



Notice of Annual General Meeting
And
Annual Report and Financial Statements
For the Year Ended 31st December 2008

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Note:

The Notice of Annual General Meeting and Financial statements can be viewed on line at

www.ultima-networks.com

Ultima Networks PLC

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of the Company will be held at Akhter House, Perry Road, Harlow, Essex CM18 7PN on 27th July 2009 at 1.00pm for the following purposes:

ORDINARY BUSINESS

1. To receive and adopt the Financial Statements of the Company for the year ended 31 December 2008 together with the Directors' and Auditors' Reports thereon.
2. To reappoint H A Mughal as a Director of the Company who retires by rotation and offers himself for reappointment.
3. To confirm the appointment of A P Klein as Finance Director of the Company
4. To reappoint Grant Thornton UK LLP as auditors of the Company and to authorise the Directors to determine their remuneration.
5. To approve the Directors' Remuneration Report for the year ended 31 December 2008.

SPECIAL BUSINESS

As special business to consider and if thought fit pass resolution 6 below as an ordinary resolution and resolutions 7 and 8 below as special resolutions.

6. THAT the Directors be generally and unconditionally authorised in accordance with Section 551 of the Companies Act 2006 (the "2006 Act") to exercise all of the powers of the Company allot relevant securities (within the meaning of section 551 of the 2006 Act) up to a maximum nominal amount of £3,000,000 for a period expiring on the earlier of fifteen months from the date of the passing of this resolution or the conclusion of the next Annual General Meeting of the Company and provided that the Company may before such expiry make an offer or agreement which would or might require relevant securities of the Company to be allotted after such expiry and the Directors may allot such relevant securities pursuant to such offer or agreement notwithstanding that this authority has expired. This authority shall replace the similar authority granted to the Directors at the Company's AGM on 29 May 2008 which is hereby revoked with immediate effect.
7. THAT, subject to the passing of resolution 6, the Directors be and are hereby empowered pursuant to Section 570 of the 2006 Act, to allot equity securities (as defined in Section 560 of the 2006 Act) for cash pursuant to the general authority conferred by resolution 6 above as if Section 561 of the 2006 Act did not apply to such allotment provided that this power shall be limited to:
 - (i) the allotment of equity securities in connection with a rights issue, open offer or otherwise in favour of the holders of equity securities in proportion (as nearly as may be reasonably practicable in the circumstances having regard to fractional entitlements or legal and practical problems arising from the laws of or requirements of any regulatory body, stock exchange or similar authority in any territory) to their holdings; and
 - (ii) the allotment (other than pursuant to paragraph (i) above) of equity securities up to an aggregate nominal amount of £3,000,000 and shall expire at the conclusion of the next Annual General Meeting of the Company or fifteen months after the passing of this resolution (whichever is the earlier) save that the Company may before expiry of such power make an offer or enter into an agreement which would or might require equity securities to be allotted after the expiry of such power and the Directors may allot equity securities in pursuance of such an offer or agreement as if the power conferred hereby had not expired.
8. THAT the Directors be authorised in accordance with Section 28 of the Companies Act 1985 to change the name of the Company from Ultima Networks plc to Ultima plc (subject to the acceptance of the proposed name change by the Registrar of companies of England and Wales).

Registered Office:
Akhter House
Perry Road
Harlow
Essex
CM18 7PN



By Order of the Board
David Nuttall
Secretary

24th June 2009

NOTES

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

The appointment of a proxy will not preclude a member from attending and voting in person at the meeting if he or she so wishes.
- (2) A form of proxy for use at the Meeting is enclosed. To be valid the form of proxy must be duly executed and deposited at the offices of the Company's registrars, Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, West Midlands, B63 3DA no later than 48 hours before the Meeting. Completion and return of the form of proxy will not prevent a member attending at the Meeting and voting in person if he or she so wishes.
- (3) The register of Directors' interests will be available for inspection at the registered office of the Company during business hours on any weekday (Saturdays and public holidays excluded) from the date of this Notice until the conclusion of the Meeting.
- (4) Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, to be entitled to attend and vote at the Meeting (and for the purposes of the determination by the Company of the number of votes they may cast), members must be entered on the Company's register of members by 6.00 pm on 25 July 2009 ("the specified time"). If the meeting is adjourned to a time not more than 48 hours after the specified time applicable to the original meeting, that time will also apply for the purpose of determining the entitlement of members to attend and vote (and for the purposes of determining the number of votes they may cast) at the adjourned meeting. If, however, the meeting is adjourned for a longer period then, to be so entitled, members must be entered on the Company's register of members at the time which is 48 hours before the time fixed for the adjourned meeting or, if the Company gives notice of the adjourned meeting, at the time specified in that notice.
- (5) In order to facilitate voting by corporate representatives at the meeting, arrangements will be put in place at the meeting so that (i) if a corporate shareholder has appointed the Chairman of the meeting as its corporate representative with instructions to vote on a poll in accordance with the directions of all of the other corporate representatives for that shareholder at the meeting, then on a poll those corporate representatives will give voting directions to the Chairman and the Chairman will vote (or withhold a vote) as corporate representative in accordance with those directions; and (ii) if more than one corporate representative for the same corporate shareholder attends the meeting but the corporate shareholder has not appointed the Chairman of the meeting as its corporate representative, a designated corporate representative will be nominated, from those corporate representatives who attend, who will vote on a poll and the other corporate representatives will give voting directions to that designated corporate representative. Corporate shareholders are referred to the guidance issued by the Institute of Chartered Secretaries and Administrators on proxies and corporate representatives' www.icsa.org.uk for further details of this procedure. The guidance includes a sample form of representation letter if the Chairman is being appointed as described in (i) above. A letter in this form would be acceptable to the Company and its Registrars.

Ultima Networks PLC

Explanation of Special Business

There are three resolutions, numbered 6, 7 and 8 which will be considered special business at the Meeting. Further information relating to resolutions 6, 7 and 8 is set out below.

Resolution 6 – Directors' Authority to Allot Shares

The 2006 Act provides that the authority of the Directors to allot relevant securities is subject to the approval of shareholders in general meeting. Accordingly, an ordinary resolution, resolution 6, as set out in the Notice of Annual General Meeting, will be proposed to authorise the Directors to allot 300,000,000 of the authorised but unissued ordinary shares of the Company. This resolution, if passed, will mean that the Directors would have authority to allot up to 300,000,000 ordinary shares (representing approximately 146.4% of the current issued ordinary share capital of the Company) which would assist the Company in the financing of acquisitions as they may occur and enable the Company to raise additional funds for working capital purposes as required. Your Directors believe that the ability which this resolution would give them to allot ordinary shares without further recourse to shareholders in general meeting would be in the best interests of the Company. The Directors have no present intention of issuing any part of the authorised but unissued ordinary share capital of the Company. This authority will expire at the conclusion of the next Annual General Meeting or, if earlier, 15 months from the date of the passing of the resolution. The Company does not currently hold any treasury shares.

Resolution 7 – Directors' Authority to Disapply Pre-emption Rights

The 2006 Act also provides that any equity shares issued wholly for cash must be offered to existing shareholders in proportion to their existing holdings. This requirement may be modified by special resolution of the shareholders. A special resolution, resolution 7, as set out in the Notice of Annual General Meeting, will be proposed to give the Directors' authority to allot equity shares for cash other than on a prorata basis. If this resolution is passed, your Directors will be authorised to issue up to 300,000,000 ordinary shares (representing 146.4% of the current issued ordinary share capital of the Company) without being obliged to offer existing shareholders the opportunity to subscribe for all or some of those ordinary shares. In particular, your Directors would have discretion to allot and issue those ordinary shares to such persons (who may include some but not all of the Company's existing shareholders) and at such prices and on such other terms as the Directors in their absolute discretion may determine. Your Directors believe that the Company needs to be in a position to issue ordinary shares for cash on such terms as your Directors may from time to time believe to be in the best interests of the Company without being required to seek consent for such an issue from the Company's shareholders in general meeting. Accordingly, your Directors believe the flexibility which this resolution would grant them to be in the best interests of the Company. This authority will expire at the conclusion of the next Annual General Meeting or, if earlier, 15 months from the date of the passing of the resolution.

Resolution 8 – Change of name

The 1985 Act allows companies to change their name by passing a special resolution of its members at a general meeting. The change of name is subject to availability and acceptance of the change by the Registrar of Companies of England and Wales

Recommendation

Your Directors consider that all the resolutions in the Notice of Annual General Meeting are in the best interests of the Company and its shareholders as a whole and we recommend that you vote in favour of them. The Directors intend to do so in respect of their own shareholdings.

Company Number 1435584 (England and Wales)

ULTIMA NETWORKS PLC
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

ULTIMA NETWORKS PLC

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DIRECTORS AND ADVISORS

Humayun A Mughal	Chairman and Chief Executive Officer
Anthony P Klein	Finance Director
Peter J Barron	Non-Executive Director
David Nuttall	Company secretary
Registered office	Akhter House Perry Road Harlow CM18 7PN
Web site	www.ultima-networks.co.uk
Company number	1435584
Auditors	Grant Thornton UK LLP Byron House Cambridge Business Park Cowley Road Cambridge CB4 0WZ
Solicitors	Eversheds LLP Kett House 1 Station Road Cambridge CB1 2JY
Nominated advisor and broker	Blomfield Corporate Finance Ltd 12 Pepper Street London E14 9RP
Principal bankers	Lloyds TSB Bank plc Lloyds TSB Corporate Second Floor 25 Gresham Street London EC2V 7HN
Registrars	Neville Registrars Ltd Neville House 18 Laurel Lane Halesowen West Midlands B63 3DA

CHAIRMAN'S STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2008

Introduction

The Group has seen continued growth in 2008 with all parts of the business making positive profit contributions, which has resulted in an increase in Group sales and operating profit.

IT and related services division

The IT and related services division made an operating profit of £126,000 (2007: £148,000) on sales of £708,000 (2007: £701,000). This division principally provides computer application software and related support and other services to the legal profession with Cognito Software continuing to be the major contributor. In July 2008, the division was strengthened by the acquisition of J.C.S. Computing Solutions Limited which was a supplier of software and services to the legal profession. These activities were merged with Cognito resulting in the substantial strengthening of both the customer base and the management team.

The Group has invested in a new document production and management system, which will be integrated with the existing Cognito Software and targeted to existing customers in the legal IT sector. Additional staff and other resources have been employed to ensure the efficient implementation of this project. The system will also be available in a standalone version for sale to all professional services firms.

Green technology products division

The green technology products division contributed an operating profit of £124,000 (2007: £85,000) on sales of £1,269,000 (2007: £863,000). This division has found continuing success with its competitively priced PowaCycle branded range of electric bicycles, which are refreshed by the regular introduction of new models and are increasingly being sold through a growing number of appointed dealers throughout the UK, which totalled over 100 at the year end.

The Group has invested in a completely new premium priced Infineum branded range of electric bicycles, which will incorporate a new and unique stackable battery giving the rider a choice over battery weight and distance travelled. This new range of electric bicycles is expected to fully complement the existing PowaCycle range and therefore increase sales and profits of the division.

The division distributes the cycles through a network of over 100 dealers based throughout the UK and is in the process of establishing a European network following the establishment of a distribution facility based in Monchengladbach, Germany.

Italian companies have been formed during the year to acquire land and property to develop solar power parks. The Group's intention is to seek funding to begin the construction and commissioning of solar farms, commencing with installations on the land acquired in Southern Italy.

Group results

In the year ended 31 December 2008, the Group achieved increased sales of £413,000 to £1,977,000 (2007: £1,564,000) and an increased operating profit of £13,000 to £246,000 (2007: £233,000).

The pre-tax profit of the Group was £281,000 (2007: £276,000). The taxation expense was £21,000 (2007: £11,000) and therefore the profit for the financial year was £260,000 (2007: £265,000).


The Group continues to operate debt free and had cash at bank of £122,000 (2007: £1,026,000). Any balance of cash funds not required for working capital purposes is being placed on short term bank deposit to try and maximize interest receivable. Cash was utilised in the year on both the acquisition of J.C.S. Computing Solutions Limited and the purchase of land in Southern Italy.

**CHAIRMAN'S STATEMENT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2008**

Outlook

Our philosophy is based on the pursuit of low risk recurring revenues complemented by a highly selective acquisitions policy. We maintain the view that the professional services sector is highly fragmented and therefore opportunities for consolidation exist. Indeed, we are actively seeking a number of targets.

We have invested in new technology for both operating divisions, which we believe will augment our competitive position and increase sales. Further news on the product launches will be announced in the coming months.



.....
Prof Humayun Akhter Mughal
Chairman and Chief Executive Officer

1 June 2009

**FINANCIAL HIGHLIGHTS
FOR THE YEAR ENDED 31 DECEMBER 2008**

- ÷ Group revenue was £1,977,000 (2007: £1,564,000)
- ÷ Gross margin for the year was 67% compared with 71% in 2007
- ÷ Group administration expenses were £1,097,000 (2007: £883,000)
- ÷ Operating profit was £246,000 (2007: £233,000)
- ÷ Profit on ordinary activities before taxation for the year was £281,000 (2007: £276,000)
- ÷ Earnings per share was 0.13p (2007: 0.13p)
- ÷ Cash at bank at the year end was £122,000 (2007: £1,026,000)
- ÷ J.C.S. Computing Solutions Limited acquired for £295,000
- ÷ Land acquired in Southern Italy for £507,000 by a new subsidiary in Italy
- ÷ Consolidated balance sheet has increased net assets of £260,000 to £1,428,000 (2007: £1,168,000)

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2008**

The directors present their annual report and audited financial statements for the year ended 31 December 2008.

Business review and principal activities

The principal activities of the Group during the year were the marketing and support of computer application software and the wholesale and retail merchandising of various products, but primarily electric bicycles.

There have not been any significant changes in the Group's principal activities in the year under review and the directors are not aware at the date of this report of any likely major changes in the Group's activities in the next year. The UK market remains the principal area of operation for the Group. Italian companies have been formed during the year to acquire land and property to develop solar power parks. It is the Group's intention to seek funding to begin the construction and commissioning of solar farms, commencing with installations on the land acquired in Southern Italy. These developments reinforce the strategic focus of the Group in providing power from renewable green sources.

The Group achieved an operating profit of £246,000 (2007: £233,000) on turnover of £1,977,000 (2007: £1,564,000) with all of the Group's trading divisions being profitable for the year.

The Group's operations are managed in two divisions, being the IT and related services division and the green technology products division. The IT and related services division comprises Cognito Software Limited and Integrated Publishing Systems Limited that are involved in marketing and supporting legal and publishing application software respectively. This division had sales revenues of £708,000 (2007: £701,000) producing operating profits of £126,000 (2007: £148,000). The green technology products division comprises UTN Solutions (North) Limited that is involved in merchandising electric bicycles, energy saving lamps and educational electronic kits. This division had sales revenues of £1,269,000 (2007: £863,000) producing operating profits of £133,000 (2007: £85,000). The green technology division also includes Tre-Sol Italia srl that is involved in development of solar power parks. This part of the division had sales revenues of nil (2007: nil) and had a operating loss of £9,000 (2007: nil).

In the IT and related services division, Cognito Software, the provider of application software and services to the legal profession, was the major contributor. Sales were slightly higher than the previous period due to new business being difficult to close. Therefore, costs were tightly controlled, but not to the detriment of customer service and support levels which remained strong.

During the year, the group acquired a trading subsidiary J.C.S. Computing Solutions Limited whose principal activity is that of supply and support of legal software. The business of the new subsidiary was transferred to Cognito Software on acquisition. This division contributed £144,000 towards the turnover of the IT and related services division.

The green technology products division experienced strong growth with sales up by 47% to £1,269,000, the major increase being the sales of the PowaCycle branded range of electric bicycles through a growing base of dealerships and as a consequence operating profits increased strongly to £133,000.

The Group balance sheet continues to be debt free and shows an increase in net assets to £1,428,000 (2007: £1,168,000). The year end cash balance was £122,000 and is available for working capital purposes and to fund investment in the expansion of the Group.

Results and dividends

The Group profit for the year before taxation amounted to £281,000 (2007: £276,000). There is a taxation expense for the year of £21,000 (2007: £11,000). The profit on ordinary activities after taxation was £260,000 (2007: £265,000).

The directors do not recommend the payment of a dividend for 2008. No dividends were paid or proposed to be paid in 2007.

**REPORT OF THE DIRECTORS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2008**

Key performance indicators

The aim of the Group is to increase shareholder value through growth in sales revenues and operating profitability. Therefore, these are the two key performance indicators used by the directors to measure performance and are reported in the table below.

Key performance indicator	IFRS	IFRS	IFRS	IFRS	UK GAAP
	Target	2008	2007	2006	2005
	£000	£000	£000	£000	£000
Revenue	1,475	1,977	1,564	1,398	1,074
Operating profit/(loss)	205	246	233	225	(115)

The increase in revenue in 2008 over both the target and previous year was primarily due to sales of the PowaCycle branded range of electric bicycles and the acquisition of a new subsidiary J.C.S. Computing Solutions Limited. The operating profits of the green technology division increased by £39,000 to £124,000 while the IT and related services division decreased by £22,000 to £126,000.

Principal risks and uncertainties facing the Group

The businesses within the IT and related services division operate as very small players in very crowded and competitive market sectors. Many of the customers are small businesses that are relatively slow to change and update their business systems, but are also, and more positively, reluctant to change their supplier. Consolidation is occurring in the legal sector, both among suppliers and users, effectively reducing the number of new business opportunities. Against this backdrop the Group has recognised the need to offer excellent levels of customer service and support to maintain the existing customer base, which it has successfully achieved and which must be continued. Additional features and functionality for the existing software products will have to be incorporated and released in a timely manner to ensure the existing products remain competitive and embrace the latest legislative changes. In addition, the products will have to integrate easily with leading industry office software such as Microsoft Office products. Therefore, current and planned software development work is targeted to ensure the current software products maintain a modern look and feel by utilising the latest software tools and products and to enable easier integration with Microsoft Office products. The directors recognise that organic growth will be slow to realise and therefore complementary acquisitions are being sought to increase sales revenues and to grow the customer base.

The green technology products division has continued to seek niche market opportunities with a marketing led strategy for sales generation and making full use of the internet. Several product market trials have been made to fully understand the extent of the potential opportunities and currently the Group is concentrating on electric bicycles, energy saving lamps and educational electronic kits. The lamps and electronic kits markets are increasingly crowded and have several large competitors, but the Group believes it can maintain and continue to grow its business by being extremely cost competitive and building strong relationships with suppliers based in China. The PowaCycle range of electric bicycles has enjoyed continuing success by offering a very cost competitive product range and this growth is expected to be maintained by increasing the number of independent UK retail dealers, which stood at over 100 at the year end. The Group has plans to further enhance revenue and profits by the introduction of its new Infineum branded range of electric bicycles. This is a premium priced range and will incorporate a new and unique stackable battery giving the rider a choice over battery weight and distance travelled. This new range is expected to complement the existing PowaCycle range.

**REPORT OF THE DIRECTORS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2008**

Environment

The Group complies with all legal requirements relating to the environment in all areas of its operations and therefore, has not incurred any fines or penalties or been investigated for any breach of environmental regulations. Specifically, the requirements of the EC Directive on Waste Electrical and Electronic Equipment (WEEE) have been implemented resulting in UTN Solutions (North) Limited being registered with the appropriate WEEE compliance schemes to deal with the taking back and disposal of used equipment. This subsidiary company has also implemented the requirements of the EC Directive on the Restriction of the use of Certain Hazardous Substances in Electrical and Electronic Equipment (RoHS). Compliance with RoHS is based on a self-declaration and involves requesting material declarations from suppliers, the selected analysis of products and holding a technical file on each product purchased for a minimum of four years. It has been considered by the directors that no provisions are required as a result of compliance.

Research and development

The Group invests in the ongoing design and development of its PowCycle and new Infineum branded ranges of electric bicycles. These development design costs have been estimated by the directors to have a useful economic life of 3 years and are therefore capitalised and charged to the income statement in equal instalments over this period. The Group also invests in the maintenance and development of its application software products for the legal profession to ensure they retain a modern look and feel and remain fully compliant with current legislation and practices. Unless certain conditions are met, all such expenditure on software products is charged to the income statement as it is incurred.

Substantial interests

At the date of this report the following parties had notified the company of a beneficial interest that represents 3% or more of the company's issued ordinary share capital at that date:

	Number of shares	% held
Akhter Group plc and related parties	100,075,176	48.9
Barclays Stockbrokers Ltd	10,495,600	5.1

No nominee shareholder held 10% or more of the company's issued share capital at 22 May 2009.

Directors and directors' interests

The directors who are currently in office are shown on page 1. Mr R M Bearpark served until he was removed by a board resolution on 17 December 2008. The emoluments, share interests and share options of the directors are disclosed in the Directors Remuneration Report on pages 13 to 15.

Executive directors

Prof H A Mughal, aged 55, is the co-founder of Akhter Group plc and is its majority shareholder. He graduated in electronics from Liverpool University and originally worked as a research engineer for ITT Components Group Limited prior to setting up Akhter Instruments Limited in 1979. He continues to be responsible for the overall control and direction of Akhter's business. He was appointed in November 1998.

Mr R J Piper, aged 51, was appointed as Finance Director in October 2004. He previously held the role of Financial Controller with the company and he also acts as company secretary. He is a fellow of the Association of Chartered Certified Accountants and was also Finance Director of Akhter Computers plc. He resigned on 4 July 2008.

Mr Anthony P Klein, aged 55, was appointed Finance Director on 29 July 2008, and is a member of the remuneration and audit committees. He is a fellow of the Institute of Chartered Accountants in England and Wales and also a fellow of the Association of Chartered Certified Accountants with extensive knowledge and experience including taxation, audits, accounts, planning and other advisory matters.

**REPORT OF THE DIRECTORS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2008****Non-executive directors**

Mr P J Barron, aged 67, has extensive operations experience in the electronics industry, notably with Texas Instruments Inc in the USA and Systime Computers Limited and Chase Advanced Technologies Limited in the UK. He was appointed in May 1992 and is Chairman of the remuneration and audit committees.

Mr R M Bearpark, aged 59, has significant entrepreneurial and management experience gained over 38 years in the IT industry. Over the last 18 years he has been integral to the operations of 5 IT solution and services companies as either Chief Executive or Managing Director, the last company being AIM Group Holdings Limited, a company operating mainly in the legal IT sector offering software solutions to the legal profession. He was removed by a board resolution on 17 December 2008 and was a member of the remuneration and audit committees.

Employees

It is Group policy that employees should be kept as fully informed as is feasible and practicable about the activities of the Group through consultative meetings. In addition, managers hold regular meetings with representatives of their staff in order to encourage employees to make their views known on matters that affect them.

Pensions

During the year the Group contributed to the personal pension schemes (defined contribution) of certain employees. No contributions were paid in respect of the directors.

Share option schemes**Microvitec 1994 Inland Revenue Approved Executive Share Option Scheme**

During the year ended 31 December 2008 the company granted no options in respect of the Microvitec 1994 Inland Revenue Approved Executive Share Option Scheme and no options lapsed. There were no options exercised during the year. On 31 December 2008 options were outstanding on 100,000 ordinary shares of 1p (2007: 100,000)

Ultima Networks plc 2004 Share Option Scheme

This scheme was approved by the AGM held on 28 May 2004. No options to subscribe for ordinary shares of 1p each have been granted to date.

Charitable and political contributions

There were no donations to UK charitable organisations (2007: nil) and no political donations (2007: nil).

Financial risk management policies and objectives

The Group's financial instruments comprise cash and various items, such as trade receivables and trade payables that arise directly from its operations. The Group's exposures to its financial instruments are not material and therefore derivative financial instruments are not used to manage them.

The main risks arising from the Group's financial instruments can be analysed as follows:

Credit risk

The Group's credit risk is primarily attributable to its trade receivables. Exposure to credit risk is minimised by employing effective credit management policies and procedures. Only customers known to the Group are granted credit terms. Annual fees for software licences and support agreements are payable in advance and require a uniquely numbered "valid licence key" to operate.

Price risk

The Group does not hold any listed security investments and therefore has no exposure to securities price risk.

**REPORT OF THE DIRECTORS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2008****Financial risk management policies and objectives (continued)****Foreign currency risk**

The Group is not exposed to transaction foreign currency exchange risk in respect of purchases from suppliers as this process is dealt with on the Group's behalf by Akhter Group plc. Therefore, any transactions of the Group in foreign currencies are settled by Akhter Group plc and are converted to pounds sterling at pre-agreed spot rates for reimbursement by the Group. Therefore, the Group only holds any cash balances in pounds sterling.

Liquidity risk

The Group has sufficient cash resources available to meet its short term liabilities.

Cash flow interest rate risk

The Group has no borrowings and receives variable rate interest based on UK bank base rates on cash balances and bank deposits.

Payment to creditors

The Group does not follow any code or standard on payment practice as the terms and conditions for its business transactions are agreed with individual suppliers. Payment is then made in accordance with those terms, subject to the other terms and conditions being met by the supplier. Creditor days at the end of the year for the group were 38 days (2007: 30 days).

Statement of directors' responsibilities for the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable laws and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the Group and the company financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. In preparing these financial statements, the directors have also elected to comply with IFRSs, issued by the International Accounting Standards Board (IASB). The financial statements are required by law to give a true and fair view of the state of affairs of the company and the Group and of the profit or loss of the Group for that period.

In preparing those financial statements, the directors are required to select suitable accounting policies and then apply them consistently, make judgements and estimates that are reasonable and prudent, state that the financial statements comply with IFRSs as adopted by the European Union and IFRSs issued by IASB, and prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Group will continue in business.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

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

The directors are responsible for the maintenance and integrity of the corporate and financial information on the Group's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements and other information included in annual reports may differ from legislation in other jurisdictions.

**REPORT OF THE DIRECTORS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2008****Disclosure of information to auditors**

At the date of making this report, each of the company's directors, as set out on page 1, confirm the following:

- ÷ so far as each director is aware, there is no relevant information needed by the company's auditors in connection with preparing their report of which the company's auditors are unaware, and
- ÷ each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

Auditors

A resolution to reappoint Grant Thornton UK LLP as auditors of the Group will be proposed at the forthcoming Annual General Meeting.

Annual General Meeting

The Annual General Meeting of the company is to be held at Akhter House, Perry Road, Harlow, Essex CM18 7PN on July 27 2009 at 1pm. An explanation of the resolutions to be proposed as special business at that Meeting appears in the Notice of Annual General Meeting provided with this Annual Report.

Approval

The report of the directors was approved by the Board on 1 June 2009 and signed on its behalf by



.....
Prof Humayun Akhter Mughal
Chairman and Chief Executive Officer

**CORPORATE GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2008**

As a company quoted on the Alternative Investment Market of the London Stock Exchange, the company is not required to comply with the provisions of the 2006 Financial Reporting Council's revised Combined Code. However, the Board is committed to ensuring that proper standards of corporate governance operate throughout the group and has therefore followed the principles of the Code so far as is practicable and appropriate to the nature and size of the Group. One of the principles is that an explanation should be given where the Code is not complied with. A statement of the directors' responsibilities in respect of the financial statements is contained within the Report of the Directors above. The statement below describes the role of the Board and its committees, followed by a statement regarding the Group's system of internal controls.

The Board

The activities of the Group are ultimately controlled by the Board of Directors, which at the year-end consisted of a Chairman and Chief Executive Officer, a Finance Director and a non-executive director. Biographical details of all three directors are to be found within the Report of the Directors. All directors are equally accountable under law for the proper stewardship of the Company's affairs. The non-executive directors have a particular responsibility to ensure that the strategies proposed by the Executive Directors are fully discussed and critically examined.

The non-executive director is Peter Barron and the Board considers him to be independent.

The Board meets on a regular basis throughout the year reviewing trading performance, setting strategy, examining capital expenditure and acquisitions or disposals, operating budgets and material contracts.

The two executive directors do not have service contracts and do not receive any emoluments directly from the company. Any director appointed during the year is required, under the Company's Articles of Association, to retire and seek re-election by the shareholders at the next Annual General Meeting and one third of the Board is required to retire each year and seek re-election. The directors are able to take independent professional advice at the expense of the company in the furtherance of their duties.

Nominations committee

The appointment of directors is a matter for the Board as a whole and therefore a nominations committee is considered unnecessary given the present number of Board members.

Audit committee

The Audit Committee comprises of the non-executive director Peter Barron and the finance director Anthony P Klein. This committee assists the Board in its duties regarding the Group's financial statements and the maintenance of adequate internal financial controls. The Audit Committee's prime tasks are to receive reports from the company's auditors, Grant Thornton UK LLP, and to review the half-yearly and annual accounts before they are presented to the Board, focusing in particular on accounting policies and compliance and areas of management judgements and estimates.

There is no internal audit function for the Group, as the Board does not believe that this is appropriate given the size of the business.

Remuneration committee

The Remuneration Committee comprises of the non-executive director Peter Barron and the finance director Anthony P Klein. Details of the executive remuneration policy are set out in the separate Directors' Remuneration Report.

**CORPORATE GOVERNANCE (continued)
FOR THE YEAR ENDED 31 DECEMBER 2008****Shareholder relations**

The Board has a policy of providing any reasonably requested historical information and explanations to shareholders on request. The Group's annual reports are sent to shareholders. These reports are also available from the company's website along with the Group's half yearly reports and all public announcements. All shareholders are encouraged to participate in the company's Annual General Meeting, which is attended by the directors.

Internal control and financial reporting

The Board is responsible for ensuring that there is a system of internal control and for reviewing its effectiveness. Such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss. The Audit Committee has been delegated responsibility by the Board for discharging its internal control review responsibilities.

The Board has established an organisational structure with clearly defined levels of responsibility and delegation of authority. Control procedures include annual budget approval and monitoring of actual performance. The Board approves all investment and acquisition projects for all major acquisitions and major capital expenditure.

The Board has a clear responsibility for identifying risks facing each of the businesses and for putting in place procedures to mitigate and monitor risks. As part of the annual budgeting process risks are formally assessed by the Board.

There is a system of financial reporting and budget planning. On a monthly basis, actual results are reported and compared to budget with any significant adverse variances being examined and any remedial action taken as necessary.

The directors believe that, taken as a whole, the systems of internal control are appropriate to the business for the year ended 31 December 2008.

Going concern

Having reviewed the future plans and projections for the business, the directors are satisfied that the Group has adequate resources to continue to operate for the foreseeable future, a period of not less than twelve months from the date of this report. Thus, they continue to adopt the going concern basis in preparing the financial statements.

**DIRECTORS' REMUNERATION REPORT
FOR THE YEAR ENDED 31 DECEMBER 2008**

The directors present the Directors Remuneration Report for the financial year ended 31 December 2008. It should be noted that, as a company quoted on the Alternative Investment Market of The London Stock Exchange, the company is not required to comply with the Remuneration Report regulations and therefore, not all elements of the regulations have been complied with. For example, a share price graph has been omitted.

Remuneration Committee

The Remuneration Committee consists of non-executive directors Peter Barron, Richard Bearpark and finance director Anthony P Klein. Peter Barron served as a member of the Remuneration Committee throughout the year and in the period to 1 June 2009. Richard Bearpark served as a member of the Remuneration Committee until his resignation on 17 December 2008. Anthony P Klein served as a member from his appointment on 29 July 2008 and in the period to 1 June 2009.

The Remuneration Committee determines any remuneration and benefits packages of the executive directors and considers any service contracts, salaries, other benefits, including bonuses and participation in the company's share option plans, and any other terms and conditions of employment including any compensation payments on termination of office.

Remuneration policy

Any basic salaries and benefits in kind are set to be comparable with those of peer group companies. Any share options are granted to strengthen the link between personal interests and those of the shareholders. A scheme was approved by the AGM held on 28 May 2004, being the Ultima Networks plc 2004 Share Option Scheme, but no options to subscribe for ordinary shares of 1p each have been granted to date. No director has any options outstanding under the 1994 Microvitec Inland Revenue Approved Executive Share Option Scheme.

Non-executive directors

The non-executive directors do not have contracts for services. The non-executive directors have letters of appointment concerning, amongst other things, the initial terms for which they are appointed, a general statement of their roles and duties, the fees they will receive as a director and any supplementary fees receivable for additional work, such as being a member of more than one Board committee. The fees of non-executive directors are determined by the full Board within the limits set out in the Memorandum and Articles of Association.

Service contracts and letters of appointment

The company does not have service contracts in respect of the Executive Directors. The letters of appointment in respect of the non-executive directors who served during the year ended 31 December 2008 are for a rolling 12 month period. The letters of appointment do not contain notice periods or provision for termination payments.

**DIRECTORS' REMUNERATION REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2008**

Directors' remuneration and interests

Directors' remuneration payable for the year ended 31 December 2008 was as follows:

	Basic		Benefits in kind	2008	2007	Pension contributions	
	Salary	Fees		Total	Total	2008	2007
	£000	£000	£000	£000	£000	£000	£000
Executive							
H A Mughal	-	-	-	-	-	-	-
R J Piper	-	28	-	28	56	-	-
A P Klein	-	12	-	12	-	-	-
Non-Executive							
P J Barron	-	12	-	12	12	-	-
P Y Thoms	-	-	-	-	6	-	-
R M Bearpark	-	12	-	12	3	-	-
	-	64	-	64	77	-	-

H A Mughal is a director of Akhter Group plc. No remuneration is paid directly by the Group for the services of the two executive directors. However, a charge to the company from Akhter Group plc of £28,000 (2007: £56,000) for executive management services, disclosed in note 24 of the financial statements, is for the services of the company's former finance director. There is currently no pension provision for any of the directors and therefore no pension accrued to them.

The fees payable to A P Klein were £12,000. These were paid to Gross Klein, a firm in which he is a partner.

The beneficial interest in the share capital of the company of those persons, who were directors at the year end, as recorded in the register of the Director's interests, were as follows:

	31 December 2008		31 December 2007	
	Ordinary shares of 1p	Ordinary share options	Ordinary shares of 1p	Ordinary share options
H A Mughal	100,075,176	-	100,075,176	-
R J Piper	-	-	-	-
A P Klein	-	-	-	-
P J Barron	-	-	-	-
P Y Thoms	-	-	-	-
R M Bearpark	-	-	-	-

Prof H A Mughal's holding includes 54,055,336 Ordinary Shares beneficially owned by Akhter Group plc, of which he is the majority shareholder and 6,013,360 Ordinary Shares beneficially owned by trustees of the Akhter Group plc Directors' SSAS Pension Fund, under which he is a beneficiary.

At 31 December 2008 no options were outstanding over shares granted to directors. No director was granted or exercised any share options during this or the previous year nor did any lapse.

No director has any interest in the shares of any subsidiary of Ultima Networks plc.

There have been no changes in the above interest between 31 December 2008 and 1 June 2009.

**DIRECTORS' REMUNERATION REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2008**

Directors' remuneration and interests (continued)

Beneficial holdings include the directors' personal holdings and those of their spouse and children as well as holdings in family trusts of which the director's spouse or their children are beneficiaries or potential beneficiaries.

The market price at 31 December 2008 was 1.72p and the range during the year was 1p to 2.95p.

Approval

The Directors' Remuneration Report was approved by the Board on 1 June 2009 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'Anthony P Klein', written over a horizontal dotted line.

Anthony P Klein
Finance Director

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF ULTIMA NETWORKS PLC

We have audited the group and parent company financial statements (the "financial statements") of Ultima Networks plc for the year ended 31 December 2008 which comprise the group income statement, the group and parent company balance sheets, the group and parent company cash flow statements, the group and parent company statement of changes in equity and notes 1 to 26. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors 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 the directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with United Kingdom law and International Financial Reporting Standards (IFRSs) as adopted by the European Union are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and whether the financial statements have been properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Report of the Directors is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. The other information comprises only the Directors' Report, the Directors' Remuneration Report, the Chairman's Statement and the Financial Highlights and the Corporate Governance Statement. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

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

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

**REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF ULTIMA NETWORKS PLC
(continued)**

Opinion

In our opinion:

- ✦ the group financial statements give a true and fair view, in accordance with IFRSs as adopted by the European Union, of the state of the group's affairs as at 31 December 2008 and of its profit for the year then ended,
- ✦ the parent company financial statements give a true and fair view, in accordance with IFRSs as adopted by the European Union as applied in accordance with the provisions of the Companies Act 1985, of the state of the parent company's affairs as at 31 December 2008,
- ✦ the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- ✦ the information given in the Report of the Directors is consistent with the financial statements.

Grant Thornton UK LLP

Grant Thornton UK LLP
Chartered Accountants and Registered Auditors
Cambridge, England

Date: *4 June 2009*

**CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2008**

	Note	2008 £000	2007 £000
Revenue	3	1,977	1,564
Cost of sales		(648)	(452)
Gross profit		<u>1,329</u>	<u>1,112</u>
Administration expenses		(1,097)	(883)
Other operating income	4	<u>14</u>	<u>4</u>
Operating profit	5	246	233
Finance income	7	<u>35</u>	<u>43</u>
Profit before taxation		281	276
Taxation expenses	9	<u>(21)</u>	<u>(11)</u>
Profit for the period attributable to equity holders of the parent		<u><u>260</u></u>	<u><u>265</u></u>
Basic and diluted earnings per share - pence	10	<u><u>0.13</u></u>	<u><u>0.13</u></u>

All amounts relate to continuing activities.

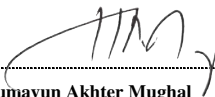
**CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2008**

	Note	2008 £000	2007 £000
ASSETS			
Non current assets			
Property, plant and equipment	11a	621	120
Intangible assets - development costs	11b	78	6
Goodwill	11c	118	-
Intangible assets - others	11d	181	-
Deferred tax asset	19a	6	5
Total non current assets		<u>1,004</u>	<u>131</u>
Current assets			
Inventories	14	452	257
Trade and other receivables	15	404	284
Cash and cash equivalents	16	122	1,026
Total current assets		<u>978</u>	<u>1,567</u>
Total assets		<u>1,982</u>	<u>1,698</u>
LIABILITIES			
Non current liabilities			
Deferred tax	19b	50	-
Total non current liabilities		<u>50</u>	<u>-</u>
Current liabilities			
Trade and other payables	17	81	97
Current tax liabilities		132	98
Accruals and deferred income		291	335
Total current liabilities		<u>504</u>	<u>530</u>
Total liabilities		<u>554</u>	<u>530</u>
Net assets		<u>1,428</u>	<u>1,168</u>

CONSOLIDATED BALANCE SHEET (continued)
AS AT 31 DECEMBER 2008

	Note	2008 £000	2007 £000
EQUITY			
Capital and reserves attributable to equity holders of the parent			
Called up share capital	20	7,554	7,554
Share premium account		5,602	5,602
Other reserves		202	202
Retained earnings		(11,930)	(12,190)
		1,428	1,168
		1,428	1,168

These financial statements were approved by the board of directors on 1 June 2009 and were signed on its behalf by:



.....
Prof Humayun Akhter Mughal
Chairman and Chief Executive Officer

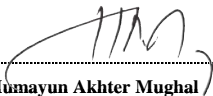
COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2008

	Note	2008 £000	2007 £000
ASSETS			
Non current assets			
Property, plant and equipment	11a	103	107
Investments	12	1,353	513
		<hr/>	<hr/>
Total non current assets		1,456	620
		<hr/>	<hr/>
Current assets			
Trade and other receivables	15	277	22
Cash and cash equivalents	16	70	1,012
		<hr/>	<hr/>
Total current assets		347	1,034
		<hr/>	<hr/>
Total assets		1,803	1,654
		<hr/>	<hr/>
LIABILITIES			
Current liabilities			
Trade and other payables	17	906	961
Current tax liabilities		38	-
Accruals and deferred income		66	44
		<hr/>	<hr/>
Total current liabilities		1,010	1,005
		<hr/>	<hr/>
Total liabilities		1,010	1,005
		<hr/>	<hr/>
Net assets		793	649
		<hr/> <hr/>	<hr/> <hr/>

COMPANY BALANCE SHEET (continued)
AS AT 31 DECEMBER 2008

	Note	2008 £000	2007 £000
EQUITY			
Capital and reserves attributable to equity holders of the parent			
Called up share capital	20	7,554	7,554
Share premium account		5,602	5,602
Other reserves		202	202
Retained earnings		(12,565)	(12,709)
		793	649
		793	649

These financial statements were approved by the board of directors on 1 June 2009 and were signed on its behalf by:



Prof Humayun Akhter Mughal
Chairman and Chief Executive Officer

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2008**

	2008	2007
	£000	£000
Profit for the financial period	260	265
Taxation expense	21	11
Interest receivable	(35)	(43)
Depreciation charges	13	12
Amortisation of intangibles	19	5
	<hr/>	<hr/>
Operating profit before changes in working capital	278	250
Increase in inventories	(195)	(49)
Increase in trade and other receivables	(19)	(50)
(Decrease)/increase in trade payables and other current liabilities	(248)	9
	<hr/>	<hr/>
Cash (used in)/generated from operations	(184)	160
Taxation	-	-
	<hr/>	<hr/>
Net cash (used in)/generated from operating activities	(184)	160
	<hr/>	<hr/>
Cash flows from investing activities		
Purchase of property, plant and equipment	(510)	(5)
Development expenditure	(82)	(4)
Acquisition of subsidiaries net of cash acquired	(163)	-
	<hr/>	<hr/>
Net cash used in investing activities	(755)	(9)
	<hr/>	<hr/>
Cash flows from financing activities		
Interest received	35	43
	<hr/>	<hr/>
Net cash generated from financing activities	35	43
	<hr/>	<hr/>
Net (decrease)/increase in cash and cash equivalents	(904)	194
Cash and cash equivalents at beginning of the period	1,026	832
	<hr/>	<hr/>
Cash and cash equivalents at end of the period	122	1,026
	<hr/> <hr/>	<hr/> <hr/>

**COMPANY CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2008**

	2008	2007
	£000	£000
Profit for the financial period	144	42
Interest receivable	(34)	(43)
Interest payable	-	-
Depreciation charges	4	5
	<hr/>	<hr/>
Operating profit before changes in working capital	114	4
(Increase)/decrease in trade and other receivables	(792)	21
Increase in trade payables and other current liabilities	5	117
	<hr/>	<hr/>
Cash (used in)/generated from operations	(673)	142
Taxation	-	-
	<hr/>	<hr/>
Net cash (used in)/generated from operating activities	(673)	142
	<hr/>	<hr/>
Cash flows from investing activities		
Net cash on acquisition of subsidiaries	(303)	-
	<hr/>	<hr/>
Net cash used in investing activities	(303)	-
	<hr/>	<hr/>
Cash flows from financing activities		
Interest received	34	43
Interest paid	-	-
Repayment of borrowings	-	-
	<hr/>	<hr/>
Net cash generated from financing activities	34	43
	<hr/>	<hr/>
Net (decrease)/increase in cash and cash equivalents	(942)	185
Cash and cash equivalents at beginning of the period	1,012	827
	<hr/>	<hr/>
Cash and cash equivalents at end of the period	70	1,012
	<hr/> <hr/>	<hr/> <hr/>

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2008**

GROUP

	Called up share capital £000	Share premium £000	Other reserve £000	Retained earnings £000	Total equity £000
Year ended 31 December 2008					
As 1 January 2008	7,554	5,602	202	(12,190)	1,168
Profit for the period and total income or expense for the period	-	-	-	260	260
At 31 December 2008	7,554	5,602	202	(11,930)	1,428
Year ended 31 December 2007					
As 1 January 2007	7,554	5,602	1,334	(13,587)	903
Profit for the period and total income or expense for the period	-	-	-	265	265
Transfer	-	-	(1,132)	1,132	-
At 31 December 2007	7,554	5,602	202	(12,190)	1,168

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2008**

COMPANY

	Called up share capital £000	Share premium £000	Other reserve £000	Retained earnings £000	Total equity £000
Year ended 31 December 2008					
As 1 January 2008	7,554	5,602	202	(12,709)	649
Profit for the period	-	-	-	144	144
At 31 December 2008	7,554	5,602	202	(12,565)	793
Year ended 31 December 2007					
As 1 January 2007	7,554	5,602	5,618	(18,167)	607
Profit for the period	-	-	-	42	42
Transfer	-	-	(5,416)	5,416	-
At 31 December 2007	7,554	5,602	202	(12,709)	649

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

1. GENERAL INFORMATION

Ultima Networks plc ("the company") and its subsidiaries (together "the Group") are involved in the marketing and support of computer application software and the merchandising of various products, but primarily electric bicycles.

The company is a public limited company, which is quoted on the Alternative Investment Market of The London Stock Exchange and is incorporated and domiciled in the UK. The address of its registered office is Akhter House, Perry Road, Harlow CM18 7PN.

The Group's and company's financial statements for the year ended 31 December 2008 were authorised for issue by the Board of Directors on 1 June 2009 and the balance sheets were signed on the Board's behalf by Prof. Humayun Akhter Mughal.

2. ACCOUNTING POLICIES

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

Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as adopted by the European Union and issued IFRS's issued by International Accounting Standards Board, and with those parts of the Companies Act 1985 applicable to companies reporting under IFRS.

A separate income statement for the parent company has not been presented as permitted by section 230(4) of the Companies Act 1985. The parent company earned a profit of £144,000 (2007: £42,000).

The financial statements are presented in pounds sterling, being the functional currency of the parent, and all values are rounded to the nearest thousand pounds (£000) except when otherwise indicated.

Having reviewed the future plans and projections for the business, the directors are satisfied that the Group has adequate resources to continue to operate for the foreseeable future, a period of not less than twelve months from the date of this report. For these reasons, they continue to adopt the going concern basis in preparing the financial statements.

Basis of consolidation

The consolidated financial statements incorporate the results and net assets of Ultima Networks plc and its subsidiary undertakings (together referred to as the 'Group') for the year ended 31 December 2008. A subsidiary is an entity over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than 50% of the voting rights. The results of each subsidiary are included from the date that control transferred to the Group and are adjusted to align accounting policies with the Group's accounting policies. Subsidiaries are no longer consolidated from the date that control ceases. Unrealised gains on transactions between the group and its subsidiaries are eliminated and unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. All intercompany balances and transactions are eliminated in full. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the group.

Company investment in subsidiaries

In its separate financial statements, the company recognises its investments in subsidiaries at cost. Income is recognised from these investments only in relation to distributions received from post acquisition profits.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008****2. ACCOUNTING POLICIES (continued)****Share-based payments**

All share-based payment arrangements granted after 7 November 2002 that had not vested prior to 1 January 2006 are recognised in the financial statements.

All goods and services received in exchange for the grant of any share-based payment are measured at their fair values. Where employees are rewarded using share-based payments, the fair values of employee's services are determined indirectly by reference to the fair value of the instrument granted to the employee. This fair value is appraised at the grant date and excludes the impact of non-market vesting conditions (for example, profitability and sales growth targets). All equity-settled share-based payments are ultimately recognised as an expense in the income statement with a corresponding credit to reserves.

If vesting periods or other non-market vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognised in the current period. No adjustment is made to any expense recognised in prior periods if share options ultimately exercised are different to that estimated on vesting. Upon exercise of share options the proceeds received net of attributable transaction costs are credited to share capital, and where appropriate share premium.

Goodwill

Goodwill on acquisitions comprises the excess of the fair value of the purchase consideration over the fair value of identifiable assets and liabilities acquired. Goodwill is recognised as an asset on the Group's balance sheet in the year in which it arises. Goodwill is not amortised and is tested for impairment at least annually and more frequently if events or changes indicate that the carrying value may be impaired and is carried at cost less accumulated impairment losses. For the purpose of impairment testing, goodwill is allocated to the cash generating units on which it arose. Any impairment is recognised immediately in the consolidated income statement and is not subsequently reversed.

The Group has elected to take the exemption not to apply IFRS 3 retrospectively to business combinations occurring prior to that date of transition to IFRS. Under IFRS 3 any goodwill arising on such acquisitions is not amortised, but is subject to impairment reviews. See note 11 for more details.

Other intangible assets

Other intangible assets include technology platform and customer relationships. These are only recognised if acquired in a business combination. They are stated at fair value less accumulated amortisation. These assets are amortised over the estimated useful lives of 10 years and the charge is included in administration expenses.

Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue consists of the fair value (excluding VAT) of consideration receivable for goods and services supplied to third parties.

Revenue from the sale of software product licences is recognised at the time the software licence is granted at which point all obligations have been met. Revenue relating to hardware and software support is recognised proportionally over the period to which it relates. Revenue from the sale of other products is recognised when the Group has delivered the products and there is no unfulfilled obligation that could affect the customer's acceptance of the products.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008****2. ACCOUNTING POLICIES (continued)****Research and development**

All research expenditure is written off in the year in which it is incurred. Unless certain conditions are met, all development expenditure is also written off in the year in which it is incurred.

The Group incurs development costs that are design costs relating to the production of new or substantially improved devices and products for the Group's 'Powacycle' and 'Infineum' range of electric bicycles and development costs that relate to the production of new or substantially improved application software products for the legal profession.

Development costs are capitalised only if the following conditions are met: the development is technically feasible of being completed so that it will be available for use or sale, the directors intend to complete the development and use or sell it, the group has the ability to use or sell the product, the directors have assessed how the asset will generate probable future economic benefit, there is adequate technical, financial and other resources available to complete the development and the expenditure attributable to the development can be measured reliably. If all these conditions are met then the associated development costs are amortised on a straight line basis over the useful life of the asset, which is estimated to be 3 years. Amortisation begins only when the asset is ready for use. The amortisation charged during the year is included within administration expenses within the income statement.

Segment reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments and whose operating results are reviewed on a regular basis by the Group's board and for which discrete financial information is available. A geographical segment is engaged in providing products or services within a particular economic environment that is subject to risks and returns that are different from those of segments operating in other economic environments.

Property, plant and equipment

Property, plant and equipment is carried at cost less accumulated depreciation and any recognised impairment in value. Cost comprises the aggregate amount paid to acquire the asset and includes costs directly attributable to making the asset capable of operating as intended.

All land and buildings are included at valuation. Valuations are kept up-to-date through periodic valuations carried out by external valuers.

Depreciation is provided evenly on the cost (or valuation where appropriate) of the assets, to write them down to their estimated residual values over their expected useful lives. No depreciation is provided on freehold land. The principal annual rates used for other assets are:

Freehold buildings	- 25 to 50 years
Office equipment	- 3 to 5 years
Motor vans	- 4 years
Computer equipment	- 3 years

The assets' residual values, useful lives and methods of depreciation are reviewed, and adjusted, if appropriate, on an annual basis. An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. A gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement in the year that the asset is derecognised.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008****2. ACCOUNTING POLICIES (continued)****Impairment of assets**

At each balance sheet date, the Group reviews the carrying amounts of its property, plant and equipment and intangible assets to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset, which is the higher of its fair value less costs to sell and its value in use, is estimated in order to determine the extent of the impairment loss. 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 the asset belongs.

An impairment charge is recognised in the income statement in the year in which it occurs. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. The carrying amount of the asset is increased to the revised estimate of its recoverable amount. The increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years.

Inventories

Inventories are valued at the lower of cost and net realisable value. Cost of raw materials, consumables and goods purchased for resale means actual price, including transport and handling and is determined using FIFO method. Net realisable value means estimated net selling price less estimated costs of disposal.

Trade and other receivables

Trade receivables are recognised initially stated at fair value and subsequently measured at amortised cost using the effective interest rate method. Provision against trade receivables is made when there is objective evidence that the Group will not be able to collect all amounts due to it in accordance with the original terms of those receivables. The amount of the write-down is determined as the difference between the asset's carrying amount and the present value of estimated future cash flows.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within financial liabilities in current liabilities on the balance sheet.

Trade and other payables

Trade payables are not interest bearing and are initially stated at their fair value and then subsequently measured at amortised cost using the effective interest method.

Foreign currencies

Transactions in foreign currencies are dealt with on the Group's behalf by Akhter Group plc. Therefore, any transactions of the Group in foreign currencies are settled by Akhter Group plc and are converted to pounds sterling at pre-agreed spot rates for reimbursement by the Group. For consolidation purposes, the assets and liabilities of overseas subsidiary undertakings are translated at the closing exchange rates. Income statements of such undertakings are consolidated at the average rates of exchange during the year. Exchange adjustments arising are classified as equity and transferred to the Group's foreign currency translation reserve. Such translation differences are recognised as income or as expenses in the period in which the foreign undertaking is disposed of.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008****2. ACCOUNTING POLICIES (continued)****Income taxes**

Current income tax assets and liabilities are measured at the amount expected to be recovered or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the balance sheet date.

Deferred income tax is recognised using balance sheet liability method, providing for temporary differences between the tax bases and the accounting bases of assets and liabilities. Deferred income tax is calculated on an undiscounted basis at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rates and laws enacted or substantively enacted at the balance sheet date

Deferred income tax liabilities are recognised for all temporary differences, except when deferred income tax liabilities arise from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred income tax is charged or credited to the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred income tax assets and liabilities are offset against each other only when the Group has a legal enforceable right to do so.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences can be utilised.

Pensions

The Group does not operate any pension schemes, but does contribute to the personal pension plans of certain staff. The contributions are charged as an expense as they fall due. Any contributions unpaid at the balance sheet date are included as an accrual at that date. The Group has no future payment obligations once the contributions have been paid.

Leased assets - Group as lessee

Leases are classified as finance leases when the terms of the lease transfer substantially all the risks and rewards of ownership to the Group. All other leases are classified as operating leases.

Assets leased under operating leases are not recorded on the balance sheet. Rentals payable are charged direct to the income statement. Lease incentives, for example, up-front cash payments or rent free periods, are capitalised and spread over the period of the leased term. Payments made to acquire operating leases are treated as prepaid lease expenses and amortised over the useful life of the lease.

Leased assets - Group as lessor

Assets leased out under operating leases are included in property, plant and equipment and depreciated over their useful lives. Rental income, including the effect of lease incentives, is recognised on a straight line basis over the lease term.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008****2. ACCOUNTING POLICIES (continued)****Components of equity**

Equity comprises the following:

- ÷ Share capital represents the nominal value of equity shares
- ÷ Share premium represents the excess over nominal value of the fair value of consideration received for equity shares, net of expenses of the share issue
- ÷ Other reserves represents Merger Reserve and represents the difference between the value of the shares acquired and the nominal value where shares have been issued as part of the consideration for acquisitions
- ÷ Profit and loss reserve represents retained profits

Use of assumptions and estimates

The Group makes judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. 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 estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revisions and future periods if the revision affects both current and future periods.

The estimates and assumptions that have a significant effect on the amounts recognised in the financial statements are:

- ÷ establish depreciation and amortisation periods for the Group,
- ÷ estimates in relation to future cash flows and discount rates utilised in impairment testing,
- ÷ whether development costs meet the capitalisation criteria in IAS 38,
- ÷ estimates of net realisable values of inventories under IAS 2, and
- ÷ management intentions for realisation of tax assets and liabilities under IAS 12.

New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are not yet effective for the year ended 31 December 2008, and have not been applied in preparing these consolidated financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008**

**2. ACCOUNTING POLICIES (continued)
New standards and interpretations not yet adopted (continued)**

International Financial Reporting Standards (IFRS)		Effective date	To be adopted by the group and company during years commencing
IFRS 8	Operating segments	01.01.2009	01.01.2009
IAS 1	Presentation of financial statements (revised 2007)	01.01.2009	01.01.2009
IAS 23	Borrowing costs (revised)	01.01.2009	01.01.2009
IFRS 2	Share-based payment - vesting conditions and cancellations (amendment)	01.01.2009	01.01.2009
IAS 32 and IAS 1	Financial instruments: presentation and Presentation of financial statements - puttable financial instruments and obligations arising on liquidation (amendment)	01.01.2009	01.01.2009
IFRS 1 and IAS 27	First-time adoption of international financial reporting standards, and Consolidation and separate financial statements - cost of an investment in a subsidiary, jointly-controlled entity or associate (amendment)	01.01.2009	01.01.2009
	Improvement to IFRS (certain amendments)	01.01.2009 01.07.2009	01.01.2009 01.01.2010
IFRS 3	Business combinations (revised)	01.07.2009	01.01.2010
IAS 27	Consolidated and separate financial statements (amendment)	01.07.2009	01.01.2010
IAS 39	Financial instruments: recognition and measurement - eligible hedged items (amendment)	01.07.2009	01.01.2010

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008**

2. ACCOUNTING POLICIES (continued)

New standards and interpretations not yet adopted (continued)

International Financial Reporting Interpretations Committee (IFRIC)

IFRIC 13	Customer loyalty programmes	01.07.2008	01.01.2009
IFRIC 16	Hedges of a net investment in a foreign operation	01.10.2008	01.01.2009
IFRIC 15	Agreements for the construction of real estate	01.01.2009	01.01.2009
IFRIC 17	Distribution of non-cash assets to owners	01.07.2009	01.01.2010
IFRIC 18	Transfer of assets from customers	01.07.2009	01.01.2010

The impact on the Group's financial statements from the adoption of these new financial reporting standards is not expected to be material but the amendment to IAS 1 will impact the presentation of the financial statements.

3. SEGMENTAL REPORTING

The Group operates in the United Kingdom and Italy.

At 31 December 2008, the Group is organised into two principal business segments:

- † IT and related services (comprising legal and publishing application software)
- † Green technology (comprising electric bicycles, energy saving lamps, educational electronic kits and development of solar power parks)

The segmental results for the year ended 31 December 2008 are as follows:

	IT and related services UK £000	Green technology UK £000	Green technology Italy £000	Unallocated £000	Group £000
Revenue	708	1,269	-	-	1,977
Operating profit/(loss)	126	133	(9)	(4)	246
Finance income					35
Profit before taxation					281
Depreciation	5	4	-	4	13
Amortisation	9	6	4	-	19

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008**

3. SEGMENTAL REPORTING (continued)

The segmental results for the year ended 31 December 2007 are as follows:

	IT and related services UK £000	Green technology UK £000	Green technology Italy £000	Unallocated £000	Group £000
Revenue	701	863	-	-	1,564
Operating profit	148	85	-	-	233
Finance income					43
Profit before taxation					276
Depreciation	4	3	-	5	12
Amortisation	-	5	-	-	5

The other information of the segments are as follows:

2008

	IT and related services UK £000	Green technology UK £000	Green technology Italy £000	Unallocated £000	Group £000
Segment assets	549	714	541	178	1,982
Segment liabilities	(367)	(44)	(4)	(139)	(554)
Net assets	182	670	537	39	1,428
Capital expenditure	47	35	523	299	904

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008**

3. SEGMENTAL REPORTING (continued)

The other information of the segments are as follows:
2007

	IT and related services UK £000	Green technology UK £000	Green technology Italy	Unallocated £000	Group £000
Segment assets	153	405	-	1,142	1,700
Segment liabilities	(380)	(73)	-	(79)	(532)
Net assets/(liabilities)	(227)	332	-	1,063	1,168

Capital expenditure	6	4	-	-	10
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4. OTHER OPERATING INCOME

	2008 £000	2007 £000
Other income	14	4

5. OPERATING PROFIT

	2008 £000	2007 £000
Operating profit is stated after charging:		
Depreciation and other amounts written off property, plant and equipment	12	12
Amortisation of intangible assets	19	5
Operating leases - rent of buildings	62	49

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008**

6. AUDITOR REMUNERATION

Services provided by the Company's auditor and its associates

	2008	2007
	£000	£000

Group

Fees payable to the company's auditor for the audit of the company and consolidated financial statements	11	11
Fees payable to the company's auditor and its associates for other services		
- The audit of company's subsidiaries pursuant to legislation	4	7
	<u>15</u>	<u>18</u>
	<u><u>15</u></u>	<u><u>18</u></u>

7. FINANCE INCOME

	2008	2007
	£000	£000
Finance income		
- Bank interest receivable	(35)	(43)
	<u>(35)</u>	<u>(43)</u>
Net finance income	<u><u>(35)</u></u>	<u><u>(43)</u></u>

8. EMPLOYEES

	2008	2007
	£000	£000
Employee costs including executive directors during the year amounted to:		
Wages and salaries	588	461
Social security costs	61	45
Other pension costs	6	3
	<u>655</u>	<u>509</u>
	<u><u>655</u></u>	<u><u>509</u></u>
	2008	2007
	Number	Number

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

Production	-	2
Sales and marketing	3	2
Product development and support	11	8
Administration	11	9
	<u>25</u>	<u>21</u>
	<u><u>25</u></u>	<u><u>21</u></u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008**

8. EMPLOYEES (continued)

The company has no employees and no staff costs.

	2008	2007
	£000	£000
The total remuneration of directors was as follows		
Fees	64	77
Remuneration as executives (including benefits in kind)	-	-
Pension contributions	-	-
	<u>64</u>	<u>77</u>
	<u><u>64</u></u>	<u><u>77</u></u>

The fees payable in respect of services rendered by the finance director, Anthony P Klein, amounted to £12,000. These fees were paid to Gross Klein, a firm in which he is a partner.

No remuneration is paid directly by the Group for the services of the other executive directors. However, a charge to the company from Akhter Group plc of £28,000 (2007: £56,000) for executive management services, disclosed in note 24 of the financial statements, is for services of the company's former finance director. There is currently no pension provision for any of the directors and therefore no pension is accrued to them.

Details of directors' interests in the share capital of the company together with further details of the directors' remuneration are contained in the Remuneration Report on pages 13 to 15.

There are no amounts of compensation payable to key management.

9. TAXATION ON PROFIT

(a) Analysis of charge in the year

	2008	2007
	£000	£000
Current taxation		
UK corporation tax on profits for the year	25	29
Adjustments in respect of previous periods	-	(17)
Total current taxation	<u>25</u>	<u>12</u>
Deferred taxation		
Origination and reversal of temporary differences (note 19a and 19b)	(4)	(1)
Taxation expense	<u><u>21</u></u>	<u><u>11</u></u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008**

9. TAXATION ON PROFIT (continued)

(b) Factors affecting charge in the year

The corporation tax rate has been changed from the rate of 20% applied in the prior year to reflect the effective rate applicable to the current year of 28.5%. The differences are explained below:

	2008 £000	2007 £000
Profit on ordinary activities before taxation	281	276
Tax at UK corporation tax rate 28.5% (2007: 20%)	80	55
Effect of		
Depreciation in excess of capital allowances	4	-
Utilisation of tax losses not recognised for deferred taxation	(59)	(26)
Adjustments in respect of previous period	-	(17)
Deferred tax movement	(4)	(1)
	21	11

The Group has tax losses to carry forward of £5,552,000 (2007: £5,760,000) which may be available for offset against future profits.

10. EARNINGS PER SHARE

The inputs to the earnings per share calculation are shown below:

	2008 Number	2007 Number
Weighted average ordinary shares in issue during the year	204,747,964	204,747,964
Potentially diluted share options under the Group's share option schemes	-	-
Weighted average ordinary shares for diluted earnings per share	204,747,964	204,747,964
	£	£
Earnings/(loss) attributable to shareholders		
Continuing operations	260,000	265,000
Discontinued operations	-	-
	260,000	265,000

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008**

10. EARNINGS PER SHARE (continued)

The calculation of basic earnings per ordinary share is based on the profit for the period attributable to equity holders of the parent and the weighted average number of ordinary shares in issue during the year.

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive share options.

11a. PROPERTY, PLANT AND EQUIPMENT

GROUP	Freehold land and buildings		Office and computer equipment and motor vans		Total	
	2008	2007	2008	2007	2008	2007
	£000	£000	£000	£000	£000	£000
Cost						
At beginning of year	120	120	35	30	155	150
Additions	507	-	3	5	510	5
Assets acquired on acquisition	-	-	4	-	4	-
At end of year	627	120	42	35	669	155
Depreciation						
At beginning of year	13	8	22	15	35	23
Charge for year	4	5	9	7	13	12
At end of year	17	13	31	22	48	35
Net book value						
At end of year	610	107	11	13	621	120

During the year, land was acquired in Italy by the subsidiary Tre-Sol Italia srl. The cost of this acquisition was £507,000.

There are no restrictions on title and no assets above have been pledged as security. In addition, there were no contractual commitments for the acquisition of property or other assets.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008**

11a. PROPERTY, PLANT AND EQUIPMENT (continued)

COMPANY

	Freehold land and buildings 2008 £000	Freehold land and buildings 2007 £000
Cost or valuation		
At beginning of year	120	120
Additions	-	-
	<hr/>	<hr/>
At end of year	120	120
	<hr/>	<hr/>
Depreciation		
At beginning of year	13	8
Charge for year	4	5
	<hr/>	<hr/>
At end of year	17	13
	<hr/>	<hr/>
Net book value		
At end of year	103	107
	<hr/> <hr/>	<hr/> <hr/>
At beginning of year	107	112
	<hr/> <hr/>	<hr/> <hr/>

GROUP AND COMPANY

The aggregate amounts at which freehold land and buildings would have been shown in the financial statements had they not been revalued is the same as historical cost.

Freehold land and buildings include depreciable assets of £108,000 (2007: £108,000).

The freehold land and buildings owned by the company are located in Crediton, Devon and were revalued on the basis of market value and rental value. The valuation report, dated 20 September 2004, quotes a market value that agrees to the original cost of £120,000. The directors do not consider this valuation to be materially different as at 31 December 2008 and therefore that the carrying cost is not materially different from the fair value.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008**

11b. INTANGIBLE ASSETS - DEVELOPMENT COSTS

GROUP	2008 £000	2007 £000
Cost		
At beginning of year	14	10
Additions	82	4
	<hr/>	<hr/>
At end of year	96	14
	<hr/>	<hr/>
Amortisation		
At beginning of year	8	3
Charge for year	10	5
	<hr/>	<hr/>
At end of year	18	8
	<hr/>	<hr/>
Net book value		
At end of year	78	6
	<hr/> <hr/>	<hr/> <hr/>
At beginning of year	6	7
	<hr/> <hr/>	<hr/> <hr/>

11c. INTANGIBLE ASSETS - GOODWILL

GROUP	2008 £000
Cost	
At beginning of year	-
Additions	118
	<hr/>
At end of year	118
	<hr/>
Net book value	
At end of year	118
	<hr/> <hr/>
At beginning of year	-
	<hr/> <hr/>

The goodwill relates to the acquisition of J.C.S. Computing Solutions Limited which is part of the IT and related services division. The JCS department has been defined as a cash generating unit for impairment testing purposes. At the year end, the directors carried out an impairment review of the goodwill. No goodwill impairment has been recognised. The recoverable amount of the JCS cash generating unit is determined from value in use calculations using cash flows projections covering a period of 5 years. The key assumptions used for the impairment review is that sales will increase by 5% per annum and that relevant expenses will increase by 2.5% per annum, and a pre tax discount rate of 8%.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008**

11d. INTANGIBLE ASSETS - OTHERS

GROUP	Technology platform 2008 £000	Customer relationships 2008 £000	Total 2008 £000
Cost			
At beginning of year	-	-	-
Assets acquired on acquisition	95	95	190
At end of year	95	95	190
Amortisation			
At beginning of year	-	-	-
Charge for year	4	5	9
At end of year	4	5	9
Net book value			
At end of year	91	90	181

**12. INVESTMENTS IN SUBSIDIARY UNDERTAKINGS
COMPANY**

	2008 £000
Cost	
At beginning of year	2,528
Additions	840
At end of year	3,368
Impairment	
At beginning of year	2,015
Charge	-
At end of year	2,015
Net book value	
At end of year	1,353
At beginning of year	513

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008**

**12. INVESTMENTS IN SUBSIDIARY UNDERTAKINGS (continued)
COMPANY (continued)**

The principal subsidiary undertakings are all wholly owned by the company, are consolidated and include the following:

Subsidiary undertaking	Principal activity	Class of share
Incorporated in England and Wales:		
UTN Solutions (North) Limited	Merchandising of electric bicycles and other products	ordinary
Integrated Publishing Systems Limited	Support of computer application software	ordinary
Cognito Software Limited	Marketing and support of computer application software	ordinary
J.C.S. Computing Solutions Limited	Dormant	ordinary
Incorporated in Italy:		
Tre-Sol Italia srl	Development of solar power park	ordinary

The following undertakings, which are all wholly owned by Tre-Sol Italia srl and incorporated in Italy, are consolidated and include the following:

Ultima Italia srl	Development of solar power park	ordinary
Harlicon srl	Development of solar power park	ordinary
Lecsolar srl	Development of solar power park	ordinary

13. ACQUISITIONS DURING THE YEAR

On 1 July 2008, the group acquired 100% of the share capital of J.C.S. Computing Solutions Limited for a consideration of £295,000. The investment in this company has been included in the Group's balance sheet at its fair value at the date of acquisition.

In addition, the Group invested in Tre-Sol Italia srl at a cost of £8,000 and a long term loan of £537,000 which relate to the setting up of this company and acquisition of the land in Southern Italy.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008**

13. ACQUISITIONS DURING THE YEAR (continued)

The analysis of the net assets acquired of J.C.S. Computing Solutions Limited is as follows:

	Book value £000	Fair value adjustments £000	Fair value £000
Cash	132		132
Intangible assets	10	180	190
Property, plant and equipment	4		4
Trade receivables	94		94
Prepayments and accrued income	7		7
Trade payables and other payables	(99)		(99)
Current tax liabilities	(38)		(38)
Accruals and deferred income	(60)		(60)
Deferred tax	-	(53)	(53)
	<u>50</u>	<u>127</u>	<u>177</u>
Goodwill			118
			<u>295</u>
Satisfied by:			
Cash paid			269
Directly attributable costs			26
			<u>295</u>

The trade and assets of J.C.S. Computing Solutions Limited were transferred to Cognito Software Limited immediately following acquisition.

The acquired business contributed revenues of £144,000 and profit before tax of £20,000 to the Group for the period 1 July 2008 to 31 December 2008. If the acquisition had occurred on 1 January 2008, revenue would have been £256,000 and profit before tax would have been £23,000. These amounts have been calculated using the Group's accounting policies and by adjusting the results of the subsidiary where appropriate.

14. INVENTORY

	GROUP		COMPANY	
	2008 £000	2007 £000	2008 £000	2007 £000
Finished goods	452	257	-	-

A total of £593,000 (2007: £437,000) inventories was included in the income statement as an expense. This includes £18,000 (2007: £18,000) resulting from write down of inventories.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008**

15. TRADE AND OTHER RECEIVABLES

	GROUP		COMPANY	
	2008	2007	2008	2007
	£000	£000	£000	£000
Trade receivables	174	162	-	-
Less provision for impairment	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Trade receivables - net	174	162	-	-
Amounts owed by Group undertakings	-	-	272	-
Owed by related party (see note 24)	-	23	-	-
Other receivables	6	15	-	15
Tax recoverable	-	7	-	7
Prepayments and accrued income	224	77	5	-
	<hr/>	<hr/>	<hr/>	<hr/>
	404	284	277	22
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The directors do not consider there to be any material difference between the fair values of trade and other receivables and the amounts shown above. The trade and other receivables of the company and the Group are all denominated in pounds sterling. The Group's main credit risk relates to trade receivables. No collateral is held as security against these receivables and the carrying value approximates to the fair value.

Trade receivables that are less than three months past due are not considered impaired. As of 31 December 2008, trade receivables of £61,000 (2007: £2,000) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these trade receivables is as follows:

	GROUP		COMPANY	
	2008	2007	2008	2007
	£000	£000	£000	£000
Up to 3 months	14	2	-	-
Over 3 months	47	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	61	2	-	-
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008**

16. CASH AND CASH EQUIVALENTS

	GROUP		COMPANY	
	2008	2007	2008	2007
	£000	£000	£000	£000
Cash at bank and on hand	56	76	6	62
Short-term bank deposits	66	950	64	950
	<hr/>	<hr/>	<hr/>	<hr/>
	122	1,026	70	1,012
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

17. TRADE AND OTHER PAYABLES

	GROUP		COMPANY	
	2008	2007	2008	2007
	£000	£000	£000	£000
Trade payables	46	50	5	6
Amounts due to Group undertakings	-	-	871	927
Owed to related party (see note 24)	35	47	30	28
	<hr/>	<hr/>	<hr/>	<hr/>
	81	97	906	961
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The directors consider that the carrying value of trade and other payables approximates to their fair value.

18. FINANCIAL INSTRUMENTS

The Group's financial instruments, from which financial instrument risk arises, comprise cash and cash equivalents, trade receivables and trade payables that arise directly from its operations. The main financial instrument risks arising from, and impacted by, the financial assets and liabilities of the Group are credit risk, cash flow interest rate risk and liquidity risk. The Board reviews and agrees policies for managing these risks and they are summarised below.

The Group does not hold any derivative financial instruments. The Group's financial assets and liabilities are measured at amortised cost.

The principal financial assets of the Group are trade receivables and cash at bank. Cash is held in Sterling only in either a current account or on short-term deposit. The amounts being as follows:

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

18. FINANCIAL INSTRUMENTS (continued)

Financial assets by category

GROUP

2008

	Loans and receivables	Non- financial assets	Balance sheet
	£000	£000	£000
Cash at bank	122	-	122
Trade and other receivables	180	-	180
Prepayments	-	224	224
Tax recoverable	-	-	-
	302	224	526

2007

Cash at bank	1,026	-	1,026
Trade and other receivables	200	-	200
Prepayments	-	77	77
Tax recoverable	-	7	7
	1,226	84	1,310

Trade receivables arise directly from the Group's operations and do not carry any interest. All cash balances attract interest at floating rates that vary with UK bank base rates. The Group does not have any undrawn borrowing facilities.

COMPANY

2008

	Loans and receivables	Non- financial assets	Balance sheet
	£000	£000	£000
Amounts owed by Group undertaking	809	-	809
Tax recoverable	-	5	5
	809	5	814

2007

Amounts owed by Group undertaking	-	-	-
Other receivables	15	-	15
Tax recoverable	-	7	7
	15	7	22

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

18. FINANCIAL INSTRUMENTS (continued)

Financial liabilities by category

GROUP

2008

	Other financial liabilities £000	Non- financial liabilities £000	Balance sheet £000
Trade payables	46	-	46
Owed to related party	35	-	35
VAT and tax payable	-	132	132
Accruals and deferred income	99	192	291
	<u>180</u>	<u>324</u>	<u>504</u>

2007

Trade payables	50	-	50
Owed to related party	47	-	47
VAT and tax payable	-	98	98
Accruals and deferred income	81	254	335
	<u>178</u>	<u>352</u>	<u>530</u>

COMPANY

2008

Trade payables	5	-	5
Amounts due to group undertakings	871	-	871
Owed to related party	30	-	30
VAT and tax payable	-	38	38
Accruals	66	-	66
	<u>972</u>	<u>38</u>	<u>1,010</u>

2007

Trade payables	6	-	6
Amounts due to group undertakings	927	-	927
Owed to related party	28	-	28
VAT and tax payable	-	-	-
Accruals	44	-	44
	<u>1,005</u>	<u>-</u>	<u>1,005</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008**

18. FINANCIAL INSTRUMENTS (continued)

Credit risk

The Group's credit risk is primarily attributable to its trade receivables. Exposures to credit risk are minimised by employing effective credit management policies and procedures. Only customers known to the Group are granted credit terms. Annual fees for software licences and support agreements are payable in advance and require a uniquely numbered "valid licence key" to operate.

Cash flow interest rate risk

The Group is cash positive and places its balances on short-term deposits with Lloyds TSB Bank plc. Variable rate interest receivable is based on UK bank base rates and therefore changes in interest rates will affect the return on cash balances. No interest is received on any of the Group's other assets or receivables. The Group does not have any loans, bank borrowings or other interest bearing payables.

Liquidity risk

It is the Group's policy to maintain sufficient cash resources to meet its short-term liabilities.

Foreign currency risk

The Group is exposed to movements in exchange rates for both foreign currency transactions and the translation of net assets and income statement of foreign subsidiaries. The overseas subsidiary is regarded as long-term investment and manages its translational exposure through currency matching of assets and liabilities where applicable. The two currencies used by the Group are pounds sterling and euros.

In respect of the UK operations, the purchases from foreign suppliers is dealt with on the Group's behalf by Akhter Group plc. These transactions are settled by Akhter Group plc and are converted to pounds sterling at pre-agreed spot rates for reimbursement by the Group.

The overseas subsidiary uses euros. The group will actively seek to source suppliers who deal in euros for this part of the operations of the Group to minimise the risk.

The value of monetary assets and liabilities of the Group not held in functional currency at the balance sheet date were as follows:

	2008	2007
	£000	£000
Denominated in euros		
Assets	17	-
Liabilities	-	-
Net assets	17	-

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008**

18. FINANCIAL INSTRUMENTS (continued)

Foreign currency risk (continued)

	2008	2007
	£000	£000
If pound sterling had strengthened by 5% against the euro with all other variables held constant		
Impact on net Group result for the year	(1)	-
If pound sterling had weakened by 5% against the euro with all other variables held constant		
Impact on net Group result for the year	1	-

Price risk

The Group does not hold any listed security investments and therefore has no exposure to securities price risk.

Capital risk management

The Group considers its capital to comprise its ordinary and deferred share capital, share premium account and accumulated retained losses.

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group considers equity funding as the most appropriate form of capital for the Group, but keeps this under review taking into account the risks, costs and benefits to equity shareholders of introducing debt.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008**

19a. DEFERRED TAX ASSET

	GROUP £000	COMPANY £000
Deferred tax asset at 1 January 2008	5	-
Credited to income statement in the year	1	-
	<hr/>	<hr/>
Deferred tax asset at 31 December 2008	<u>6</u>	<u>-</u>

GROUP

	Provided		Not provided	
	2008 £000	2007 £000	2008 £000	2007 £000
Depreciation in excess of capital allowances	6	5	-	-
Losses	-	-	1,552	1,152
	<hr/>	<hr/>	<hr/>	<hr/>
	<u>6</u>	<u>5</u>	<u>1,552</u>	<u>1,152</u>

COMPANY

	Provided		Not provided	
	2008 £000	2007 £000	2008 £000	2007 £000
Losses	-	-	1,322	974
	<hr/>	<hr/>	<hr/>	<hr/>
	<u>-</u>	<u>-</u>	<u>1,322</u>	<u>974</u>

The Group has tax losses of £5,552,000 as at 31 December 2008 (2007: £5,760,000) which have not been recognised for deferred tax purposes as these may only be set against certain profits arising in future accounting periods.

19b. DEFERRED TAX LIABILITY

	GROUP £000	COMPANY £000
Deferred tax liability at 1 January 2008	-	-
On acquisition of subsidiary	53	-
Credited to income statement in the year	(3)	-
	<hr/>	<hr/>
Deferred tax liability at 31 December 2008	<u>50</u>	<u>-</u>

GROUP

	Provided	
	2008 £000	2007 £000
Other intangibles	50	-
	<hr/>	<hr/>
	<u>50</u>	<u>-</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008**

20. CALLED UP SHARE CAPITAL

	2008	2007
	£000	£000
Authorised		
449,302,276 ordinary shares of 1p each	4,493	4,493
137,674,431 deferred shares of 4p each	5,507	5,507
	<u>10,000</u>	<u>10,000</u>
Allotted, called up and fully paid up		
204,747,964 ordinary shares of 1p each	2,047	2,047
137,674,431 deferred shares of 4p each	5,507	5,507
	<u>7,554</u>	<u>7,554</u>

The deferred shares have no right to dividends nor do the holders thereof have the right to receive notice of or to attend or vote at any General Meeting of the Company. On a return of capital on a winding up of the company, the holders of the deferred shares shall only be entitled to receive the amount paid up on such shares after the holders of the ordinary shares have received the sum of £1,000,000 for each ordinary share held by them.

Ultima Networks plc 2004 Share Option Scheme

This scheme was approved by the AGM held on 28 May 2004. No options to subscribe for ordinary shares of 1p each have been granted under this scheme.

Executive Share Option Schemes

Options to subscribe for ordinary shares of 1p each are exercisable in accordance with the 1994 Microvitec Inland Revenue Approved Executive Share Option Scheme. During the year ended 31 December 2008, no options were granted, no options were exercised and no options lapsed. At 31 December 2008, options were outstanding on 100,000 (2007: 100,000) ordinary shares as follows:

Dates exercisable	Number of shares	Price
16 April 2003 - 15 April 2010	100,000	7.5p

21. CAPITAL COMMITMENTS

	GROUP		COMPANY	
	2008	2007	2008	2007
	£000	£000	£000	£000
Contracted capital expenditure	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

22. FUTURE OPERATING LEASE COMMITMENTS

There are no operating lease commitments at the balance sheet date (2007: nil).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008**

23. PENSIONS

During the year the Group contributed to the personal pension schemes (defined contribution) of certain employees. No contributions were paid in respect of the directors. No amounts were accrued or prepaid at the year end (2007: nil).

24. RELATED PARTY TRANSACTIONS

The Chairman, Prof H A Mughal, is a majority shareholder of Akhter Group plc. Akhter Group plc and related parties hold 100,075,176 shares representing 48.9% of the company's issued ordinary share capital.

During the year the Group made purchases from Akhter Group plc totalling £148,000 (2007: £164,000) and, of this amount, £35,000 (2007: £47,000) was payable to Akhter Group plc as at 31 December 2008. The purchases can be analysed as follows:

Group company	2008 £000	2007 £000	Description of purchases
Ultima Networks	28	56	Executive management services ("EMS")
UTN Solutions (North)	115	74	Rent and carriage costs
Integrated Publishing Systems	3	20	Rent and carriage costs
Cognito Software	2	14	Computer equipment and EMS
Total	148	164	

The charge to the company of £28,000 (2007: £56,000) from Akhter Group plc for executive management services, disclosed above, is for the services of the company's former finance director and is based on a proportion of their time.

As stated above the treasury function is performed on behalf of the company by Akhter Group plc and will always try to make the most beneficial use of available cash resources. During the year no monies were loaned by the company to Akhter Group plc (2007: nil) and no monies were borrowed by the company from Akhter Group plc (2007: nil).

During the year the Group made sales to Akhter Group plc totalling nil (2007: £20,000) and, of this amount, nil (2007: £23,000) was payable by Akhter Group plc as at 31 December 2008. The sales can be analysed as follows:

Group company	2008 £000	2007 £000	Description of sale
Integrated Publishing Systems	-	20	IT staff and support services
Total	-	20	

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008**

24. RELATED PARTY TRANSACTIONS (continued)

During the year the company recharged its administration expenses to all its subsidiaries as detailed below:

Group company	2008 £000	2007 £000	Description
Ultima Networks	(250)	(192)	Group recharge (receivable)
UTN Solutions (North)	150	70	Group recharge payable
Integrated Publishing Systems	-	13	Group recharge payable
Cognito Software	100	109	Group recharge payable
Total	-	-	

Any surplus cash balances held by any of the subsidiaries are transferred to the company where they are pooled and placed on short-term deposits with Lloyds TSB Bank to maximise interest receivable.

During the year, the fees payable in respect of services rendered by the finance director, Anthony P Klein, amounted to £12,000. These fees were paid to Gross Klein, a firm in which he is a partner.

25. CONTINGENT LIABILITY

Cognito Software Limited has entered into a contract to purchase complimentary software rights which is dependent on future sales. The directors estimate the future liabilities to be £20,000.

26. CONTROLLING PARTY

In the opinion of the directors, there is no ultimate controlling party.

ANNUAL PERFORMANCE HISTORY

	IFRS 2008	IFRS 2007	IFRS 2006	UK GAAP 2005	UK GAAP 2004
Revenue £000	1,977	1,564	1,398	1,074	1,659
Pre-tax profit/(loss) £000	281	276	548	(360)	313
Net assets/(liabilities) £000	1,428	1,168	903	388	836
Net assets/(liabilities) per share pence	0.70	0.57	0.44	0.19	0.41
Basic earnings/(loss) per share pence	0.13	0.13	0.25	(0.20)	0.14
Dividends	-	-	-	-	-



Annual General Meeting

Attendance Form

If you wish to attend the Annual General Meeting, please bring this form with you and present it on arrival.

If you do not wish, or unable to attend the AGM, you may appoint another person to attend and, on a poll, vote on your behalf. If so, please read the notes below and complete and return the Form of Proxy on the following page and return it to:

Neville Registrars Limited
Neville House,
18 Laurel Lane,
Halesowen
West Midlands
B63 3DA

Annual General Meeting

Notes:

1. If you wish to appoint some other person, please insert his/her name and address, initial the insertion and strike out the words "the Chairman of the Meeting"
2. Please indicate with an X how you wish your vote to be cast. Unless otherwise instructed, the proxy will vote or abstain as he/she thinks fit. Please note that the "Vote Withheld" option is provided to enable you to abstain on any particular resolution. A "Vote Withheld" is not a vote in law and will not be counted in the calculation of the proportion of the votes "for" and "Against" a resolution.
3. A form of proxy executed by a corporation must be executed as a deed or under the hand of a duly appointed officer or attorney.
4. To be valid, this proxy form must be lodged, together with any power of attorney or written authority under which it is signed (or notarially certified copy of such power of authority) at the offices of the Company's Registrars, Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, West Midlands, B63 3DA no later than 48 hours prior to the meeting.
5. In the case of joint holders, the signature of any one holder will be sufficient but the names of all joint holders should be stated.
6. Completion and return of the form of proxy will not preclude ordinary shareholders attending and voting at the Meeting should they subsequently decide to do so.



Annual General Meeting

Form of Proxy

I/We.....

.....
Being (a) member(s) of Ultima Networks PLC hereby appoint the Chairman of the Meeting (see note 1 of notes to the attendance form) or

.....

.....

As my/our proxy to vote for me/us and on my/our behalf of the Annual General meeting of the Company to be held on 27th July 2009 at 1.00pm and at any adjournment thereof. This proxy is to be used as follows (see note 2 of the notes to the attendance form):

	RESOLUTIONS	FOR	AGAINST	VOTE WITHHELD
1	To receive and adopt the Financial Statements of the Company for the year ended 31 December 2008 together with the Directors' and Auditors' Reports thereon.			
2	To reappoint H A Mughal as a Director of the Company who retires by rotation and offers himself for reappointment.			
3	To confirm the appointment of A P Klein as Finance Director of the Company			
4	To reappoint Grant Thornton UK LLP as auditors of the Company and to authorise the Directors to determine their remuneration.			
5	To approve the Directors' Remuneration Report for the year ended 31 December 2008.			
6	To authorise the Directors to allot relevant securities			
7	To authorise the Directors to disapply pre-emption rights on allotment of equity securities.			
8	To authorise the Directors to apply to change the name of the company to Ultima PLC.			

PLEASE CUT OUT THIS FORM, FOLD IT AND SEAL IT AND RETURN IT TO:
NEVILLE REGISTRARS LIMITED, Neville House, 18 Laurel Lane, Halesowen, West Midlands, B63 3DA.

NEVILLE Registrars Limited
Neville House
18 Laurel Lane
Halesowen
West Midlands
B63 3DA

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