

26th March 2009

SERVICEPower TECHNOLOGIES PLC
("SERVICEPower" or the "Company")
Preliminary Results

ServicePower (AIM:SVR), a market leader for outsourced service and field management, announces its preliminary results for the period ended 31st December 2008.

HIGHLIGHTS

Financial

- Revenues increased by 11% to £15.6 million (2007: £14.1 million)
- Profit before tax increased to £0.6 million (2007: loss of £0.5 million)
- Cash balance at 31 December 2008 increased to £4.0 million (31 December 2007: £1.5 million)
- Successfully raised equity funds of £4.4 million, net of expenses in September 2008 and £1.0 million through the issue of convertible loan notes
- Included in profit before tax, foreign exchange gain of £3.1 million (2007: nil)

Operational

- Sales focused strategy resulted in numerous contract wins including Philips Consumer Lifestyle, Bankers Warranty Group Inc., and Kenwood USA
- Established several new partnerships including TomTom and one of the leading U.S. management consultancy firms
- Strong demand for newly launched *SERVICEStats* and *SERVICEOutsourcing*
- Strong pipeline of future business as recession drives increased demand for ServicePower's cost-saving offerings
- Successful capital restructuring and move to AIM

Mark Duffin, CEO, ServicePower said, "ServicePower has had a highly productive year, increasing revenue over 11% from the prior year and reporting a profit before tax inclusive of a gain from foreign currency translation. We have successfully forged many new partnerships with leading retailers and manufacturers who are increasingly recognising the quality of our products and services. The significant revenue growth during the year was driven by our newly launched products, strengthened sales team and growing marketing resource. This in turn has led to an increased pipeline of future business.

"We are continuing to experience additional demand for our cost-saving offerings sparked by the downturn in the wider economy. With this demand showing no signs of abating we are excited about the opportunities for 2009 and beyond and look forward to the remainder of the year with confidence. All of this has been made possible by the hard working efforts of our employees."

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About ServicePower

ServicePower, publicly traded on the AIM market operated by the London Stock Exchange (AIM:SVR), allows companies to locate their employed field resources in the right geography, ensure they have the right mix of skills, and outside this geography create a network of independent, authorised service contractors whose costs are efficiently managed by our

sophisticated warranty management software. The schedules and routes for both the employed field resources and the independent servicers are optimised by ServicePower's technology to ensure the right balance between the cost of operations and ensuring customers receive a superior service experience.

Joint Statement of the Chairman and Chief Executive

Introduction

ServicePower is pleased to announce that 2008 has been a year of significant development during which the operations of the Company have been brought into alignment with the core strategy such that ServicePower is now a sales and marketing led business. The second half of the year began with an equity fund raising netting £4.4 million after expenses which enabled the Company to continue to drive forward its sales-focused strategy. This, combined with the hard work and dedication of the staff, has resulted in a number of significant contract signings and the establishment of several valuable partnerships during the period. These partnerships have substantially increased the capacity for transactional business, giving ServicePower greater line of sight on its pipeline, and serve to solidify the Company's position as a leading supplier of software and solutions to the field service market.

Financial Review

Total revenue for the year increased by 11% to £15.6 million (2007: £14.1 million). SERVICE *Operations* revenue increased by 13% to £9.1 million (2007: £8.1 million) whilst software licence and consultancy revenue increased by 9% to £6.5 million (2007: £6.0 million).

A breakdown of the SERVICE *Operations* revenue is as follows:

| | 2008 | 2007 |
|----------------|------------------|------------------|
| | £ million | £ million |
| Hosting / SaaS | 2.7 | 2.1 |
| Operations US | 3.9 | 3.5 |
| Operations UK | 2.5 | 2.5 |
| Total | 9.1 | 8.1 |

A breakdown of software solutions revenue is as follows:

| | 2008 | 2007 |
|--------------------------|------------------|------------------|
| | £ million | £ million |
| Licences | 2.5 | 3.5 |
| Implementation / Support | 3.1 | 2.3 |
| Mobility | 0.9 | 0.2 |
| Total | 6.5 | 6.0 |

The Company continued to invest in enhancement of functionalities across all of its product range, investing £1.2 million in 2008 (2007: £1.2 million).

The total profit before tax increased to £0.6 million from a loss of £0.5 million in 2007. This includes one-time costs incurred to make the business more effective. Further, it includes a reported gain on currency translation of £3.1 million (2007: nil) due to a favourable movement in the exchange rate.

Earnings per share for the year was 2.4p (2007: loss per share of 5.4p).

Cash balances increased to £4.0 million at 31st December 2008 from £1.5 million at 31st December 2007. The directors cannot recommend the payment of a dividend at this time.

Operational Review

New Products

ServicePower released its new *SERVICEStats* offering in October 2008. This is a powerful business intelligence application that provides service organisations with strategic analysis of service data in near real time, enabling clearer and more rapid decision making. The application provides detailed information about operational performance on everything from products through to types of repair, individual service centers or field technicians. It also includes additional capabilities such as text-mining and an early warning system to prevent fraud or product faults.

SERVICEStats is of special use to organisations during an economic downturn as it can be used to identify which areas of a business are performing well and which are failing, thereby enabling effective cost-cutting. The application is rapidly gaining traction and has already been sold to a number of new clients (covered in more detail under New Customers below), while several existing clients are evaluating the proposition.

During the first half of the year ServicePower also introduced its new *SERVICEOutsourcing* offering. This is a unique, turnkey solution which offers customers a 100% outsourced, white-labeled, field-service network. *SERVICEOutsourcing* recruits, trains, certifies and optimises the performance of a network of global field service personnel which can then be offered to any organisation, in any industry or geography, that either desires a field service network but cannot build one, or wishes to outsource its existing field service operations.

The service will therefore enable ServicePower to expand into new geographies and industries, which it intends to do successively, as capacity permits. ServicePower is first targeting the U.S. Home Improvement Industry, which has been estimated by Lowes to be worth over \$755bn (£540bn). A report from the University of Iowa has stated that almost 50% of the market opportunity in Home Improvement is missed when installation is not provided with the product.

With such huge market potential, *SERVICEOutsourcing* could prove transformational for ServicePower. The Company is already witnessing considerable demand with contracts signed already (see New Customers below).

New Partnerships

During the year ServicePower has signed a number of important strategic partnerships. A partnership with one of the major management consultancy firms in the U.S. involves ServicePower's products being embedded into the partners' demonstration environment. The *SERVICEScheduling* and ServicePower Workforce Analysis Tools (SWAT) products will be used to help prove the financial return a service optimisation project will deliver.

In February 2009, post the year end, ServicePower signed two reseller agreements, the first with Jigsaw Business Networks based out of Carlisle in the UK, who have numerous contracts with local authorities and housing associations. The second agreement is with Point.X in the Czech Republic. Point.X is a provider of hardware and software solutions that connect field staff to their Company IT infrastructure.

ServicePower also partnered with TomTom during the year to integrate its best in class workforce scheduling optimisation technology with the TomTom WORK device. This integration fulfilled the growing market demand for a reliable and affordable solution for vehicle tracking, navigation, job dispatch and workforce optimisation. Customers can now purchase the TomTom WORK device

and subscribe to ServicePower's hosted scheduling technology giving them a single device with advanced GPS tracking that can receive work schedules and job information.

As well as helping ServicePower to win new contracts the partnerships have greatly increased the Company's capacity to execute transactional business. This is a fundamental element of the ServicePower strategy, as transactional business gives greater visibility than the unpredictable licence revenue on which the Company has traditionally relied. It is ServicePower's intention to continue to focus on building new partnerships of this kind going forward.

New Customers

Since the beginning of the year ServicePower has been restructuring itself as a sales rather than technology led company. This new focus has resulted in a number of valuable contract wins during the period, both from a financial and strategic point of view. In all, ServicePower added over 30 new customers in 2008 spanning all product solutions.

Toward the end of 2008 it was announced that four new leading service companies in the electronics space had contracted with ServicePower for both its *SERVICEClaims* and newly launched *SERVICEStats* applications. These included Philips Consumer Lifestyles - Philips' consumer electronics business division; Hitachi Home Electronics (America), Inc.; and Yamaha Corporation of America. Further to this, Airwell Fedders added *SERVICEStats* to the portfolio of offerings it procures from ServicePower. These wins are important in that they demonstrate the popularity of the new *SERVICEStats* product, giving considerable confidence in future demand.

SERVICEDispatch and *SERVICEClaims* together fall under the umbrella term of Hosted *SERVICEOperations* and the Company has witnessed significant demand for this offering with contracts signed by ServiceNet, ARINC, and the Bankers Warranty Group Inc. which provides warranty services to retailers and manufacturers. *SERVICEClaims* is also providing claims processing and payment services to the leading consumer electronics manufacturers Kenwood USA and Kenwood Canada.

During the period ServicePower also signed its first contract for *SERVICEOutsourcing* agreeing to provide Exaco Trading Inc, a North American distributor of Greenhouses based in Austin Texas, with a fully outsourced field service network. Worth US \$2.9 million (£2.0 million). the contract illustrates the powerful value proposition that *SERVICEOutsourcing* represents.

In February of 2009, ServicePower contracted with Marsh Consumer Connexions in the UK to provide a fully outsourced service solution within their furniture divisions. ServicePower is currently scheduling 50 jobs per week using a network of independent contractors. This is a new venture for Marsh and they expect to see rapid growth over the next year.

In addition, ServicePower secured a contract, post the year end, to provide the complete managed service solution for the home services division of a leading power and gas company, E.ON UK. The project is worth over £4 million over three years and is the largest implementation of its kind that ServicePower has managed to date.

ServicePower is managing the solution and co-ordinating key industry partners to provide a total, end-to-end solution for E.ON UK's entire service operation. This solution includes the installation and management of; call centre systems, scheduling, dispatch, hosting, and mobile field solutions such as GPS and mobile communications. This new contract reflects the high regard with which ServicePower's offering is held within the industry and signifies the growing demand among organisations for such solutions.

Growth Strategy

Where previously ServicePower was technology rather than sales focused, the Company has spent the year implementing an aggressive sales and marketing strategy to enable it to capitalise fully on the 200 plus man years of development already invested in its products.

ServicePower's offerings are equally beneficial to a wide variety of verticals and not simply the consumer appliance sector, the traditional core of ServicePower's customer base. As such ServicePower is now targeting additional verticals where it perceives the opportunities to be greatest. The launch of SERVICE *Outsourcing* during the year has been central to this strategy as ServicePower believes there is significant demand for this unique service, particularly in retail. It is the Company's intention to target successive industries as and when capacity allows and this strategy has begun with ServicePower currently targeting the Home Improvement sector.

ServicePower's offerings are also of equal benefit to geographies outside of the U.S. As such, the Company's newly restructured sales forces are currently targeting potential customers in Europe and Asia. These initiatives are helping ServicePower maximise its opportunity, while at the same time minimising its exposure to a downturn in a specific sector or geography, and the Company will continue to research further opportunities over the coming year.

Fund Raising and Move to AIM

On 26 September 2008, ServicePower raised £5.0 million (approximately £4.4 million net of expenses) by way of a placing of 100,000,000 new Ordinary Shares with institutional and other investors and £1.0 million through issuance of convertible loan notes. This gave the Company the necessary working capital to continue to accelerate its Sales & Marketing focused strategy, resulting in ongoing improvements with regard to lead generation and contract closure.

At the same time the Company's share capital was reorganised and the shares transferred to the AIM market. An AIM listing is considered more appropriate for ServicePower as it incurs lower costs; is more flexible; and enables corporate transactions to be executed more quickly, should any opportunities arise.

Acquisitions

ServicePower acquired certain assets of KonaWare at the beginning of 2008. This has allowed ServicePower to sell its SERVICE *Scheduling* product royalty free. This is the most complete scheduling product within the fragmented field-services market and ServicePower will continue to seek further acquisitions that can enhance its total value service offering.

Board & Management changes

In November 2008 ServicePower appointed Nan Kreamer as Interim CFO. Based in ServicePower's Annapolis office in the U.S., Nan is responsible for overseeing all financial aspects of the Company. Nan has over 20 years experience as a senior financial officer for U.S.-based publicly-held companies, ranging from \$150 million to \$2 billion in revenues, and this is proving invaluable for ServicePower as it builds upon the financial improvements put in place during the recent restructuring.

Post the year end Rudolph (Rudy) Burger was appointed as a Non-Executive Director of ServicePower. Rudy is currently a Director of Woodside Capital Partners LLC and Woodside Capital Partners (UK) Limited and his extensive experience among U.S. and European technology Companies is expected to be of considerable worth to ServicePower.

In April 2008 co-founders David Brisco and Ian McKinnon stepped down from the Board but remain committed to ServicePower and provide ongoing consultative services for specific growth

initiatives. In June of 2008 Barry Welck resigned from his position as Chairman to be replaced by current Chairman Lindsay Bury. Mr. Welck remained as a member of the Board until resigning from the Company on December 31 2008. The Board would like to take this opportunity to thank Barry, David and Ian for their contribution to ServicePower over the years.

In February of 2009 Derek Crumpton, co-founder and vice president of operations, EMEA, retired from the Company. Derek's role has been filled by Kathryn Jobling who joins the Company from Pegasus Software.

Outlook

ServicePower has had a highly productive year, increasing revenue over 11% from the prior year. and reporting a profit before tax inclusive of a gain from foreign currency translation. The Company has successfully forged many new partnerships with leading retailers and manufacturers who are increasingly recognising the quality of its products and services. The significant revenue growth during the year was driven by newly launched products, a strengthened sales team and growing marketing resource. This in turn has led to an increased pipeline of future business.

ServicePower is continuing to experience additional demand for its cost-saving offerings sparked by the downturn in the wider economy. With this demand showing no signs of abating the Company is excited about the opportunities for 2009 and beyond and looks forward to the remainder of the year with confidence.

Lindsay Bury, Chairman

Mark Duffin, CEO

26th March 2009

ServicePower Technologies Plc

Consolidated income statement for the year ended 31 December 2008

| | Note | 2008 £'000 | 2007 £'000 |
|--------------------------------------------|----------|----------------|----------------|
| Revenue | | | |
| - Software solutions | | 6,550 | 6,003 |
| - SERVICE Operations | | 9,088 | 8,063 |
| Total revenue | 3 | 15,638 | 14,066 |
| Cost of sales | | (8,633) | (7,905) |
| Gross profit | | 7,005 | 6,161 |
| Administrative expenses | | | |
| - other expenses | | (9,493) | (6,761) |
| - foreign exchange gain | | 3,060 | 36 |
| | | (6,433) | (6,725) |
| Profit/(loss) from operation | | | |
| - Software solutions | | 1,007 | 648 |
| - SERVICE Operations | | (435) | (1,212) |
| Total profit/(loss) from operations | | 572 | (564) |
| Investment revenue | | 50 | 32 |
| Finance costs | | (69) | - |
| Profit/(loss) before taxation | | 553 | (532) |
| Taxation | | 295 | 70 |
| Profit/(loss) for the year | | 848 | (462) |
| Profit/(loss) per share | | | |
| Basic (2007 restated) | 4 | 2.4p | (5.4p) |
| Diluted (2007 restated) | 4 | 2.2p | (5.4p) |

All amounts relate to continuing activities.

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Consolidated statement of recognised income and expense for the year ended 31 December 2008

| | <u>2008</u> <u>£'000</u> | <u>2007</u> <u>£'000</u> |
|-----------------------------------------------------------|-----------------------------|-----------------------------|
| Exchange differences on translation of foreign operations | <u>(2,314)</u> | <u>(34)</u> |
| Net loss recognised directly in equity | (2,314) | (34) |
| Profit/(loss) for the year | 848 | (462) |
| Total recognised income and expense for the year | <u>1,466</u> | <u>(496)</u> |

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Consolidated balance sheet at 31 December 2008

| | 2008 | 2007 |
|-------------------------------|----------------|----------------|
| | £'000 | £'000 |
| Assets | | |
| Non-current assets | | |
| Intangible assets | 1,770 | 1,550 |
| Property, plant and equipment | 317 | 180 |
| | <u>2,087</u> | <u>1,730</u> |
| Current assets | | |
| Inventories | 65 | - |
| Finance lease receivables | - | 88 |
| Trade and other receivables | 4,808 | 2,955 |
| Cash and cash equivalents | 3,956 | 1,520 |
| | <u>8,829</u> | <u>4,563</u> |
| Total assets | <u>10,916</u> | <u>6,293</u> |
| Current liabilities | | |
| Trade creditors and accruals | (2,674) | (2,697) |
| Deferred revenue | (1,942) | (1,430) |
| Other creditors | (120) | (72) |
| Convertible loan note | (1,055) | - |
| | <u>(5,791)</u> | <u>(4,199)</u> |
| Net assets | <u>5,125</u> | <u>2,094</u> |
| Equity | | |
| Share capital | 9,926 | 8,926 |
| Share premium account | 18,626 | 15,206 |
| Share scheme reserve | 478 | 414 |
| Exchange translation reserve | (1,971) | 343 |
| Equity reserve | 13 | - |
| Merger reserve | (3,008) | (3,008) |
| Retained earnings deficit | (18,939) | (19,787) |
| Total equity | <u>5,125</u> | <u>2,094</u> |

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Consolidated cash flow statement for the year ended 31 December 2008

| | Note | 2008 £'000 | 2007 £'000 |
|------------------------------------------------------------|------|---------------|---------------|
| Net cash (outflow) inflow from operating activities | 5 | (3,165) | 415 |
| Investing activities | | | |
| Interest received | | 50 | 32 |
| Purchases of property, plant and equipment | | (223) | (110) |
| Expenditure on intangible assets | | (128) | (217) |
| Receipt from sale of fixed tangible assets | | 7 | - |
| Net cash used in investing activities | | (294) | (295) |
| Financing activities | | | |
| Proceeds on issue of shares | | 4,420 | 1,140 |
| Proceeds on issue of convertible bridging loan | | 1,000 | - |
| Net cash from financing activities | | 5,420 | 1,140 |
| Net increase in cash and cash equivalents | | 1,961 | 1,260 |
| Cash and cash equivalents at beginning of year | | 1,520 | 262 |
| Effect of exchange rate changes | | 475 | (2) |
| Cash and cash equivalents at end of year | | 3,956 | 1,520 |

M Duffin
Director
26 March 2009

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Notes to the consolidated financial statements for the year ended 31 December 2008

1. Basis of accounting

The financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted for use in the European Union. Whilst the financial information included in this preliminary announcement has been computed in accordance with International Financial Reporting Standards (IFRSs), this announcement does not itself contain sufficient information to comply with IFRSs. The Company expects to publish full financial statements that comply with IFRSs in April 2009.

2. Going Concern

A significant portion of cash receipts comes from the sale of large software licences. The signing of contracts by large corporate customers can be difficult to predict due to long procurement cycles and therefore there is uncertainty in forecasting the timing and quantum of cash receipts from these customers.

During the year, the Group has continued to expand its *SERVICEOperations* business which provides a regular revenue stream and cash funding to the Group. In addition, it raised £5.4 million of cash, net of expenses, through the issue of shares and convertible loan notes to strengthen the Group's financial position and enable it to expand its operations. At 31 December 2008 the Group had net assets of £5,125,000 including £3,956,000 of cash and cash equivalents (31 December 2007 – net assets of £2,094,000 including £1,520,000 of cash and cash equivalents).

Based on current sales orders and opportunities, expenditure forecasts and the Group's current cash balance, the directors consider it appropriate to prepare the Group's financial statements on the going concern basis.

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Notes to the consolidated financial statements for the year ended 31 December 2008

3. Business and geographical segments

For management purposes, the Group is currently organised into two operating divisions – software solutions and SERVICE *Operations*. These divisions are the basis on which the Group reports its primary segment information.

Principal activities are as follows:

Software solutions
SERVICE *Operations*

Segment information about these businesses is presented below.

| | Software solutions £'000 | SERVICE- Operations £'000 | Group Total £'000 |
|-------------------------------|-----------------------------------------|------------------------------------------|----------------------------------|
| 2008 | | | |
| Revenue from external sales | 6,550 | 9,088 | 15,638 |
| Profit/(loss) from operations | 1,007 | (435) | 572 |
| Investment income | | | 50 |
| Other income | | | |
| Finance costs | | | (69) |
| Profit before tax | | | 553 |
| Taxation | | | 295 |
| Profit after tax | | | 848 |
| 2007 | | | |
| Revenue from external sales | 5,803 | 8,263 | 14,066 |
| Loss from operations | 648 | (1,212) | (564) |
| Investment income | | | 32 |
| Finance costs | | | - |
| Loss before tax | | | (532) |
| Taxation | | | 70 |
| Loss after tax | | | (462) |

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Notes to the consolidated financial statements for the year ended 31 December 2008

3. Business and geographical segments (continued)

| | Software solutions £'000 | SERVICE- Operations £'000 | Group £'000 |
|-----------------------------------|--------------------------------|---------------------------------|----------------|
| 2008 | | | |
| Other information | | | |
| Capital additions | 223 | 128 | 351 |
| Depreciation and amortisation | (84) | (416) | (500) |
| Balance sheet | | | |
| Assets | | | |
| Segment assets | 7,429 | 3,457 | 10,886 |
| Unallocated corporate assets | | | 30 |
| Consolidated assets | | | <u>10,916</u> |
| Liabilities | | | |
| Segment liabilities | 3,397 | 1,328 | 4,725 |
| Unallocated corporate liabilities | | | 1,066 |
| Consolidated total liabilities | | | <u>5,791</u> |
| 2007 | | | |
| Other information | | | |
| Capital additions | 73 | 254 | 327 |
| Depreciation and amortisation | (42) | (352) | (394) |
| Balance sheet | | | |
| Assets | | | |
| Segment assets | 3,352 | 2,936 | 6,288 |
| Unallocated corporate assets | | | 5 |
| Consolidated assets | | | <u>6,293</u> |
| Liabilities | | | |
| Segment liabilities | 2,466 | 1,716 | 4,182 |
| Unallocated corporate liabilities | | | 17 |
| Consolidated total liabilities | | | <u>4,199</u> |

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Notes to the consolidated financial statements for the year ended 31 December 2008

3. Business and geographical segments (continued)

The Group's operations are located in the United States of America, the United Kingdom and the rest of Europe. The Group's activities are located in all three areas. The following table provides an analysis of the Group's sales by geographical market, irrespective of the origin of the services:

| | Sales revenue by Geographical Market | |
|--------------------------|--------------------------------------|---------------|
| | 2008 £'000 | 2007 £'000 |
| United States of America | 11,807 | 10,482 |
| United Kingdom | 3,753 | 3,566 |
| Rest of Europe | 78 | 18 |

The following is an analysis of the carrying amount of segment net assets, additions to property, plant and equipment and intangible assets, analysed by the geographical area in which the assets and liabilities are located:

| | Carrying amount of segment net assets | | Additions to property, plant and equipment and intangible assets | |
|--------------------------|---------------------------------------|---------------|------------------------------------------------------------------|---------------|
| | 2008 £'000 | 2007 £'000 | 2008 £'000 | 2007 £'000 |
| United States of America | 3,017 | 1,213 | 258 | 265 |
| United Kingdom | 2,093 | 870 | 93 | 62 |
| Rest of Europe | 15 | 11 | - | - |
| | 5,125 | 2,094 | 351 | 327 |

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Notes to the consolidated financial statements for the year ended 31 December 2008

4. Earnings per share

The calculation of the basic and diluted earnings per share is based on the following data:

| | 2008 | 2007 |
|---------------------------------------------------------------------------------------------------------------------|---------------|--------------|
| | £'000 | £'000 |
| Earnings | | |
| Earnings for the purposes of basic earnings per share being net profit attributable to equity holders of the parent | 848 | (462) |
| Effect of dilutive potential ordinary shares: | | |
| Interest on convertible bridging loan (net of tax) | 46 | - |
| Earnings for the purposes of diluted earnings per share | 894 | (462) |
| Number of shares | '000 | '000 |
| Weighted average number of ordinary shares for the purposes of basic earnings per share | 35,279 | 8,620 |
| Effect of dilutive potential ordinary shares: | | |
| Convertible bridging loan | 5,489 | - |
| | 40,768 | 8,620 |
| Profit/(loss) per share | 2008 | 2007 |
| Basic profit/(loss) per share | 2.4p | (5.4p) |
| Diluted profit/(loss) per share | 2.2p | (5.4p) |

In accordance with IAS 33, the prior year weighted average number of shares has been restated to take account of the share reorganisation which happened in the current year.

5 Notes to the cash flow statement

| | 2008 | 2007 |
|----------------------------------------------------------|----------------|--------------|
| | £'000 | £'000 |
| Profit /(loss) from operations | 572 | (564) |
| Adjustments for: | | |
| Depreciation of property, plant and equipment | 117 | 86 |
| Amortisation of intangible assets | 383 | 308 |
| Bad debt expense | 471 | - |
| Share-based payments provision | 64 | 106 |
| Operating cash flows before movements in working capital | 1,607 | (64) |
| (Increase)/decrease in inventories | (65) | 13 |
| (Increase)/decrease in receivables | (2,265) | (843) |
| (Decrease)/increase in payables | (2,442) | 510 |
| Cash used by operations | (3,165) | (384) |
| Income taxes received | - | 799 |
| Net cash (used in)/from operating activities | (3,165) | 415 |

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Notes to the consolidated financial statements for the year ended 31 December 2008

6. Non statutory information note

The financial information set out above does not constitute the Company's statutory accounts for the years ended 31 December 2008 or 2007, but is derived from those accounts. Statutory accounts for 2007 have been delivered to the Registrar of Companies and those for 2008 will be delivered following the company's annual meeting. The auditors reported on those accounts; their reports were unqualified, did not draw attention to any matters by way of emphasis and did not contain statements under s237 (2) or (3) Companies Act 1985.