Atlantic Global

Atlantic Global Plc

Annual Report and Accounts

Year ended 31 December 2007

Contents

"Atlantic Global's mission: helping businesses to better understand their resource capability and project delivery process, thereby enabling improvement in operational efficiency and effectiveness."

We establish successful partnerships with our customers to help them monitor, manage and model key areas within their business, using our software products.

We have worked with some of the leading organisations in the United Kingdom to establish a suite of high quality software products that are easy to implement, quick to learn and configurable to meet individual user's requirements.

Our products have received international recognition and we have been included in the 2007 Gartner Project and Portfolio Management "Magic Quadrant" for the third year running. This publication acknowledges and ranks the top 25 leading suppliers in the world of this discipline. It is referenced by most organisations when purchasing this type of software product.

Atlantic Global has expanded its blue chip client list and complemented this with a good mix of medium sized organisations that reside across many industry sectors.

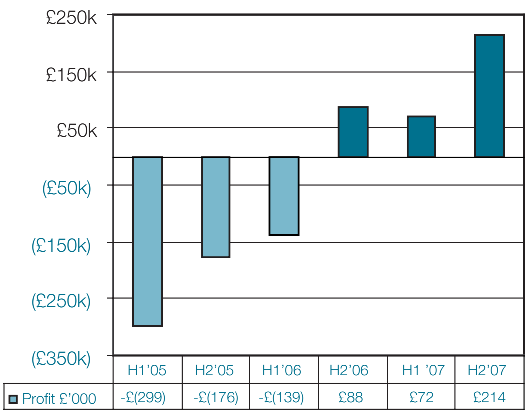
The Group released Atlantic Global Solutions Version 12 during 2007. The development of the next generation of our products that started in April 2006 is progressing well. This represents a significant investment in R&D creating new intellectual property.

It is scheduled for release in Quarter 3 2008 and will include:

- Three Delivery Methods (Customer Site Implementation, Hosted and SaaS Models)
- International Focus offering Multi-lingual and Multi-currency functionality
- Improved User Interface
- Enhanced Scalability

The Group has expanded employee numbers towards the end of 2007 in several areas, with a view to supporting the planned growth of the organisation.

Profit / Loss before tax £'000



Financial

	Year ended 31 December 2007	Year ended 31 December 2006	%
Turnover	**2,303,000**	1,961,000	17%
Profit / (loss) before tax	**286,000**	(51,000)	–
Earnings per share	**1.02p**	0.23p	343%
Dividend payable per share	**0.3p**	nil	–
Cash and cash equivalents	**1,546,000**	1,600,000	–3%

Turnover analysis

	Year ended 31 December 2007		Year ended 31 December 2006	
	£000	**%**	£000	%
Licence	**728**	**32**	665	34
Support	**730**	**32**	736	37
Services	**845**	**36**	560	29
	2,303	**100**	1,961	100

Financial and operational – 2007

- Sales increased by 17%
- Delivered third consecutive profitable half year during the second half of 2007
- Ranked by Gartner as one of the world's leading 25 suppliers of Project Portfolio Management software
- Appointment of Adrian Bradshaw as Non-Executive Chairman in September 2007
- Released Atlantic Global Solutions 12 during 2007

Prospects for 2008

- Implementation and roll out of licence deals secured in the second half of 2007 to Norwich Union, Provident Financial, Capita National Strategies, Trader Media, Bank of Tokyo, Line Communications and The British Library
- Continue to build on the progress made during 2007
- Launch the next generation of our products (scheduled for Quarter 3 2008)
- Diversify our business model by introducing Hosting and SaaS solution offerings which will:
  - Simplify and speed up the sales engagement process
  - Enable us to penetrate markets outside the UK
- Proactive acquisition strategy

Chairman's Statement

Introduction

This is my first report to shareholders following my appointment as Non-Executive Chairman in September 2007 and I am pleased to report a significant increase in profitability for 2007.

Results

The Group produced profit before taxation of £286,000 (2006 loss before taxation: £51,000). The turnover of the group for 2007 was £2,303,000, (2006: £1,961,000).

Earnings per share were 1.02 pence (2006: 0.23 pence).

We continued to invest and build our Group and products during 2007. The Group had net cash balances, at the end of December 2007, of £1,546,000 (2006: £1,600,000) and cash at 31 March 2008 had increased to £2,010,000.

The Group remains in the excellent position of being financially secure, with cash in the bank.

This is the first time that our annual results have been prepared under International Financial Reporting Standards (IFRS) as adopted by the EU and comparative results for the twelve month period ended 31 December 2006 have also been restated in accordance with adopted IFRS.

New clients

During the year we have gained new Project Portfolio Management (PPM) software customers, including the National Assembly for Wales, Oxford Strategic Marketing, ICE Computer Services, TRL Technology, Syne Qua Non, Oxford Pharmaceutical Sciences, Bank of Tokyo, Capita National Strategies, Trader Media Group, Line Communications, Stepstone and The British Library. We have also continued to develop our successful relationships with existing customers as evidenced by new sales being made to Provident Financial, Kingston Communications, LDA, Norwich Union, Friends Provident, Tiscali and GroupM.

Recurring Income

A strong feature of Atlantic Global is the level of recurring support and maintenance income which is around £730,000 for the period. This provides a solid base for the Group and therefore any new licence sales contribute significantly to profitability meaning that the business has high operational gearing.

Next generation of our software

The Group released Atlantic Global Solutions 12 during 2007. The next major release of our software is scheduled for release in Quarter 3 2008, having been in development for two years with each module and product being redesigned using the latest technology and development methodologies. This new product will create new intellectual property and allow our software to be delivered in one of three IT industry recognised ways:

- Client hosted – Atlantic Global will install the software on the clients hardware and infrastructure as per the current licensing model;
- Hosted – Atlantic Global will provide software and hardware on an individual client basis, charged annually; and
- Software as a Service (SaaS) – Atlantic Global will provide software and hardware in a multi-tenancy environment, providing economies of scale, charged on a monthly subscription basis.

The new software will include much additional functionality, including being multi-lingual and multi-currency capability with a new and improved user interface and the capacity for the scalability required to deliver SaaS.

The new product will provide Atlantic Global with the ability to simplify and shorten the sales engagement cycle and also to make the software available over the internet to all geographical areas around the world .

Strategy for the future and acquisitions

The Board is continuing to examine acquisitions which will significantly increase the size of the Atlantic Global footprint within the software market.

Our objective during the last six months has been to consolidate the Group's position, with a view to executing acquisitions in 2008.

We will also continue to investigate other complementary channels to market our products

Repurchase of Company Shares

For a number of years Atlantic Global has maintained relatively high cash levels reflecting the cash generative nature of the business. The current return on this surplus cash is relatively modest and the Directors believe that this cash could be better used by repurchasing some of the Company's shares. The Directors believe this would enhance shareholder value and accordingly we will seek approval at the forthcoming AGM from shareholders to repurchase up to 10% of the Company's outstanding share capital as and when appropriate.

Dividend

The Directors are proposing a dividend for the year ended 31 December 2007 of 0.3p per share (2006: nil). The Directors will maintain a progressive dividend policy.

Current trading

From our management accounts up to the end of the first quarter of the year, I can confirm that trading is in line with expectations, continuing the strong finish to 2007. We believe that recent additions to our sales team will enable the Group to enjoy continued success.

People

The Group would like to recognise and pay tribute to the employees for their hard work and professionalism during what has been a difficult chapter in the Group's history. I am pleased to report that we have resumed the recruitment of additional people to key areas to support the planned growth of the business during 2008.

Annual General Meeting

We shall be holding our AGM on 9 May 2008 at 2.30 pm, in our Group Head Office in Cleckheaton, West Yorkshire, at Woodland Park, Bradford Road, Chain Bar, Cleckheaton, West Yorkshire, BD19 6BW.

Following the formalities of the meeting we will, as in previous years, provide time during which shareholders can meet the Directors and discuss the progress of the Group. I would extend the Board's invitation to all shareholders in the hope that as many as possible attend.

I believe that the Group is well placed to achieve another year of continued profits growth during 2008.

Adrian Bradshaw
Chairman
8 April 2008

Brief biographies of the Group's Directors are given below.

NON-EXECUTIVE DIRECTOR:

Adrian Bradshaw (52)

Non-Executive Chairman: Adrian Bradshaw is currently, and has been, a director of a number of private and public companies. He previously worked for Citicorp Scrimgeour Vickers, NatWest Markets and Guidehouse Limited, and in 1989 he was appointed head of corporate finance at Arbuthnot Latham Bank. In 1991, he became chief executive officer of Incepta Group PLC before establishing Bradmount Investments Limited in 1993 as a private Investment company where he has been involved in a number of flotations, notably GW Pharmaceuticals plc, RWS Group plc, Atlantic Group plc, AssetCo plc and Shieldtech PLC. He is currently senior non-executive director of AssetCo PLC and Shieldtech PLC.

EXECUTIVE DIRECTORS:

Eugene Blaine (39)

Managing Director (and Founder): Prior to founding Atlantic EC Limited, Eugene joined Training International Limited in 1988 as an analyst programmer where he played a major role in the development of the Comic Relief computer system. In 1990 he joined Parachute Management Limited as a senior development consultant where he developed the project management system responsible for the rollout of the NUBS2 computer system throughout the employment service. He joined Direct Project Management Limited in 1991 as general manager. He has spearheaded the development of the Group since 1993 when he created its initial product Timesheet Expert for Windows. As Managing Director, he is involved in every aspect of its business, including driving the overall strategy, expanding its customer base and overseeing the development and implementation of its product range.

Rupert Hutton (41) FCCA MBA

Finance Director & Company Secretary: Rupert was appointed Finance Director during 2002, having worked with the Company since March 2001. Rupert is responsible for the Group's daily finances, administration and other support functions. Previously he was Group Financial Controller of the Milton Keynes and North Bucks Chamber of Commerce Training and Enterprise, a £10m turnover group of six private limited companies. Rupert's early career and formal accountancy training took place with Grant Thornton. He has a Masters in Business Administration and is a Fellow of the Association of Chartered Certified Accountants.

Paul Gleghorn (35)

Technical Director: Paul has been with the group since 1996. During this time he has performed both consulting and development roles and has been instrumental in the development of our suite of software products. Appointed Technical Director in April 2004, he continues to ensure that our products remain at the forefront of best technical and business practices. Prior to joining the group he held developer positions in Procter & Gamble and Spectrum Computer Services Plc. Paul has a BSc Hons degree in Computing and Business.

Directors' Report

The Directors present their annual report and the audited accounts for the year ended 31 December 2007.

Principal activities

The Group's principal activity is the development and sale of computer software, its maintenance and related services.

Business review and future developments

The principal activities of the Company and its subsidiaries are as follows:

Atlantic Global Plc	Group holding company
Atlantic EC Limited	Development and sale of business management software
Atlantic Global Inc	Dormant
Actualdetail Limited	Dormant

A commentary on the Group's activities and of future developments is included in the Chairman's Statement. More detailed reviews of the business are given in the Chairman's Statement.

Dividends and Reserves

The Directors propose the payment of a final dividend for the year ended 31 December 2007 of 0.3p (*2006: nil*).

Movements in reserves are set out in note 19 to the accounts.

Policy and practice on payment of creditors

Whilst the Group does not follow any code or standard on payment practice, its policy is to pay suppliers in accordance with agreed terms. At the end of the period there were 19 days supplies in trade creditors, (*2006: 11 days*).

Research and development

The Group researches new technologies, keeping abreast of new advances, and continues to develop its software to meet its customers ever expanding needs.

Financial risk management

The Directors are confident that the banking facilities currently in place are more than adequate for the working capital requirements. There is no significant exposure to currency risk or credit risk.

Directors and Directors' interests

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

EA Blaine
RG Hutton
P Gleghorn
SJ Allen (Resigned 19 September 2007)
AE Bradshaw (Appointed 19 September 2007)

Paul Gleghorn retires by rotation in accordance with the Company's Articles of Association and, being eligible, offers himself for re-appointment.

Adrian Bradshaw who has been appointed since the last Annual General Meeting, retires in accordance with the Articles of Association and, being eligible, offers himself for re-appointment.

Directors and Directors' interests (continued)

According to the register of Directors' interests, the Directors who held office at the end of the financial year had the following interests in the ordinary shares of the Company:

	Class of share	Interest at 31 December 2007	Percentage of total issued share capital	Interest at 1 January 2007 (or date of appointment if later)
EA Blaine	Ordinary	11,585,267	50.6%	11,550,267
RG Hutton	Ordinary	59,000	0.3%	59,000
P Gleghorn	Ordinary	981,028	4.3%	981,028
AE Bradshaw	Ordinary	722,980	3.2%	687,980

According to the register of Directors' interests, no rights to subscribe for shares in Group companies were granted to any of the Directors or their immediate families, or exercised by them, during the financial period.

Share options in issue to directors at 31 December 2007

	At 1 January 2007 (or date of appointment if later) and at 31 December 2007	Exercise price	Exercise dates From	To
EA Blaine	707,872	25p	23 March 2004	3 June 2008
	69,251	25p	23 March 2004	3 June 2008
RG Hutton	120,000	25p	4 June 2004	3 June 2011
	20,000	25p	7 December 2004	6 December 2011
P Gleghorn	389,328	25p	4 June 2004	3 June 2011
	38,108	27p	19 March 2005	18 March 2012

All share options listed are Company share options that will need to create shares on exercise.

Mr AE Bradshaw (together with his co-director at Bradmount Investments Limited, Peter Mountford), has an option agreement to purchase 1,000,000 Atlantic Global existing shares from Eugene Blaine, Managing Director of Atlantic Global Plc, exercisable at 25p at any time until 19 September 2009.

Further details of total share options are analysed in note 17 to the accounts.

Major shareholdings

As at 27 March 2008 the Directors were aware of the following interests of over 3% of the issued ordinary share capital of the Company:

Shareholder	Number of shares	% of total issued share capital
EA Blaine	11,585,267	50.6
Rathbone IM VCT	1,240,000	5.4
P Gleghorn	981,028	4.3
SL Howcroft	893,675	3.9
Leggmason Investors AIM VCT Plc	751,000	3.3
AE Bradshaw	722,980	3.2

Third party indemnity provisions

Certain Directors benefit from qualifying third party indemnity provisions in place during the financial year and at the date of this report.

Political and charitable donations

During the year the Group made no political or charitable contributions.

Auditors

KPMG Audit plc resigned as auditors on 30 January 2008 and Grant Thornton UK LLP were appointed in their place. Grant Thornton UK LLP have indicated their willingness to continue as auditors and a resolution will be proposed at the Annual General Meeting to re-appoint them.

By order of the board

RG Hutton
Company Secretary
8 April 2008

Statement of Directors' Responsibilities in Respect of the Directors' Report and the Financial Statements

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations. The Directors have elected to prepare the Group financial statements in accordance with IFRS and the Parent Company financial statements in accordance with UK accounting standards.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared financial statements in accordance with International Financial Reporting Standards as adopted by the European Union. The financial statements are required by law to give a true and fair view of the state of affairs of the Goup and of the profit or loss of the Group for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable International Financial Reporting Standards as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

In so far as the Directors are aware:

- there is no relevant audit information of which the Company's auditors are unaware; and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

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

Independent Auditors' Report to the Members of Atlantic Global Plc

We have audited the Group financial statements of Atlantic Global plc for the year ended 31 December 2007 which comprise the consolidated income statement, the consolidated statement of recognised income and expense, the consolidated balance sheet, the consolidated cash flow statement and notes 1 to 24. These Group financial statements have been prepared under the accounting policies set out therein.

We have reported separately on the Parent Company financial statements of Atlantic Global plc for the year ended 31 December 2007.

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

Respective responsibilities of Directors and auditor

The Directors' responsibilities for preparing the Annual Report and the group 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 Group 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 Group financial statements give a true and fair view and whether the Group 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 Directors' Report is consistent with the financial statements. The information given in the Directors' Report includes that specific information presented in the Chairman's Statement that is cross referred from the Business Review section of the Directors' Report.

In addition we report to you if, in our opinion, 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 group financial statements. The other information comprises only Introducing Atlantic Global, the Financial and Operational Highlights, the Chairman's Statement, the Directors' Biographies and the Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the Group 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 group financial statements. It also includes an assessment of the significant estimates and judgments made by the Directors in the preparation of the group financial statements, and of whether the accounting policies are appropriate to the Group's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Group 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 Group financial statements.

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 2007 and of its profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

In our opinion the Group financial statements give a True and fair view, in accordance with IFRSs, of the state of the group's affairs as at 31 December 2007 and of its profit for the year then ended.

GRANT THORNTON UK LLP
Registered Auditor
Chartered Accountants
Leeds

8 April 2008

Consolidated Income Statement
for the year ended 31 December 2007

	Note	2007 £000	2006 £000
Continuing Operations			
Revenue		**2,303**	1,961
Cost of sales		**(1,439)**	(1,304)
Gross profit		**864**	657
Administrative expenses		**(659)**	(770)
Operating profit/(loss)		**205**	(113)
Financial income	*6*	**81**	62
Profit/(loss) before tax		**286**	(51)
Income tax	*7*	**(53)**	103
Profit for the period		**233**	52
Attributable to:			
Equity shareholders of the parent		**233**	52
Earnings per share – continuing and total			
Basic and diluted earnings per share (pence)	*9*	**1.02p**	0.23

Consolidated Statement of Recognised Income and Expense

for the year ended 31 December 2007

	2007 £000	2006 £000
Profit for the period	**233**	52
Total recognised income and expense for the period	**233**	52
Total recognised income and expense for the period is attributable to:		
Equity shareholders of the parent	**233**	52

Consolidated Balance Sheet
at 31 December 2007

	Note	2007 £000	2007 £000
Assets			
Non-current assets			
Intangible assets	*11*	**2,792**	2,792
Property, plant and equipment	*12*	**19**	31
Deferred tax asset	*13*	**62**	91
Total non-current assets		**2,873**	2,914
Current assets			
Trade and other receivables	*14*	**1,367**	799
Income tax receivable	*8*	**9**	39
Cash and cash equivalents	*15*	**1,546**	1,600
Total current assets		**2,922**	2,438
Total assets		**5,795**	5,352
Liabilities			
Current liabilities			
Trade and other payables	*16*	**768**	515
Total current liabilities		**768**	515
Total liabilities		**768**	515
Net assets		**5,027**	4,837
Equity attributable to equity shareholders of the parent			
Share capital	*18*	**1,145**	1,145
Share premium	*19*	**1,578**	1,578
Merger reserve	*19*	**2,538**	2,538
Retained earnings	*19*	**(234)**	(424)
Total equity attributable to equity shareholders of the company		**5,027**	4,837

These financial statements were approved by the Board of Directors on 8 April 2008 and were signed on its behalf by:

EA Blaine
Managing Director

RG Hutton
Finance Director and Company Secretary

Consolidated Cash Flow Statement

for the year ended 31 December 2007

	Note	2007 £000	2006 £000
Cash flows from operating activities			
Profit for the year		**233**	52
Adjustments for:			
Equity settled share-based payment expenses		**(43)**	18
Financial income		**(81)**	(62)
Income tax expense/(income)		**53**	(103)
Depreciation, amortisation and impairment		**21**	26
Operating profit before changes in working capital and provisions		**183**	(69)
(Increase)/Decrease in trade and other receivables		**(568)**	134
Increase/(Decrease) in trade and other payables		**259**	(63)
Net cash (used)/from operating activities		**(126)**	2
Cash flows from investing activities			
Interest received		**81**	62
Acquisition of property, plant and equipment		**(9)**	(3)
Net cash from investing activities		**72**	59
Net (decrease)/increase in cash and cash equivalents		**(54)**	61
Cash and cash equivalents at the beginning of the period		**1,600**	1,539
Cash and cash equivalents at the end of the period	*15*	**1,546**	1,600

1 Accounting policies

Significant accounting policies

Atlantic Global Plc (the "Company") is a public limited company incorporated in the UK. The Group financial statements consolidate those of the Company and its subsidiaries (together referred to as the "Group"). The parent Company financial statements present information about the Company as a separate entity and not about its Group.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these Group financial statements and in preparing an opening IFRS balance sheet at 1 January 2006 for the purposes of the transition to Adopted IFRSs. The accounting policies have been applied consistently by Group entities.

Basis of preparation

The Group financial statements have been prepared and approved by the Directors in accordance with International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"). The Company has elected to prepare its Parent Company financial statements in accordance with UK GAAP. These Parent Company statements appear after the notes to the consolidated financial statements.

The financial statements have been prepared under the historical cost convention.

These results represent the first annual financial statements the Group has prepared in accordance with its accounting policies under IFRS and the comparatives for 2006 have been restated from UK GAAP to comply with IFRS. An explanation of how the transition to IFRS has affected the reported financial position, financial performance and cash flows of the Group is provided in Note 24. This note includes reconciliations of equity and profit for comparative periods reported under UK GAAP to those reported for those periods under IFRS.

The IFRS accounting policies have been applied consistently to all periods presented in these consolidated financial statements from the date of transition on 1 January 2006. They also have been applied in preparing an opening IFRS balance sheet at 1 January 2006 for the purposes of the transition to IFRSs, as required by IFRS 1. The impact of the transition from UK GAAP to IFRSs is explained in Note 24. The accounting policies set out below have been applied consistently throughout the Group for the purposes of these consolidated financial statements.

The Consolidated Financial Statements are presented in sterling, rounded to the nearest thousand.

Significant judgements and estimates

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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 the revision and future periods if the revision affects both current and future periods.

The Directors consider that the key judgements and sources of estimation made in preparation of the financial statements are:

1 Accounting policies (continued)

Intangible fixed assets – Goodwill

Tests have been undertaken using commercial judgements and a number of assumptions and estimates have been made to support their carrying amounts, assessed against discounted cash flows. The details of these assumptions are set out in note 11.

Revenue recognition

Certain of the Group's contracts for licences, professional services and maintenance services have a term of more than one year and do not fairly attribute the value of each type of service or the timing of that service. The Directors assess the fair value of the entire contract attributable to each of the different services and the timing of when revenues should be recognised and this assessment can differ from the legally contracted values.

New standards

There are a number of new standards and interpretations issued but not yet effective which the Group has not applied in these Accounts. The principal standards which will have direct applicability to the Group are;

- IFRS 8 'Operating segments'
- IAS 1 (revised) 'Presentation of financial statements'
- IAS 23 (revised) 'Borrowing costs'
- IAS 27 (revised) 'Consolidated and separate financial statements'
- IFRS 3 (revised) 'Business combinations'

It is anticipated that the adoption of these standards will not have a significant impact on the Accounts of the Group except for additional disclosure and presentational requirements.

Basis of consolidation

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that are currently exercisable or convertible are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

All intra-group balances and transactions, including unrealised profits arising from intra-group transactions, are eliminated fully on consolidation.

The Group has decided not to apply IFRS3 Business Combinations retrospectively to business combinations prior to the date of transition.

Accordingly the classification of the acquisition remains unchanged from that used under UK GAAP.

1 Accounting policies (continued)

Revenue recognition

Revenue represents the fair value of sales of licences, support and services contracts excluding sales related taxes made during the period to external customers.

Revenues are recognised on the basis of the performance of contractual obligations and to the extent that the right to consideration has been earned.

Revenue from the sale of software licences is recognised only when the software is installed, provided that the payment terms are unconditional, full payment is contractually binding and there are no material contract conditions or warranties. Revenue from chargeable services including consultancy, customisation and development is recognised as these services are performed. Support income is recognised evenly over the life of each support contract.

Property, plant and equipment

Property, plant and equipment are held at cost less accumulated depreciation and impairment charges.

Depreciation is provided to write off the cost less the estimated residual value of property, plant and equipment by equal instalments over their estimated useful economic lives as follows:

Computer and office equipment	–	20% – 33.3% per annum
Leasehold improvements	–	33.3% per annum

Material residual value estimates are updated as required, but at least annually, whether or not the asset is revalued.

Intangible assets – Goodwill

Goodwill represents the excess of cost of acquisitions over the fair value of the net identifiable assets acquired. Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to cash generating units. Goodwill is tested for impairment annually and where there is an indication of impairment. If impaired, goodwill is written down to its recoverable amount.

Impairment

The carrying amount of the Group's non-financial assets, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognised in the consolidated income statement.

An impairment loss is recognised for the amount by which the carrying amount exceeds its recoverable amount.

The recoverable amount is the higher of the asset's fair value less costs to sell and the value in use. For the purposes of assessing impairments, assets are grouped at the lowest levels for which there are identifiable cash flows.

Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash-generating units (group of units) and then, to reduce the carrying amount of the other assets of the unit (group of units) on a pro-rata basis.

1 **Accounting policies (continued)**

Impairment (continued)

For goodwill, assets that have an indefinite useful life and intangible assets that are not yet available for use, the recoverable amount is estimated at each balance sheet date.

Financial instruments

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs, except as described below. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

A financial instrument is recognised when the Group becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Group's contractual rights to the cash flows from the financial assets expire or if the Group transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Regular way purchases and sales of financial assets are accounted for at trade date, i.e. the date that the Group commits itself to purchase or sell the asset. Financial liabilities are derecognised if the Group's obligations specified in the contract expire or are discharged or cancelled.

Cash and cash equivalents comprise cash balances and call deposits.

Trade and other receivables

Trade receivables are recognised and carried at original fair value less allowance for any uncollectible amounts. Where debtor balances are considered to be irrecoverable an impairment charge is included in the income statement.

Trade payables

Trade payables are not interest-bearing and are stated at their fair value net of direct issue costs.

Post retirement benefits

The Group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The amount charged to the income statement represents the contributions payable to the scheme in respect of the accounting period.

Research and development costs

Expenditure on research (or the research phase of an internal project) is recognised as an expense in the period in which it is incurred.

Development costs incurred on specific projects are capitalised when all the following conditions are satisfied:

- completion of the intangible asset is technically feasible so that it will be available for use or sale
- the Group intends to complete the intangible asset and use or sell it
- the Group has the ability to use or sell the intangible asset

1 Accounting policies (continued)

Research and development costs (continued)

- the intangible asset will generate probable future economic benefits. Among other things, this requires that there is a market for the output from the intangible asset or for the intangible asset itself, or, if it is to be used internally, the asset will be used in generating such benefits

- there are adequate technical, financial and other resources to complete the development and to use or sell the intangible asset, and

- the expenditure attributable to the intangible asset during its development can be measured reliably

Development costs not meeting the criteria for capitalisation are expensed as incurred.

The cost of an internally generated intangible asset comprises all directly attributable costs necessary to create, produce, and prepare the asset to be capable of operating in the manner intended by management.

Careful judgement by the Directors is applied when deciding whether the recognition requirements for development costs have been me. This is necessary as the economic success of any product development is uncertain and may be subject to future technical problems at the time of recognition. Judgements are based on the information available at each balance sheet date. In addition, all internal activities related to the research and development of new software products are continuously monitored by the Directors.

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which an asset can be utilised. However, deferred tax is not provided on the initial recognition of goodwill, nor on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Deferred tax on temporary differences associated with shares in subsidiaries and joint ventures is not provided if reversal of these temporary differences can be controlled by the group and it is probable that reversal will not occur in the foreseeable future. In addition, tax losses available to be carried forward as well as other income tax credits to the group are assessed for recognition as deferred tax assets.

Changes in deferred tax assets or liabilities are recognised as a component of tax expense in the income statement, except where they relate to items that are charged or credited directly to equity (such as the revaluation of land) in which case the related deferred tax is also charged or credited directly to equity.

Leases

Leases where the lessor retains substantially all of the risks and rewards of ownership are classified as operating leases. Payments made under operating leases rentals are charged to the income statement on a straight line basis over the term of the lease.

1 Accounting policies (continued)

Equity settled 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.

The fair value of awards to employees that take the form of shares or rights to shares is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at grant date using an option pricing model. 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.

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.
- “Merger reserve” represents the excess over nominal value of the fair value of consideration attributed to equity shares issued in part settlement for subsidiary company shares acquired.
- “Profit and loss reserve” represents retained profits.

2 Segment analysis

Business segments

The operations of the Group are regarded as a single business segment and are managed as such. Substantially all of the Group’s revenue originates from the United Kingdom. Revenue by destination is not materially different from revenue by origin.

3 Expenses and auditor's remuneration

Included in profit/loss are the following:

	2007 £000	2006 £000
Depreciation of owned plant and equipment	**21**	26
Operating leases rentals – buildings	**43**	81
Research and development expenditure	**336**	329

Auditor's remuneration:

	2007 £000	2006 £000
Group		
Audit	**10**	14
Fees paid to auditors in relation to taxation	**3**	5
Company		
Audit	**4**	4

4 Staff numbers and costs

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

	Number of employees 2007	2006
Development	**9**	8
Sales and Marketing	**14**	14
Human Resources	**1**	1
Administration	**3**	3
	27	26

The aggregate payroll costs of these persons were as follows:

	2007 £000	2006 £000
Wages and salaries	**1,154**	1,012
Share based payments (See note 17)	**(43)**	18
Social security costs	**129**	117
Pension costs	**40**	43
	1,280	1,190

5 Remuneration of Directors

	2007 £'000	2006 £'000
Directors emoluments	**197**	188
Company contributions to money purchase pension schemes	**13**	12
Amounts paid to third parties in respect of Directors' services	**36**	28
	246	228

During the year three (*2006: three*) directors accrued benefits under defined contribution pension schemes.

The aggregate of emoluments of the highest paid Director was £81,000 (*2006: £81,000*) and company pension contributions of £7,500 (*2006: £7,500*)were made to a personal pension scheme on his behalf.

6 Finance income

Recognised in profit or loss

	2007 £000	2006 £000
Interest income on bank deposits	**81**	62

7 Income tax expense

Recognised in the income statement

	2007 £000	2006 £000
Current tax expense		
Current year	**24**	(18)
Adjustments for prior years	**–**	(7)
	24	(25)
Deferred tax expense		
Origination and reversal of temporary differences	**13**	(7)
Adjustments for prior years	**16**	–
Benefit of tax losses recognised	**–**	(71)
	29	(78)
Total tax in income statement	**53**	(103)

Reconciliation of effective tax rate

	2007 £000	2006 £000
Profit/(loss) before tax for the period	**286**	(51)
Tax using the UK corporation tax rate of 30% (2006 : 30%)	**86**	(15)
Research and development tax credit	**(33)**	(18)
Non-deductible expenses	**2**	35
Tax exempt revenues	**–**	(27)
Effect of tax losses utilised	**(4)**	(71)
Tax rates	**(14)**	–
Under / (over) provided in prior years	**16**	(7)
Total tax expense/(credit)	**53**	(103)

8 Current tax assets

The current tax asset of £9,000 (*2006: £39,000*) represents the amount of income taxes recoverable in respect of current and prior periods that exceed payments.

9 Earnings per share

Basic earnings per share

The calculation of basic earnings per share at 31 December 2007 was based on the profit attributable to ordinary shareholders of £233,000 (*2006: £52,000*) and a weighted average number of ordinary shares outstanding of 22,899,350 (*2006: 22,899,350*). No shares were issued in 2007 or 2006.

Diluted earnings per share

There were no potentially dilutive options in issue in 2007 and 2006 and consequently there is no difference between basic and diluted earnings per share.

10 Investments

The Company's principal subsidiary undertakings, each of which are wholly owned, are registered in England and Wales, and the United States as specified are as follows:

Subsidiary undertaking	**Principal activity**	**Country of registration**	**Registered number**
Atlantic EC Limited	Software development and sales	England and Wales	4157160
Actualdetail Limited	Dormant	England and Wales	2780307
Atlantic Global Inc	Dormant	USA	

11 Intangible assets

	Goodwill £000
Cost	
Balance at 1 January 2006	2,792
Balance at 31 December 2006	2,792
Balance at 31 December 2007	2,792
Amortisation and impairment	
Balance at 1 January 2006	–
Balance at 31 December 2006	–
Balance at 31 December 2007	–
Net book value	
At 1 January 2006	2,792
At 31 December 2006	2,792
At 31 December 2007	**2,792**

The Group tests goodwill annually for impairment, or more frequently if an event occurs to warrant a review. The goodwill is considered to relate to the entire operations of Atlantic EC Limited and so this is treated as a single cash generating unit (CGU). The recoverable amounts attributed are based on value in use calculations. The key assumptions made in undertaking the value in use calculations are set out below.

Budgeted profit and cash flow forecasts for the financial year ending 31 December 2008 were extrapolated for a period of ten years and used as the basis of the calculations.

Sector growth rate assumptions; 2%.

Discount rate assumptions; 9% based management's view of risks specific to the Group.

As a result of these calculations, no impairment provisions are considered necessary.

12 Property, plant and equipment

	Short leasehold premises and improvements £000	Computer and office equipment £000	Total £000
Cost			
Balance at 1 January 2006	2	178	180
Additions	1	2	3
Balance at 31 December 2006	3	180	183
Balance at 1 January 2007	3	180	183
Additions	–	9	9
Balance at 31 December 2007	3	189	192
Depreciation and impairment			
Balance at 1 January 2006	–	126	126
Depreciation charge for the year	1	25	26
Balance at 31 December 2006	1	151	152
Balance at 1 January 2007	1	151	152
Depreciation charge for the year	1	20	21
Balance at 31 December 2007	2	171	173
Net book value			
At 1 January 2006	2	52	54
At 31 December 2006	2	29	31
At 31 December 2007	**1**	**18**	**19**

13 Deferred tax assets

Recognised deferred tax assets

Deferred tax assets and liabilities are attributable to the following:

	Trading losses £000	Share-based payments £000	Total £000
Recognised asset			
At 1 January 2006	–	–	–
Charged to income statement	77	14	91
At 1 January 2007	77	14	91
Credited to income statement	(15)	(14)	(29)
At 31 December 2007	62	–	62

On 21 March 2007, the Chancellor announced that with effect from 1 April 2008 the standard rate of UK corporation tax will reduce from 30% to 28%. This change has now been enacted. Based on the reduced rate of corporation tax the Group deferred tax asset at 31 December 2007 has been recognised at 28% as it is expected that this will be the rate applicable on reversal of the temporary differences. The deferred tax asset recognised above is based on the forecast profitability of the Group for the year ending 31 December 2008.

14 Trade and other receivables

	2007 £000	2006 £000
Trade receivables	**1,282**	608
Other receivables	**–**	1
Prepayments and accrued income	**85**	190
	1,367	799

15 Cash and cash equivalents

	2007 £000	2006 £000
Cash and cash equivalents	**1,546**	1,600
Cash and cash equivalents per cash flow statement	**1,546**	1,600

16 Trade and other payables

	31 Dec 2007 £000	30 Sep 2006 £000
Trade payables	**77**	40
Social security and other taxes	**173**	118
Accruals and deferred income	**518**	357
	768	515

17 Employee benefits

Defined contribution plans

The Group operates a number of defined contribution pension plans.

The total expense relating to these plans in the current year was £40,000 *(2006 : £43,000)*

Share-based payments

As at 31 December 2007 the following options had been granted and were still outstanding under the Company's Share Option Schemes.

	Date granted	No. of shares	Exercise price	Exercise dates From	To
Director	4 June 2001	1,217,200	25.0	4 June 2004	3 June 2011
Director	7 December 2001	20,000	25.0	7 December 2004	6 December 2011
Director	19 March 2002	107,359	27.0	19 March 2005	18 March 2012
Employee	4 June 2001	573,936	25.0	4 June 2004	3 June 2011
Employee	5 September 2001	60,000	25.0	5 September 2004	4 September 2011
Employee	7 December 2001	20,000	25.0	7 December 2004	6 December 2011
Employee	19 March 2002	34,662	27.0	19 March 2005	18 March 2012
Employee	31 October 2002	10,909	27.5	31 October 2005	30 October 2012
Ex Director	4 June 2001	206,464	25.0	4 June 2004	3 June 2011
Ex Director	19 March 2002	20,270	27.0	19 March 2005	18 March 2012
Ex Director	1 December 2004	50,000	50.0	31 March 2007	30 April 2008
Ex Employee	31 October 2002	54,545	27.5	31 October 2005	30 October 2012
Total		2,375,345			

The Company has issued 2,325,345 of the share options, and new shares would have to be created to be able to issue these options. The remaining options, 50,000 have been issued under the EA Blaine share option scheme and have been granted over existing shares.

The number and weighted average exercise prices of share options are as follows:

	2007		2006	
Date granted	**Weighted Average Exercise price (pence)**	**Number Of options**	Weighted Average Exercise price (pence)	Number Of options
Outstanding at 1 January 2007	24.0	3,345,345	27.5	3,174,480
Granted during the year	–	–	19.0	650,000
Lapsed during the year	20.1	(970,000)	33.6	(479,135)
Outstanding at 31 December 2007	25.7	2,375,345	24.0	3,345,345
Exercisable at 31 December 2007	25.7	2,375,345	25.7	2,275,345

The options outstanding at the end of the year have an exercise price in the range of 25 pence to 50 pence, and a weighted average contractual life of 3.4 years. The Black Scholes model has been used to measure the estimate of the fair value of the services received in return for share options granted.

17 Employee benefits (continued)

Share-based payments (continued)

Share options have been granted under the Atlantic Global Plc Enterprise Management Incentive Plan and the EA Blaine Share Option plan (approved by the Inland Revenue) and under the Atlantic Global Plc Unapproved Share Option plan. All options have been granted at the market value of Atlantic Global Plc ordinary shares at the date of the grant.

The total expenses recognised for the period arising from share based payments are as follows:

	2007 £000	2006 £000
Equity settled share based payment expense	**(43)**	18

The credit for the year ended 31 December 2007 is due to the fact that none of the share options issued after 7 November 2002 will now vest.

18 Share capital

	2007 £000	2006 £000
Authorised		
75,000,000 Ordinary shares of 5p each	**3,750**	3,750
Allotted, called up and fully paid		
22,899,350 Ordinary shares of 5p each	**1,145**	1,145

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

19 Statement of changes in equity

Reconciliation of movement in capital and reserves

	Share capital £000	**Share premium £000**	**Merger reserve £000**	**Retained earnings £000**	**Total equity £000**
Balance at 1 January 2006	1,145	1,578	2,538	(494)	4,767
Total recognised income and expense	–	–	–	52	52
Equity-settled share based payment transactions, net of tax	–	–	–	18	18
Balance at 31 December 2006	1,145	1,578	2,538	(424)	4,837
Balance at 1 January 2007	1,145	1,578	2,538	(424)	4,837
Total recognised income and expense	–	–	–	233	233
Equity-settled share based payment transactions, net of tax	–	–	–	(43)	(43)
Balance at 31 December 2007	**1,145**	**1,578**	**2,538**	**(234)**	**5,027**

19 Capital and reserves (continued)

After the balance sheet date dividends of 0.3p per qualifying ordinary share *(2006 :£nil)* were proposed by the Directors. The dividends have not been provided for.

20 Financial instruments

Overview

The Group has exposure to the following risks from its use of financial instruments:

- credit risk
- market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital. Further quantitative disclosures are included throughout these consolidated financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investment securities.

Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the Group's customer base, including the default risk of the industry and country in which customers operate, has less of an influence on credit risk.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets.

Market risk

Market risk is the risk that changes in market prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

20 Financial instruments (continued)

Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors both the demographic spread of shareholders, as well as the return on capital and the level of dividends to ordinary shareholders.

There were no changes in the Group's approach to capital management during the year.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

Financial assets and liabilities

The Group's activities are financed by cash at bank.

Credit risk

Exposure to credit

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	Carrying amount 2007 £000	2006 £000
Cash and cash equivalents	**1,546**	1,600
Trade and other receivables excluding prepayments	**1,282**	609
	2,828	2,209

The maximum exposure to credit risk for trade receivables at the reporting date by geographic region was:

	Carrying amount 2007 £000	2006 £000
United Kingdom	**1,225**	588
Europe	**47**	20
Rest of world	**10**	1
	1,282	609

All the Group's trade and other receivables have been reviewed for indicators of impairment. No receivables were considered to be impaired.

In addition, some of the unimpaired trade receivables are past due as at the reporting date. The age of the trade receivables past due but not impaired are as follows:

20 Financial instruments (continued)

Liquidity risk

	2007 £000	2006 £000
Not past due	**761**	388
Past due 0-30 days	**285**	156
Past due 31-120 days	**98**	65
Past due 120 days +	**138**	–
	1,282	609

Of the 31 + balance, 86.5% of the £236,000 has been paid since year end. The remaining balances are considered fully recoverable.

The following are the contractual maturities of financial liabilities, including interest payments and excluding the impact of netting agreements:

31 December 2007

	Carrying amount £000	Contractual cash flows £000	6 mths or less £000	6-12 mths £000
Non-derivative financial liabilities				
Trade and other payables	**768**	768	582	186

31 December 2006

	Carrying amount £000	Contractual cash flows £000	6 mths or less £000	6-12 mths £000
Non-derivative financial liabilities				
Trade and other payables	**515**	515	437	78

Liquidity needs are managed by regular review of the timing of expected receivables and the maintenance of cash on deposit.

Interest rate risk

Given that there are no borrowings within the Group it is considered that the interest rate risk is not significant.

Currency risk

The Group has no foreign currency risk.

Interest rate and currency profile

The Group's financial assets comprise cash at bank. At 31 December 2007 the average interest rate earned on the temporary closing balances was 5.3% *(2006: 4.7%)*.

Fair values versus carrying amounts

There is no difference between fair values and carrying amounts of financial assets and liabilities.

21 Operating leases

Non-cancellable operating lease rentals are payable as follows:

	2007 Land and buildings £000	2006 Land and buildings £000
Between one and five years	**172**	215

22 Capital commitments

There were no capital commitments existing at 31 December 2007 or 31 December 2006.

23 Related parties

There have been no related party transactions during the year.

24 Explanation of transition to Adopted IFRSs

As stated in the accounting policies, these are the Group's first annual consolidated financial statements prepared in accordance with IFRS. In preparing its opening IFRS balance sheet and comparative information for the financial statements for the year ended 31 December 2007, the Group has adjusted amounts reported previously in financial statements prepared in accordance with UK GAAP.

IFRS 1 'First Time Adoption of International Financial Reporting Standards' – contains certain optional exemptions to assist companies in the transition to IFRS. The Group has elected to take the following exemptions:

IFRS2 'Share based Payments' – the Group has elected to only apply IFRS2 to the options that were granted after 7 November 2002 and had not vested at the date of transition to IFRS.

IFRS 3 'Business Combinations' – advantage has been taken of the optional exception from full retrospective application of IFRS3 and consequently this standard has not been applied to acquisitions made before January 2006.

The details of how the transition from UK GAAP to IFRS has affected the Group's financial position and financial performance are set out in the tables below. The adjustments have been required to comply with the following reporting standards:

IFRS 3 'Business Combinations' requires goodwill to be capitalised and subjected to an annual impairment test rather than amortised by way of equally annual charges as required by UK GAAP.

The intangible assets in the company balance sheet related to Goodwill created at the time of the Company's flotation on the AIM market of the London Stock Exchange in 2001 when the Atlantic EC Limited and Actualdetail Limited were acquired by Atlantic Global plc. An amount of goodwill has been written off since that time at the rate of £181,000 per annum, since it was deemed to have a useful economic life of 20 years. In accordance with IFRS 3 "Business Combinations", the carrying value of goodwill in the opening IFRS balance sheet has been reflected at its carrying amount under UK GAAP at 1 January 2006 and will not be amortised. Instead in addition to an impairment test conducted on transition it will be subject to an annual impairment review with any impairment losses being recognised immediately in the income statement. No impairment was identified on transition. The impact of this change in accounting policy has therefore been a reduction in amortisation expenses of £181,000 for the year ended 31 December 2006.

24 Explanation of transition to Adopted IFRSs (continued)

Reconciliation of equity

	1 January 2006 UK GAAP £000	1 January 2006 Effect of transition to adopted IFRSs £000	1 January 2006 Adopted IFRSs £000	31 December 2006 UK GAAP £000	31 December 2006 Effect of transition to adopted IFRSs £000	31 December 2006 Adopted IFRSs £000
Non-current assets						
Intangible assets	2,792	–	2,792	**2,611**	**181**	**2,792**
Plant and equipment	54	–	54	**31**	**–**	**31**
Deferred tax asset	14	–	14	**91**	**–**	**91**
	2,860	–	2,860	**2,733**	**181**	**2,914**
Current assets						
Trade and other receivables	933	–	933	**799**	**–**	**799**
Taxation receivable	13	–	13	**39**	**–**	**39**
Cash and cash equivalents	1,539	–	1,539	**1,600**	**–**	**1,600**
	2,485	–	2,485	**2,438**	**–**	**2,438**
Total assets	5,345	–	5,345	**5,171**	**181**	**5,352**
Current liabilities						
Trade and other payables	(578)	–	(578)	**(515)**	**–**	**(515)**
Total liabilities	(578)	–	(578)	**(515)**	**–**	**(515)**
Net assets	4,767	–	4,767	**4,656**	**181**	**4,837**
Equity attributable to equity holders of the parent						
Share capital	1,145	–	1,145	**1,145**	**–**	**1,145**
Share premium	1,578	–	1,578	**1,578**	**–**	**1,578**
Merger reserve	2,538	–	2,538	**2,538**	**–**	**2,538**
Retained earnings	(494)	–	(494)	**(605)**	**181**	**(424)**
Total equity	4,767	–	4,767	**4,656**	**181**	**4,837**

24 Explanation of transition to Adopted IFRSs (continued)

Reconciliation of profit for 12 months ended 31 December 2006

	UK GAAP £000	Effect of transition to Adopted IFRSs £000	Adopted IFRSs £000
Revenue	1,961	–	1,961
Cost of sales	(1,304)	–	(1,304)
Gross profit	657	–	657
Administrative expenses	(951)	181	(770)
Operating profit before net financing costs	(294)	181	(113)
Financial income	62	–	62
Financial expenses	–	–	–
Profit / (loss) before tax	(232)	181	(51)
Taxation	103	–	103
Profit for the year	(129)	181	52

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

Report of the Independent Auditor to the Members of Atlantic Global plc

We have audited the Parent Company financial statements of Atlantic Global plc for the year ended 31 December 2007 which comprise the balance sheet and notes 25 to 35. These Parent Company financial statements have been prepared under the accounting policies set out therein.

We have reported separately on the Group financial statements of Atlantic Global plc for the year ended 31 December 2007.

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

Respective responsibilities of directors and auditors

The Directors' responsibilities for preparing the Annual Report and the Parent Company financial statements in accordance with United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the Parent Company 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 Parent Company financial statements give a true and fair view and whether the Parent Company 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 Directors' Report is consistent with the financial statements. The information given in the Directors' Report includes that specific information presented in the Chairman's Statement that is cross referred from the Business Review section of the Directors' Report.

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 parent company financial statements. The other information comprises only the Introducing Atlantic Global, Financial and Operational Highlights, the Chairman's Statement, the Directors' Biographies and the Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the parent 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 parent company financial statements. It also includes an assessment of the significant estimates and judgments made by the Directors in the preparation of the parent company financial statements, and of whether the accounting policies are appropriate to the 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 Parent Company 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 parent company financial statements.

Opinion

In our opinion:

- the Parent Company financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2007;
- the Parent Company financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

Grant Thornton UK LLP
Registered Auditor
Chartered Accountants
Leeds

8 April 2008

	Note	2007 £000	2007 £000	2006 £000	2006 £000
Fixed assets					
Investments	*29*		**4,127**		4,127
Current assets					
Debtors: amounts falling due within one year	*30*	**–**		14	
Debtors: amounts falling due after more than one year	*30*	**1,273**		1,243	
		1,273		1,257	
Net current assets			**1,273**		1,257
Net assets			**5,400**		5,384
Capital and reserves					
Called up share capital	*31*		**1,145**		1,145
Share premium account	*32*		**1,578**		1,578
Merger reserve	*32*		**2,538**		2,538
Profit and loss account	*32*		**139**		123
Equity shareholders' funds			**5,400**		5,384

These financial statements were approved by the Board of Directors on 8 April 2008 and were signed on its behalf by:

EA Blaine
Managing Director

RG Hutton
Finance Director and Company Secretary

25 Company accounting policies

Basis of preparation

As used in the financial statements and related notes, the term 'company' refers to Atlantic Global Plc. The separate financial statements of the Company are presented as required by the Companies Act 1985. As permitted by the Act, the separate financial statements have been prepared in accordance with UK Generally Accepted Accounting Principles (UK GAAP).

These accounts have been prepared in accordance with applicable accounting standards and under the historical cost convention.

A separate profit and loss account dealing with the results of the company only has not been presented, as permitted by section 230 (4) of the Companies Act 1985.

Under FRS 1 the company is exempt from the requirement to present its own cash flow statement.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements.

Investments

Fixed asset investments are stated a cost less provision for impairment where appropriate. The Directors consider annually whether a provision against the value of investments on an individual basis is required. Such provisions are charged in the profit and loss account in the year.

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in previous years.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exception:

- deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is recognised on an undiscounted basis.

Share based payments

The fair value of awards to employees that take the form of shares or rights to shares is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at grant date and spread evenly over the period during which the employees become unconditionally entitled to the options. The fair value of the options granted is measured using an option valuation model, taking into account the terms and conditions upon which the options were granted. The amount recognised as an expense is adjusted to reflect the actual number of share options that vest.

26 Expenses and auditors' remuneration

The audit fee for the Company was £4,000 *(2006: £4,000).*

27 Staff numbers and costs

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

	Number of employees	
	2007	2006
Directors	**4**	4

The aggregate payroll costs of these persons were as follows:

	2007 £000	2006 £000
Wages and salaries	**233**	188
Share based payments	**(43)**	18
Social security costs	**28**	24
Other pension costs	**13**	12
	231	242

28 Dividends

The aggregate amount of dividends proposed and not recognised as liabilities as at the year end is 0.3p *(2006: nil).*

29 Fixed asset investments

	Shares in group undertakings £000
Cost and net book value	
At start and end of year	4,127

The Company's principal subsidiary undertakings, each of whom are all wholly owned, are registered in England and Wales, and the United States as specified, are as follows:

	Principal activity	**Country of registration**	**Registered number**
Atlantic EC Limited	Software development and sale	England & Wales	4157160
Actualdetail Limited	Dormant	England & Wales	2780307
Atlantic Global Inc	Dormant	USA	–

30 Debtors

	31 Dec 2007 £000	30 Sep 2006 £000
Amounts owed by Group undertakings	**1,273**	1,243
Deferred tax asset	**–**	14
	1,273	1,257

Amounts owed by the Group's undertakings are due in more than one year.

31 Called up share capital

	31 Dec 2007 £000	30 Sep 2006 £000
Authorised		
75,000,000 ordinary shares of £0.05 each	**3,750**	3,750
Allotted, called up and fully paid		
22,899,350 ordinary shares of £0.05 each	**1,145**	1,145

32 Share premium and reserves

	Share premium account £000	Company merger reserve £000	Profit and loss account £000
At beginning of period	1,578	2,538	123
Profit for the period	–	–	59
			(43)
At end of period	**1,578**	**2,538**	**139**

33 Reconciliation of movement in shareholders' funds

	2007 £000	2006 £000
Profit for the financial year	**59**	21
Share option (credit) / cost	**(43)**	18
Net additions to shareholders' funds	**16**	39
Opening shareholders funds	**5,384**	5,345
At end of period	**5,400**	5,384

34 Pension scheme

Defined contribution pension scheme

The Group operates a defined contribution pension scheme as well as making contributions to the Personal Pension Schemes of a certain employee. The pension cost charge for the period represents contributions payable by the Company and amounted to £12,000 (*2006: £12,000*).

There were outstanding contributions to be paid over at the year end of £nil (*2006: £nil*).

35 Employee share schemes

Share-based payments

See note 17 for details of share based payments.

Year ending 31 December	2007 £000	2006 £000	2005 £000	2004 £000	2003 £000
Profit and Loss					
Turnover	**2,303**	1,961	2,137	2,146	1,956
Gross Profit	**864**	657	335	850	1,374
Admin expenses	**(659)**	(770)	(865)	(557)	(763)
Interest receivable	**81**	62	55	76	66
(Loss)/profit before taxation	**286**	(51)	(475)	369	677
Taxation	**(53)**	103	21	(56)	(142)
(Loss)/profit after taxation	**233**	52	(454)	313	535
Declared Dividends	**(69)**	–	–	(172)	(159)
Cash					
Net available cash	**1,546**	1,600	1,539	1,896	2,296
Statistics					
(Loss)/earnings per share – adjusted	**1.02p**	0.23p	(1.98)p	1.37p	2.35p
Dividend per share	**0.30p**	–	–	0.75p	0.70p
Adjusted dividend cover	**3.40p**	–	–	1.83p	3.36p
Research & Development Expenditure (£000)	**336**	329	274	260	283
Number of Employees	**27**	26	30	23	20
Market information					
Share price at year end	**13.5p**	13.5p	21.5p	38p	84p
Market capitalisation (£m)	**£3.1**	£3.1	£4.9	£8.7	£19.1

The cost and profit numbers listed above exclude Goodwill

Investor Relations

Atlantic Global recognises the importance of a good communication flow between the Group and its Shareholders. The information given within this Annual Report and Accounts is seen as a prime source of this flow and we will continue to develop the content as the opportunity arises. Our website allows us to update the flow of information and the website address is given below, alongside the email address for the Company Secretary.

We believe that our Annual General Meeting offers an excellent opportunity for the Company to meet the Shareholders and we would hope that the presentations planned for the meeting and individual discussions between Shareholders and Directors / Senior Executives thereafter, will help all in attendance to gain a fuller understanding of the Group's business and culture. Further details are provided in the Notice to the Meeting below.

The Directors are also very happy to be contacted by our Shareholders at any time during the year and hope that this will assist in the ongoing relationships that each wishes to develop.

We have shown below further general information that may be of use.

1. Range of shareholdings

	Number of shareholders		Number of shares	
Size of holding	**Number**	**%**	**Number**	**%**
1 – 5,000	276	61.9	481,097	2.1
5,001 – 20,000	100	22.4	1,065,121	4.7
20,001 – 50,000	37	8.3	1,204,098	5.3
50,001 – 100,000	16	3.6	1,146,164	5.0
100,001 – 250,000	6	1.3	1,022,568	4.5
250,001 – 500,000	4	0.9	1,527,980	6.7
500,000 +	7	1.6	16,452,322	71.7
	446	**100.0**	**22,899,350**	**100.0**

2. Categories of shareholders

	Number of shareholders		Number of shares	
Size of holding	**Number**	**%**	**Number**	**%**
Directors	4	0.9	13,348,275	58.3
Venture Capital Trusts	2	0.5	1,991,000	8.7
Individuals	422	94.5	5,368,962	23.4
Employees	2	0.5	663,190	2.9
Institutions	1	0.2	629,000	2.7
Companies	8	1.8	310,602	1.4
Pension Funds	7	1.6	588,321	2.6
	446	**100.0**	**22,899,350**	**100.0**

3. Registrar details and Shareholder queries

All enquiries relating to individual shareholder matters should be made to the Registrar at:

Capita Registrars
Shareholder Services Department
Northern House
Woodsome Park
Fenay Bridge
Huddersfield
HD8 0GA

Tel: 0871 664 0300
Fax: 01484 601512
E-mail: ssd@capitaregistrars.com

The Registrars will help with queries regarding personal holdings including:

- Change of name or address
- Lost certificates
- Transfer of shares
- Bereavement

All correspondence should be marked "Atlantic Global Plc" and please quote the full name and address in which the shares are registered.

Shareholder information is also available at the Registrar's website: www.capitaregistrars.com

4. Shareholder enquiries

To Atlantic Global	– Please contact Rupert Hutton, our Finance Director and Company Secretary:
Tel:	– 01274 863300
E-mail:	– rupert.hutton@atlantic-global.com
Website address:	– www.atlantic-global.com

The website includes details about the Group's range of software for business solutions, further company news, and investor sections.

5. Dealing references

The ordinary shares of Atlantic Global Plc are listed on the Alternative Investment Market of the London Stock Exchange (AIM). Our dealing codes and reference numbers are as follows:

- TIDM code: ATL.L
- SEDOL number: 3041954
- ISIN number: GB0030419542

6. Market makers & normal market size

Atlantic Global Plc has three Market Makers who deal in our ordinary shares:

- Collins Stewart
- Winterflood Securities Limited
- KBC Peel Hunt Limited

The normal market size in which our ordinary shares are dealt is 500.

7. Investor Internet addresses

Shareholders may be interested in the further information regarding the Group shown on the following websites:

- The London Stock Exchange: www.londonstockexchange.com
- Hemscott Group Limited: www.hemscott.net

8. Share price listings

Atlantic Global Plc share price is listed in the following newspapers:

- Financial Times
- Yorkshire Post

9. Unsolicited mail

The Company is legally obliged to make details of its share register available to other organisations. Therefore, some shareholders may receive unsolicited mail. Shareholders who wish to limit the receipt of such mail should contact:

The Mailing Preference Service
Freepost 22
London
W1E 7EZ
Website address: http://www.mpsonline.org.uk/mpsr/

10. Copies of Atlantic Global Report and Accounts

Further copies of the interim and annual reports of the Company are available from:

- Mr R Hutton, Finance Director & Company Secretary, Atlantic Global Plc, Maple House, Woodland Park, Bradford Road, Chain Bar, Cleckheaton, West Yorkshire, BD19 6BW
- Website address: www.atlantic-global.com
- Email: info@atlantic-global.com

11. Financial calendar

Final Dividend – Ordinary shares quoted ex-dividend	16 April 2008
Record Date	18 April 2008
Payment Date	14 May 2008
Annual General Meeting:	9 May 2008
Announcement and issue of half-year results to 30 June 2008:	September 2008
Preliminary announcement for the annual results to 31 December 2008:	March 2009
Posting of the annual report and accounts to 31 December 2008:	March 2009

Notice is hereby given that the seventh Annual General Meeting of the Company will be held at the Company's registered office at, Park House, Woodland Park, Bradford Road, Chain Bar, Cleckheaton, West Yorkshire, BD19 6BW on 9 May 2008 at 2.30pm for the following purposes:

Ordinary Business

1. To receive and adopt the Company's accounts and reports of the directors and auditors for the period ended 31 December 2007.

2. To re-appoint Messrs Grant Thornton UK LLP as auditors of the Company and to authorise the Directors to fix their remuneration.

3. To receive Paul Gleghorn's retirement as Director of the Company and to re-elect him to the Board of Directors of the Company.

4. To receive Adrian Bradshaw's retirement as Director of the Company and to re-elect him to the Board of Directors of the Company.

Special Business

To consider and if thought fit, pass the following resolutions as ordinary resolutions.

5. "THAT the Directors be generally and unconditionally authorised in accordance with section 80 of the Companies Act 1985 (the "Act") (in substitution for any existing authority to allot relevant securities) to exercise all the powers of the Company to allot relevant securities (within the meaning of section 80 of the Act) up to a maximum nominal amount of £500,000, provided that such authority shall expire on 8 August 2009, or such earlier time as this authority shall next be revoked or varied by the Company in general meeting, but so that the Company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry, and the Directors may allot relevant securities in pursuance of such offer or agreement as if the authority conferred by this resolution had not expired."

6. "THAT a final dividend be paid on the Company's issued ordinary shares at the rate of £0.003 per share on 14 May 2008 to shareholders on the register of members at the close of business on 18th April 2008"

To consider and, if thought fit, pass the following resolutions as special resolutions.

7. "THAT, subject to the passing of resolution 5 as set out in the notice of this meeting, the Directors be empowered pursuant to section 95 of the Companies Act 1985 (the "Act") (in substitution for any existing authority to allot relevant securities) to allot equity securities (as defined in section 94 of the Act) for cash pursuant to the general authority conferred by resolution 5 as set out in the notice of this meeting for cash, as if section 89(1) of the Act did not apply to such allotment, provided that this power shall be limited to allotments of equity securities:

   (a) in connection with or pursuant to an offer by way of rights, open offer or other pre-emptive offer to the holders of shares in the Company and other persons entitled to participate therein in proportion (as nearly as practicable) to their respective holdings, subject to such exclusions or other arrangements as the Directors may consider necessary or expedient to deal with fractional entitlements or legal or practical problems under the laws of any territory or the regulations or requirements of any regulatory authority or any stock exchange in any territory;

(b) in connection with the Company's existing employee share schemes; and

(c) otherwise than pursuant to sub-paragraphs (a) and (b) above, up to an aggregate nominal amount of £114,500;

and such power shall expire on 8 August 2009 or such earlier time as this authority shall next be revoked or varied by the Company in general meeting, but so that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such offer or agreement as if the power conferred by this resolution had not expired."

8. "THAT the Company be generally and unconditionally authorised to make market purchases (within the meaning of section 163(3) of the Companies Act 1985) of ordinary shares of 5p each in the capital of the Company (ordinary shares) provided that:

(a) the maximum number of ordinary shares hereby authorised to be purchased is 2,289,935 (representing 10% of the Company's issued ordinary share capital at 9 May 2008);

(b) the minimum price, exclusive of any expenses, which may be paid for an ordinary share is 5p;

(c) the maximum price, exclusive of any expenses, which may be paid for any such share is an amount equal to 105% of the average of the middle market quotations for an ordinary share taken from the London Stock Exchange Daily Official List for the five business days immediately preceding the date on which such share is contracted to be purchased;

(d) the authority hereby conferred shall expire on the earlier of 8 November 2009 or the close of the next annual general meeting of the Company;

(e) the Company may make a contract for the purchase of ordinary shares under this authority before the expiry of this authority which would or might be executed wholly or partly after the expiry of such authority, and may make purchases of ordinary shares in pursuance of such a contract as if such authority had not expired.

By order of the Board of Directors

R Hutton
Company Secretary

Dated this 8 April 2008

Notes

1. Any member of the Company entitled to attend, speak and vote at the above mentioned meeting may appoint a proxy to attend, speak and, on a poll, vote instead of that member. A proxy may demand, or join in demanding, a poll. A proxy need not be a member of the Company. Completion and return of a form of proxy will not preclude a member from attending and voting at the meeting in person should he/she subsequently decide to do so.

2. To be valid the instrument appointing a proxy and any authority under which it is executed (or a copy of the same certified notarially) must be deposited at the registered office of the Company not less than 48 hours before the time of the meeting.

3. As permitted by Regulation 41 of the Uncertificated Securities Regulations 2001, shareholders who hold shares in uncertificated form must be entered on the Company's register at 6.00 pm on 7 May 2008 in order to be entitled to attend and vote at the Annual General Meeting. Such shareholders may only cast votes in respect of shares held at such time. Changes to entries on the relevant register after that time shall be disregarded in determining the rights of any person to attend or vote at the meeting.

4. A copy of the balance sheet and every document required by law to be annexed to it, which are to be laid before the above mentioned meeting, are enclosed. The statutory registers are available for inspection during normal business hours without charge at Maple House, Woodland Park, Bradford Road, Chain Bar, Cleckheaton, West Yorkshire, BD19 6BW.

5. A copy of the Directors' service contracts referred to in section 318 of the Companies Act 1985 (as amended) will be available for inspection by any member at the registered office of the Company during normal business hours on each business day from the date of the notice convening the Annual General Meeting up to the close of the meeting.

6. Explanation of Special Business:

   The Companies Act 1985 provides that Directors shall only allot unissued shares with the authority of shareholders in general meeting. Resolution 5 will be proposed as an Ordinary Resolution for the renewal of the Directors' general authority to issue relevant securities up to an aggregate nominal amount of £500,000. The Directors have no present intention of exercising this authority The Directors may also allot shares pursuant to the Company's existing employee share schemes.

   The Directors recommend the payment of a final dividend of 0.3p per share in respect of the year ended 31 December 2007. If approved at the Annual General Meeting, the dividend will be paid on 14 May 2008 to shareholders who are on the Register of Members at the close of business on 18 April 2008.

   The Companies Act 1985 also provides that any allotment of new shares for cash must be made pro rata to individual shareholders' holdings, unless such provisions are disapplied under section 95 of the Companies Act 1985. Resolution 7 will be proposed as a Special Resolution for the renewal of the Directors' authority to allot equity securities for cash, without first offering them to shareholders pro rata to their holdings. This authority facilitates issues made by way of rights to shareholders which are not strictly in accordance with section 89 of the Companies Act, authorises the issue of shares pursuant to the Company's existing employee share schemes and further authorises other allotments of up to a maximum aggregate nominal amount of £114,500 of shares, representing approximately 10 per cent of the current issued ordinary share capital of the Company. The Directors have no present intention of exercising this authority, other than in operation of the Company's existing employee share schemes.

7. Resolution 8, proposed as a special resolution, asks shareholders to grant until the earlier of 8 November 2009 or the next annual general meeting, the board authority to buy the Company's own shares subject to the constraints set out in resolution 8. The board would exercise this power only if satisfied that it was in the interests of the shareholders as a whole to do so and that it was likely to result in an increase in earnings per share.

   The Companies (Acquisition of Own Shares) (Treasury Shares) Regulations 2003 (the Regulations) were laid before Parliament on 15 April 2003 and came into effect on 1 December 2003. The Regulations enable companies to retain any of their own shares they have purchased as treasury stock with a view to possible re-issue at a future date, rather than cancelling them as was previously required. The Company would consider holding any of its own shares that it purchases pursuant to the authority conferred by this resolution as treasury stock provided that the number so held did not at anytime exceed 10% of the Company's issued share capital. This would give the Company the ability to re-issue treasury shares quickly and cost-effectively, and would provide the Company with additional flexibility in the management of its capital base.

Directors and Advisers

Directors and Advisers

Executive Directors
EA Blaine, *Managing Director*
RG Hutton, FCCA, MBA, *Finance Director & Company Secretary*
P Gleghorn, *Technical Director*

Non-Executive Director
AE Bradshaw *Non-Executive Director*

Composition of Board Committees

Audit Committee – AE Bradshaw *(Chairman)*

Remuneration Committee – AE Bradshaw *(Chairman)*, EA Blaine and RG Hutton

Finance Director and Company Secretary – RG Hutton, FCCA, MBA

Auditors
Grant Thornton UK LLP
No.1 Whitehall
Riverside
Leeds
LS1 4BN

Solicitors
Eversheds
Central Square South
Orchard Street
Newcastle-upon-Tyne
NE1 3XX

Brokers and Nominated Advisers
Collins Stewart
9th Floor
88 Wood Street
London
EC2V 7QR

Registrars
Capita Registrars
Shareholder Services Department
Northern House
Woodsome Park
Fenay Bridge
Huddersfield
HD8 0GA

Bankers
Barclays Bank Plc
PO Box 285
10 Market Street
Bradford
West Yorkshire
BD1 1XW

Financial Public Relations
Abchurch Communications Limited
100 Cannon Street
London
EC4N 6EU

Registered Office
Maple House
Woodland Park
Chain Bar
Bradford Road
Cleckheaton
West Yorkshire
BD19 6BW

Tel: 01274 863300
Fax: 01274 865966
E-mail: info@atlantic-global.com
Website: www.atlantic-global.com

Registered in England and Wales: 4168028

Form of Proxy

For use at the Annual General Meeting of Atlantic Global Plc to be held on 9 May 2008 at 2.30pm at Maple House, Woodland Park, Bradford Road, Chain Bar, Cleckheaton, West Yorkshire, BD19 6BW, and at any adjourned meeting thereof.

I/We ....

of..

(Please insert full name(s) and address(es) in block letters - see Note 1 below)

being (a) member(s) of the above-named Company hereby appoint the Chairman of the meeting or

Name of Proxy	Number of Shares

(See Note 2 below)

as my/our proxy or proxies to vote for me/us and on my/our behalf at the general meeting of the Company to be held on 9 May 2008 and at any adjournment of that meeting and to vote at that meeting as indicated below.

Please indicate how you wish your proxy or proxies to vote by inserting "X" in the box below. Where no "X" is inserted, and on any other resolutions proposed at the meeting, your proxy will vote or abstain from voting as he/she thinks fit.

☐ Please tick here if this proxy appointment is one of multiple proxies being made (and refer to note 2 below).

RESOLUTIONS

Ordinary Business	**For**	**Against**	**Withheld**	**Discretionary**
1. To receive and adopt the Company's accounts and the reports of the Directors and auditors for the period ended 31 December 2007.				
2. To re-appoint Messrs Grant Thornton UK LLP as auditors of the Company and to authorise the Directors to fix their remuneration.				
3. To receive Paul Gleghorn's retirement as a Director of the Company and re-elect him to the Board of Directors of the Company.				
4. To receive Adrian Bradshaw's retirement as a Director of the Company and re-elect him to the Board of Directors of the Company.				

Special Business	**For**	**Against**	**Withheld**	**Discretionary**
5. To authorise the Directors to allot relevant securities pursuant to s.80 Companies Act 1985.				
6. To approve the payment of a final dividend.				
7. To authorise the Directors to allot equity securities pursuant to s.95 Companies Act 1985.				
8. To authorise the Company to make market purchases within the meaning of s.163(3) Companies Act 1985.				

Signature(s) of Person(s) attending ....

or Common Seal ....

NOTES:

1 All members are entitled to attend and vote at the meeting, whether or not they have returned a form of proxy.
2. If any other proxy is preferred, delete the words "the Chairman of the Meeting or;" insert the full name of the proxy or proxies you wish to appoint and initial the alternation. If you are appointing more than one proxy you must indicate the number of shares in respect of which you are making this appointment, using the box provided for additional proxy form(s) you may photocopy this form. Please return all the forms together in the same envelope and tick the box to indicate each form is one of multiple instructions being given. Please take care when completing the number of shares; if the total number of shares exceeds the total held by the member, all appointments may be invalid.
3. A proxy need not be a member of the Company but must attend the meeting in person.
4. In the case of a corporation this form of proxy must be executed under its common seal or under the hand of an officer or attorney duly authorised in writing. In the case of an individual, the form of proxy must be signed by the individual or his attorney.
5. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority shall be determined by the offer in which the names stand in the register of members.
6. If you want your proxy to vote in a certain way on the resolutions, please insert "X" in the relevant box.
7. The "withheld" option is provided to enable you to abstain on any particular resolution. However, it should be noted that a "withheld" is not a vote in law and will not be counted in the calculation of the proportion of votes "For" and "Against" a resolution.
8. If you select 'discretionary' or fail to select any of the options, your proxy can vote as he or she chooses or can decide not to vote. Your proxy can also do this on any other resolution that is put to the meeting.
9. If this form of proxy is returned duly signed but without any indication as to how the person appointed proxy shall vote, he will exercise his discretion as to how he votes and whether or not he abstains from voting.
10. To be effective, this form of proxy, duly executed together with the power of attorney or other authority (if any) under which it is signed (or a notarially certified copy thereof) must be lodged at the Company Registrars not less than 48 hours before the time appointed for the holding of the meeting or adjourned meeting.
11. Any alterations made in this form of proxy should be initialled.
12. Appointment of a proxy will not preclude a member from attending and voting in person should he subsequently decide to do so.
13. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, only those shareholders registered in the register of members of the Company at 2.30pm on 7 May 2008 or, if the meeting is adjourned, shareholders on the Company's register of members not later than 48 hours before the time fixed for the adjourned meeting, shall be entitled to attend and vote at the meeting.
14. The right to appoint a proxy does not apply to persons whose shares are held on their behalf by another person and who have been nominated to receive communications from the company in accordance with section 146 of the Companies Act 2006 ("nominated persons"). Nominated persons may have a right under an agreement with the registered shareholder who holds the shares on their behalf to be appointed (or to have someone else appointed) as a proxy. Alternatively, if nominated persons do not have such a right, or do not wish to exercise it, they may have a right under such an agreement to give instructions to the person holding the shares as to the exercise of voting rights.
15. If two or more valid forms of proxy are delivered in respect of the same share, the one which is valid will be the one which was delivered last (regardless of its date or the date of its execution).
16. 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.

Second Fold

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