

4 February 2009

NEXUS MANAGEMENT PLC
(AIM: NXS)

FINAL RESULTS
For the year ended 30 September 2008

The Board of Nexus Management Plc (“Nexus”, “the Group” or “the Company”), the AIM quoted provider of specialist IT Managed Services, is pleased to announce its final results for the year ended 30 September 2008.

HIGHLIGHTS

- **Revenue from continuing operations up 12 per cent to £3.82 million (2007: £3.35 million);**
- **The Company, despite difficult economic conditions, achieved a profit on ordinary activities before taxation of £198,121 (2007: loss £598,613) ;**
- **Net assets increased by £1.63 million to £4.44 million;**
- **Acquisition of Nerd Force franchise;**
- **16.3 per cent stake in PD Financial sold; and**
- **Net profit (including exceptional items relating to PD Financial) of £1.10 million (2007: £0.10 million)**

Roger Richardson, Chief Executive, commented:

“I am delighted with the Company’s performance during 2008. Since September 2008 the economies in the US and UK have been hit by a major recession. Nexus’ revenues are holding up well, although several of our clients have recently reviewed their use of our services. As a result, we have taken strategic cost cutting measures within the Company to mitigate any potential revenue shortfall. Franchise sales in our Nerd Force division, since its acquisition by Nexus in July 2008, have been much faster than expected. The Company remains on track for 2009 when the resilience of our revenue model, with income from many different sources, will, I believe, allow us to deliver our planned growth.”

This announcement has been extracted from the accounts. The full Report and accounts can be found on the Nexus website at www.nexusmgmt.com

Enquiries:

Nexus Management Plc
Roger Richardson, Chief Executive

Tel: +44 (0)1862 812 107

John East & Partners Limited
Simon Clements / David Worlidge

Tel: +44 (0)20 7628 2200

Hybridan LLP
Claire Louise Noyce / Stephen Austin

Tel: +44 (0)20 3159 5085

Bishopsgate Communications Ltd
Jenni Herbert / Siobhra Murphy
nexus@bishopsgatecommunications.com

Tel: +44 (0)20 7562 3350

CHAIRMAN'S STATEMENT

Dear Shareholder

I am pleased to report the results for the year ended 30 September 2008.

During the year the Company acquired Nerd Force in the US. Nerd Force is a franchised "local" IT service operation selling Nexus services to SMEs across the US and now rolling out across Europe. This acquisition complements the Venue (previously called "Peach") operation, which sells a large range of electronic items requiring installation, including computers and digital televisions.

Operations in the US performed well in the period under review and progress has continued since the year end. There is now a steady pipeline of new business coming into the Brunswick Data Centre. However, the business climate in the US is difficult and the Company is keeping a very close watch on how things develop.

In February 2008 we sold a 16.3 per cent stake in PD Financial, the owner of the Venue operation. Since then PD Financial has restarted its operation with a credit line three times larger than the one it had from the previous provider. Sales are steadily rebuilding. The terms of the PD Financial debt were renegotiated in December 2008 to assist its likely success of securing new funding in order to grow its operations.

In the UK, sales in the period were disappointing. Sales growth has been slow to develop and this is likely to continue for a while. However, the Company continues to seek earnings enhancing acquisitions and has been actively doing so through the year. This is a key part of our growth strategy for the UK.

On the corporate front, we have kept the same team of advisors. Our Nominated Adviser, John East & Partners Limited, has shown us how a good NOMAD should be. All of our advisors have been thoughtful, considerate and helpful. Once again, I cannot overstate the benefit this change has given to the Company's sense of purpose.

Nexus is a company operating within a niche area of the IT market. The Directors are committed to its ongoing growth and development and continue to hold a significant aggregate shareholding in the Company such that our interests are clearly aligned with all our shareholders.

On behalf of the Board and all shareholders I thank all our employees for their great efforts, efficient performance and the resultant contribution to the achievement of your Company's targets. I look forward to your continued support throughout the coming year, which I expect to be an exciting one for Nexus. Your Board has worked tirelessly to review the overall operations of the Company and continues to explore ways to further unlock shareholder value.

Peter Paterson
Chairman

CHIEF EXECUTIVE'S REPORT

I am pleased to report the Company has made significant progress in the year ended 30 September 2008.

Financial Highlights

Overall Group profit for the year was £1.10 million. This was derived from a good performance in our core business and profits from the activities and disposals relating to our interests in PD Financial.

Core Group revenues for the year were £3.82 million. This is a significant increase from the £3.35 million in the previous year, which demonstrates that the marketplace has a healthy demand for our services. The continuing operations achieved a profit before taxation (before goodwill impairment and including foreign exchange gains) of £0.25 million (2007: loss £0.27 million), an improvement of £0.52 million. The turnaround from a significant loss on the core business in 2006-

7 to profit in 2007-8 is equally pleasing and shows that the strategy of investment in scalable managed services is working.

The profit from our associate PD Financial and the profit on disposal of a 16.3 per cent interest in PD Financial accounted for the remainder of the overall profit. We believe that the profit level of nearly £1.10 million is a very creditable performance for a company of our size

At 30 September 2008, the Group's net assets had increased by £1.63 million to £4.44 million, with cash balances of over £0.37 million.

Review of activities

Nexus is a growing specialist IT Managed Services Provider. The Company has two key markets: the UK and the US, where it can offer its customers 24 hour support. Nexus specialises in Remote Server Management, Disaster Recovery, Data Storage, Help-Desk, Desktop Support and Wide Area Network Management and Monitoring - providing enterprise calibre technical support.

The acquisition of the Nerd Force franchise operation in July 2008 gives Nexus the ability to service small businesses and private individuals through the Nerd Force franchisees. These clients will also benefit from the background support of the Nexus personnel when their local person is busy or unavailable. The Directors believe this combination of a local technician with global backup is unique in the industry and is already proving very popular. Also with the addition of the existing Nexus managed services now being available from the Nerd Force team, clients of Nerd Force are able to access Nexus products.

Post balance sheet events

In December 2008 the Company entered into an agreement with Ilir Sela the vendor of Nerd Force to satisfy the outstanding Nerd Force consideration by the issue of 14,202,341 shares in Nexus.

Also in December 2008 the Company announced that it had renegotiated the terms of the debt with PD Financial and had re-acquired 8 per cent of the company for \$2 million and had acquired 10 per cent of its fledgling B2B business for a further \$100,000. Nexus still holds a \$2.3 million debt with PD Financial which attracts interest of approximately \$15,000 per month payable monthly and is to be repaid by December 2009. The terms of this deal were completed on 30 January 2009.

Focus and customer growth

Nexus has a portfolio of services that we now have the ability to sell through a number of strong independent channels. For example our backup products are sold through direct sales, web marketing, Nerd Force franchisees and through PD Financial. This product has different aspects that appeal to private individuals, desktop PCs resident in small businesses, laptops of senior executives who are always on the move and mission critical servers.

Our strategy of having multiple sales and marketing channels gives us resilience in a downturn and the opportunity for exponential growth when the economy improves.

Outlook

The global economy remains weak and over the past four months we have seen a general tightening of budgets for new projects as well as a few unfortunate companies we service being unable to continue trading. A small number of our clients are reducing their spending level with us, but we have been proactive in reducing our internal costs and have been successful in attracting new clients. The Board believe that the internal targets set at the beginning of the period for the current financial year will be met. Nexus offers many ways for clients to reduce the costs of IT so we believe we are well placed to increase revenues in the coming year.

Roger Richardson
Group CEO

**CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2008**

	Notes	Year ended 30 September 2008		Year ended 30 September 2007	
		£	£	£	£
Continuing Operations					
Revenue					
Existing operations			3,790,907		3,350,647
Acquired operations			26,942		-
Discontinued operations			7,208,000		17,909,474
Less share of associates			(7,208,000)		(17,909,474)
Continuing operations			<u>3,817,849</u>		<u>3,350,647</u>
Cost of sales			<u>(1,858,796)</u>		<u>(1,723,850)</u>
Gross profit			1,959,053		1,626,797
Operating expenses			(1,699,207)		(1,860,093)
Share based payment expense			(10,351)		(33,311)
Administrative expenses			<u>(1,709,558)</u>		<u>(1,893,404)</u>
Operating profit/(loss)					
Existing operations		252,721		(266,607)	
Acquired operations		<u>(3,226)</u>		-	
Continuing operations			249,495		(266,607)
Exceptional items					
Impairment of goodwill			<u>(53,973)</u>		<u>(308,111)</u>
Profit/(loss) after exceptional items			195,522		(574,718)
Finance income			18,865		5,488
Finance costs			<u>(16,266)</u>		<u>(29,383)</u>
Profit/(Loss) before tax			198,121		(598,613)
Tax	3		<u>-</u>		<u>-</u>
Retained profit/(loss) for the year from continuing operations			<u>198,121</u>		<u>(598,613)</u>
Discontinued operations					
Profit for the period from share of associate			331,194		698,369
Profit on disposal of associate			<u>568,414</u>		<u>-</u>
			899,608		698,369
Attributable to equity holders of the parent			<u>1,097,729</u>		<u>99,756</u>
Earnings per share					
Basic	4		0.129p		0.012p
Diluted	4		<u>0.127p</u>		<u>0.009p</u>

**STATEMENT OF CHANGES IN EQUITY ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE PARENT
FOR THE YEAR ENDED 30 SEPTEMBER 2008**

Group	Share capital £	Share premium account £	Retained earnings £	Foreign exchange reserve £	Available for sale investment Reserve £	Share options reserve £	Total £
As at 1 October 2006	2,031,983	3,852,243	(4,178,541)	-	-	768,844	2,474,529
Profit for the year	-	-	99,756	-	-	-	99,756
Movement in the year	-	-	-	3,098	-	-	3,098
Shares issued	94,821	103,902	-	-	-	-	198,723
Share based payment charge	-	-	-	-	-	33,311	33,311
As at 30 September 2007	2,126,804	3,956,145	(4,078,785)	3,098	-	802,155	2,809,417
As at 1 October 2007	2,126,804	3,956,145	(4,078,785)	3,098	-	802,155	2,809,417
Profit for the year	-	-	1,097,729	-	-	-	1,097,729
Movement in the year	-	-	-	(62,465)	416,709	-	354,244
Shares issued	40,971	126,092	-	-	-	-	167,063
Share based payment charge	-	-	-	-	-	10,351	10,351
As at 30 September 2008	2,167,775	4,082,237	(2,981,056)	(59,367)	416,709	812,506	4,438,804

**GROUP BALANCE SHEET
AS AT 30 SEPTEMBER 2008**

	Notes	30 September 2008 £	30 September 2007 £
ASSETS			
Non-current assets			
Property, plant and equipment		316,175	223,195
Intangible assets		21,549	-
Goodwill		463,456	312,126
Investments in associates		-	2,268,665
Available-for-sale investments		1,363,501	-
		<u>2,164,681</u>	<u>2,803,986</u>
Current assets			
Inventories		536	737
Trade and other receivables		2,683,444	295,124
Cash and cash equivalents	2	374,916	484,489
		<u>3,058,896</u>	<u>780,350</u>
Total assets		<u>5,223,577</u>	<u>3,584,336</u>
LIABILITIES			
Current liabilities			
Trade and other payables		(512,170)	(731,165)
Loans and other borrowings		(2,888)	(6,726)
Current tax liabilities		-	-
Obligations under finance leases		(48,589)	(17,979)
		<u>(563,647)</u>	<u>(755,870)</u>
Non-current liabilities			
Obligations under finance leases		(42,537)	(19,049)
Deferred tax		(178,589)	-
		<u>(221,126)</u>	<u>(19,049)</u>
Total liabilities		<u>(784,773)</u>	<u>(774,919)</u>
Total assets less liabilities		<u>4,438,804</u>	<u>2,809,417</u>
EQUITY			
Shareholders' equity			
Called up share capital		2,167,775	2,126,804
Share premium		4,082,237	3,956,145
Other reserves		1,169,848	805,253
Retained earnings		(2,981,056)	(4,078,785)
Total equity attributable to the equity holders of the parent		<u>4,438,804</u>	<u>2,809,417</u>

**GROUP CASH FLOW STATEMENT
AS AT 30 SEPTEMBER 2008**

	30 September 2008	30 September 2007
Notes	£	£
CONTINUING OPERATIONS		
Cash flows from operating activities		
Profit/(loss) before tax	198,121	(598,613)
Adjustments for:		
Interest paid	16,266	29,383
Interest received	(18,865)	(5,488)
Impairment of Goodwill	53,973	444,585
Depreciation	86,165	65,835
Currency exchange adjustment	(48,018)	49,800
Operating cash flows before movements in working capital	<u>287,642</u>	<u>(14,498)</u>
Share option costs	10,351	33,311
Decrease in inventories	201	2,905
(Increase)/decrease in trade and other receivables	(186,719)	731,100
(Decrease)/increase in trade and other payables	(218,995)	496,511
Cash generated by operations	<u>(107,520)</u>	<u>1,249,329</u>
Interest paid	(16,266)	(29,383)
Net cash (used in)/generated from operating activities	<u>(123,786)</u>	<u>1,219,946</u>
Investing activities		
Interest received	18,865	5,488
Acquisition of intangible	(21,549)	-
Acquisition of goodwill	(103,984)	-
Purchase of shares in associate	(76,046)	(1,644,786)
Purchases of property, plant and equipment	(109,647)	(30,583)
Net cash used in investing activities	<u>(292,361)</u>	<u>(1,669,881)</u>
Financing activities		
Proceeds from issue of share capital	-	78,726
Premium on issue	-	416,886
Share issue costs	-	(110,000)
Repayment of borrowings	(3,838)	(9,599)
Repayment of obligations under finance lease	(1,131)	(53,606)
Net cash (used in)/generated from financing activities	<u>(4,969)</u>	<u>322,407</u>
Net cash used in continuing operations	<u>(421,116)</u>	<u>(127,528)</u>
DISCONTINUED OPERATIONS		
Net cash from investing activities	311,543	-
Net cash from discontinuing operations	<u>311,543</u>	<u>-</u>
Net decrease in cash and cash equivalents	<u>(109,573)</u>	<u>(127,528)</u>
Cash and cash equivalents at beginning of year	484,489	612,017
Cash and cash equivalents at end of year	<u>2</u> <u>374,916</u>	<u>484,489</u>

NOTES

1. BASIS OF PREPARATION

PRINCIPAL ACCOUNTING POLICIES

The financial information set out in this announcement does not constitute statutory accounts as defined in Section 240 of the Companies Act 1985.

The financial information for the year ended 30 September 2008 has been extracted from the Company's financial statements to that date, which have received an unqualified auditor's report but have not yet been delivered to the Register of Companies.

The financial information for the year ended 30 September 2007 has been extracted from the Company's financial statements to that date, which have been delivered to the Register of Companies and the auditors gave an unqualified report on them.

Certain of the principal accounting policies applied in the preparation of the Company's financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

Adoption of International Financial Reporting Standards (IFRS)

For all years up to 30 September 2007, Nexus Management plc has prepared its financial statements in accordance with UK Generally Accepted Accounting Principles (UK GAAP). AIM Rules require that the annual consolidated financial statements of Nexus Management plc for the year ended 30 September 2008 be prepared in accordance with International Financial Reporting Standards adopted by EU (IFRS).

Accordingly, these financial statements have been prepared for the first time in accordance with IFRS and are covered by IFRS 1, First-time Adoption of IFRS.

In preparing these financial statements the comparative figures previously reported under UK GAAP have been restated for the transition to IFRS. The disclosures required by IFRS 1 regarding the transition are given in note 6 below.

Basis of accounting

The financial statements have been prepared in accordance with EU Endorsed International Financial Reporting Standards and IFRIC interpretations (IFRS) and the Companies Act 1985 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention.

The financial statements have been prepared on a going concern basis.

Judgements and estimates

The Group makes judgements and assumptions concerning the future that impact the application of policies and reported amounts. The resulting accounting estimates calculated using these judgements and assumptions will, by definition, seldom equal the related actual results but are based on historical experience and expectations of future events. The judgements and key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are discussed below.

Goodwill impairment

The Group is required to assess whether goodwill has suffered any impairment loss, based on the recoverable amount of its cash generating units (CGUs). The recoverable amounts of the CGUs have been determined based on value in use calculations and these calculations require the use of

estimates in relation to future cash flows and suitable discount rates. Actual outcomes could vary from these estimates.

Impairment of assets

Financial and non-financial assets including other intangibles are subject to impairment reviews based on whether current or future events and circumstances suggest that their recoverable amount may be less than their carrying value. Recoverable amount is based on a calculation of expected future cash flows which includes management assumptions and estimates of future performance.

If there is an indication that impairment exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which this asset belongs. An intangible asset with an indefinite useful life is tested for impairment annually and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of the fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of the future cash flows have not been adjusted.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (CGU) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (CGU) 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 (CGU) in prior years. A reversal of an impairment loss is recognised as income immediately unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

New standards adopted early

At the date of the authorisation of the financial statements, the following standards, and interpretations, which are issued but not yet effective, have been adopted early:

IFRS 8 'Operating Segments' (effective date year beginning 1 January 2009)

New standards and interpretations not yet adopted

At the date of the authorisation of the financial statements, the following standards, and interpretations, which are issued but not yet effective, have not been applied:

Effective for the Group for future financial years:

Revised IAS 1 'Presentation of financial statements' (effective date year beginning 1 January 2009)

Revised IAS 27 'Consolidated and separate financial statements' (effective date year beginning 1 January 2009)

Amendment to IAS 32 'Financial instruments: Presentation' (effective date year beginning 1 January 2009)

Amendment to IFRS 2 'Share-based payment' (effective date year beginning 1 January 2009)

Revised IFRS 3 'Business Combinations' (effective date year beginning 1 July 2009)

Amendment to IAS 23 'Borrowing Costs' (effective from 1 January 2009)

IFRIC 14 'The limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction' (effective from 1 October 2008)

IAS 39 'Eligible Hedged Items' (effective from 1 July 2009)

The Group has considered the above new standards, interpretations and amendments to published standards that are not yet effective and concluded that except for the amendments to IAS 1 'Presentation of Financial Statements' and IFRS 2 'Share-based payment', they are either not relevant to the Group or that they would not have a significant impact on the Group's financial statements.

2. CASH AND CASH EQUIVALENTS

	2008 £	2007 £
Cash at bank and on hand	374,916	484,489
	<u>374,916</u>	<u>484,489</u>

Cash, cash equivalents and bank overdrafts include the following for the purposes of the cash flow statement:

	2008 £	2007 £
Cash and cash equivalents	374,916	484,489
	<u>374,916</u>	<u>484,489</u>

Cash and cash equivalents (which are presented as a single class of assets on the face of the balance sheet) comprise cash at bank and other short-term highly liquid investments with a maturity of three months or less.

Reconciliation of net cash flow to movements in net funds and analysis of net funds:

	At 1 October 2007 £	Cash flow £	Exchange movemen t £	At 30 September 2008 £
Cash in hand and at bank	484,489	(109,573)	-	374,916
	<u>484,489</u>	<u>(109,573)</u>	-	<u>374,916</u>

3. TAXATION

	2008 £	2007 £
i) Current tax charge		
The tax charge comprises:		
UK taxation		
Corporation tax at 28% (2007: 30%)	-	-
Non-UK taxation		
Current	-	-
	-	-
Deferred taxation		
Origination and reversal of temporary differences	-	-
	<u>-</u>	<u>-</u>

ii) Tax reconciliation

The taxation expense/(credit) on the profit for the year differs from the amount computed by applying the corporation tax rate to the profit before tax for the following reasons:

	2008 £	2007 £
Profit on ordinary activities before tax	1,097,729	99,756
Theoretical tax charge at 28% (2007: 30%)	307,364	29,927
Effects of:		
Expenses (including goodwill) not deductible for tax purposes	(29,849)	109,039
Depreciation in excess of capital allowances	6,079	5,511
Other tax adjustments	(81,903)	(30,121)
Effect of associate's results	(91,831)	(209,511)
Adjustments in respect of prior periods	(159,156)	-
Re-measurement of deferred tax balances	49,296	95,155
Total tax charge for the year	-	-

iii) Deferred tax recognised directly in equity

The following taxation has been recognised directly in equity within the statement of changes in equity attributable to equity shareholders of the parent:

	2008 £	2007 £
Available for sale investments	178,589	-

Factors that may affect future tax charges

At 30 September 2008 the Group has tax losses of approximately £474,059 (2007: £592,016) to set against future profits of the same trade.

A deferred tax asset of £132,737 (2007: £177,605) arising from the tax losses in place has not been recognised. Although the directors ultimately expect sufficient taxable profits to arise, there is currently insufficient evidence to support the recognition of a deferred tax asset in these financial statements.

4. EARNINGS PER SHARE

Basic

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

Diluted

The weighted average number of the Group's ordinary shares used in the calculation of diluted earnings per share has been adjusted for the effect of potentially dilutive share options granted under the Group's share option schemes. (Potentially dilutive share options are options with an exercise price less than the middle market price at 30 September 2008)

	2008			2007		
	Profit attributable to equity holders of the parent £	Weighted average Number of shares	Earnings per share £	Profit attributable to equity holders of the parent £	Weighted average Number of shares	Earnings per share £
Basic EPS calculation	1,097,729	851,468,137	0.00129	99,756	803,311,934	0.00012
Effect of dilutive options		16,056,741			253,530,778	
Diluted EPS calculation	1,097,729	867,524,878	0.00127	99,756	1,056,842,712	0.00009

5. POST BALANCE SHEET EVENTS

In December 2008 the Company entered into an agreement with Ilir Sela the vendor of Nerd Force to satisfy the outstanding Nerd Force consideration by the issue of 14,202,341 shares in Nexus.

Also in December 2008 the Company announced that it had renegotiated the terms of the debt with PD Financial and had re-acquired 8 per cent of the company for \$2 million and had acquired 10 per cent of its fledgling B2B business for a further \$100,000. Nexus still holds a \$2.3 million debt with PD Financial which attracts interest of approximately \$15,000 per month payable monthly and is to be repaid by December 2009. The terms of this deal were completed on 30 January 2009.

6. EXPLANATION OF TRANSITION TO IFRS

This is the first year that the Company has presented its financial statements under IFRS. The following disclosures are required in the year to transition to IFRS. The last financial statements under UK GAAP were for the year ended 30 September 2007 and the date of transition to IFRS was therefore 1 October 2006.

IFRS 1 'First-time Adoption of International Financial Reporting Standards' allow companies adopting IFRS for the first time to take certain exemptions from the full requirements of IFRS in the year of transition (i.e. the year to 30 September 2007).

Key exemptions

The Group has elected to take the following key exemption:

IFRS 3 - Business combinations

The Group has elected not to apply IFRS 3 'Business Combinations' retrospectively to acquisitions that took place before the date of transition. As a result, the carrying amount of goodwill in the UK GAAP balance sheet at 1 October 2006 is brought forward to the IFRS opening balance sheet without adjustment, having been satisfactorily tested for impairment at that date.

Key impacts

The main impacts of IFRS on the report results of the Group and company are listed below:

Goodwill amortisation

Acquired goodwill should no longer be amortised under the requirements of IFRS3 'Business Combinations' and instead is subject to an annual impairment review.

Balance sheet

Reconciliation of equity at 30 September 2007 (date of last UK GAAP financial statements)

	Year ended 30 September 2007 £
Capital and reserves according to UK GAAP	3,047,600
Goodwill amortisation	206,402
Impairment of goodwill	(444,585)
Equity according to IFRS	<u><u>2,809,417</u></u>

Reconciliation of net income for the year ended 30 September 2007 (date of last UK GAAP financial statements)

	Year ended 30 September 2007 £
Net income under UK GAAP	337,939
Goodwill amortisation	206,402
Impairment of goodwill	(444,585)
Net income under IFRS	<u><u>99,756</u></u>

Cashflow statement

Following the implementation of IFRS the cash flow statements have been re-stated. The restatement is purely in respect of disclosure and IFRS implementation does not affect the resulting cash flows for the year ended 30 September 2007.

A cash flow statement is presented for the Company under IFRS, whereas it was not required under UK GAAP.

There are no other material differences between the cash flow statement presented under IFRS and the cash flow statement presented under UK GAAP.

7. Dividends

The board has not proposed a dividend in the year ended 30 September 2008 (2007: £Nil.)

8. Report and Accounts

A copy of the Annual Report and Accounts will be sent to shareholders shortly and will be available from the Company's website www.nexusmgmt.com