Infoserve Group plc
("Infoserve", the "Company" or, together with its subsidiaries, the "Group")

Unaudited Condensed Consolidated Financial Statements for the six months ended 30 September 2009

Infoserve Group plc (AIM:INFS), one of the leading online local search specialists in the UK, is pleased to announce its half-year results for the six-month period to 30 September 2009. Infoserve provides UK businesses, mainly SMEs, with sophisticated online marketing products that deliver, through the Group's partnership with Yahoo!, its own extensive product range and Google AdWords campaigns, online solutions that enable businesses to be found when consumers are searching for the goods and services they provide in specific locations. It is estimated that 60% of all online searches are local in nature, and Infoserve aims to bring buyers and sellers together online.

OPERATING HIGHLIGHTS

- Maintained tight control of costs and continued to improve operational efficiencies.
- Further improvement in renewals and customer numbers as SMEs grow their online presence.
- Continued Yahoo! relationship.
- Further opportunities for growth through search engine optimisation and keyword management products.
- Development of internal customer and data management system to increase targeting and focus in sales campaigns.

FINANCIAL HIGHLIGHTS

- Turnover £2.95m (restated H1 2008: £2.64m), up 12%.
- Gross profit £0.99m (restated H1 2008: £0.84m), up 18%.
- EBITDA pre IAS 18 adjustment £69k profit (restated loss H1 2008: £377k), an increase of £446k.
- Loss before tax £0.20m (restated loss H1 2008: £0.61m), a reduction of £0.41m.
- Loss per share 1.02p (restated H1 2008: 3.19p).
- Net cash balance £188k (H1 2008: £18k).

POST PERIOD HIGHLIGHTS

- Agreement in principle reached with D R Hood to provide funds for next growth phase.

James Newman, Chairman of Infoserve Group plc, commented: "The first half of 2009, whilst operationally challenging, was encouraging as we saw the continued benefits of our overhead reduction programme and increases in revenues and gross margin combine to produce a dramatic improvement in our financial performance."

Steve Barnes, CEO of Infoserve Group plc, added: "The second half has started well and we remain confident that the second half results will reflect continued higher average daily sales and cost control. As I said last year, "Although the overall economic climate is very difficult, we believe that local paid-for search will continue to grow and will fuel the ongoing market share increase of online advertising versus traditional media". The IAB recently announced that internet advertising had exceeded even TV advertising; SMEs now know they need to market themselves online and are increasingly open to online advertising across our various value for money platforms. We have seen continued improvements in sales per day and productivity of sales executives, and we have further supplemented this by improvements to our internal operating systems, driven by our newly enhanced end to end GEMS system that brings together a sophisticated CRM system, a sales tool, a production driver and a management information provider."

For further information, please contact:

Infoserve Group plc

Steve Barnes, Chief Executive Officer	Tel: +44 (0)113 238 6200
steve.barnes@infoserve.com	www.infoservegroup.com
Jonathan Simpson, Finance Director	Tel: +44 (0)113 238 6200
jonathan.simpson@infoserve.com	www.infoservegroup.com

Nominated Adviser

WH Ireland Limited

Robin Gwyn	Tel: +44 (0)161 832 2174
robin.gwyn@wh-ireland.co.uk	

Media Enquiries

Source Marketing Communications

Peter Downey	Tel: +44 (0)113 380 1644
peter@sourcemc.co.uk	

CHAIRMAN'S STATEMENT

I am delighted to report that the Group has made good progress over the last six months and is now achieving a breakeven trading performance on a monthly basis.

Results

Turnover in the period increased to £2.95 million (restated H1 2008: £2.64 million), a 12% increase over the same period in 2008. This growth has been achieved mainly through the improved efficiencies of the sales team.

Productivity per sales person continues to rise as a result of the improved productivity and a revised pricing structure, gross margins have increased and a gross profit of £994,000 has been achieved against a gross profit last year of £843,000.

I am delighted to report that administrative expenses have continued to reduce for the second year in succession. The reduction in the first half of the year was £149,000, without any effect on day-to-day operations or customer service.

The combination of increased sales and lower costs has led to a much-reduced operating loss after amortisation of £0.15 million compared to £0.51 million, as restated, last year. After taking into account net financing costs, there was a loss before taxation of £0.20 million (restated H1 2008: £0.61 million).

The loss per share was 1.02p compared to 3.19p, as restated, in 2008.

Cash

As a result of the continuing growth in sales revenues, a reduction in overhead costs, and careful working capital management, the Group achieved a small cash inflow from trading and investing activities of £28k, significantly better than the £311k outflow for the same period last year.

Dividend

The Board is not recommending a dividend, as all funds are required for the development of the business.

Funding discussions

As announced on 20 November 2009, the Company has reached agreement in principle with David Hood, the Company's major shareholder and a non-executive director of the Company, on the terms by which David Hood will provide additional funding for Infoserve and for the conversion of part of the Company's existing indebtedness to David Hood into new equity in the Company (the "Proposals"). The Proposals are subject to the negotiation and execution of legally binding contractual documentation. A further announcement will be made when these agreements have been finalised.

Under the Proposals, David Hood will provide additional funding to the Company amounting to £0.8 million, comprising a loan, which would be available for immediate drawdown, of £0.55 million and a further facility of £0.25 million to be made available in the event of the Company's existing overdraft facility being withdrawn. The interest rate on both the new loan and the further facility would be 10% per annum. In addition, David Hood has agreed to the continued deferment of payments due to himself and his associate companies, amounting to £0.30 million and the writing off of other sundry trading liabilities amounting to £50,000.

These new funding arrangements will enable the Group to continue to fund its ongoing and improving trading activities and to pursue other growth opportunities available to it.

As part of the Proposals, the Company is proposing to issue 40 million new ordinary shares of 5p each in the capital of the Company ("Ordinary Shares") to David Hood at an issue price of 5p per share in satisfaction of loans to the value of £2 million, currently owing by the Company to David Hood.

The effect of the Proposals will be to increase David Hood's interest in the ordinary share capital of the Company from 46.86% to 82.84% and to reduce the value of the loans outstanding from David Hood to the Company, which at 31 October 2009 amounted to £3.52 million, by £1.45 million (or £1.2 million if the further facility is taken up).

The Company intends to seek a waiver from the Panel on Takeovers and Mergers (the "Panel") of the obligation that would otherwise arise, as a result of the issue of the new Ordinary Shares, for David Hood to make an offer to acquire all of the Ordinary Shares not already owned by him. If granted, any such waiver would be subject to approval of independent shareholders.

Going concern

As mentioned above, the Group has recently agreed in principle to enter into a further loan facility agreement with D R Hood which, if completed, would provide access to additional funding of up to £0.8m. Alongside this new loan, D R Hood has conditionally agreed to convert £2m of his existing loans into ordinary shares at 5p per share. The Proposals are conditional upon the Company obtaining a waiver from the Panel and the waiver being approved by independent shareholders.

Whilst the directors remain confident of continuing to operate within the current bank overdraft and of securing additional funding from Mr Hood, there can be no certainty in these respects.

Accordingly the directors believe that this represents a material uncertainty that may cast significant doubt upon the Group's and the Company's ability to continue as a going concern and it may therefore be unable to realise assets and discharge liabilities in the ordinary course of business. Nevertheless, after making full enquiries, and considering all the uncertainties described above, the directors have no reason to believe that the Group and the Company will be unable to continue in operational existence for the foreseeable future. For these reasons, they continue to adopt the going concern basis in preparing the Interim report and financial statements. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

Business developments

The relationship with Yahoo!, both commercial and technical, continues to develop, and sales of Yahoo!Local listings continue to grow compared to the same period last year. The Group is discussing plans with both Yahoo! and Microsoft to continue to offer local business listings once the two companies have completed their discussions.

Having announced that the Group will cease to be an Authorised Google AdWords Reseller from 7 January 2010, we are delighted that our working relationship with Google remains strong. As such, we will continue to organise and sell Google AdWords campaigns to our customers, utilising the comprehensive back-end and campaign management systems that we have jointly developed with Google, as part of our full range of online services.

The Group believes that SMEs see great value in a combined advertising product that covers traditional local newspaper advertising and online exposure across major search engines. The Group is trialling a new development based on this concept with a possible wider roll out during 2010 in conjunction with a newspaper group.

Current trading

Since the half-year end, revenues have continued to grow in line with the Board's expectations. Retention levels of sales staff have continued to be stable, thereby increasing productivity per head.

Outlook

The Group has continued to increase its revenues every half year despite the ongoing macro-economic conditions that prevail. Margins are increasing and overhead costs remain under tight control, thus improving the monthly cash flow.

The strong relationship enjoyed by the Group with Yahoo! and the continued strength of the existing wholly-owned product portfolio puts the Group in a strong position to take advantage of the growth in the paid-for online local search market.

James H Newman
Chairman 15 December 2009

OPERATIONAL REVIEW

Market drivers

Paid-for search continues to dominate online marketing expenditure (59.8% of all online advertising in H1 2009), with an estimated 60% of all online searches now appearing to be local in nature. Despite the credit crunch, online advertising grew in H1 2009 by 6.8% year on year, continuing, albeit at a slower rate, the extraordinary transition from outdoor, radio, press, and even television, to online in general and paid-for search in particular.

According to the bi-annual online advertising expenditure study from the Internet Advertising Bureau (IAB) - the trade body for digital marketing - in partnership with PricewaterhouseCoopers (PwC) and the World Advertising Research Centre (WARC), "the internet has now overtaken TV advertising to become the UK's single biggest advertising medium. The UK remains the world leader in terms of market share for online, with the medium accounting for 23.5% in the first half of 2009. The results signal a significant restructure of marketing budgets as advertisers follow their audiences online and look to the internet for even more measureable and accountable methods."

The local element of that search is growing fastest, and this performance particularly in the context of the decline of traditional paper directories, with the largest UK directory experiencing a 19.7% decline in paper revenues and the major local newspaper groups continuing to announce declines in advertising revenues throughout 2009, illustrates the timely opportunity within online local search.

Trading performance

The unaudited results for the six months ended 30 September 2009 are in line with the trading statement made at the AGM on 23 October and continue to reflect the Group's improving performance. Top line sales* increased to £3.1m in the six months ended 30 September 2009 from £2.6m, an increase of 18%, whilst gross profit* increased to £1.1m from £0.8m (+40%). Continued tight control of administrative costs contributed to a £69k EBITDA* profit compared to a loss of £377k in the comparable period last year.

(* Excludes IAS 18 revenue recognition adjustment of (£113k) 2009 and +£51k 2008. The IAS 18 accounting adjustment spreads sales evenly over the life of the directory listing as opposed to top line sales which refers to cash received in any such period).

On an underlying basis, the Group is now performing at or around breakeven EBITDA, with small cash inflows from trading. Subject to completion of the new loans from David Hood, the Group is well placed to continue to take advantage of the growth opportunities available in this growing sector.

Our collaboration with Yahoo! in both technical and marketing areas continues to be strong. Yahoo!'s recent heavyweight TV advertising campaign has boosted awareness and usage levels, and advertising renewal rates have shown further improvement, illustrating SMEs' confidence that they are getting good returns on investment.

The focus on training and development has contributed to improved productivity per sales person leading to growth of 18% in top line sales in the first half of the year. Although we will maintain rigour in our personnel selection, we are benefitting from the larger and more professional recruitment pool available during the current wider economic downturn.

Systems developments

We have further supplemented last year's extensive software system developments by improvements to our internal operating systems, driven by our newly enhanced end to end GEMS system that brings together a sophisticated CRM system, a sales tool, a production driver and a management information provider.

FINANCIAL REVIEW

The financial performance of the Group continues to reflect our decision to invest in the training and development of our sales force as well as enhancements to our product portfolio and has increased our performance per sales executive from £54,900 to £61,900 on an annualised basis.

At the same time the focus on our cost base has led to an increase in our gross margins to almost 34% and a reduction in our administrative expenses by 15% compared to the same period 12 months ago, to £1.1m.

Capital expenditure on tangible and intangible assets has been reduced substantially with expenditure of £19,000 compared to £93,000 for the six months to 30 September 2008. The majority of expenditure was used to further tailor our sales focused data management software to the changing needs of the business.

As a result of the improved sales performance and improved profitability, the Group generated cash without external investment for the first time in a six-month period. The cash inflow for the six months to 30 September 2009 was £28k. In the comparable period in 2008 the business used £311k.

The Group continues to carry a deferred tax asset of £0.84m, the same as at 31 March 2009, which is based only on post-acquisition losses.

CURRENT TRADING AND OUTLOOK

Sales continue at an improved level with November being the third successive month in which Group telesales were greater than £500k and the fourth such month in 2009. As we work closely with both VSEs (Very Small Enterprises) and SMEs, we are fully in tune with small business' levels of economic optimism, and there has been a discernable decline in confidence amongst small businesses about 2010 prospects over the past three months.

Some of our customers will continue to be deeply affected by the recession, and we will have to be mindful of targeting with accuracy the business categories and geographic locations that offer the most potential over the next twelve months in order to maintain our revenue growth. Whilst I am optimistic that online marketing in general, and local search advertising in particular, will continue to grow for the next two years, we must ensure that we evolve our marketing campaigns and our product range in line with the wider structural, social changes taking place.

Most SMEs recognise that they must have their business found when a consumer is searching online for goods and services. As most consumers spend more than 90% on goods and services within 20 miles of where they live or work, the Group both continues to work hard to offer outstanding value for money and high levels of return on investment to our customers, and also to enable our business customers to be found when consumers are searching.

STATEMENT OF PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties to which the Group is exposed are listed below. They have not changed from those detailed on pages 2-3 and 32-35 of our Annual Report and Financial Statements for the year ended 31 March 2009. The Annual Report can be found on the company's website www.infoservegroup.com.

- Market price risk
- Liquidity risk
- Interest rate risk
- Credit risk
- Capital risk
- Maturity of financial liabilities
- Requirements for further funds
- Management of growth
- Dependence on senior management and employees
- Recruitment and retention
- Technology
- Partners

Stephen M Barnes	**Jonathan P Simpson**
Chief Executive Officer	Finance Director

Infoserve Group plc
Condensed Consolidated Income Statement (unaudited)

	Note	**Six months to 30 September 2009 (unaudited) £'000**	Six months to 30 September 2008 (unaudited) Restated £'000	Year ended 31 March 2009 Restated £'000
Revenue – continuing operations		**2,948**	2,641	5,495
Cost of sales		**(1,954)**	(1,798)	(3,785)
Gross profit		**994**	843	1,710
Amortisation of intangible assets		**(46)**	(102)	(174)
Administrative expenses		**(1,097)**	(1,246)	(2,448)
Total administrative expenses		**(1,143)**	(1,348)	(2,622)
Operating loss - continuing operations		**(149)**	(505)	(912)
Financial income		**7**	2	3
Financial expenses		**(53)**	(106)	(183)
Net financing costs		**(46)**	(104)	(180)
Loss before tax		**(195)**	(609)	(1,092)
Taxation	*5*	**-**	-	-
Loss for the period		**(195)**	(609)	(1,092)
Basic and diluted loss per share	*6*	**(1.02p)**	(3.19p)	(5.72p)

The loss for the period is attributable to the equity holders of the parent.

Infoserve Group plc
Condensed Consolidated Balance Sheet (unaudited)

	As at 30 September 2009 (unaudited)	As at 30 September 2008 (unaudited)	As at 31 March 2009
		Restated	Restated
	£'000	£'000	£'000
Non-current assets			
Property, plant and equipment	**193**	328	251
Intangible assets	**506**	577	534
Deferred tax assets	**838**	838	838
	1,537	1,743	1,623
Current assets			
Trade and other receivables	**288**	253	345
Cash and cash equivalents	**438**	18	410
	726	271	755
Total assets	**2,263**	2,014	2,378
Current liabilities			
Bank overdraft	**(250)**	-	(250)
Interest-bearing loans and borrowings	**(3,262)**	(2,839)	(3,278)
Trade and other payables	**(3,617)**	(3,301)	(3,568)
Provisions	**(80)**	(80)	(80)
	(7,209)	(6,220)	(7,176)
Non-current liabilities			
Interest-bearing loans and borrowings	**(350)**	(408)	(287)
Trade and other payables	**(19)**	(21)	(20)
	(369)	(429)	(307)
Total liabilities	**(7,578)**	(6,649)	(7,483)
Net liabilities	**(5,315)**	(4,635)	(5,105)
Equity attributable to equity holders of the parent			
Share capital	**954**	954	954
Share premium	**3,846**	3,871	3,871
Retained earnings	**(10,115)**	(9,460)	(9,930)
Total equity	**(5,315)**	(4,635)	(5,105)

These financial statements were approved by the Board of Directors on 15 December 2009 and were signed on its behalf by:

Stephen M Barnes
Director

James H Newman
Director

Infoserve Group plc
Condensed Consolidated Statement of Cash Flows (unaudited)

	Six months to 30 September 2009 (unaudited)	Six months to 30 September 2008 (unaudited)	Year ended 31 March 2009
		Restated	Restated
	£'000	£'000	£'000
Cash flow from operating activities			
Loss for the period	**(195)**	(609)	(1,092)
Adjustments for:			
Depreciation	**59**	77	151
Amortisation	**46**	102	174
Financial income	**(7)**	(2)	(3)
Financial expense	**53**	106	183
Loss on sale of property, plant and equipment	**-**	-	10
Equity-settled share-based payment expenses	**10**	24	37
Operating loss before changes in working capital	**(34)**	(302)	(540)
(Increase)/decrease in trade and other receivables	**57**	29	(63)
Increase in trade and other payables	**47**	55	320
Change in deferred government grant	**(1)**	(1)	(1)
Cash inflow (outflow) from operating activities	**69**	(219)	(284)
Interest paid	**(4)**	(1)	(9)
Net cash from operating activities	**65**	(220)	(293)
Cash flows from investing activities			
Interest received	**7**	2	3
Acquisition of property, plant and equipment	**(1)**	(8)	(15)
Acquisition of other intangible assets	**(18)**	(85)	(114)
Net cash from investing activities	**(12)**	(91)	(126)
Cash flows from financing activities			
Advance of loans	**-**	-	250
Costs of unsuccessful share placing	**(25)**	-	-
Net cash from financing activities	**(25)**	-	250
Net (decrease)/increase in cash and cash equivalents	**28**	(311)	(169)
Cash and cash equivalents at the beginning of the period	**160**	329	329
Cash and cash equivalents at the end of the period	**188**	18	160

Cash and cash equivalents in the Consolidated Statement of Cash Flows are after the netting off of the bank overdraft.

Infoserve Group plc
Condensed Consolidated Statement of Changes in Shareholders' Equity (unaudited)

	Share capital £'000	Share premium £'000	Retained earnings £'000	Total equity £'000
Balance at 1 April 2008 (restated)	954	3,871	(8,875)	(4,050)
Total recognised income and expense (restated)	-	-	(609)	(609)
Equity-settled share-based payment transactions	-	-	24	24
Balance at 30 September 2008 (restated)	954	3,871	(9,460)	(4,635)
Balance at 1 April 2009 (restated)	**954**	**3,871**	**(9,930)**	**(5,105)**
Total recognised income and expense	**-**	**-**	**(195)**	**(195)**
Equity-settled share-based payment transactions	**-**	**-**	**10**	**10**
Costs of unsuccessful share placing	**-**	**(25)**	**-**	**(25)**
Balance at 30 September 2009	**954**	**3,846**	**(10,115)**	**(5,315)**
Balance at 1 April 2008 (restated)	954	3,871	(8,875)	(4,050)
Total recognised income and expense (restated)	-	-	(1,092)	(1,092)
Equity-settled share-based payment transactions	-	-	37	37
Balance at 31 March 2009 (restated)	**954**	**3,871**	**(9,930)**	**(5,105)**

Infoserve Group plc
Notes to the Condensed Consolidated Financial Statements (unaudited)

1. Significant accounting policies

Infoserve Group plc is a company domiciled in the UK. The address of the Company's registered office is South Side Aviation, Leeds Bradford International Airport, Leeds, LS19 7UG.

The condensed consolidated financial statements of the Group for the six months ended 30 September 2009 comprise the financial statements of Infoserve Group plc and its subsidiaries (together referred to as the "Group").

(a) Basis of preparation

These condensed consolidated financial statements have been prepared in accordance with the accounting policies set out in the Annual Report of Infoserve Group plc for the year ended 31 March 2009. The only change to these accounting policies is in the application of IAS18, the affects of which are detailed in part (c). The Annual Report and Financial Statements of the Group are prepared in accordance with the IFRSs as adopted by the EU. The prior year comparatives are derived from audited financial information for Infoserve Group plc as set out in the Annual Report and Financial Statements for the year ended 31 March 2009 and the unaudited financial information in the consolidated financial statements for the six months ended 30 September 2008. These condensed consolidated financial statements have been prepared under the historical cost convention, except in respect to certain financial instruments. The condensed set of financial statements has been prepared applying the accounting policies and presentation that were applied in the preparation of the Group's published consolidated Annual Report and Financial Statements for the year ended 31 March 2009. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated Annual Report and Financial Statements of the Group as at and for the year ended 31 March 2009.

The condensed consolidated financial statements for the six months ended 30 September 2009 are unaudited and were approved by the directors on 15 December 2009.

The comparative figures for the financial year ended 31 March 2009 are not the Group's statutory accounts for that financial year. The unaudited financial information contained herein does not constitute statutory financial statements within the meaning of section 434 of the Companies Act 2006. Statutory accounts for the year ended 31 March 2009 were approved by the Board of Directors on 15 July 2009 and delivered to the Registrar of Companies. The audit opinion on the statutory accounts for the year ended 31 March 2009 was unqualified, and contained an emphasis of matter paragraph on going concern. It did not contain any statement under section 498 of the Companies Act 2006.

The financial information herein should be read in conjunction with the Group's 2009 annual report published in July 2009, which includes the audited consolidated financial statements the Group for the year ended 31 March 2009.

The directors note that the Group has net liabilities, net current liabilities and sustained trading losses in the period.

(b) Estimates

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates.

The preparation of the condensed consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, and income and expenses. In preparing these condensed consolidated financial statements, the significant judgements made by the management in applying the Group's accounting policies and key source of estimation uncertainty were the same as those applied to the audited consolidated Annual Report and Financial Statements as at 31 March 2009.

(c) Prior year restatement

As previously reported within the Annual Report and Financial Statements for the year ended 31 March 2009, the Group historically recognised a proportion of its online advertising revenue on new business at the point of sale and spread the remainder of the revenue over the term of the agreement and spread the revenue of its online advertising revenue on renewals evenly over the term of the agreement. Following a review all online advertising revenue is spread evenly over the term of the agreement.

The change to the treatment of new business has the following impact on the financial results of the Group:

	Six months ended 30 September 2009 (unaudited) £'000	Year ended 31 March 2009 £'000
Decrease in revenue	(10)	(100)
Increase in deferred revenue (within trade and other payables)	10	100
Increase in losses	10	100

(d) Going concern

As announced on 20 November 2009 the Group has recently agreed in principle to enter into a further loan facility agreement with D R Hood which, if completed, would provide access to additional funding of up to £0.8m. Alongside this new loan, D R Hood has conditionally agreed to convert £2m of his existing loans into ordinary shares at 5p per share. The Proposals are conditional upon the Company obtaining a waiver from the Panel and the waiver being approved by independent shareholders. Whilst the directors remain confident of continuing to operate within the current bank overdraft and of securing additional funding from Mr Hood, there can be no certainty in these respects. Accordingly the directors believe that this represents a material uncertainty that may cast significant doubt upon the Group's and the Company's ability to continue as a going concern and it may therefore be unable to realise assets and discharge liabilities in the ordinary course of business. Nevertheless after making full enquiries, and considering all the uncertainties described above, the directors have no reason to believe that the Group and the Company will be unable to continue in operational existence for the foreseeable future. For these reasons, they continue to adopt the going concern basis in preparing the Interim report and financial statements. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

2. Segmental information

The directors consider that the Group only has one business segment being the provision of e-marketing services; other income is ancillary and does not constitute a segment in its own right. The turnover, operating loss and net liabilities of the Group are attributable to the one class of business.

3. Directors' remuneration

	Six months ended 30 September 2009 (unaudited) £'000	Six months ended 30 September 2008 (unaudited) £'000	Year ended 31 March 2009 £'000
Directors' emoluments	**163**	207	432
Company contributions to money purchase pension plans	**22**	26	59
Share based payments	**5**	24	8
Compensation for loss of office	**-**	-	30

4. Related party transactions

The remuneration of the directors, who are the key management personnel of the Group, is disclosed in note 3. A number of key management personnel or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities.

A number of these entities transacted with the Group in the reporting period. The terms and conditions of those transactions with key management personnel and their related parties were no more favourable than those available, or which might have reasonably be expected to be available, on similar transactions to non-key management personnel related entities on an arm's length basis.

Directors of the Company and their immediate relatives control 66.27 per cent (30 September 2008: 66.27 per cent) of the voting shares of the Company.

At 30 September 2009, an amount of £2,911,552 (30 September 2008: £2,661,552) (being the principal loan excluding interest) was owed by Infoserve Limited to D R Hood, a director and principal shareholder of Infoserve Group plc. Mr Hood has not sought repayment of the capital and interest on his loans and Mr Hood has indicated that he will not enforce loan repayments in the short term whilst discussions over refinancing the Group are in progress. Interest is charged on the first £2,661,552 at a rate of 2.5% above Barclays Bank plc base rate and at 5.0% above Barclays Bank plc base rate on the remaining £250,000. Interest charged on the loans during the year amounted to £46,927 (30 September 2008: £100,246) and £600,588 (30 September 2008: £485,291) remained unpaid at the period end and is included within interest-bearing loans and borrowings.

Infoserve Limited entered into a lease agreement to rent property from Amerdale Investments LLP, a business in which D R Hood has an interest. The administrative expenses incurred from Amerdale Investments LLP amounted to £132,233 (30 September 2008: £137,876). The amount owed by Infoserve Limited at the balance sheet date was £283,087 (30 September 2008: £86,094) and represents four quarters of rent deferral. Repayments commenced in October 2009. The lease is for a term of fifteen years at £246,405 per annum, with the first year being rent free. The period between rent reviews is five years.

During the period, Infoserve Limited made sales of £16,531 (30 September 2008: £16,698) to and purchases of £30,913 (30 September 2008: £40,492) from Multiflight Limited, a company in which D R Hood is a director and principal shareholder. At 30 September 2009 Infoserve Limited owed £54,067 (30 September 2008: £29,421) to Multiflight Limited.

Trade and other payables in the Group's balance sheet includes an amount of £116,460 (30 September 2008: £62,270) which represents salaries owed to the non-executive directors and the social security costs thereon.

5. Taxation

The tax position for the period is based on the anticipated effective tax rate for the year to 31 March 2010.

The Board has prepared forecasts and continues to believe that the Group will become profitable in the future and therefore utilise the considerable tax losses built up over the last few years. It has accordingly carried forward a proportion of this recovery as a deferred tax asset in the balance sheet.

6. Earnings per share

The calculation of earnings per share is based upon the loss after taxation of £194,615 (30 September 2008 (restated): £608,359) divided by 19,073,441 (30 September 2008: 19,073,441), being the number of ordinary shares in issue during the period. Share options in issue did not have a dilutive impact on the loss per share calculation.

A copy of this announcement is available from the Company's website, www.infoservegroup.com