Company Number 5200315

STRONTIUM PLC

ANNUAL REPORT

30 June 2010

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STRONTIUM PLC

DIRECTORS AND ADVISERS

Directors
M W Metcalfe (Chairman)
D W Barker
C M Brumpton

Bankers
National Westminster Bank Plc
Market Place
Reading
RG1 2EP

Secretary
G Withey

Solicitors
Collyer Bristow
4 Bedford Row
London
WC1R 4DF

Auditors
Hazlewoods LLP
Chartered Accountants
Windsor House
Barnett Way
Barnwood
Gloucester GL4 3RT

Registered office
Top Floor
Estate House
Pembroke Road
Sevenoaks
Kent
TN13 1XR

Nominated Adviser
Cairn Financial Advisers LLP
61 Cheapside
London
EC2V 6AX

Broker
SVS Securities Plc
21 Wilson Street
London
EC2M 2SN

Registrar
Share Registrars Limited
Suite E
First Floor
Lion and Lamb Yard
Farnham
Surrey
GU9 7LL

Company Registration Number
05200315

STRONTIUM PLC

CHAIRMAN'S STATEMENT

The Board is pleased to announce that sales, cash and profitability continued to grow during the second half of the financial year ending 30 June 2010 (“FY10”).

Revenues on continuing operations increased year on year by 37% to £2,369,178 (30 June 2009: £1,729,588) and profit on continuing ordinary activities before taxation increased year on year by 437% to £198,461 (30 June 2009: £36,957).

The Australian operation was sold to local management on 30 June 2010 for a net gain of £84,444 to the Group, resulting in an overall profit from this discontinued activity of £63,491. The results for the previous year have been adjusted to exclude the performance of this operation from the continuing business.

Total earnings per share on continuing operations up 429% to 1.48 pence (30 June 2009: 0.28 pence).

Cash increased by 126% to £657,755 (30 June 2009: £291,025).

Strontium is continuing its overall strategy of seeking and acquiring SMEs with growth potential that can be transformed to achieve significant growth.

Acquisitions and Disposals

Recognising the market conditions and the need for our management to focus on and maximise returns from existing businesses, the Board took the view that it would be unwise to make any acquisitions in FY10.

In February 2009, The Learning Eye Ltd (“The Learning Eye”) established a wholly-owned subsidiary in Sydney, The Learning Eye International PTY Limited (“TLEIPL”), to respond to the increasing global opportunities with our clients and within the Australian economy. On 30 November 2009 Ian Seggar, a director of TLEIPL, purchased 10% of TLEIPL. TLEIPL grew and by May 2010 the Company had lent TLEIPL £124,000. In June 2010, Ian Seggar offered to repay this loan in full, assume responsibility for all the assets and liabilities of the business and purchase the remaining 90% of TLEIPL for £67,800. In addition Ian Seggar agreed to renounce his rights under the earn-out agreement of April 2008. After due consideration, the Board accepted this offer and the sale was completed on 30 June 2010. This sale generated a net gain of £84,444 to the Group, resulting in an overall profit from this discontinued activity of £63,491.

Although this subsidiary has been sold, the Board remains keen to forge partnerships in Australia and will continue to market its Miad medical training products in Australia.

As reported to the market on 28 September 2010 The Learning Eye Switzerland Ltd was formed in Zurich to increase our presence in Europe and to show commitment to our existing and future Swiss clients.

In April 2010, the Board authorised David Barker to negotiate a full and final settlement of all the outstanding earn-out obligations to Jo Parker Swift (the former owner of Miad) under the terms of the purchase agreement of 11 April 2007. These obligations were settled by way of a cash payment of £75,000 on 29 May 2010.

Currently, there are no outstanding earn-out obligations in existence in any Strontium group company.

Business Environment

The business environment for all SMEs continues to be demanding and the Board expects this situation to continue.

CHAIRMAN'S STATEMENT (*continued*)

The Board acknowledges that the Government will be cutting public sector budgets in the immediate future. Although much of healthcare spending has been ring fenced, the changes in the NHS and the general uncertainty could affect the performance of Miad during 2011. However, our investment and focus on cost-effective delivery mechanisms for training will go some way to mitigating the effects of any cuts.

The challenges faced by the corporate clients of The Learning Eye persist. However, the enhanced e-learning capability should improve the trading performance of the business during 2011. Although there have been some positive signs of improved market conditions, uncertainty could continue to inhibit growth. Despite this the Board believes that, with the streamlined and reduced cost base and the innovative products designed by The Learning Eye, combined with the operation in Switzerland, The Learning Eye is well positioned to grow.

During 2011 the Board will continue the strategy of streamlining its investments and trimming costs. It will also continue to invest in technology to increase the product capability of both Miad and The Learning Eye. The Board will also seek out and hire the highest quality personnel to deliver services to our clients in the most creative and cost effective manner.

In the current environment, cash shortages, squeezed margins and difficulties with borrowing have weakened many organisations. The Board believes this will lead to the closure of some competitors, afford the possibility for business growth and could present investment opportunities.

Business Review

Strontium has continued to focus on the growth of its client base during difficult market conditions.

The reorganisation and concentration of the business into two main units Miad, a leading NHS-dedicated non-clinical training, development and education consultancy, and The Learning Eye, a research, education and communications agency has led to continued improved performance.

During FY10 the growth of Miad has continued with revenues up 112% at £1,810,000 (30 June 2009: £855,000) and pre tax profit improving 155% to £245,000 (30 June 2009: £96,000). Miad sales growth was largely driven by the increase of ‘blended learning’ products which provide the dual benefit to the NHS of reduced delivery cost and high quality training.

During FY10, The Learning Eye developed its e-learning capability and designed and created much of the blended learning sold by Miad. Although sales to 3rd parties reduced 41% to £563,000 (30 June 2009: £941,000) trading profit only reduced 2.5% to £78,000 (30 June 2009: £80,000).

As the volume of business grew across the group during FY10 the Board took the decision to increase full time staff and reduce the more expensive external consultants used on projects. Recruiting internal expertise caused the administrative costs to grow as a percentage of sales to 73.6% (30 June 2009:72.0%). However this action during 2010 meant the combined Miad and The Learning Eye direct costs as a percentage of sales decreased to 20.5% (30 June 2009: 27.1%).

Principal Risks and Uncertainties

Risks are formally reviewed by the Board and appropriate measures put in place to mitigate them.

The Group's performance depends largely on the organisation and performance of its staff and is heavily dependent on the continued participation of David Barker, the Managing Director.

Whilst all key roles are regularly reviewed to ensure that they are filled with personnel having appropriate skills, there is always the risk that the Group recruits the wrong individual.

The new office in Zurich will absorb management time and will be, to a certain extent, reliant on the local employees and advisers.

Miad’s focus on the NHS makes it vulnerable to changes in Government budgets and policies and current uncertainty surrounding job cuts and funding could cause a slowing of business growth.

The recession in the UK appears to be over, but the possibility of a second dip means the outlook for SMEs remains uncertain, particularly with banks restricting lending to small businesses.

Strontium’s ongoing ability to grow partly relies on being able to identify and acquire high growth SMEs. Whilst the current financial situation will provide possibilities there may not be many with the potential to provide rapid growth.

During any phase of rapid growth, investment in people and working capital will be necessary. The Board will have to match the Group’s resources with the demands generated by the expected growth.

Key Performance Indicators

One of the Group's key objectives is to manage growth whilst carefully balancing increased fixed costs vs. increased direct costs (primarily external consultants on specific projects).The Board will continue to monitor the growth in fixed costs and will only increase them where doing so provides a better return on investment.

The profits on all significant contracts are reviewed on a project by project basis to ensure anticipated margins are achieved. Contributions from contracts are shown in the Income Statement as Gross Profit.

At this stage in the Group's development it is not considered meaningful to provide further analysis.

Personnel

In line with the Board's revised strategy, management will be looking to maintain a small but well focussed business management team. Expert resources will be employed on a short term basis as and when required.

I would like to thank David Barker, our Managing Director, his very able management team and all staff for their contributions during another challenging year.

Outlook

The order books for The Learning Eye and Miad remain robust but it is difficult to plan further than 6 months ahead when dealing with the NHS.

The Board will continue to focus on the growth of both companies but expects that opportunities for acquisitions could arise during 2011. The Board will investigate these opportunities and consider further investments in SMEs with the potential for rapid growth.

As for the future, market conditions into 2011 remain difficult but given the steps the Group has taken to control costs and to sharpen its focus, the Board is cautiously optimistic that growth will continue.

M W Metcalfe
27 October 2010

DIRECTORS' REPORT

Company number 5200315

The directors present their report and the financial statements for the Group for the year ended 30 June 2010.

Results and dividends

The Group profit for the year amounted to £261,952 (2009: loss £37,098) and the directors are unable to recommend the payment of a dividend.

Principal activities and review of the business

The principal activity of the Group continues to be that of the provision of business services. A detailed review of the business and its future development can be found in the Chairman's Statement.

Directors

The following directors have held office since 30 June 2009.

M W Metcalfe
D W Barker
C M Brumpton

Financial instruments

Details of the Group's financial instruments and financial risk management policies can be found in note 3 to the financial statements.

Creditor payment policy and practice

It is the Group's policy that payments to suppliers are made in accordance with those terms and conditions agreed between the Group and its suppliers, provided that all trading terms and conditions have been complied with.

At 30 June 2010, the Group had an average of 67 (2009: 53) days purchases outstanding in trade payables.

Charitable and political donations

No charitable or political donations were made in the year. The policy of the directors is to leave the decision to make such contributions at the discretion of the individual shareholders.

Going concern

After making enquiries, the directors consider that the Group has adequate resources to continue in operational existence for the foreseeable future. Consequently, they have continued to adopt the going concern basis in preparing the financial statements.

STRONTIUM PLC

DIRECTORS' REPORT (*continued*)

Auditors

In accordance with Section 489 of the Companies Act 2006, a resolution proposing that Hazlewoods LLP will be re-appointed will be put to the Annual General Meeting.

Statement of disclosure to auditor

So far as each of the directors at the time of this report are aware, there is no relevant audit information of which the Group's auditors are unaware; and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Group's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

On behalf of the Board

M W Metcalfe
Chairman
27 October 2010

STRONTIUM PLC

AIM RULE COMPLIANCE REPORT

Strontium plc is traded on AIM and, as such under AIM Rule 31 the Company is required to:

- Have in place sufficient procedures, resources and controls to enable its compliance with the AIM Rules;
- Seek advice from its nominated adviser ("Nomad") regarding its compliance with the AIM Rules whenever appropriate and take that advice into account;
- Provide the Company's Nomad with any information it requests in order for the Nomad to carry out its responsibilities under the AIM Rules for Companies and the AIM Rules for Nominated Advisers;
- Ensure that each of the Company's Directors accepts full responsibility, collectively and individually, for compliance with the AIM Rules; and
- Ensure that each director discloses without delay all information which the Company needs in order to comply with AIM Rule 17 (Disclosure of Miscellaneous Information) insofar as that information is known to the director or could with reasonable diligence be ascertained by the director.

In order to ensure that these obligations are being discharged the Board has established a committee of the board (the "AIM Committee"), chaired by M W Metcalfe, a non-executive director of the Company.

Having reviewed relevant Board papers, and met with the Company's Executive Board and the Nomad to ensure that such is the case, the AIM Committee is satisfied that the Company's obligations under AIM Rule 31 have been satisfied during the year under review.

STRONTIUM PLC

REPORT OF THE REMUNERATION COMMITTEE

The policy of the Group is to offer competitive remuneration packages that will attract, retain and motivate experienced and talented individuals who will enhance the value of the Group. The remuneration packages of the executive directors are reviewed and approved by the Remuneration Committee on an annual basis. The remuneration of other employees is the responsibility of the Managing Director.

The part of this remuneration report set out below is included within the scope of the auditors' opinion on pages 10 and 11.

Remuneration of the directors

Executive directors are paid a basic salary. In addition, one director benefits from defined contribution scheme pension contributions.

The remuneration of non-executive directors is approved by the Board. Individual non-executives do not participate in decisions concerning their own remuneration.

	Salary £	Bonus £	Pension Contribution £	Total 2010 £	Total 2009 £
M W Metcalfe	-	-	-	-	-
D W Barker	120,000	31,250	12,000	163,250	106,313
C M Brumpton	-	-	-	-	-
	120,000	31,250	12,000	163,250	106,313

Options

Directors' interests in share options are set out below:

Directors' names	Number of options			Exercise price	Date from which exercisable	Expiry date
	1 July 2009	Granted In year	30 June 2010			
M W Metcalfe	200,000		200,000	27.5p	30.6.2009	24.07.2017
M W Metcalfe	100,000		100,000	27.5p	30.6.2010	24.07.2017
M W Metcalfe	100,000		100,000	27.5p	30.6.2011	24.07.2017
M W Metcalfe	100,000		100,000	27.5p	30.6.2012	24.07.2017
D W Barker	400,000		400,000	27.5p	30.6.2009	24.07.2017
D W Barker	200,000		200,000	27.5p	30.6.2010	24.07.2017
D W Barker	200,000		200,000	27.5p	30.6.2011	24.07.2017
D W Barker	200,000		200,000	27.5p	30.6.2012	24.07.2017
C Brumpton	-	100,000	100,000	15.5p	1.12.2009	30.11.2011
C Brumpton	-	100,000	100,000	12.0p	1.12.2010	30.11.2012

An amount of £15,500 (2009: £29,000) was charged to the Consolidated Income Statement in respect of share based awards is in respect of directors' options set out above. No options were exercised.

M W METCALFE
Chairman
27 October 2010

STRONTIUM PLC

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the annual report and the group and parent company financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. As required by the AIM Results for Companies they are required to prepare the group financial statements in accordance with IFRSs as adopted by the EU and applicable law and have elected to prepare the parent company financial statements in accordance with IFRSs as adopted by the EU 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 parent company and of their profit or loss for the year then ended. In preparing each of the group and parent company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements comply with IFRSs as adopted in the EU; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company and the Group will continue in business, in which case there should be supporting assumptions or qualifications as necessary.

The directors confirm that they have complied with the above requirements in preparing the financial statements. The directors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Company and the Group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF STRONTIUM PLC

We have audited the financial statements of Strontium plc for the year ended 30 June 2010 which comprise the Group and Parent Company Statement of Financial Position, the Group Statement of Comprehensive Income the Group and Parent Company Statement of Cash Flows, the Group and Parent Company Statements of Changes in Equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page 9, 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 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 (APB'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 group's and the parent 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.

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the group's and the parent company's affairs as at 30 June 2010 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- The parent company financial statements have been properly prepared in accordance with IFRSs as adopted for use in the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matters prescribed by the Companies Act 2006

In our opinion:

- the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006; and
- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

We have nothing to report in respect of the following:

Under the Companies Act 2006 we are required 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 financial statements and the part of the Directors' Remuneration Report to be audited 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.

David Main (Senior Statutory Auditor)
For and on behalf of Hazlewoods LLP, Statutory Auditor

Windsor House
Barnett Way
Barnwood
Gloucester
GL4 3RT

27 October 2010

STRONTIUM PLC

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the year ended 30 June 2010

	Note	**2010**	**2009**
Continuing operations		**£**	**£**
Revenue		2,369,178	1,729,588
Cost of sales		(485,186)	(468,588)
Gross Profit		1,883,992	1,261,000
Administrative expenses		(1,742,804)	(1,246,247)
Other operating income		33,000	596
Operating profit	*7*	174,188	15,349
Finance income	*8*	-	1,186
Profit before tax		174,188	16,535
Tax expense – net credit for the year	*10*	24,273	20,422
Profit for the year from continuing operations		198,461	36,957
Discontinued operations			
Profit / (loss) for the year from discontinued operations	*11*	63,491	(74,055)
Profit /(loss) and comprehensive income/(expense) for the year attributable to equity holders of the company		**261,952**	**(37,098)**
Earnings per share from continuing operations - basic and diluted	*12*	1.48p	.28p
Earnings / (loss) per share from discontinued operations – basic and diluted		.47p	(.55)p
Earnings / (loss) per share from continuing and discontinued operations - basic and diluted		**1.96p**	**(.28)p**

STRONTIUM PLC

STATEMENT OF CHANGES IN EQUITY
for the year ended 30 June 2010

GROUP

	Share Capital	Share Premium	Retained Earnings	Total
	£	£	£	£
Balance at 1 July 2008	267,394	1,995,463	(949,325)	1,313,532
Loss for the year ended 30 June 2009	-	-	(37,098)	(37,098)
Cost of share based awards	-	-	37,000	37,000
Balance at 30 June 2009	267,394	1,995,463	(949,423)	1,313,434
Profit for the year ended 30 June 2010	-	-	261,952	261,952
Cost of share based awards	-	-	32,500	32,500
Shares issued in the year for services	1,087	5,163	-	6,250
Shares issued in the year for acquisitions	3,433	24,108	-	27,541
Balance at 30 June 2010	271,914	2,024,734	(654,971)	1,641,677

COMPANY

	Share Capital	Share Premium	Retained Earnings	Total
	£	£	£	£
Balance at 1 July 2008	267,394	1,995,463	(769,764)	1,493,093
Loss for the year ended 30 June 2009	-	-	(136,470)	(136,470)
Cost of share based awards	-	-	37,000	37,000
Balance at 30 June 2009	267,394	1,995,463	(869,234)	1,393,623
Loss for the year ended 30 June 2010	-	-	(167,266)	(167,266)
Cost of share based awards	-	-	32,500	32,500
Shares issued in the year for services	1,087	5,163	-	6,250
Shares issued in the year for acquisitions	3,433	24,108	-	27,541
Balance at 30 June 2010	271,914	2,024,734	(1,004,000)	1,296,648

STRONTIUM PLC

STATEMENT OF FINANCIAL POSITION
at 30 June 2010

	Note	GROUP 2010 £	GROUP 2009 £	COMPANY 2010 £	COMPANY 2009 £
Non-current assets					
Goodwill	*13*	1,170,974	1,195,974	-	-
Property, plant and equipment	*14*	67,920	41,455	4,569	3,200
Investments in subsidiaries	*15*	-	-	1,293,037	1,318,037
Deferred tax asset	*19*	59,668	-	310	-
Total non-current assets		**1,298,562**	**1,237,429**	**1,297,916**	**1,321,237**
Current assets					
Trade and other receivables	*16*	307,179	435,032	10,621	275,955
Derivative financial instruments	*3*	33,000	-	33,000	-
Cash at bank		657,755	291,025	121,665	8,226
Total current assets		**997,934**	**726,057**	**165,286**	**284,181**
Total assets		**2,296,496**	**1,963,486**	**1,463,202**	**1,605,418**
Equity					
Issued share capital	*17*	271,914	267,394	271,914	267,394
Share premium	*18*	2,024,734	1,995,463	2,024,734	1,995,463
Retained earnings	*18*	(654,971)	(949,423)	(1,004,000)	(869,234)
Total equity		**1,641,677**	**1,313,434**	**1,292,648**	**1,393,623**
Liabilities					
Non-current liabilities					
Deferred tax	*19*	10,216	3,688	-	-
Other payables	*20*	-	100,000	-	100,000
Total non-current liabilities		**10,216**	**103,688**	**-**	**100,000**
Current liabilities					
Current tax liabilities		28,867	1,848	-	-
Trade and other payables	*20*	615,736	544,516	170,554	111,795
Total current liabilities		**644,603**	**546,364**	**170,554**	**111,795**
Total liabilities		**654,819**	**650,052**	**170,554**	**211,795**
Total equity and liabilities		**2,296,496**	**1,963,486**	**1,463,202**	**1,605,418**

These financial statements were approved and authorised for issue by the Board of Directors on 27 October 2010 and were signed on its behalf by:

M W Metcalfe
Director

D W Barker
Director

STRONTIUM PLC

STATEMENT OF CASH FLOWS
for the year ended 30 June 2010

	Note	GROUP		COMPANY	
		2010	**2009**	**2010**	**2009**
		£	**£**	**£**	**£**
Cash flows from operating activities					
Cash generated/(absorbed by) continuing operations	*21*	278,060	(136,124)	158,789	(56,668)
Cash generated/(absorbed by) discontinued operations	*21*	112,938	(141,387)	-	-
Net interest received		-	1,186	-	151
Taxation paid		(1,848)	-	-	-
Net cash generated/(absorbed by) operating activities		**389,150**	**(276,325)**	**158,789**	**(56,517)**
Cash flows from investing activities					
Payments to acquire subsidiary		(42,600)	-	(42,600)	-
Payments to acquire property, plant and equipment		(47,620)	(28,193)	(2,750)	-
Proceeds from disposal of property, plant and equipment		-	9,000	-	-
Proceeds from sale of shares in subsidiary		67,800	-	-	-
Net cash used in investing activities		**(22,420)**	**(19,193)**	**(45,350)**	**-**
Net increase/(decrease) in cash and bank balances		366,730	(295,518)	113,439	(56,517)
Cash at bank and bank overdrafts at beginning of year		291,025	586,543	8,226	64,743
Cash at bank and bank overdrafts at end of year		**657,755**	**291,025**	**121,665**	**8,226**

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2010

1 GENERAL INFORMATION

Strontium plc ("the Company") and its subsidiaries (together "the Group") are providers of business services.

The Company is a limited liability company incorporated and domiciled in England whose registered office address and principal place of business is Top Floor, Pembroke Road, Estate House, Sevenoaks, Kent.

These group financial statements are prepared in Pounds Sterling because that is the currency of the primary economic environment in which the group operates.

Basis of accounting

The consolidated financial statements have been prepared under the historical cost convention and in accordance with applicable International Financial Reporting Standards (IFRS) as adopted by the European Union.

As permitted by sections 495 and 496 of the Companies Act 2006 the company has elected not to present its own profit and loss account for the year. Strontium plc reported a loss for the financial year of £167,266 (2009: £136,470).

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 30 June 2010. Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities.

The results of subsidiaries acquired during the year are included in the consolidated income statement from the effective date of acquisition.

Where necessary, adjustments are made to the financial information of subsidiaries to bring the accounting policies used into line with those used by the Group.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

New standards adopted

The Group has adopted the following new interpretations, revisions and amendments to IFRS issued by the International Accounting Standards Board which are relevant to and effective for the Group's financial statements for the year beginning 1 July 2009.

IAS 1 Presentation of Financial Statements (Revised 2007)
The adoption of IAS 1 (Revised 2007) does not affect the financial position or profits of the Group, but gives rise to additional disclosures. The measurement and recognition of the Group's assets, liabilities, income and expenses are unchanged. IAS 1 (Revised 2007) affects the presentation of owner changes in equity and introduces a 'Statement of comprehensive income'. In accordance with the new standard the entity does not present a 'Statement of recognised income and expenses (SORIE)'. Further, a 'Statement of changes in equity' is presented.

1 GENERAL INFORMATION (*continued)*

IFRS 3 Business Combinations (Revised 2008) and IAS 27 Consolidated and Separate Financial Statements (Revised 2008)
The revised Standards introduce major changes to the accounting treatment for business combinations, transactions with non-controlling interests and a loss of control of a subsidiary. There has been no activity in the year under review, however all subsequent combinations will follow these revised new standards.

IFRS 2 amendment to Share Based Payments
This amendment clarifies that vesting conditions are service conditions and performance conditions only, and specifies that all cancellations, whether by the entity or by other parties, should receive the same accounting treatment. This amendment has had no material effect upon the Group's financial statements.

IFRS 8 Operating Segments
This IFRS specifies how an entity should report information about its operating segments in its financial statements. Generally, financial information is required to be reported on the same basis as is used internally for evaluating operating segment performance and deciding how to allocate resources to operating segments. Implementation of this standard has not increased the number of reportable segments, but has brought them in line with the way in which the segments are reported in the Group's monthly management accounts as reviewed by the chief operating decision-maker. This change only affects presentational aspects of the financial statements and there is no impact on earnings per share.

Amendments to IFRS 7 Financial Instruments: Disclosures – improving disclosures about financial instruments
The amendments require additional disclosures for financial instruments that are measured at fair value in the consolidated statement of financial position. A separate quantitative maturity analysis must be presented for derivative financial liabilities that shows the remaining contractual maturities, where these are essential for an understanding of the timing of cash flows. The Group has had no need to take advantage of the transitional provisions in the amendments for not providing comparative information in respect of the new requirements as there were no applicable instruments.

1 GENERAL INFORMATION *(continued)*

Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group in the 30 June 2010 financial statements

At the date of authorisation of these financial statements, certain new standards, amendments and interpretations to existing standards have been published but are not yet effective. The Group has not adopted any of these pronouncements early. The new standards, amendments and interpretations that are expected to be relevant to the Group's financial statements are as follows:

		Application date (periods commencing on or after)
IAS 39/IFRIC 9	Financial Instruments: Recognition and measurement on hedged items.	1 July 2010

IFRIC 9 addresses the treatment of embedded derivatives and whether an assessment should be made only at the commencement of such a contract or throughout the life of the contract. The directors anticipate that the adoption of this Interpretation in future periods will have no material impact on the financial statements.

Other new standards and Interpretations have been issued but are not expected to have a material impact on the Group's financial statements.

2 SIGNIFICANT ACCOUNTING POLICIES

Business combinations

The acquisition of subsidiaries is accounted for using the purchase method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination that meet the conditions for recognition under IFRS 3 (Revised) Business Combinations, are recognised at their fair values at the acquisition date. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of the acquisition is less than the fair value of the net assets of the subsidiary acquired the difference is recognised directly in the income statement.

2 SIGNIFICANT ACCOUNTING POLICIES (*continued*)

Goodwill

Goodwill arising on consolidation represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of a subsidiary, at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses. Goodwill which is recognised as an asset is reviewed for impairment at least annually. Any impairment is recognised immediately in profit or loss.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash generating units expected to benefit from the synergies of the combination. Cash generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit. Any impairment loss recognised for goodwill is not reversed in a subsequent period.

Property, plant and equipment

Property, plant and equipment is measured at cost less provision for depreciation.

Depreciation is provided on all property, plant and equipment to write off the cost less estimated residual value of tangible fixed assets over their expected useful lives at the following rates:-

Plant and equipment	Over three to four years

Segmental reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transaction with any of the Group's other components. All operating segments operating results are reviewed regularly by the Board of Directors to make decision about resources to be allocated to the segment and asses it performance, and for which discrete financial information is available.

Income recognition

Turnover represents the fair value of services provided during the year on business service assignments. Turnover is recognised as the assignment activity progresses and the right to consideration is earned. Fair value reflects the amounts expected to be recoverable from customers and is based on time spent and costs incurred to date as a percentage of total anticipated contract costs. Unbilled turnover is included within receivables.

2 SIGNIFICANT ACCOUNTING POLICIES (*continued*)

Income recognition (*continued*)

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Foreign currencies

In preparing the financial statements of the individual companies, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in profit and loss for the year.

Deferred taxation

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

2 SIGNIFICANT ACCOUNTING POLICIES (*continued*)

Share based awards

The Group issues equity settled payments to certain employees. Equity settled share based payments are measured at fair value (excluding the effect of non-market based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity settled share based payments is expensed on a straight line basis over the vesting period, based on the Group's estimate of shares that will eventually vest and adjusted for the effect of non-market based vesting conditions.

Fair value is measured by use of the Black-Scholes model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

Leases

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

Retirement benefit costs

The Group operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged as an expense as they fall due.

Trade receivables

Trade receivables are measured at initial recognition at fair value. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits.

Financial liabilities and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company and the Group after deducting all of its liabilities.

Trade payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

2 SIGNIFICANT ACCOUNTING POLICIES (*continued*)

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Derivative financial instruments

The Group uses Euro forward contracts to manage the exposure to changes in translation rates and these are classified as derivative financial instruments. All derivative financial instruments are initially measured at fair value on acquisition and are subsequently restated to fair value at each reporting date. Any change in the fair value of the instruments is recognised in the Income Statement.

3 FINANCIAL RISK MANAGEMENT

The Group's financial instruments comprise cash, liquid resources and various items, such as receivables and payables, which arise directly from its operations.

The main risk arising from the Group's financial instruments is interest rate risk and foreign currency risk. The Group seeks to maximise returns on surplus cash by placing this on money market term deposits. Foreign exchange risk is managed where considered appropriate by use of derivative financial instruments.

Capital risk management

The Group’s objectives when managing capital are to safeguard the Group’s ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may issue new shares or sell assets to reduce debts. At present the Group is unable to pay dividends or return capital to shareholders.

The Group currently has no debt.

Credit risk

The Group has a low credit risk, its principal customers being NHS departments and major organisations. The highest credit risk exposure to a single customer at 30 June 2010 was £61,805 (2009: £40,250), which was settled since the end of the financial year.

Liquidity risk

The Company has substantial cash resources available to it and has prepared forecasts for the forthcoming year which indicate that in the directors’ opinion it will have sufficient resources to fund the continuation of trade.

Interest rate risk profile of financial assets and liabilities

The Group receives interest at a floating rate on its cash at bank. No other financial assets or liabilities of the Group are interest bearing.

3 FINANCIAL RISK MANAGEMENT (*continued*)

Foreign currency risk

The Group has a limited number of customers who are invoiced in Euro. Cash and cash equivalents includes an amount of £17,660 (2009: £16,298) denominated in Euro. The Group entered into forward Euro exchange contracts totalling 690,000 for the period 16 August 2010 to 28 December 2013 in order to provide a hedge against future revenues contracted to be received from a customer in Euros. In the year ended 30 June 2010 a credit of £33,000 (2009: £nil) was included in the income statement in relation to an increase in the fair value of the contracts.

Fair value of financial instruments

The Group's financial instruments, which comprise cash and short term deposits and bank overdrafts, are carried at cost, which is also considered to be equivalent to their fair value. All financial assets and liabilities mature within 6 months.

Profile of financial instruments

GROUP

Financial assets	**2010**	**2009**
	£	£
Trade receivables	238,854	363,677
Other receivables	33,500	15,041
Derivatives	33,000	-
Cash and cash equivalents	657,755	291,025
	963,109	669,743

Financial liabilities (at amortised cost)	**2010**	**2009**
	£	£
Trade payables	125,763	92,996
Other payables	254,929	421,746
	380,692	514,742

COMPANY

Financial assets	**2010**	**2009**
	£	£
Trade receivables	294	294
Amounts owed by subsidiary undertakings	-	266,277
Derivatives	33,000	-
Cash and cash equivalents	121,665	8,226
	154,959	274,797

Financial liabilities (at amortised cost)	**2010**	**2009**
	£	£
Trade payables	9,572	24,921
Amounts owed to subsidiary undertakings	89,623	-
Other payables	66,464	182,843
	165,659	207,764

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The areas where accounting estimates and judgements are considered critical in the reporting of financial performance are:

Income recognition

As set out in the accounting policy note turnover is recognised as contract activity progresses and the right to consideration is earned. In certain cases, judgement is required in assessing the level of work performed and therefore the amount of income to be recognised on contracts. Amounts recognised in excess of, or exceeded by, amounts billed are classified under receivables or payables respectively.

Goodwill impairment

Goodwill is tested annually for impairment. This test requires estimates and judgements to be made in respect of future revenues. Further details of the impairment reviews undertaken can be found in note 13.

Share based payments

The Group has made awards of options over its unissued share capital to certain directors and employees as part of their remuneration package.

The valuation of these options involved making a number of critical estimates relating to price volatility, future dividend yields, expected life of the options and forfeiture rates. These assumptions have been described in more detail in note 24.

Deferred consideration

Acquisitions made by the Group set out additional consideration that may become payable if certain profit targets are met. Provision is made for such consideration to the extent that it is estimated that it will become payable. In order to quantify this provision, the directors are required to estimate the future results of the companies acquired. These estimates are based on budgeted results for the period to which the profit targets apply.

Deferred tax asset

The Group has recognised a deferred tax asset in respect of unutilised trading losses carried forward by The Learning Eye Limited. The directors consider the recognition criteria have been met as they forecast profits for the Company.

5 OPERATING SEGMENTS

In identifying its operating segments, management follow the Group's revenue lines which represent the main markets within which the Group operates. These operating segments are managed separately as each requires different expertise, knowledge and a specialised marketing approach. An operating segment is a group of assets and activities engaged in operations that is subject to risks and returns that are different from those of other business segments. All inter-segment transfers are carried out at arm's length prices.

The Group is organised into two operating segments, Business Communications and Non-clinical Medical Training. Each of these operating segments offer services to different markets and are reported in a manner consistent with the internal reporting provided to the Group's Chief Operating Decision Maker (CODM) who has been identified as the Board of Directors. The CODM is responsible for allocating resources and assessing the performance of the operating segments. All revenue and profits are generated in, and assets are located in the UK.

	2010			2009		
	Business communications	Non-clinical medical training	Consolidated	Business communications	Non-clinical medical training	Consolidated
	£	£	£	£	£	£
RESULT						
Revenue	558,935	1,810,243	2,369,178	874,157	855,431	1,729,588
Segment operating profit	130,799	244,682	375,481	6,757	96,173	102,930
Unallocated corporate costs			(201,293)			(87,581)
Operating profit			174,188			15,349
Net finance income			-			1,186
Profit before tax			174,188			16,535
Tax credit			24,273			20,422
Profit for the year from continuing operations			**198,461**			36,957
BALANCE SHEET						
Goodwill	838,099	332,875	1,170,974	838,099	357,875	1,195,974
Other segment assets	182,197	221,971	404,168	184,327	225,831	410,158
Segment assets	1,020,296	554,846	1,575,142	1,022,426	583,706	1,606,132
Unallocated corporate assets			721,354			357,354
Consolidated assets			**2,296,496**			1,963,486
Segment liabilities	(214,040)	(333,114)	(547,154)	(196,362)	(232,073)	(428,435)
Unallocated corporate liabilities			(107,665)			(221,617)
Consolidated liabilities			**(654,819)**			(650,052)

Unallocated assets include Group cash balances and plant and equipment and receivables attributable to the Parent Company.

Unallocated liabilities include tax, deferred consideration payable for acquisitions and trade and other payables attributable to the Parent Company.

5 OPERATING SEGMENTS (*continued*)

Major customers

Including in revenue arising from Non-clinical Medical Training are revenues of £729,994 (2009: £142,400) which arose from sales to the Group's largest customer.

6 AUDITORS' REMUNERATION

During the year the Group obtained the following services from the group's auditor:

	2010	**2009**
	£	**£**
Audit services		
- statutory audit	16,355	17,750
Non-Audit services		
- taxation	4,725	3,750
- other	17,251	9,827

Other non-audit services above comprise financial reporting and IFRS compliance advice, consultancy and company secretarial services. The directors do not consider that the level of fees paid to the auditors for non-audit services threatens their independence. The auditors have confirmed they agree with this conclusion.

7 OPERATING PROFIT

Operating profit for the year has been arrived at after charging:

	2010	**2009**
	£	**£**
Depreciation of property, plant and equipment	21,155	21,382
Lease payments under operating leases recognised as an expense in the year	43,554	63,810

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8 FINANCE INCOME

	2010 £	2009 £
Bank interest receivable	-	1,186
	-	1,186

9 EMPLOYEE BENEFIT EXPENSE

	2010 £	2009 £
Wages and salaries	1,135,351	830,819
Social security costs	105,094	88,156
Pension costs - defined contribution schemes	12,000	17,200
Share based payments	32,500	37,000
	1,284,945	973,175

The average monthly number of persons employed by the Group, including directors, during the year was as follows:

	2010 No.	2009 No.
Administration and sales	30	22
	30	22

Details of directors' emoluments, including details of share option schemes are given in the report of the Remuneration Committee. These disclosures form part of the audited financial statements of the Group. The directors of the Parent Company are considered to represent key management of the Group as defined by IFRS.

10 TAX EXPENSE

The taxation credit for the year comprises:

	2010 £	2009 £
Current tax		
UK corporation tax based on results for the year	28,867	(22,154)
Adjustment to prior years	-	476
	28,867	(21,678)
Deferred tax		
Reversal of timing differences	8,350	1,256
Recognition of deferred tax asset	(61,490)	-
	(24,273)	(20,422)

The Group has tax losses available to carry forward against future taxable income and profits of approximately £244,067 (2009: £340,916) in respect of which no deferred tax asset has been recognised.

Where it is anticipated that future taxable profits will be available against which these losses will be utilised a deferred tax asset is recognised.

	2010 £	2009 £
Factors affecting the tax charge for the year		
Profit / (loss) on ordinary activities before taxation	237,679	(57,520)
Profit / (loss) on ordinary activities before taxation multiplied by the standard rate of UK corporation tax of 28% (2009: 28%)	66,550	(16,105)
Effects of:		
Expenses not deductible for tax purposes	15,815	13,216
Deferred tax asset recognised at small company rate	15,615	-
Accelerated capital allowances	(9,120)	-
Tax (utilised) / losses	(14,789)	3,529
Recognition of previously unprovided losses	(45,423)	-
Tax payable at UK small company rate	(6,818)	-
Adjustments to prior years	-	474
Profit on disposal of subsidiary not taxable	(18,984)	-
Tax depreciation timing difference not recognised	-	(2,567)
Losses forgone on discontinuation of trade	-	3,775
Unutilised losses brought forward utilised in the year	(27,119)	(25,357)
Losses carried back to prior year relieved at lower rate	-	2,613
Tax credit	(24,273)	(20,422)

No tax charge or credit arises from discontinued operations as the operations disposed of incurred a loss for the period and the profit on disposal is exempt from taxation.

11 DISCONTINUED OPERATIONS

On 30 June 2010 the company sold its entire holding in its Australian subsidiary The Learning Eye International PTY Limited.

During the previous year, the Group ceased the activities of a division known as Executive Development Consultants Limited. The results of the discontinued operations which have been included in the consolidated income statement were as follows:

The Learning Eye International PTY Limited

	2010	**2009**
	£	£
Revenue	241,837	71,577
Expenses	(262,790)	(65,420)
Attributable tax expense	-	(1,848)
(Loss)/profit after tax	(20,953)	4,309
Profit on disposal of discontinued operation	84,444	
Attributable tax expense	-	
Net profit attributable to discontinued operation	63,491	

Executive Development Consultants Limited

	2010	**2009**
	£	£
Revenue	-	129,804
Expenses	-	(208,168)
Provision for impairment in value of goodwill		-
Loss for the year	-	(78,364)
Total	63,491	(74,055)

12 PROFIT/(LOSS) PER SHARE

The profit/(loss) per share is based on the profit/(loss) for the year from continuing and discontinued activities as disclosed in the income statement and the weighted average number of ordinary shares in issue for the year of 13,374,432 (2009: 13,369,688).

The average market price of issued share capital during the year ended 30 June 2010 and 30 June 2009 exceeded the exercise price of all share options in issue and therefore they have no dilutive affect.

There are potentially 2,150,000 (2009: 2,090,000) shares that could be issued under the terms of options issued that will potentially reduce future earnings per share.

13 GOODWILL

Group	**£**
Cost	
At 1 July 2008	1,478,296
Additions during the year	47,081
At 1 July 2009	1,525,377
Adjustment to provision for contingent consideration	(25,000)
At 30 June 2010	1,500,377
Provision for impairment	
At 1 July 2008 and 1 July 2009	329,403
Charge in the year	-
At 30 June 2010	329,403
Carrying amount	
At 30 June 2010	1,170,974
At 30 June 2009	1,195,974

Goodwill arises in respect of the acquisition of various companies and businesses.

The Group tests goodwill annually for impairment or more frequently if there are indications that goodwill might be impaired.

The recoverable amount of the assets is determined from value in use calculations. The key assumptions for the value in use calculations are those regarding the discount rates and growth rates during the period. Management estimates discount rates using post-tax rates that reflect current market assessments of the time value of money and the risks specific to the business.

At the end of the year the carrying value of goodwill related to the following cash generating units.

	2010	**2009**
	£	£
Business communications	838,099	838,099
Non-clinical medical training	332,875	357,875
30 June 2010	1,170,974	1,195,974

13 GOODWILL (*continued*)

The Group prepares cash flow forecasts derived from the most recent financial budgets approved by management for the next two years and extrapolates cash flows based on no assumed growth for the period of the forecast.

The post-tax rate used to discount the forecast post-tax cash flows is 11.1% per cent.

Goodwill arising on acquisition relates to items that do not meet the criteria for recognition as separate intangible fixed assets. This relates primarily to non-contractual customer relationships that are not capable of reliable measurement and the key employees of the acquired entities.

In assessing the future cash flows of certain income generating units, the directors have estimated the amount of new business to be secured in the coming year, but are otherwise based on historical performance.

The cash flow forecasts, which the directors believe to have been prepared on a prudent basis, indicate that a 77% reduction in the level of forecast cash flows would be necessary before reflecting any impairment in the carrying value of goodwill attributable to the Business Communications segment. A 91% reduction in the level of forecast cash flows would be necessary before reflecting any impairment in the carrying value of goodwill attributable to the Non-clinical Medical Training business segment.

14 PROPERTY, PLANT AND EQUIPMENT

GROUP	Plant and Equipment £
Cost	
At 1 July 2008	70,245
Additions during the year	28,193
Disposals	(26,740)
At 30 June 2009	71,698
Additions during the year	47,620
At 30 June 2010	119,318
Depreciation	
At 1 July 2008	25,333
Charge for the year	21,382
Disposals	(16,472)
At 30 June 2009	30,243
Charge for the year	21,155
At 30 June 2010	51,398
Carrying amount	
At 30 June 2010	67,920
At 30 June 2009	41,455

14 PROPERTY, PLANT AND EQUIPMENT (*continued*)

COMPANY	**Plant and Equipment £**
Cost	
At 1 July 2008	17,198
Disposals	(9,298)
At 1 July 2009	7,900
Additions in year	2,750
At 30 June 2010	10,650
Depreciation	
At 1 July 2008	7,590
Charge for the year	6,408
Disposals	(9,298)
At 1 July 2009	4,700
Charge for the year	1,381
At 30 June 2010	6,081
Carrying amount	
At 30 June 2010	4,569
At 30 June 2009	3,200

15 INVESTMENTS IN SUBSIDIARIES

Company

	£
Cost	
At 1 July 2008	1,468,656
Additions	47,081
At 30 June 2009	1,515,737
Adjustment to provision for contingent Consideration	(25,000)
At 30 June 2010	1,490,737
Provision for impairment	
At 1 July 2008, 1 July 2009 and 30 June 2010	197,700
Carrying amount	
At 30 June 2010	1,293,037
At 30 June 2009	1,318,037

In the opinion of the directors, the aggregate value of the investment in subsidiary undertakings is not less than the amount at which it is stated in the balance sheet.

15 INVESTMENTS IN SUBSIDIARIES *(continued)*

Subsidiary undertakings

The Company's subsidiary undertakings principal activities, all of which are wholly owned and incorporated in England and Wales, are as follows:

Company	**Activity**
Aspect Information Management Limited	Dormant
Executive Development Consultants Limited	Dormant
Miad UK Limited	Non-clinical training for health professionals
The Learning Eye Limited	Business intelligence and management and research consultants
The Former Learning Eye Limited	Dormant

The results of all subsidiaries have been consolidated in the group financial statements.

16 TRADE AND OTHER RECEIVABLES

	Group		Company	
	2010	**2009**	**2010**	**2009**
	£	**£**	**£**	**£**
Trade receivables	238,854	363,677	294	294
Amounts owed by Subsidiary Undertakings	-	-	-	266,277
Prepayments and other receivables	66,153	56,581	10,327	9,384
Current tax asset	2,172	14,774	-	-
	307,179	435,032	10,621	275,955

The average credit period for trade receivables at the end of the year is 26 days (2009: 49 days). A provision against irrecoverable receivables of £7,855 is included in trade receivables at 30 June 2010 in respect of the discontinued operations (2009: £9,855).

As at 30 June 2010 trade receivables of £238,854 (2009: £363,677) were due, net of any bad debt provision. The ageing analysis of these trade receivables is as follows:

	Group	
	2010	**2009**
	£	**£**
Debtors ageing:		
Up to 3 months	168,996	196,003
3 to 6 months old	73,808	170,193
Over 6 months old	7,855	7,336
Bad debt provision	(11,805)	(9,855)
	238,854	363,677

17 SHARE CAPITAL

	2010 £	2009 £
Authorised		
25,000,000 ordinary shares of 2p each	500,000	500,000
Allotted and fully paid:		
13,595,684 (2009: 13,369,684) ordinary shares of 2p each	271,914	267,394

Options

Details relating to options to subscribe for ordinary shares in the company are set out at note 24 below.

18 RESERVES

Movements in reserves are set out in the statement of changes in equity.

19 DEFERRED TAX

The movement for the year in the Group's net deferred tax asset provided at the small company rate UK corporation tax of 21 % (2009: 21%) was as follows:

	2010 £	2009 £
At beginning of year	3,688	-
Acquired with subsidiary company	-	2,432
Credited to income statement in the year	(53,140)	1,256
Net asset	(49,452)	3,688

Deferred tax comprises.

	2010 £	2009 £
Accelerated capital allowances	10,216	3,688
Losses	(59,668)	-
Net asset	(49,452)	3,688
Deferred tax assets	(59,668)	-
Deferred tax liabilities	10,216	3,688
Net asset	(49,452)	3,688

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20 TRADE AND OTHER PAYABLES

	GROUP		COMPANY	
	2010	2009	2010	2009
	£	£	£	£
Trade payables	125,763	92,996	9,572	24,921
Taxation and social security	107,310	34,378	4,895	4,031
Other payables	32,587	55,425	32,400	55,081
Amounts due to subsidiary undertakings	-	-	89,623	-
Accruals	222,342	266,321	34,064	27,762
Deferred income	127,734	95,396	-	-
	615,736	544,516	170,554	111,795

The average credit period taken for trade payables at the end of the year is 26 days (2009: 53 days). Amounts shown as other payables within non-current liabilities comprise deferred consideration in respect of the acquisition of Miad UK Limited.

21 CASH GENERATED/ (ABSORBED BY) OPERATIONS

	GROUP		COMPANY	
	2010	2009	2010	2009
	£	£	£	£
Continuing activities				
Operating profit	174,188	15,349	(167,576)	(136,621)
Depreciation of property, plant and equipment	21,155	18,600	1,381	6,408
Share based awards	32,500	37,000	32,500	37,000
Profit on disposals	-	1,267	-	-
Decrease/(increase) in receivables	47,697	(65,890)	232,334	42,907
Increase/(decrease) in payables	(31,271)	(142,450)	26,359	(6,362)
Liabilities discharged by share issue	33,791	-	33,791	-
Cash generated/(absorbed by) from continuing operations	278,060	(136,124)	158,789	(56,668)
Discontinued activities				
Operating loss	(20,953)	(74,055)		
Profit arising on disposal of subsidiary company	84,444	-		
Depreciation of property, plant and equipment	-	2,782		
Decrease/(increase) in receivables	47,156	(34,822)		
Increase/(decrease) in payables	2,291	(35,292)		
Cash generated/ (absorbed by) discontinued operations	112,938	(141,387)		

23 RELATED PARTY TRANSACTIONS

COMPANY

The following transactions with subsidiary companies occurred during the year

	2010 £	2009 £
Management charges receivable by Strontium plc from Aspect Information Management Limited	-	110,549
Management charges receivable by Strontium plc from The Learning Eye Limited	106,270	61,175
Management charges receivable by Strontium plc from MiAD UK Limited	102,060	66,550
Management charges receivable by Strontium plc from The Learning Eye International PTY Limited	-	20,000
Management charges receivable by Strontium plc from Executive Development Consultants Limited	-	20,231

Management charges relate to services provided by the management and employees of Strontium plc for management control and supervision of the subsidiary companies and for consultancy and project management services provided to clients of those companies. It also includes charges for the provision of office facilities.

24 EQUITY SETTLED SHARE OPTION SCHEME

The Company has a share option scheme for all employees of the Group. Options are exercisable at a price equal to the average quoted market price of the Company's shares on the date of grant. The vesting period varies between 1 and 4 years. If the options remain unexercised after a period of 10 years from the date of grant, the options expire. Options are forfeited if the employee leaves the Group.

Details of the share options outstanding during the year are as follows:

	2010 number of Options	**2010 Exercise Price £**	**2009 number of options**	**2009 exercise price £**
Outstanding at the beginning of the year	2,090,000		1,700,000	
Granted 20 January 2009	-		390,000	0.200
Granted 2 November 2009	100,000	.155	-	
Granted 3 March 2010	100,000	.120	-	
Lapsed	(140,000)		-	
Outstanding at the end of the period	2,150,000		2,090,000	

Options over 700,000 (2009: 200,000) shares are exercisable at the end of the year with a weighted average exercise price of 25.8p. None were exercised during the year. The options outstanding at 30 June 2010 had a weighted average exercise price of 25p (2009 26p) and range from 12p to 30p, with a weighted average remaining contractual life of 2 years.

The key inputs to the Black Scholes model for options granted in the year and the previous year are as follows:

	Options granted 13 February 2009	**Options granted 2 November 2009**	**Options granted 3 March 2010**
Number of options granted	390,000	100,000	100,000
Share price at grant date	20.0p	15.5p	12.0p
Option exercise price	20.0p	15.5p	12.0p
Expected volatility	38%	33%	29%
Expected life	5 years	2 years	2 years
Risk free rate of return	1.6%	1.0%	1 %
Expected dividend yield	0%	0%	0 %
Fair value of option	6p	3p	3p
Sub-optimal coefficient	15%	16%	19%
Fair value of award	£23,400	£2,500	£ 2,500

24 EQUITY SETTLED SHARE OPTION SCHEME (*continued*)

Expected volatility of options granted in the year was determined by calculating the historical volatility of the Group's share price over the previous year. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations. The Group recognised total expenses of £32,500 and £37,000 related to equity settled share based payment transactions in the year ended 30 June 2010 and the year ended 30 June 2009 respectively.

25 FINANCIAL COMMITMENTS

The Group was committed to making annual payments of £23,213 at the 30 June 2010, under operating leases in respect of land and buildings (2009: £18,919).