Internet plc

Annual Report 2011

Company Number 06172239

Contents

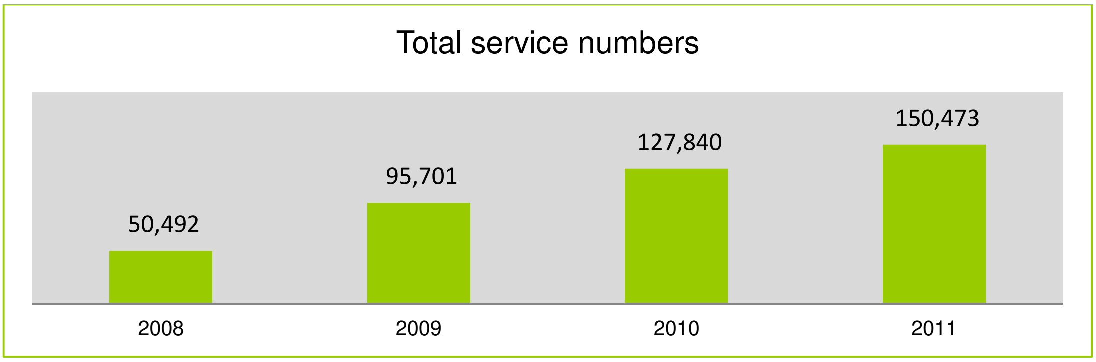
Introduction and Highlights

Strategy

- To become one of the leading providers of Internet hosting solutions to small and medium sized businesses (SMEs) by focusing on delivering scalable market leading hosting products at competitive pricing
- To continue to extend our range of products and services to provide our customers with a one-stop shop for all their Internet requirements
- To maintain and expand our highly automated system to minimise overheads and maximise efficiency
- To continue to provide a high level of customer service to meet the exacting standards of our business customers, in order to promote repeat purchase, recommendation by existing customers and maintenance of low churn rates

Highlights

	2011	**2010**
Turnover	£1,267,978	£1,005,656
Earnings before interest, taxation, depreciation, amortisation and FRS 20 share based payments	£ (208,283)	£ (382,441)
Number of customers	53,213	45,106
Number of Active domains	131,765	111,280
Number of Active hosting services	18,708	16,560



- Revenue up by 26% reflecting good organic growth
- Number of active domains up by 18.4%
- Number of active hosting services up by 13.0%
- Expanded our Virtual Private Servers offering by launching Parallels Virtuozzo in August 2010
- Expanded our Email Services by launching Hosted Exchange in Feb 2011

Chairman's Statement

I am delighted to present the 31 March 2011 financial results for Daily Internet plc.

Performance Summary

Daily Internet plc continued to make strong progress during this financial year, in spite of the challenging economic climate within the UK in recent years and our relative youth as a company.

Our focus throughout the year has been to build on our previous successes through development of our product range, upgrading our key Virtual Private Server and SSL Certificate ranges and bringing new domain management and email services online to ensure we continue to offer best of breed to the business and consumer hosting markets.

This approach has contributed towards positive growth for the business, resulting in significant increases in both service numbers and customer numbers. We have continued to expand our already strong recurring revenue base and we anticipate achieving cash flow breakeven at the operating level subject to market status quo being maintained over the coming year.

We have also worked to drive increased sales and to continue to improve retention through a diverse series of measures which include developing additional marketing channels and applying website updates with a view to improving the customer experience and ease of purchase.

Outlook

Looking to the future, we will continue to extend our market reach by increasing the value of our brand through active channel development. We will also continually review the hosting market for synergistic acquisition targets that will enable us to grow both our consumer and small business markets and that will enable us to quickly extend our range of products to high end managed server solutions.

We will continue our programme of development with the expansion of our product range, thereby consolidating our position as an increasingly respected and well-recommended hosting provider within the consumer and business markets.

Our commitment to delivering exceptional, approachable customer service in order to strengthen customer loyalty, and thus repeat business, together with an increase in customer acquisition through all-important word-of-mouth, remains a key strategy.

Our management team is highly experienced within the web hosting arena and is extremely passionate about using its skills, vision and experience to achieve our stated aim of becoming one of the leading providers of internet hosting solutions to small and medium sized businesses within the UK.

On their behalf, I would like to take this opportunity to extend my thanks to the shareholders and to all the staff at Daily Internet plc for their continued support towards achieving this vision. We look forward to continued growth during the coming financial year.

Michael Edelson
Chairman
31 August 2011

Operational and Financial Review

Profit and Loss

2011 has been another year of continued revenue growth and reductions in operating loss. Revenue for the group reached £1.3 million for the year to 31 March 2011 an increase of 26% compared to the previous year and operating loss before amortisation and depreciation reduced to £212,000 a reduction of 46%.

Daily Internet offers hosting services paid for on a subscription basis, either monthly or yearly. Where the subscription is paid for on an annual basis revenue attributable to future periods is deferred. During the current year there has been a further 8% shift in preferred payment method to monthly, whilst this does not directly impact revenues, cash flows are reduced. The Group's sales receipts for the year amounted to £1,287,000 compared to £1,026,000 for the previous year; an increase of 25%. The amount of revenue which is deferred to future periods as at 31 March 2011 is £242,000.

Marketing along with staff costs represents the majority of our operating expenses. During 2011 we have continued to improve marketing efficiencies by improving our brand recognition and increasing our market reputation. 'Word of mouth' business is now a key driver for new sales and customer acquisition, as such marketing spend for the year amounted to £245,000 a reduction of 12% and new sales revenues amounted to £452,000 an increase of 25%.

Focus on excellent customer service and continued systems improvements have driven increased revenue per operational head and hopes to ensure that in the coming year we can continue to drive additional new sales and maintain our renewal base without incurring additional staff costs.

Other operating costs have been closely controlled during the year resulting in savings against the operating budget with an increase of only 1.1% on the previous year.

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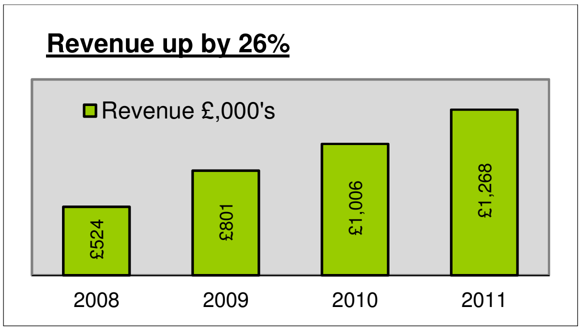

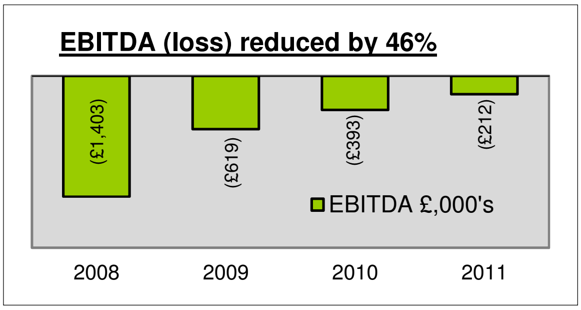

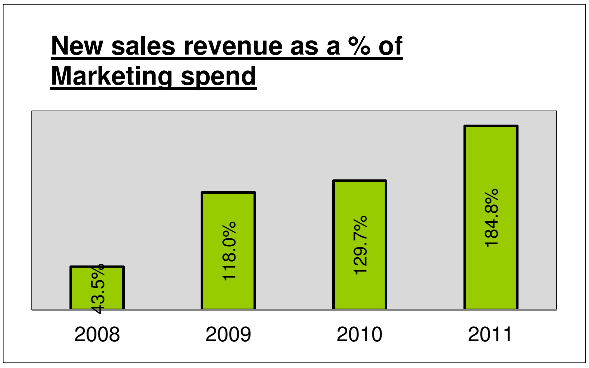

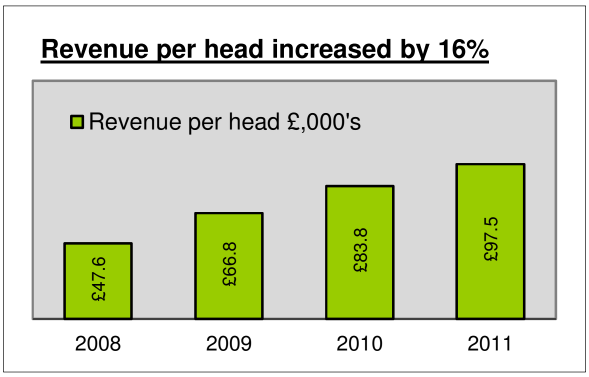

Operational and Financial Review continued

Balance sheet and Treasury

The Group has continued to invest in its infrastructure during the year to 31 March 2011, having spent £25,000 (2010:£135,000) on the maintenance and expansion of existing platforms. The total investment at 31 March 2011 in the Groups tangible and intangible fixed assets amounts to £689,000 (2010:£664,000), the fair value of these assets being reported at £136,000 (2010:£186,000).

Net cash outflow from operating activities during the year reduced to £189,000 (2010:£391,000). Cash at bank at 31 March 2011 was ahead of plan at £99,000 (2010:£81,000). A facility of £380,000 which is available until 31 August 2012, has been arranged for working capital requirements, of which £275,000 has been utilised during the year to 31 March 2011. The Directors are confident that this amount is sufficient to allow the Group to continue to develop new products and achieve a breakeven position in the current financial year. Further fundraising would be required should an acquisition target become available.

Creditors falling due within one year are reported at £545,000 (2010:£535,000). This figure includes an amount of £242,000 (2010:£220,000) for deferred revenue which will be released to profit in future years.

Creditors falling due after one year are reported at £554,000 (2010:£283,000). This includes an amount of £269,000 (2010:£269,000) for the fair value of convertible loan notes which were issued on 9 January 2008.

Julie Joyce

Finance Director

31 August 2011

Board of Directors and Senior Managers

Board

John Michael Edelson
Chairman
Michael Edelson brings a wealth of experience as a Board Director to Daily Internet plc.
He is executive chairman of London & City Credit Corporation Limited. Historically, he has been a director of a number of companies admitted to trading on AIM, including ASOS plc, Crawshaw Group plc (formerly known as Felix Group plc), Prestbury Group plc, Chelford Group plc, Knutsford Group plc, Mercury Recycling Group plc and Singer and Friedlander AIM3 VCT plc and has been on the board of Manchester United Football Club Limited since 1982.
Furthermore, Mr. Edelson was Non-Executive Chairman of Bramhall plc (subsequently named Host Europe plc), which acquired Magic Moments Design Limited in September 1999, a company of which Abby Hardoon was an instrumental founder. Mr. Edelson remained a non-executive Chairman of Host Europe plc until early 2001.
Mr. Edelson's current directorships include being the non-executive chairman of both EXC plc and Sterling Green Group plc, both being companies admitted to trading on AIM.
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Abby Hardoon
Managing Director
Mr Hardoon is a Business Administration graduate from George Washington University. He was a founder of NETDesign Limited and Magic Moments Internet plc. Following the admission of Magic Moments to trading on AIM in September 1999 he served as Chief Executive Officer. Magic Moments was then renamed Host Europe plc and, under Mr Hardoon's leadership, acquired two other Hosting companies, WebFusion Internet Solutions Limited and One2One Limited. Mr Hardoon successfully grew the combined business into profitability until it was sold in April 2004 to PIPEX Communications plc for over £30 million.

Julie Joyce
Finance Director
Mrs. Joyce is a Fellow of the Chartered Association of Certified Accountants. She was employed as Finance Manager of WebFusion Internet Solutions Limited, an Internet Hosting company which was sold to Magic Moments Internet plc in May 2000. She became Group Financial Controller for Host Europe plc and its group companies and continued in this role for the SME hosting division of PIPEX Communications plc after the sale to PIPEX in April 2004. She also has extensive auditing and private practice experience, having spent ten years in this sector prior to her move into commerce and industry.

Robert Khalastchy
Non-Executive Director
Mr Khalastchy is a graduate from the University of Sussex where he received a Bachelors degree in Electronic Engineering. For the past 15 years he has worked in commercial property management. For the last 6 years he has been a director of RK Management Limited, a property management company managing commercial property portfolios worth in excess of £35 million.

Senior Managers

Alison Curry-Taylor
Operations Director
Mrs Curry-Taylor worked with WebFusion Internet Solutions Limited since its formation and continued to work for Host Europe plc post-acquisition. During her tenure with both companies, she successfully directed the growth of the SME hosting business unit and was responsible for delivering several key projects and products.

Simon Amor
Research & Development Director
Mr Amor worked with WebFusion Internet Solutions Limited and Host Europe plc for nearly 6 years. He was pivotal in the development of the major systems deployed by Host Europe plc. In addition to his technical contribution to Host Europe he also successfully managed the Research and Development team.

Report of the Directors

The Directors present their Annual Report and Audited Financial Statements for the year ended 31 March 2011.

Principal Activities

The principal activities of the group during the year were the provision of web hosting, e-mail and domain name registration services.

Business Review and Future Developments

A review of the group's operations and performance during the financial year, setting out the position at the year end, significant changes in the year and providing an indication of the outlook for the future is contained in the Chairman's Report on page 3 and the Operational and Financial Review on pages 4 to 5.

Principal risks and uncertainty

In line with the nature, size and complexity of the business the senior management team work very closely to identify and evaluate areas of risk, and to develop and monitor action plans to deal with any potential threats. All outcomes are reported to the Board and support is given as necessary to ensure actions are carried out.

Identifiable areas of risk include:

- Moving the group to a cash flow generative position
- Market pressures on product pricing
- Maintaining a healthy cash balance to allow future investment in products
- Improving average revenue per customer by developing and sourcing new products
- Best use of marketing spend to maximise growth and profitability
- Optimisation of human resource skills

Results and Dividends

The consolidated Profit and Loss account for the year is set out on page 14. The Directors do not propose the payment of a Dividend for the year ended 31 March 2011.

Directors

The Directors of the Company who held office during the year are as follows:

- Michael Edelson – Chairman
- Abby Hardoon – Managing Director
- Julie Joyce - Finance Director
- Robert Khalastchy - Non-Executive Director

The interest of current Directors in shares and options are detailed in the Board Report on Directors' Remuneration on page 9 .

Significant Shareholdings

As of 28 July 2011 the Company has been notified of the following significant shareholdings:

	%
Abby Hardoon	33.1
Pentagon Sterling Satellite Fund Limited	7.4

Employees

It is the policy of the group that there should be no unfair discrimination in recruiting and promoting staff, including applicants who are disabled. The Directors are committed to maintaining and developing communication and consultation processes with employees, who in turn are encouraged to develop an awareness of the issues affecting the group. The Directors place considerable emphasis on employees sharing in the success of the group. This is achieved through the participation in share option schemes. Due to the nature and size of the business, employees are constantly encouraged to communicate with the Company's senior management to discuss business issues and potential improvements.

Supplier Payment Policy

It is the Company's policy to settle debts with its suppliers, in the absence of any dispute, in accordance with the terms and conditions agreed with each supplier. The number of supplier days outstanding at 31 March 2011 based on the amounts invoiced by suppliers during the financial year was 45 days (2010:48 days).

Disclosure of information to auditors

The Directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each Director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Political and charitable donations

The company made no political or charitable donations during the year but supports charities through the provision of discounted services.

Going Concern

The Directors have reasonable expectation that the group has adequate resources to continue to operate for the foreseeable future. For this reason they adopt the going concern basis for preparing the financial statements.

Annual General Meeting

The Annual General Meeting will be held on 23 September 2011 at 10.00 am at The Company's registered office at Number 14 Riverview Vale Road, Heaton Mersey, Stockport, Cheshire, SK4 3GN.

The full wording of the resolutions to be tabled at the forthcoming Annual General Meeting is set out in the notice of the meeting on pages 33 to 34.

Auditors

In accordance with section 489 of the Companies Act 2006, a resolution proposing that Hazlems Fenton LLP be reappointed as auditors of the company will be put to the Annual General Meeting.

By order of the board

Julie Joyce

Finance Director

31 August 2011

Directors' Remuneration Report

Introduction

Whilst the group is not obliged to comply with the Directors' Remuneration Report Regulations 2007, the Directors have agreed to adopt the ethos of those regulations and to disclose information relating to the current Directors.

The report is not subject to audit and a resolution to approve it will be proposed at the annual general meeting.

Remuneration Policy

Daily Internet has a policy to attract, motivate and reward individuals of the highest calibre who are committed to growing the value of the business and to maximising returns to shareholders.

The policy is as relevant to Executive Directors as it is to employees, as we aim to reward Executive Directors and senior employees aligned to the performance of the group.

The remuneration structure for all employees considers remuneration rates of competitors to ensure continuity and commitment.

Directors' Service Contracts

Copies of Directors' service contracts will be available at the annual general meeting.

Pension Arrangements

The group does not operate a final salary pension scheme. Executive Directors who are entitled to receive pension contributions may nominate a defined contribution scheme into which the company makes payments on their behalf.

Directors' Remuneration

A summary of the total remuneration paid to current Directors is set out below:

	2011			2010		
	Fees Salary £000	Benefits in kind £000	Total £000	Fees Salary £000	Benefits in kind £000	Total £000
Michael Edelson	36	-	36	36	-	36
Abby Hardoon	10	2	12	42	1	43
Julie Joyce	75	2	77	79	2	81
Robert Khalastchy	6	-	6	6	-	6

Directors' Remuneration Report - continued

Directors' Interests in Ordinary Shares of Daily Internet plc

The Directors in office at the end of the year had interests in the ordinary share capital of the company as shown below:	Number of Ordinary Shares	Percentage Interest
Michael Edelson	2,714,285	4.44%
Abby Hardoon	20,233,627	33.10%
Julie Joyce	150,000	0.25%
Robert Khalastchy	253,846	0.42%

Directors' Interests in Share Options

The Directors had interests in options over ordinary shares of the Company as shown below:

	No. of Ordinary Shares and Price							
Employee	0.7p**	5p*	10p*	15p*	20p*	Total	Grant Date	Expiry Date
Michael Edelson	714,286	-	-	-	-	714,286	23.03.07	30.07.17
Abby Hardoon	-	-	-	250,000	100,000	350,000	24.08.07	24.08.17
Julie Joyce	-	25,000	25,000	200,000	100,000	350,000	24.08.07	24.08.14
Robert Khalastchy	-	15,000	5,000	100,000	100,000	220,000	24.08.07	24.08.17

*Options cannot be exercised until their 3rd anniversary and have no performance criteria attached to them.**Options are exercisable immediately and have no performance criteria attached to them.

Directors' Warrants

The Directors held the following warrants over the ordinary shares of the Company:

Employee	Exercise price	No. of Warrants	Grant Date	Expiry Date
Abby Hardoon	15p	1,050,000	09.01.08	08.01.13

The above warrants can be exercised at any time up to the expiry date.

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

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the group and the parent company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under Company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and the company, 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 accounting standards have been followed, subject to any material departures, disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the parent company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and the Group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and that of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Independent Auditors' Report

to the Members of Daily Internet plc

We have audited the group and parent company financial statements (the "financial statements") of Daily Internet Plc for the year ended 31 March 2011 set out on pages 14 to 31. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 11, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2011 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent Auditors' Report

to the Members of Daily Internet plc (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Jonathan Barron FCA (Senior Statutory Auditor)
for and on behalf of Hazlems Fenton LLP

Chartered Accountants
Statutory Auditor
Chartered Accountants
Palladium House
1-4 Argyll Street
London
W1F 7LD

31 August 2011

Consolidated Profit and Loss Account

for the Year Ended 31 March 2011

	Notes	2011 Group £,000	2010 Group £,000
Revenue	**2**	1,268	1,006
Cost of sales		(608)	(494)
Gross profit		660	512
Operating expenses before amortisation, depreciation and share based payments		868	894
Goodwill amortisation		170	170
Depreciation and other amortisation		74	153
Share based payments		4	11
Administrative expenses		(1,116)	(1,228)
Operating loss	**3**	(456)	(716)
Interest receivable and similar income		-	1
Interest payable and similar charges	**6**	(39)	(32)
Loss before taxation		(495)	(747)
Taxation	**7**	-	-
Retained loss for the year		(495)	(747)
Basic and fully diluted loss per share		£0.01	£0.01

There are no recognised gains or losses in the year apart from the loss for the year.
The Group's results are derived from continuing operations.

Consolidated Balance Sheet as at 31 March 2011

	Notes	2011 £,000	2011 £,000	2010 £,000	2010 £,000
Fixed assets					
Goodwill	8		359		529
Intangible assets	8		28		52
Tangible assets	9		108		133
			495		714
Current assets					
Debtors	11	27		36	
Cash at bank and in hand		99		81	
		126		117	
Creditors: amounts falling due within one year	12	(545)		(535)	
Net current assets (liabilities)			(419)		(418)
Total assets less current liabilities			76		296
Creditors: amounts falling due after one year	13		(554)		(283)
Net assets			(478)		13
Capital and reserves					
Called up share capital	16		305		305
Share premium account	17		2,600		2,600
Other reserves	17		242		238
Profit and loss account	17		(3,625)		(3,130)
Shareholders' funds			(478)		13

Approved by the Board and authorised for issue on 31 August 2011

J. Joyce
Director
Registered number 06172239

Company Balance Sheet as at 31 March 2011

	Notes	2011 £,000	2011 £,000	2010 £,000	2010 £,000
Fixed assets					
Investments	10		1,722		1,722
			1,722		1,722
Current assets					
Debtors	11	2,280		2,064	
Cash at bank and in hand		4		15	
		2,284		2,079	
Creditors: amounts falling due within one year	12	(19)		(12)	
Net current assets (liabilities)			2,265		2,067
Total assets less current liabilities			3,987		3,789
Creditors: amounts falling due after one year	13		(1,404)		(1,111)
Net assets			2,583		2,678
Capital and reserves					
Called up share capital	16		305		305
Share premium account	17		2,600		2,600
Other reserves	17		102		102
Profit and loss account	17		(424)		(329)
Shareholders' funds			2,583		2,678

Approved by the Board and authorised for issue on 31 August 2011

J. Joyce
Director
Registered number 06172239

Consolidated Cash Flow Statement

for the Year Ended 31 March 2011

	Notes	2011 £,000	2010 £,000
Operating loss		(456)	(716)
Goodwill amortisation		170	170
Depreciation and other amortisation		74	153
Share based payments		4	11
Decrease (increase) in debtors		9	6
(Decrease) Increase in creditors		10	(15)
Net cash outflow from operating activities		(189)	(391)
Returns on investments and servicing of finance			
Interest element of finance lease payments		(1)	(3)
Interest paid		(14)	(1)
Loan Note interest paid		(24)	(28)
Interest received		-	1
Net cash outflow from investments and servicing of finance		(39)	(31)
Capital expenditure			
Payments to acquire tangible assets	9	(25)	(90)
Payments to acquire intangible assets	8	-	(45)
Net cash acquired on acquisition of subsidiary		-	-
Net cash outflow from capital expenditure		(25)	(135)
Net cash outflow before management of liquid resources and financing		(253)	(557)
Financing			
Issue of ordinary share capital (net of expenses)		-	(7)
Repayment of loan notes	15	-	(110)
Drawdown of loan facility		275	-
Drawdown of new finance leases		-	24
Capital element of finance lease repayments		(4)	(16)
Net cash inflow (outflow) from financing		271	(109)
Increase (Decrease) in cash in the period		18	(666)

Notes to the Consolidated Financial Statements

for the year ended 31 March 2011

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial information presented.

Basis of preparation
The accounts have been prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently.

Going Concern
The directors have prepared the financial statements on a going concern basis as they are confident that the convertible loan notes maturing in 2012 will be extended for a further 12 months. The company has also extended its existing loan facility with Abby Hardoon, a director and major shareholder, John Thompson and Hawkstone Capital Limited. The directors are confident that this facility is sufficient to allow the Group to continue to develop new products and achieve a breakeven position.

Basis of consolidation
The consolidated accounts include the accounts of the Company and its subsidiary undertakings made up to 31 March 2011. The acquisition method of accounting has been adopted. Under this method, the results of subsidiary undertakings acquired or disposed of in the year are included in the consolidated Profit and Loss Account from the date of acquisition or up to the date of disposal. Intra group sales and profits are eliminated fully on consolidation.
Under Section 408(4) of the Companies Act 2006 the Company is exempt from the requirement to present its own Profit and Loss Account.

Goodwill
The goodwill is the purchased goodwill on the acquisition of Daily Internet Services Limited and Lambolle Partners plc by Daily Internet plc and is stated at cost. The goodwill is being written off over its estimated economic life of 5 years.

Revenue recognition
Revenue from the sale of domain name registrations is recognised when the domain name is registered or renewed. Revenue from value added services is recognised as these services are delivered. Revenue from hosting services is recognised over the life of each contract.

Foreign currencies
Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

Financial instruments
Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2011 continued

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Website design	33.3% straight line
Furniture and equipment	20% – 33.3% reducing balance

Research and Development

Research expenditure is written off to the profit and loss account in the year in which the expenditure occurs. Development expenditure is treated in the same way unless the directors are satisfied as to the technical, commercial and financial viability of individual projects. In this situation, the expenditure is deferred and amortised over the years during which the company is to benefit.

Investments

Fixed asset investments are stated at cost less provision for diminution in value.

Deferred Taxation

Deferred Taxation is provided in full in respect of taxation deferred by timing differences between certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

Leases

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.
Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

Share based payments

The fair value of employee options granted is recognised as an expense within the profit and loss account with a corresponding increase in equity. The fair value is measured at grant date and spread over the year during which the employees become unconditionally entitled to the options.

The fair value of supplier warrants is recognized as an expense within the profit and loss account with a corresponding increase in equity. The fair value is measured at grant date and charged against profit when the services are received.

The fair value of the options granted is measured using the Black Scholes pricing model, taking into account the terms and conditions upon which the options were granted.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2011 continued

2 Analysis of turnover and operating loss

Revenue, all of which arises from the group's principal activity, is generated using a common infrastructure and support function, therefore in the opinion of the Directors its activities constitute one operating segment which can be analysed into its main components as follows:

	2011 £,000	2011 %	2010 £,000	2010 %
Revenue by Service				
Domain Names	650	51.3%	518	51.5%
Hosting	548	43.2%	418	41.6%
Other	70	5.5%	70	7.0%
	1,268		**1,006**	

The Group's operating loss, assets and liabilities cannot be accurately allocated to the services shown above as these services are operated by a fully integrated and inseparable infrastructure.

The group operates out of the UK but sells services to the following geographical locations.

By geographical location				
UK	1,213	95.7%	976	97.0%
Europe	26	2.1%	15	1.5%
Rest of World	29	2.3%	15	1.5%
	1,268		**1.006**	

3 Loss on ordinary activities before taxation

			2011 £,000	2010 £,000
Auditors' remuneration:				
	Group:	Audit	20	20
		Fees paid to the auditors in respect of other services	-	-
	Company:	Audit	4	4
		Fees paid to the auditors in respect of other services	-	-
Depreciation of tangible fixed assets:				
	Owned		37	76
	Held under finance leases		13	13
Amortisation of intangible fixed assets			24	64
Goodwill amortisation			170	170
Share based payments			4	11
Finance charge - finance lease			1	3
Rentals payable under operating leases			28	28

Notes to the Consolidated Financial Statements

for the year ended 31 March 2011 continued

4 Staff numbers and costs

The average number of full time persons employed by the group, including executive directors during the year was:

	2011	2010
Research and Development	4	3
Technical Support	5	5
Executive and Administration	4	4
	13	**12**

The aggregate payroll costs including executive directors were as follows:

	2011 £,000	2010 £,000
Wages and salaries	388	395
Social security costs	42	39
Benefits in kind	6	4
Staff option costs	4	11
	440	**449**

The emoluments paid to the highest paid director during the year were £77,000. More information regarding directors' remuneration and share options can be found in the Directors' Remuneration Report on pages 9 to 10.

5 Share based payments and warrants

The Company has adopted an approved employee share option scheme. Under the Scheme the directors have the discretion to grant options to subscribe for ordinary shares up to a maximum of 10 per cent of the Company's issued share capital. Options can be granted to any employee of the Company. The options cannot be exercised for at least three years from the date of grant. Options must be exercised in their entirety or not at all. There is no performance criteria associated with the options. The weighted average exercise price is 6.9p per share.

At 31 March 2011 rights to options over ordinary shares of the company were outstanding as follows:

			No. of Ordinary Shares			
Grant date	**Exercise period**	**Exercise price**	**At 31 March 2010**	**Granted**	**Exercised lapsed cancelled**	**At 31 March 2011**
25-May-07	25 May 2011 to 24 May 2017	2.5p	38,462			38,462
25-May-07	25 May 2011 to 24 May 2017	5p	38,462			38,462
25-May-07	25 May 2011 to 24 May 2017	10p	76,924			76,924
25-May-07	25 May 2011 to 24 May 2017	15p	423,077			423,077
25-May-07	25 May 2011 to 24 May 2017	20p	192,307			192,307
24-Aug-07	24 Aug 2011 to 23 Aug 2017	5p	25,000			25,000
24-Aug-07	24 Aug 2011 to 23 Aug 2017	10p	25,000			25,000
24-Aug-07	24 Aug 2011 to 23 Aug 2017	15p	200,000			200,000
24-Aug-07	24 Aug 2011 to 23 Aug 2017	20p	100,000			100,000
24-Aug-07	24 Aug 2011 to 23 Aug 2014	5p	15,000			15,000
24-Aug-07	24 Aug 2011 to 23 Aug 2014	10p	5,000			5,000
24-Aug-07	24 Aug 2011 to 23 Aug 2014	15p	350,000			350,000
24-Aug-07	24 Aug 2011 to 23 Aug 2014	20p	200,000			200,000
24-Aug-07	31 July 2007 to 30 July 2017	0.7p	2,321,428			2,321,428
			4,010,660	-	-	4,010,660

Notes to the Consolidated Financial Statements

for the year ended 31 March 2011 continued

5 Share based payments and warrants continued

The options have been valued, using the Black Scholes method, using the following assumptions:

Number of instruments granted	38,462	38,462	76,924	423,077	192,307
Grant date	25-May-07	25-May-07	25-May-07	25-May-07	25-May-07
Expiry date	24-May-17	24-May-17	24-May-17	24-May-17	24-May-17
Contract term (years)	10	10	10	10	10
Exercise price	2.5p	5p	10p	15p	20p
Share price at granting	5p	5p	5p	5p	5p
Annual risk free rate (%)	5%	5%	5%	5%	5%
Annual expected dividend yield (%)	0%	0%	0%	0%	0%
Volatility (%)	50%	50%	50%	50%	50%
Fair value per grant instrument	3.96p	3.36p	2.64p	2.19p	1.88p

Number of instruments granted	25,000	25,000	200,000	100,000	15,000
Grant date	24-Aug-07	24-Aug-07	24-Aug-07	24-Aug-07	24-Aug-07
Expiry date	23-Aug-17	23-Aug-17	23-Aug-17	23-Aug-17	23-Aug-14
Contract term (years)	10	10	10	10	7
Exercise price	5p	10p	15p	20p	5p
Share price at granting	5p	5p	5p	5p	5p
Annual risk free rate (%)	5%	5%	5%	5%	5%
Annual expected dividend yield (%)	0%	0%	0%	0%	0%
Volatility (%)	50%	50%	50%	50%	50%
Fair value per grant instrument	3.36p	2.64p	2.19p	1.88p	2.9p

Number of instruments granted		5,000	350,000	200,000	2,321,428
Grant date		24-Aug-07	24-Aug-07	24-Aug-07	23-Mar-09
Expiry date		23-Aug-14	23-Aug-14	23-Aug-14	30-Jul-17
Contract term (years)		7	7	7	8.2
Exercise price		10p	15p	20p	0.7p
Share price at granting		5p	5p	5p	5p
Annual risk free rate (%)		5%	5%	5%	5%
Annual expected dividend yield (%)		0%	0%	0%	0%
Volatility (%)		50%	50%	50%	50%
Fair value per grant instrument		2.02p	1.54p	1.21p	0.46p

Notes to the Consolidated Financial Statements

for the year ended 31 March 2011 continued

5 Share based payments and warrants continued

Share Warrants

At 31 March 2011 there were 5,447,000 outstanding warrants to subscribe for the ordinary share capital of the company as follows:

		No. of Warrants and Exercise price		
Grant date	**Expiry Date**	**10p**	**15p**	**Total**
09.01.08	08.01.13	-	2,800,000	1,977,500
11.03.08	10.03.15	3,469,500	-	3,469,500

The shares will have the same dividend and voting rights as the existing ordinary shares in issue. The fair value of the arranger warrants has been calculated at 2.8p based on the following assumptions - share price at granting 6p, annual risk free rate 5%, volatility 50%.

6 Interest payable and similar charges

	2011	**2010**
	£,000	**£,000**
Interest payable on finance leases	1	3
Interest payable on loan notes	24	28
Other interest payable	14	-
Bank Interest payable	-	1
	39	**32**

7 Taxation

	2011	**2010**
	£,000	**£,000**
Current tax charge	**-**	**-**
Deferred tax		
Timing differences	-	-
Factors affecting the tax charge for the year		
Loss on ordinary activities before taxation	(495)	(747)
Loss on ordinary activities before taxation multiplied by the Standard rate of UK corporation tax of 26% (2010:28%)	(129)	(209)
Effects of:		
Other adjustments	129	209
Current tax charge	**-**	**-**

8 Intangible fixed assets

Group	Research and development £,000	Positive Goodwill £,000	Total £,000
Cost			
At 1 April 2010	232	849	1081
Additions	-	-	-
Disposals	-	-	-
At 31 March 2011	232	849	1081
Amortisation			
At 1 April 2010	180	320	500
On disposals	-	-	-
Charge for the year	24	170	194
At 31 March 2011	204	490	694
Net book value			
At 31 March 2011	28	359	387
At 31 March 2010	52	529	581

The Company held no intangible fixed assets at 31 March 2011 or 31 March 2010.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2011 continued

9 Tangible fixed assets

Group	Website design £,000	Furniture and equipment £,000	Total £,000
Cost			
At 1 April 2010	166	266	432
Additions	-	25	25
Disposals	-	-	-
At 31 March 2011	166	291	457
Depreciation			
At 1 April 2010	166	133	299
On disposals	-	-	-
Charge for the year	-	50	50
At 31 March 2011	166	183	349
Net book value			
At 31 March 2011	-	108	108
At 31 March 2010	-	133	133

Included in the net book value of £108,000 are leased assets of £25,000 (2010:£47,000).

The depreciation for the year on these assets was £13,000 (2010:£13,000).

The Company held no tangible fixed assets at 31 March 2011 or 31 March 2010.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2011 continued

10 Investments

	Company 2011 £,000	Company 2010 £,000
Investment in Subsidiaries		
At 1 April 2010	1,722	1,722
Additions	-	-
Disposals	-	-
At 31 March 2011	1,722	1,722

The Company's subsidiary undertakings, all of which are wholly owned and included in the consolidated accounts, are:

Undertakings	Registration	Principal activity
Daily Internet Services Limited	England	Web hosting and domain name registration
Lambolle Partners plc	England	Investment Company

11 Debtors

	Group 2011 £,000	Company 2011 £,000	Group 2010 £,000	Company 2010 £,000
Amounts due within one year:-				
Trade debtors	2	-	7	-
Other debtors	-	1	-	1
Prepayments and accrued income	25	4	29	4
	27	5	36	5
Amounts due after more than one year:-				
Amounts owed by subsidiary undertakings	-	2,275	-	2,059
	-	2,275	-	2,059
Total Debtors	27	2,280	36	2,064

12 Creditors: amounts falling due within one year

	Group 2011 £,000	Company 2011 £,000	Group 2010 £,000	Company 2010 £,000
Trade creditors	147	9	156	8
Other taxes and social security costs	30	1	35	1
Other creditors	61	-	65	-
Accruals and deferred income	299	9	271	3
Finance lease	8	-	8	-
	545	19	535	12

13 Creditors: amounts falling due after one year

	Group 2011 £,000	Company 2011 £,000	Group 2010 £,000	Company 2010 £,000
Finance lease	10	-	14	-
Other loans	275	275	-	-
Amounts due to subsidiary undertakings	-	860	-	842
Convertible loan note	269	269	269	269
	554	1,404	283	1,111

The maturity of obligations under finance leases are as follows:

Within one year	8	-	8	-
Within two to three years	10	-	14	-
	18	-	22	-

The maturity of other debt is as follows:

Within two to three years	544	544	269	269
Over five years	-	860	-	842
	544	1,404	269	1,111

14 Operating Leases

The group has no commitments to make annual payments under non-cancellable operating leases.

15 Financial instruments

The group's financial instruments comprise cash and liquid resources, convertible bonds and various items such as trade debtors and trade creditors that arise directly from its operations.

There have been no substantive changes in the Groups objectives, policies and processes for managing those risks or the methods used to measure them from previous periods.

The group's objective is to ensure adequate funding for continued growth and expansion.

Given the nature of the group's borrowings, interest rate risk is not significant. The main risk arising from the group's financial instruments is liquidity risk. There is no foreign currency risk.

Convertible Loan note

Fifty six £5,000 Convertible loan notes were issued on 9 January 2008. The notes are convertible into ordinary shares at a conversion price of 12 pence per share. They may be converted at any time by the holder up to their 4th anniversary. They carry an interest rate of 8.6% per annum.

The value of the convertible loan notes recognised in the balance sheet is calculated as follows:

	2011 £,000	**2010 £,000**
Face value	280	280
Costs of issue	(8)	(8)
Net proceeds	272	272
Equity component	(3)	(3)
Liability component at 31 March 2011	269	269

16 Share capital

	Group 2011 £,000	Company 2011 £,000	Group 2010 £,000	Company 2010 £,000
Authorised				
150,000,000 Ordinary shares of 0.5p each	750	750	750	750
	750	750	750	750
Allotted, called up and fully paid				
61,123,550 Ordinary shares of 0.5p each	305	305	305	305
	305	305	305	305

17 Statement of movements in reserves

	Share premium account £,000	Other reserves £,000	Profit and loss account £,000	Total £,000
Group				
At 1 April 2010	2,600	238	(3,130)	(292)
Share based payments	-	4	-	4
Loss for the year	-	-	(495)	(495)
At 31 March 2011	2,600	242	(3,625)	(783)
Company				
At 1 April 2010	2,600	102	(329)	2,373
Loss for the year	-	-	(95)	(95)
At 31 March 2011	2,600	102	(424)	2,278

18 Reconciliation of movements in shareholder funds

	2011 £,000	2010 £,000
Loss for the financial year	(495)	(747)
Movement on other reserves	4	11
Issue of shares	-	(7)
Net increase (decrease) in shareholder funds	(491)	(743)
Opening shareholder funds	13	756
Closing shareholder funds	(478)	13

19 Contingent liabilities

There are no contingent liabilities at the year end.

20 Related party transactions

The directors use personal credit cards to pay trade creditors where necessary.

During the year costs incurred of £512,693 were reimbursed to Mr A Hardoon, £30,997 to Mrs J Joyce and £11,106 to Mrs A Curry-Taylor. At the year- end, £60,862 was due to Mr Hardoon and is included in other creditors.

During the year, the company paid rent and service charges for its premises amounting to £31,600 to Mr Hardoon.

Included in creditors falling due after one year is £45,000 provided by Mr Hardoon as part of a loan facility. The loan is due to be repaid on 31 August 2012 and interest payable is 10%.

Mr A Hardoon has given personal guarantees to Barclays Bank of up to £70,000 dated 14 February 2008 and up to £80,000 dated 17 November 2008.

21 Analysis of changes in net funds

	31-Mar 2010 £,000	Cash flow £,000	Other non-cash changes £,000	31-Mar 2011 £,000
Net cash:				
Cash at bank and in hand	81	18	-	99
Net funds	81	18	-	99

22 Reconciliation of net cash flow to movement in net funds

	2011 £,000	2010 £,000
Increase (Decrease) in cash in the year	18	(666)
Opening net funds	81	747
Closing net funds	99	81

23 Loss per share

	2011	2010
Loss for the financial year attributable to shareholders	£495,000	£747,000
Weighted number of equity shares in issue	61,123,550	61,123,550
Basic/diluted loss per share	£0.01	£0.01

Since the conversion of potential ordinary shares to ordinary shares would decrease the net loss per share, they are not dilutive. Accordingly diluted loss per share is the same as basic loss per share.

Corporate Information

Company Secretary and Registered Office

Ian Aspinall

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Company Number

06172239

PLUS Market Corporate Advisor

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Registrar

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The Pavilions Bridgwater Road
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BS13 8AE

Lawyers

Cobbetts LLP
58 Mosley Street
Manchester
M2 3HZ

Auditors

Hazlems Fenton LLP
Chartered Accountants
Palladium House
1-4 Argyll Street
London
W1F 7LD

Bankers

Barclays Bank plc.
One Churchill Place
London
E14 5HP

Notice of meeting

Notice is hereby given that the Annual General Meeting of Daily Internet plc will be held on 23 September 2011 at 10.00 am at the Company's registered office at Number 14 Riverview, Vale Road, Heaton Mersey, Stockport, Cheshire, SK4 3GN for the purpose of considering and, if thought fit, passing the resolutions set out below, of which Resolutions 1 to 6 will be proposed as ordinary resolutions and Resolution 7 will be proposed as a special resolution.

In addition, it should be noted that due to the continuing losses incurred by the Group, the value of the Company's net assets is now less than half of its called-up share capital. In these circumstances the Directors are required under section 656 of the Companies Act 2006 to consider at a General Meeting of the Company whether any, and if so what, steps should be taken to deal with the situation. In light of the Group's trend of continued improvement and management expectations of future performance, the Directors do not consider it necessary to have any specific resolutions proposed at the Annual General Meeting but the situation will be considered at the end of the Annual General Meeting.

Ordinary Business

To consider and, if thought fit, pass the following resolutions:

1. **TO** receive, consider and adopt the Annual Report and Financial Statements for the year ended 31 March 2011, together with the Directors' and Auditors' Reports contained therein.

2. **TO** reappoint Abby Hardoon as a director who retires by rotation.

3. **TO** reappoint Julie Joyce as a director who retires by rotation.

4. **TO** reappoint Robert Khalastchy as a director who retires by rotation.

5. **TO** reappoint Hazlems Fenton LLP Chartered Accountants as auditors of the Company and authorise the Directors to fix their remuneration.

6. **THAT** the Directors be generally and unconditionally authorised to allot equity securities (as defined in section 560(1) of the Companies Act 2006 ("the Act")):

    a. up to an aggregate nominal amount of £30,600 (such amount to be reduced by the nominal amount of any Relevant Securities allotted under resolution 6(b) below) in connection with an offer by way of a rights issue:

        i. to holders of ordinary shares in proportion (as nearly as may be practicable) to their respective holdings; and

        ii. to holders of other equity securities as required by the rights of those securities or as the Directors otherwise consider necessary,

    but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates, legal or practical problems in or under the laws of any territory or the requirements of any regulatory body or stock exchange; and

    b. in any other case, up to an aggregate nominal amount of £226,700 (such amount to be reduced by the nominal amount of any equity securities allotted under resolution 6(a) above in excess of £30,600),

    provided that this authority shall, unless renewed, varied or revoked by the Company, expire 15 months from the date this resolution is passed or, if earlier, the date of the next annual general meeting of the Company save that the Company may, before such expiry, make offers or agreements which would or might require Relevant Securities to be allotted and the Directors may allot Relevant Securities in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired.

This resolution revokes and replaces all unexercised authorities previously granted to the Directors to allot Relevant Securities but without prejudice to any allotment of shares or grant of rights already made, offered or agreed to be made pursuant to such authorities.

For the purposes of the resolution: 'Relevant Securities' means:

(a) shares in the Company other than shares allotted pursuant to: an employee share scheme (as defined by section 1166 of the CA 2006); a right to subscribe for shares in the Company where the grant of the right itself constituted a Relevant Security; or a right to convert securities into shares in the Company where the grant of the right itself constituted a Relevant Security; and

(b) any right to subscribe for or to convert any security into shares in the Company other than rights to subscribe for or convert any security into shares allotted pursuant to an employee share scheme (as defined by section 1166 of the CA 2006). References to the allotment of Relevant Securities in the resolution include the grant of such rights.

Special business

As special business, to consider and, if thought fit, pass the following resolution:

7. THAT, subject to the passing of resolution 6, the Directors be given the general power to allot equity securities (as defined by section 560 of the Act) for cash, either pursuant to the authority conferred by resolution 6 or by way of a sale of treasury shares, as if section 561(1) of the Act did not apply to any such allotment, provided that this power shall be limited to:

a. the allotment of ordinary shares of £0.005 (0.5 pence) each ("Ordinary Shares") pursuant to options granted to directors, employees and consultants to the Company up to an aggregate nominal value of £20,053.30;

b. the allotment of Ordinary Shares pursuant to warrants issued by the Company pursuant to the loan note instruments dated 9 January 2008 and 21 January 2008 up to an aggregate nominal value of £31,347.50;

c. the allotment of Ordinary Shares pursuant to convertible loan notes issued by the Company pursuant to the convertible loan note instrument dated 9 January 2008, as proposed to be amended and varied, up to an aggregate nominal value of £50,866.67 (including interest);

d. the allotment of Ordinary Shares pursuant to warrants to be granted pursuant to a warrant instrument to be entered into by the Company in connection with the amendments and variations proposed to be made to the convertible loan note instrument referred to in paragraph 7(c), up to an aggregate nominal value of £28,000.00;

e. the allotment of Ordinary Shares to Loeb Aron & Company Ltd by way of capitalisation of fees incurred in respect of services provided in connection with the amendments and variations proposed to be made to the convertible loan note instrument referred to in paragraph 7(c), up to an aggregate nominal value of £2,500.00;

f. the allotment of Ordinary Shares to certain lenders, including Abby Hardoon by way of capitalisation of loan facility, as renewed on 24 August 2011 up to an aggregate nominal value of £63,333.34;

g. the allotment of equity securities in connection with an offer by way of a rights issue:

   i. to the holders of ordinary shares in proportion (as nearly as may be practicable) to their respective holdings; and
   ii. to holders of other equity securities as required by the rights of those securities or as the Directors otherwise consider necessary,

but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates, legal or practical problems in or under the laws of any territory or the requirements of any regulatory body or stock exchange; and

h. the allotment (otherwise than pursuant to resolutions 7(a) to (g) above) of equity securities up to an aggregate nominal amount of £30,600.00.

The power granted by this resolution will expire 15 months from the date this resolution is passed or, if earlier, the conclusion of the Company's next annual general meeting (unless renewed, varied or revoked by the Company prior to or on such date) save that the Company may, before such expiry make offers or agreements which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of any such offer or agreement notwithstanding that the power conferred by this resolution has expired.

This resolution revokes and replaces all unexercised powers previously granted to the Directors to allot equity securities as if section 561(1) of the 2006 Act did not apply but without prejudice to any allotment of equity securities already made or agreed to be made pursuant to such authorities.

By order of the board

Ian Aspinall
Company Secretary
31 August 2011

Registered Office
Number 14 Riverview
Vale Road
Heaton Mersey
Stockport
Cheshire
SK4 3GN

Notes

1. Any member entitled to attend and vote at the Annual General Meeting is entitled to appoint one or more proxies who need not be a member of the company to attend and to vote instead of the member. Completion and return of a form of proxy will not preclude a member from attending and voting at the meeting in person, should he subsequently decide to do so.
2. In order to be valid, any form of proxy and power of attorney or other authority under which it is signed, or a notarially certified or office copy of such power of attorney, must reach the Company's Registrars, Computershare Investor Services plc, The Pavilions, Bridgwater Road, Bristol, BS13 8AE not less than 48 hours before the time of the meeting or of any adjournment of the meeting.
3. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001 the Company specifies that to be entitled to attend and vote at the meeting (and for the purposes of the determination by the Company of the number of votes they may cast), holders of ordinary shares must be entered on the relevant register of securities by 10.00 am on 21 September 2011. Changes to entries on the relevant register of securities after 10.00am on 21 September 2011 shall be disregarded in determining the rights of any person to attend and vote at the meeting.
4. Copies of the service contracts and letters of appointment of each of the Directors of the Company together with the Register of Directors' Interests will be available for inspection at the registered office of the company during usual business hours on any weekday (Saturday and public holidays excluded) and at the place of the Annual General Meeting from at least 15 minutes prior to and until the conclusion of the Annual General Meeting.
5. The Directors have no present intention of exercising either the allotment authority under resolution 3 or the disapplication of pre-emption rights authority under resolution 4 other than as required pursuant to the authorities set out in paragraphs (a) to (f) of resolution 7.
6. The annual report can be downloaded from the investor section of the Daily.co.uk website using the following link http://www.daily.co.uk/investors/downloads.html.