtors of the Group and the Company is £25,620 due after more than one year, representing £21,500 deposit paid on 23 March 2000 and £4,120 deposit paid on 18 December 2003 when a property leasehold was signed. These amounts are recoverable when the lease expires in June 2006.

Notes to the financial statements

(continued)

12. Creditors: amounts falling due within one year

	Group 31 December 2004 £000	Group 31 December 2003 £000	Company 31 December 2004 £000	Company 31 December 2003 £000
Bank loans and overdrafts	596	205	629	9
Trade creditors	295	211	41	43
Amounts owed to group undertakings	–	–	81	282
Other creditors including taxation and social security	77	78	–	–
Accruals and deferred income	174	153	8	18
	1,142	647	759	352

13. Financial instruments

An outline of the group's policies and objectives relating to financial instruments is set out in the directors' report on page 6.

Interest rate profile of financial liabilities

	Floating rate financial liabilities at 31 December 2004 £000	Floating rate financial liabilities at 31 December 2003 £000
Sterling	596	223

The Group's financial liabilities during the year ended 31 December 2004 were represented by two overdraft facilities, repayable in less than one year.

One overdraft is secured by a debenture over the Group's trade debtors aged under 90 days, with a limit of £150,000 charging interest at 2.75% above bank base rate per annum. As security for the second facility, the bank has obtained the unlimited Joint and Several Guarantees of Dr. Michael J. Sinclair (non-executive Director), Mr Leo Noe and Grand Rabbi Y.A. Korff of Boston (non-executive Director). The second facility has a limit of £500,000 charging interest at 2% above bank base rate per annum. At 31 December 2004 there was no difference between the book and fair value of the group's financial liabilities.

There were no fixed rate liabilities during the year.

All monetary assets and liabilities at the balance sheet date are held in Sterling, the Group's functional currency.

14. Share capital

	31 December 2004 £000	31 December 2003 £000
Authorised		
125,000,000 ordinary shares of 1p each (2003: 125,000,000)	1,250	1,250
Allotted, called up and fully paid		
78,839,709 ordinary shares of 1p each (2003: 58,189,709)	788	582

Allotted share capital
On 29 January 2004 the Company acquired the entire share capital of The Jewish Advocate Publishing Corporation a company incorporated in the United States, by issuing 20,500,000 new ordinary shares at 4.375p per share.

On 8 July 2004 the Company issued 150,000 shares to an employee under the Enterprise Management Incentive (EMI) Share Option Scheme at the exercise price of 1.5p per share.

Loss per share
The calculation of the basic loss per share is based on the loss of £264,000 (2003: £179,000) and on 77,133,270 (2003: 53,943,682) ordinary shares being the weighted average number of shares in issue during the period. The diluted loss per share is the same as the basic loss per share, in accordance with FRS 14 which prescribes that potential ordinary shares should only be used as dilutive when, and only when, their conversion to ordinary shares would decrease net profit or increase net loss per share from continuing operations.

Share options
During the year 3,590,000 share options to subscribe for new shares were granted to the Directors and employees of the Company, 150,000 share options were exercised and 345,000 share options were surrendered by employees leaving. At 31 December 2004 the number of share options granted to the Directors and eligible employees of the Company amounted to 11,205,000. These are exercisable at a price between 1.50p and 4.88p each, with varying vesting periods of between one week and three years from the date of the grant.

Warrants
On 21 May 2002, in conjunction with a share placing, subscribers to the placing shares were issued 4,583,329 warrants (one warrant for every four shares subscribed). The warrants are exercisable at 5 pence per ordinary share. The warrants are exercisable in the 45 day periods following either publication of the Company's half year results or adoption of the Company's annual accounts. The last exercise period is the earliest of either the 45 day period following the adoption of the Company's accounts for the year ended 31 December 2008 or, subject to certain exceptions, on a winding up of the Company where there is a surplus payable to the ordinary share holders. On 18 June 2004 10,000,000 warrants were issued at an exercise price of 5 pence per ordinary share and 4,394,350 The Rebbe warrants were issued at an exercise price of 4.375 pence per ordinary share.

Notes to the financial statements

(continued)

15. Reserves

Group Year to 31 December 2004	Share capital £000	Share premium account £000	Revaluation reserve £000	Profit and loss account £000	Equity shareholders' funds/(deficit) £000
At beginning of year	582	2,255	–	(3,047)	(210)
Loss for the year	–	–	–	(264)	(264)
Share capital issued	206	692	–	–	898
Currency translation differences on foreign currency net investments	–	–	1	–	1
	788	2,947	1	(3,311)	425

Company Year to 31 December 2004	Share capital £000	Share premium account £000	Revaluation reserve £000	Profit and loss account £000	Equity shareholders' funds/(deficit) £000
At beginning of year	582	2,255	–	(3,102)	(265)
Loss for the year	–	–	–	(392)	(392)
Share capital issued	206	692	–	–	898
	788	2,947	–	(3,494)	241

The loss for the year dealt with in the accounts of the Company amounted to £392,000 (2003: £356,000).

16. Reconciliation of movements in shareholders' deficit

	Group 31 December 2004 £000	Group 31 December 2003 £000	Company 31 December 2004 £000	Company 31 December 2003 £000
Loss for the financial year	(264)	(179)	(392)	(356)
Other recognised gains and losses relating to the year (net)	1	–	–	–
New share capital subscribed (net of issue costs)	898	151	898	151
Net increase/(decrease) in shareholders' deficit	635	(28)	506	(205)
Opening shareholders' deficit	(210)	(182)	(265)	(60)
Closing shareholders' deficit	425	(210)	241	(265)

17. Reconciliation of operating loss to net cash outflow from operating activities

	Year to 31 December 2004 £000	Year to 31 December 2003 £000
Operating loss	(304)	(208)
Depreciation	33	24
(Increase) in stock	(3)	–
(Increase)/decrease in debtors	67	(74)
(Decrease)/Increase in creditors	(8)	83
	(215)	(175)

Notes to the financial statements
(continued)

18. Reconciliation of net cash flow to movements in net debt

	Year to 31 December 2004 £000	Period to 31 December 2003 £000
(Decrease)/increase in cash in the year	(343)	(14)
Cash outflow from decrease in debt and lease financing	–	2
Changes in net funds resulting from cash flows	(343)	(12)
Net debt at beginning of the year	(205)	(193)
Net debt at end of the year	(548)	(205)

19. Analysis of changes in net debt

	At 31 December 2003 £000	Cash flows £000	At 31 December 2004 £000
Cash at bank and in hand	–	48	48
Overdrafts	(205)	(391)	(596)
	(205)	(343)	(548)
Finance leases	–	–	–
	(205)	(343)	(548)

20. Commitments

At 31 December 2004 the Group had no capital commitments.

21. Obligations under operating leases

At 31 December 2004 the Group had the following annual commitments under non-cancellable operating leases:

	Land and buildings Year to 31 December 2004 £000	Computer Equipment Year to 31 December 2004 £000	Total Year to 31 December 2004 £000	Total Year to 31 December 2003 £000
Commitments which expire:				
Between 1 and 2 years	58	1	59	1
Between 2 and 5 years	–	–	–	59
	58	1	59	60

22. Related party transactions

The following related party transactions have been carried out at arms length and are required to be disclosed in accordance with FRS8:

As set out in note 1, Dr Michael Sinclair, Mr Leo Noe and Grand Rabbi Y.A. Korff of Boston have provided Guarantees in respect of the Group's current overdraft facility.

In 2004, sales of £4,100, on an arm's length basis were made to Six13 Restaurant. Dr M Sinclair is a board member of this company.

23. Post balance sheet events

On 3 March 2005 the Group issued 11 million ordinary shares at 2.5 p per share raising £268,000 after issue costs.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Totally plc will be held at the offices of Totally Plc, Unit 611 Highgate Studios, 53-79 Highgate Road, Kentish Town, London NW5 1TL on 21 June 2005 at 4.00 p.m. for the transaction of the following business:

As Ordinary Business to consider and, if thought fit, pass the following resolutions which will be proposed as Ordinary Resolutions:

1. To receive and adopt the report of the directors of the Company and the audited accounts for the Company for the year ended 31st December 2004;

2. To re-appoint Dr Michael Sinclair as a Director of the Company, who retires in accordance with Article 14 of the Company's Articles of Association;

3. To re-appoint Steven Burns as a Director of the Company, who retires in accordance with Article 14 of the Company's Articles of Association;

4. To re-appoint Robin Morgan as a Director of the Company, in accordance with Article 14 of the Company's Articles of Association; and

5. To appoint Royce Peeling Green Limited as auditors of the Company and to authorise the Directors to fix their remuneration.

As Special Business to consider and, if thought fit, pass the following resolutions of which Resolution 6 will be proposed as an Ordinary Resolution and Resolution 7 will be proposed as a Special Resolution:

6. That for the purposes of section 80 of the Companies Act 1985 (the "Act") (and so that expressions used in this resolution shall bear the same meanings as in the said section 80) the Directors be and are hereby generally and unconditionally authorised to exercise all powers of the Company to allot relevant securities of the Company during the period expiring at the end of the next annual general meeting of the Company to be held after the date of the passing of this resolution or, if earlier, fifteen months from the date of the passing of this resolution provided that such power be limited to:

   (a) the allotment of up to 18,977,679 Ordinary Shares pursuant to or in connection with warrant instruments entered into on or prior to the date of this resolution;

   (b) the allotment of up to 11,770,000 Ordinary Shares pursuant to or in connection with share options granted on or prior to the date of this resolution; and

   (c) the allotment of relevant securities (other than pursuant to paragraphs (a) and (b) above) up to an aggregate nominal amount of £400,000 to such person or persons and on such terms as they think fit; and

   the Company be and is hereby authorised to make prior to the expiry of such period referred to in this resolution 6 any offer or agreement which would or might require relevant securities to be allotted after the expiry of the said period and the Directors may allot relevant securities in pursuance of any such offer or agreement notwithstanding the expiry of the authority given by this resolution, provided that this resolution shall not affect the right of the Directors to allot relevant securities in pursuance of any offer or agreement entered into prior to the date hereof; and

Notice of Annual General Meeting

(continued)

7. That subject to the passing of Resolution 6 set out above the Directors be and are empowered in accordance with Section 95 of the Act to allot equity securities (as defined in Section 94 of the Act) for cash pursuant to the authority conferred on them to allot relevant securities (as defined in section 80 of the Act) by that resolution, as if Section 89 (1) of the Act did not apply to such allotment provided that the power conferred by this resolution shall be limited to:

   (a) the allotment of up to 18,977,679 Ordinary Shares pursuant or in connection with warrant instruments entered into on or prior to the date of this resolution;

   (b) the allotment of up to 11,770,000 Ordinary Shares pursuant or in connection with share options granted on or prior to the date of this resolution; and

   (c) the allotment of relevant securities (other than pursuant to paragraphs (a) and (b) above) up to an aggregate nominal amount of £220,000 to such person or persons and on such terms as they think fit;

   and this power, unless renewed, shall expire at the end of the next annual general meeting of the Company to be held after the date of the passing of this resolution or, if earlier, fifteen months from the date of the passing of this resolution but shall extend to the making, before such expiry, of an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such offer or agreement as if the authority conferred hereby had not expired.

By order of the board

Paul Stacey
Company Secretary

Registered Office:
Unit 611, Highgate Studios
53-79 Highgate Road
London NW5 1TL

Dated: 16 May 2005

Notes:

(1) A member entitled to attend and vote at the above meeting is entitled to appoint a proxy or proxies to attend and vote, on a poll, instead of him. A proxy need not be a member of the Company.

(2) A Form of Proxy is enclosed for your use if desired. The instrument appointing a proxy must reach the Company's Registrars, Capita IRG Plc, New Issues Department, PO Box No 166, Bourne House, 34 Beckenham Road, Kent BR3 4TH not less than 48 hours before the time of holding of the meeting.

(3) Pursuant to Regulation 41 of The Uncertificated Securities Regulations 2001, the Company specifies that only those Shareholders of the Company on the register 48 hours before the time set of the Meeting shall be entitled to attend or vote at the Annual General Meeting in respect of the number of shares registered in their name at the time. Changes to the register of members after that time will be disregarded in determining the rights of any person to attend or vote at the meeting.

(4) A copy of the register of Directors' interests in shares in the Company and copies of the Directors' service contracts of more than one year's duration will be available for inspection at the registered office of the Company during office hours only on any weekday (excluding Saturdays, Sundays and public holidays) from the date of this Notice until the date of the Annual General Meeting and at the place of the Annual General Meeting for at least 15 minutes prior to and during the Annual General Meeting.

Printed by Michael Searle & Son Limited

Form of Proxy

For use at the Annual General Meeting of the Company convened for 21 June 2005 at 4.00 p.m.

I/We ____

(BLOCK LETTERS PLEASE)

of ____

being a member of Totally Plc ("the Company"), hereby appoint the Chairman of the meeting, or*

____

as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at Unit 611, Highgate Studios, 53-79 Highgate Road, London NW5 1TL on 21 June 2005 at 4.00 p.m. on the following resolutions, to be submitted to the meeting and at any adjournment thereof, and any other business which may properly come before the meeting and any adjournment thereof.

Please indicate with an 'X' in the appropriate space how you wish your vote to be cast. Unless otherwise instructed, the proxy will vote as he thinks fit or abstain.

Ordinary Resolutions	**For**	**Against**	**Vote Withheld****
1. To receive and adopt the report of the directors of the Company and the audited accounts for the Company for the year ended 31st December 2004.	☐	☐	☐
2. To re-appoint Dr Michael Sinclair as a Director of the Company, who retires in accordance with Article 14 of the Company's Articles of Association.	☐	☐	☐
3. To re-appoint Steven Burns as a Director of the Company, who retires in accordance with Article 14 of the Company's Articles of Association.	☐	☐	☐
4. To re-appoint Robin Morgan as a Director of the Company, in accordance with Article 14 of the Company's Articles of Association.	☐	☐	☐
5. To appoint Royce Peeling Green Limited as auditors of the Company and to authorise the Directors to fix their remuneration.	☐	☐	☐
6. To authorise the Directors of Totally Plc to make allotments of shares in accordance with section 80 of the Companies Act 1985.	☐	☐	☐
Special Resolution			
7. To authorise the disapplication of the statutory rights of pre-emption in relation to the allotment of ordinary shares, subject to certain limitations.	☐	☐	☐

Signature ____

Dated ____________________ day of ____________________ 2005

*You may, if you wish, in the space provided insert the name(s) of the person(s) of your choice to attend and vote at the meeting on your behalf.

**Please note that if the "Vote Withheld" box is marked with a "X", the Shareholder will not be counted in the calculation of votes "For" and "Against" and the Shareholder will not be taken to have given his/her/their discretion to the Proxy, on how to vote.

Notes:

1. A member entitled to attend and vote at the meeting is also entitled to appoint a proxy to attend and vote on a poll instead of him. A proxy may demand, or join in demanding, a poll. A proxy need not be a member of the Company. A Form of Proxy is enclosed for your use if desired.
2. Completion and return of the form of proxy will not preclude ordinary shareholders from attending or voting at the meeting, if they so wish.
3. To be effective, this proxy form must be lodged with the Company's Registrars, Capita IRG Plc, New Issues Department, Balfour House, 390-398 High Road, Ilford, Essex IG1, not later than 48 hours before the time of the Meeting, or any adjournment thereof, together, if appropriate, with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or, where the proxy form has been signed by an officer on behalf of a corporation, a notarially certified copy of the authority under which it is signed.
4. In the case of a joint holding, a proxy need only be signed by one joint holder. If more than one such joint holder lodges a proxy only that of the holder first on the register of members will be counted. Any alterations made in this proxy should be initialled.
5. In the case of a corporation this proxy must be given under its common seal or be signed on its behalf by an attorney or officer duly authorised.
6. As provided by Regulation 41 of the Uncertificated Securities Regulations 2001, only those members registered in the register of members of the Company 48 hours before the time set for the Meeting shall be entitled to attend and vote at the Meeting in respect of the number of shares registered in their name at that time. Changes to entries on the relevant register of members after that time shall be disregarded in determining the rights of any person to attend or vote at the Meeting.

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FIRST FOLD

BUSINESS REPLY SERVICE
Licence No.MB 122

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Capita Registrars (Proxies)
P.O. Box 25
Beckenham
Kent
BR3 4BR

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