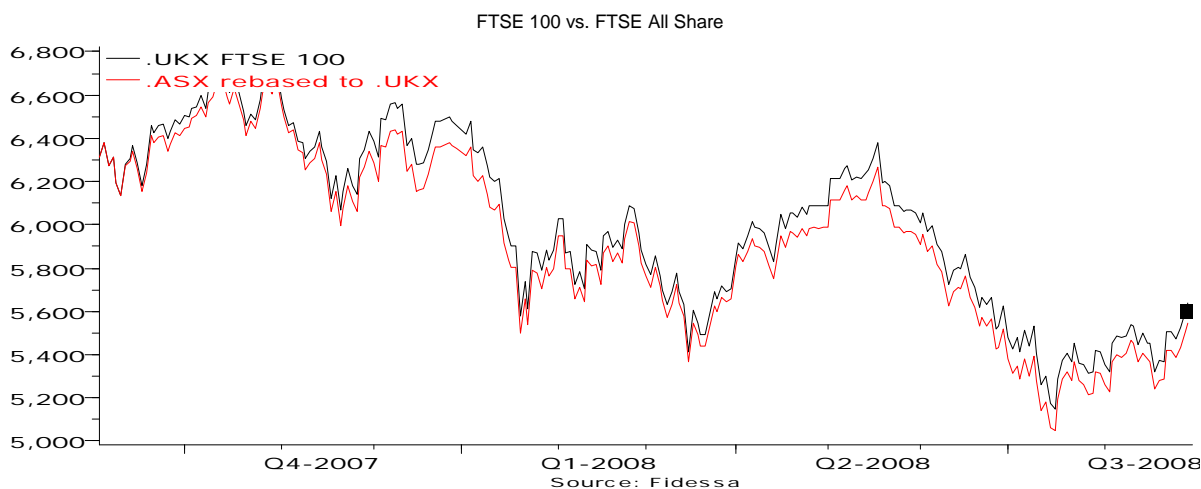


The Monthly September 2008

02 September 2008



Inflation is up, the stock market has been falling, the next move for interest rates is probably downwards. This is bad news for any company with a pension fund; Costain, which announced an increase in its pension deficit of 50% this week, will be the first of many. The UK Accounting Standards Board has suggested that for the discount rate applied to the liabilities, instead of the AA Corporate Bond yield, a 'risk free' rate, possibly the Government bond rate, be used. If this is adopted, it will have a dramatic impact on pension deficits. For the next year or so investment managers will once again want to exercise caution on companies with large traditional final salary pension schemes.

Companies with large pension fund deficits will doubtless oppose the move, but it makes sense. Indeed, there is a case for questioning the entire concept of discounting the deficit in the first place. After all, a company does not apply a discount rate to a five year bank term loan just because the loan does not have to be paid off immediately. A liability is a liability is a liability.

In general, large shares continue to outperform small shares, with the FTSE Index recovering at more than twice the rate of the Small Cap Index over the past month. Our shares have done well, rising only fractionally less than the FTSE and at more than twice the rate of the Small Cap Index. Rises have outnumbered falls by three to two, and the number of double figure percentage risers has been well ahead of the number of double figure percentage fallers.

Interestingly, three of our top ten performers have been property shares, a sector that most commentators had given up for dead. The bottom ten contains five natural resource stocks, as mineral, farm and oil prices have rolled over, well off their peaks. This will be good news for the inflation statistics worldwide in about six months' time, but meanwhile is tough on shareholders of those companies that have not yet secured their financing requirements.

Market Indicator	Price	Previous Month Price	% Change in 1 month	Year High	Year Low
FTSE 100	5633	5355	+5.19	6731	5150
FTSE All Share	2876	2723	+5.62	3454	2615

Accident Exchange

The Annual General Meeting and Interim Management Statement covering the first quarter of the current financial year to end July 2009 (i.e. 1 May 2008 to 31 July 2008) highlighted continued quarter-on-quarter growth across all of the group's core KPI's. Rental days were up 22% to 307,000, utilisation has risen from 61% to 65% and revenue from prestige vehicle hire has increased from 81% to 82%. Encouragingly, the Statement confirms 'margins have benefited' from these operational improvements helped by a 3.5% rise in ABI rental day rates.

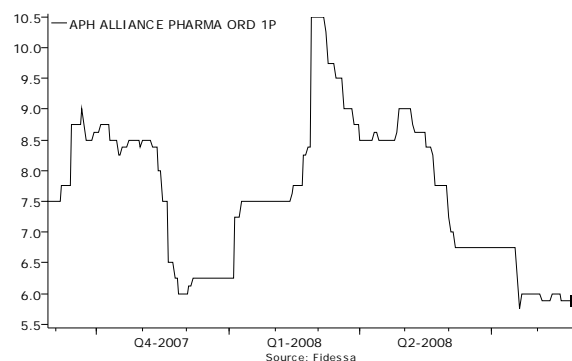


On the critical issue of cash flow, an up to date daily cash collection figure was not disclosed but it is clear that cash breakeven was not achieved in Q1 2009. This perhaps explains the lacklustre share price performance as the cash break-even target appears to be the market's key focus, at least short-term. Nevertheless, cash collected internally (for claims less than 120 days old) amounted to £33m in Q1 2009, a significant improvement on the £26.8m collected in Q1 2008 and in line with the £33.2m figure reported in the seasonally strong preceding quarter. The solicitor-led approach is continuing to deliver with cash collected from the group's litigation panel amounting to £6.6m in Q1 2009 against £1.4m in Q1 2008 and £4.8m in Q4 2008. The Accident Exchange balance sheet remains solid with management reporting effective working capital headroom of £29.5m against £37m in Q4 2008. Following the Interim Management Statement update we are leaving our current year basic earnings per share estimate unchanged at 20.5p. On a fully diluted basis we look for earnings per share of 13.5p due to a full twelve months dilution from the Convertible Loan Note Issue.

Accident Exchange Full List				ACE Specialty Finance		Price p.	52.5
						Cap £m	37.3
Y/E	Sales	Declared	Adjusted	Adjusted	p/e	Divi	Yield
April	£m	Profit £m	Profit £m	Basic eps p.	ratio	p.	%
2007A	119.6	13.6	18.0	18.2	2.9	3.0	5.7%
2008A	165.2	12.1	16.1	16.3	3.2	2.5	4.8%
2009E	201.6	19.4	20.5	20.5	2.6	3.0	5.7%
2010E	No Forecast						

Alliance Pharma

With the acquisition of the marketing rights to Pavacol-D, a cough suppressant, Alliance Pharma has added a further brand to its portfolio of niche prescription products. The Pavacol-D brand is of particular use in the case of dry and irritating coughs and as it is sugar free the brand is suitable for use by diabetics. Annualised sales in the UK are circa £400,000.

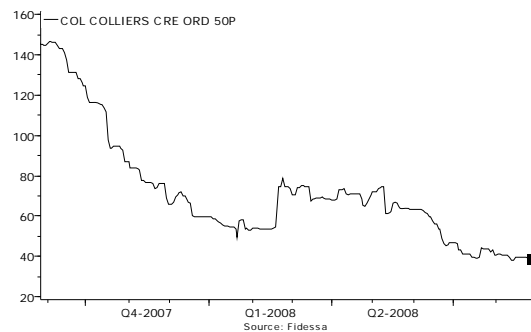


Consideration paid of £600,000 was made in part through a debt facility provided to Alliance Pharma by the Bank of Scotland and in part through proceeds from a tax rebate received in June 2008. The acquisition is expected to be earnings enhancing. Alliance's interim results are due for release on 10 September and we will therefore be updating our forecasts later this month.

Alliance Pharma AIM				APH Pharmaceuticals		Price p.	5.875
						Cap £m	9.5
Y/E	Sales	Declared	Adjusted	Adjusted	p/e	Divi	Yield
December	£m	Profit £m	Profit £m	Basic eps p.	ratio	p.	%
2006A	17.3	0.49	0.49	0.32	18.4	-	-
2007A	18.2	-3.21	0.37	0.23	25.5	-	-
2008E	20.3	2.05	2.05	1.27	4.6	-	-
2009E	21.3	2.48	2.48	1.21	4.9	-	-

COLLIERS CRE

Following the announcement of Colliers CRE's interim results last month we are reviewing our forecasts. Savills released its half year results last week. As with Colliers CRE Savills is continuing to find 2008 to be a challenging year and as has Colliers CRE, Savills has taken steps to reduce its cost base. While it is difficult to see any light at the end of the tunnel for the property sector Colliers CRE's diversified business streams should help to mitigate the damage.



Colliers CRE					COL	Price p.	38.5
AIM					Real Estate	Cap £m	17.4
Y/E	Sales	Declared	Adjusted	Adjusted	p/e	Divi	Yield
December	£m	Profit £m	Profit £m	Basic eps p.	ratio	p.	%
2006A	93.8	9.7	9.7	17.2	2.2	4.6	11.9%
2007A	117.5	12.2	9.4	11.8	3.3	5.0	13.0%
2008E	Forecasts	under	review				
2009E	Forecasts	under	review				

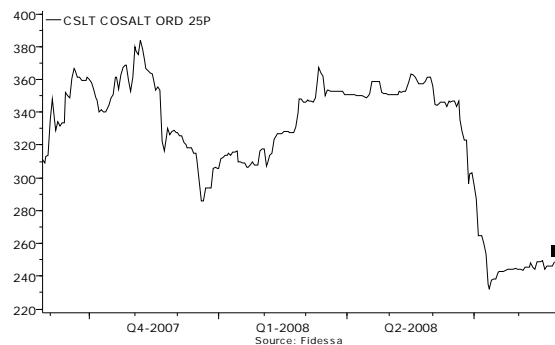
COUNTRY FOOD AND DINING

Important developments are under way at this unquoted vehicle for investment in farm shops. The first unit, at Hungerford in Berkshire, has been trading well and the premises have been expanded. A second unit is in the process of being purchased, and other potential deals are under investigation. To date, farm shops appear to have come through the recession well. We are in the process of preparing a new research note on this interesting company. Country Food and Dining's financial advisers are Smith & Williamson, who are represented on the board.

COSALT

We have revised our FY08 estimates on Cosalt to reflect the two share placings in July and to bring them into line with current market consensus.

Our new adjusted pre-tax profit estimate, adding back £1.9m of goodwill amortisation on acquired intangibles, has increased to £7.55m. This would imply fully diluted earnings per share of 20.56p, on a standard 28% tax charge, based on an increase in the total number of shares in issue to 26.45m. For 2009 we look for earnings per share to rise 28% to 26.32p. The shares are currently trading on a forward PER multiple of less than 10 times 2009 expected earnings and have a forward yield of 5%.



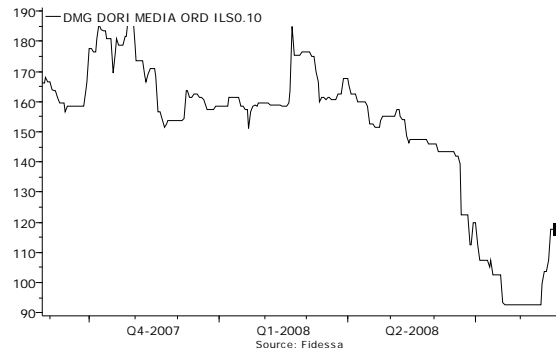
Cosalt					CSLT	Price p.	256
Full List					Diversified Inds	Cap £m	63.0
Y/E	Sales	Declared	Adjusted	Adjusted	p/e	Divi	Yield
October	£m	Profit £m	Profit £m	Basic eps p.	ratio	p.	%
2006A	124.0	1.91	2.01	10.41	24.6	18.75	7.3%
2007A	135.1	1.82	2.69	11.57	22.1	12.0	4.7%
2008E	110.0	5.65	7.55	20.56	12.5	12.0	4.7%
2009E	125.17	7.57	9.67	26.32	9.7	13.0	5.1%

* 2008 & 2009 estimates are calculated on a continuing business basis excluding Holiday Homes and Banner.

DORI MEDIA

DMG has just announced its interim results, on which we have issued a note. While there is a major impact from the new HOT TV channels, there has also been good growth in the telenovela business, as well as in the group's Indonesian TV channel. The outlook for telenovela looks extremely good; with 'LaLola', the company has achieved yet another hit success, selling into more than 52 countries.

These results show the group clearly on course for our full year targets. The next major event for the company is MIPCOM in Cannes, in October, a major trade event for the television world.

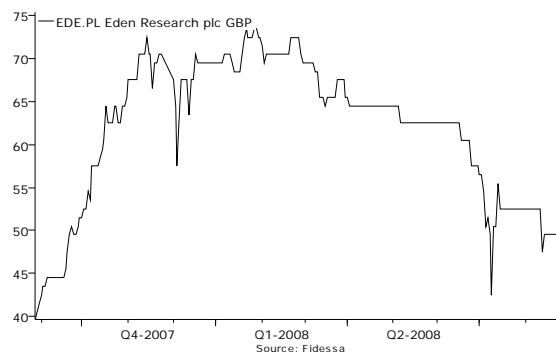


The share price, however, does not reflect this progress, having fallen by a third over the past six months. This leaves DMG looking very unassumingly valued compared to the media sector – despite the fact that with little advertising exposure, and a global mix of sales, it has a more attractive profile than many of the sector's bellwether stocks.

Dori Media AIM				DMG Media		Price p. Cap £m	117.5 24.0
Y/E	Sales £m	Declared Profit £m	Adjusted Profit £m	Adjusted Basic eps p.	p/e ratio	Divi p.	Yield %
December							
2006A	20.4	5.1	6.6	28.3	7.6	0.0	-
2007A	30.0	8.2	8.7	34.5	6.2	0.0	-
2008E	61.0	10.1	12.6	39.3	5.5	0.0	-
2009E	82.5	13.0	15.5	43.7	4.9	0.0	-

EDEN RESEARCH

There have been no further announcements from Eden this month. We expect positive developments as the company progresses towards achieving EU product approvals later this year.

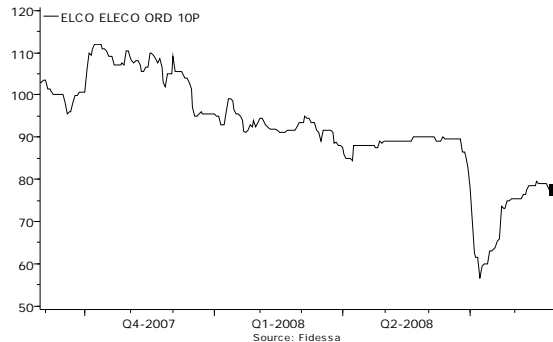


Eden Research PLUS				EDE Diversified Inds		Price p. Cap £m	51.0 26.18
Y/E	Sales £m	Declared Profit £m	Adjusted Profit £m	Adjusted Basic eps p.	p/e ratio	Divi p.	Yield %
December							
2007A	0.1	-3.7	-2.6	-5.6	-	0.0	-
2008A	0.4	-2.6	-2.2	-4.2	-	0.0	-
2009E	1.6	-1.8	-1.3	-2.8	-	0.0	-
2010E	No	Forecast					

ELECO

A range of home design software is to be launched at the Grand Designs Live exhibition on 10 October. The package will be based upon Arcon, which is Eleco's professional level 3D design software. Eleco's partner in the new project will be FremantleMedia Enterprises, and it will be marketed under the label Grand Designs 3D.

Eleco shareholders have also been targeted by a 'purported Canadian based company shown on the Financial Services Authority website as being on its list of unauthorized firms who are targeting or have targeted UK investors'. This firm has been offering to pay investors substantially above the market price for their shares 'with a view to acquiring 51% of Eleco's shares'. The motive, according to Eleco, may be to obtain share certificates and bank details. Eleco certainly does not believe that this is a prelude to a takeover bid, and neither do we. Shareholders who receive a call are advised to contact the Financial Services Authority.



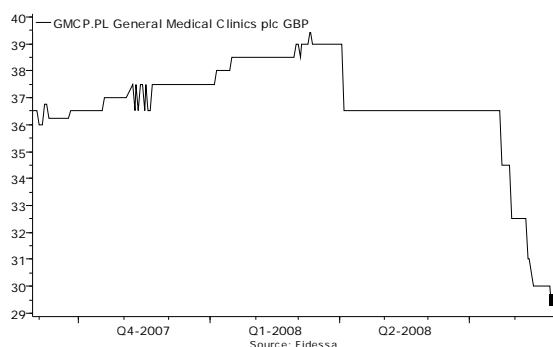
Eleco is in close period, with results for the year to end-June 2008 likely to be announced during October.

Eleco					ELCO	Price p.	77.5
AIM					Diversified Inds	Cap £m	46.0
Y/E	Sales	Declared	Adjusted	Adjusted	p/e	Divi	Yield
June	£m	Profit £m	Profit £m	Basic eps p.	ratio	p.	%
2006A	55.2	4.4	4.9	7.7	10.1	2.1	2.7%
2007A	61.9	5.9	5.9	9.3	8.3	2.5	3.2%
2008E	82.0	8.0	8.0	10.6	7.3	2.75	3.5%
2009E	No	Forecasts					

2007 Actual Results restated for IFRS. 2006 results are UK GAAP and not directly comparable.

GENERAL MEDICAL CLINICS

General Medical Clinics announced the agreement to lease a new clinic in Baker Street last month, which has a footprint of 2,000 sq. ft. The planning documents have been submitted to the landlord and should be approved shortly. Fit out will commence once the lease is signed. The Baker Street clinic is expected to open by the end of 2008. We will be looking further into the financials of the Baker Street clinic next month along with the group's FY08 results which are due later this month.

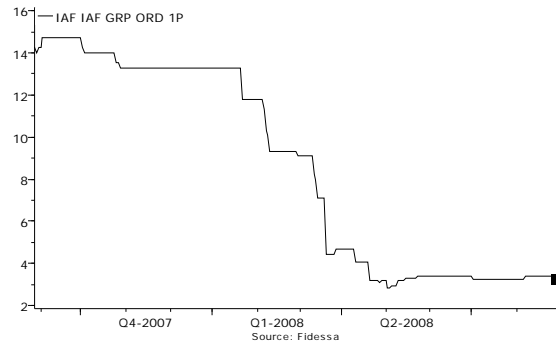


General Medical Clinics					GMCP	Price p.	29.5
UK: PLUS					Healthcare	Cap £m	4.9
Y/E	Sales	Declared	Adjusted	Adjusted	p/e	Divi	Yield
May	£m	Profit £m	Profit £m	Basic eps p.	ratio	p.	%
2006A	5.65	0.36	0.36	3.4	8.7	0.00	0.0%
2007A	6.40	0.35	0.47	2.5	11.8	0.00	0.0%
2008E	6.48	0.33	0.41	1.8	16.4	0.40	1.4%
2009E	7.08	0.49	0.49	2.0	14.8	0.50	1.7%

IAF GROUP

Stockbroking and corporate finance specialist IAF Group has declared a loss for the year, but has produced a 25% increase in core business turnover. Nobody should be surprised by these results.

IAF has new staff on board and the new year has started out well. Alex Borrelli, ex Shore Capital, has been recruited as the new Head of Corporate Finance while Menno de Jager who was for 31 years with ABN has been appointed as Deputy Chairman. Combined these two should spearhead a new push for IAF in Corporate Finance. With these new recruits and 17 fee earners now in the business one of IAF's problems, a shortage of staff, is now behind it.

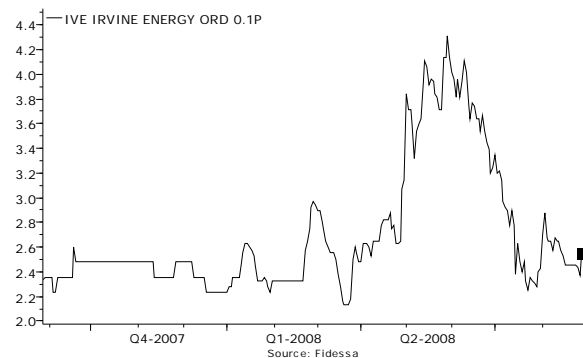


IAF Group				IAF		Price p.	3.3
AIM				Finance		Cap £m	2.1
Y/E	Sales	Declared	Adjusted	Adjusted	p/e	Divi	Yield
June	£m	Profit £m	Profit £m	Basic eps p.	ratio	p.	%
2007A	1.19	-1.94	-1.94	-3.32	-	0.00	-
2008E	1.48	-2.20	-2.20	-3.22	-	0.00	-
2009E	Forecasts	under	review				-
2010E	Forecasts	under	review				-

IRVINE ENERGY

Irvine Energy plc, which has exploration and production projects in Kansas and Oklahoma, held its Annual General Meeting on 31st July at which all resolutions were passed.

No further news has since been released to the market by Irvine although encouraging releases have been published by one of their partners in Australia which have stated that completion and fracture treatment of their first horizontal appraisal well to test the Woodford shale commenced in the middle of August. The final and fourth frac was scheduled to complete by the end of August with production testing of the well expected in early September.



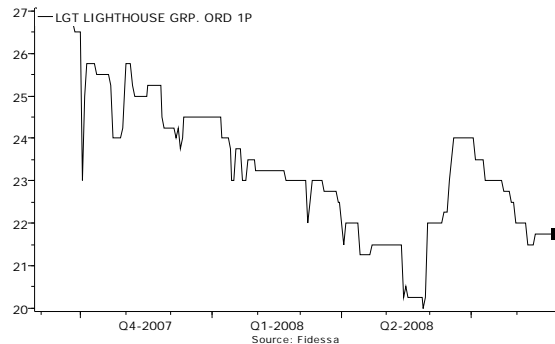
Notably for investors, in July, BP Plc. acquired 90,000 acres and multiple producing Woodford wells in the Woodford play in Oklahoma from Chesapeake Energy Corp for \$1.75bn and the area was the subject of a review by the AAPG published in explorer confirming the status of the Woodford play as one of the hot unconventional shale plays in the United States.

Irvine Energy				IVE		Price p.	2.6
AIM				Oil & Gas		Cap £m	16.6
Y/E	Sales	Declared	Adjusted	Adjusted	p/e	Divi	Yield
December	£m	Profit £m	Profit £m	Basic eps p.	ratio	p.	%
2006A	0.0	-0.2	-0.3	-0.12	-	0.00	-
2007A	0.0	-0.9	-1.1	-0.20	-	0.00	-
2008E	-	-	-	-	-	-	-
2009E	-	-	-	-	-	-	-

LIGHTHOUSE GROUP

IFA and wealth management group Lighthouse has added LV= Asset Management (LVAM), the fund management arm of mutual insurance and investment group LV= to its LighthouseCapital programme. As part of the new relationship, and to further develop the LighthouseCapital programme, LVAM has launched four new OEIC sub-funds. This will enhance the choice of funds available through the LighthouseCapital programme and should also bolster the group's recurring revenue streams, further increasing the quality and visibility of earnings.

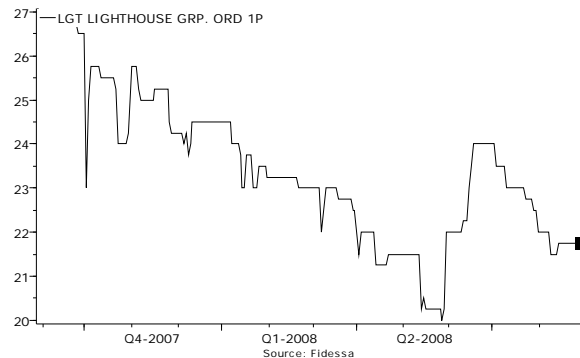
Interim results for the six months to end June 2008 will be announced on 22 September 2008.



Lighthouse Group	LGT					Price p.	21.75
AIM	Specialty Finance					Cap £m	16.4
Y/E	Sales	Declared	Adjusted	Adjusted	p/e	Divi	Yield
December	£m	Profit £m	Profit £m	Basic eps p.	ratio	p.	%
2006A	47.1	0.7	2.2	2.9	7.5	0.0	-
2007A	53.0	2.7	2.7	2.9	7.5	0.3	1.1%
2008E	No Forecast						
2009E	No Forecast						

LOK'NSTORE

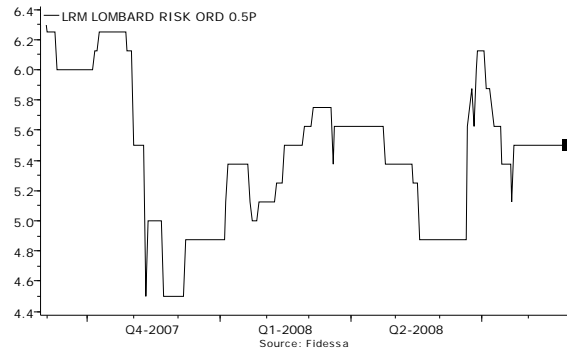
Trading updates from the self-storage sector, most recently from Europe's largest operator Safestore, continue to suggest that both enquiry and occupancy levels are declining (particularly from customers moving home due to the embattled housing market). On the positive side, average rental rates are increasing, in some cases in double figures, and there can be little doubt that the proliferation of new site openings is increasing consumer awareness of the industry. Safestore's management believes the company is on course to meet expectations for the full year." Lok'nStore has a July year end and is in close period. Whilst considerably smaller than Safestore, we believe it too is well-positioned to meet our FY08 estimates.



Lok'nStore	LOK					Price p.	125.5
AIM	Support Services					Cap £m	33.6
Y/E	Sales	Declared	Adjusted	Adjusted	p/e	Divi	Yield
July	£m	Profit £m	Profit £m	Basic eps p.	ratio	p.	%
2006A	8.95	-0.04	-0.02	-0.50	-	0.0	0.0%
2007A	10.67	0.95	0.37	1.20	104.6	0.67	0.5%
2008E	10.81	-0.76	-0.56	-2.10	-	1.10	0.9%
2009E	11.60	-1.01	-1.01	-3.80	-	1.20	1.0%

LOMBARD RISK MANAGEMENT

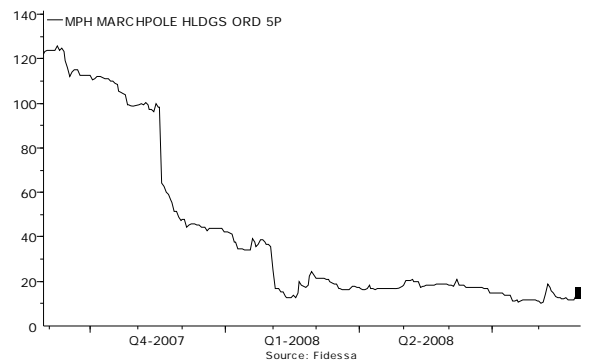
LRM has not yet issued its annual results and is now in close period. While the banking sector appears to be in freefall, LRM's regulatory and collateral management software is not 'nice to' but 'must have' technology, so is well placed to withstand the worst of the sector's woes.



Lombard Risk Mgt				LRM		Price p.	5.5
AIM				Software		Cap £m	7.4
Y/E	Sales	Declared	Adjusted	Adjusted	p/e	Divi	Yield
March	£m	Profit £m	Profit £m	Basic eps p.	ratio	p.	%
2006A	4.7	3.2	-2.8	-2.2	-	0.0	0.0%
2007A	6.9	-2.3	-0.5	-0.4	-	0.0	0.0%
2008E	8.7	-0.8	-0.8	-0.5	-	0.0	0.0%
2009E	10.3	0.5	0.5	0.4	13.8	0.0	0.0%

MARCHPOLE

A financing by Swedish fashion group Atlas opens the way for Marchpole to take full advantage of its deal to market men's clothing under the DKNY label from this winter season onwards. The DKNY deal is hugely important, DKNY sells \$3.5bn of women's clothing a year, and the prospects for the men's label must be very interesting. The Atlas financing allows Marchpole to build inventory ahead of a big push worldwide for the brand. The Atlas loan notes, when converted into equity, will give the Swedes a 29.9% stake in the company. This will dilute deputy chairman Michael Morris down from 30% to 20%. Atlas has put two directors on the Marchpole board.

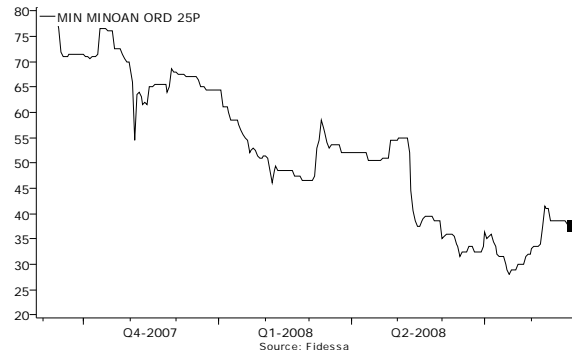


We intend to issue a new research note shortly.

Marchpole				MPH		Price p.	15.00
Full list				General Retailing		Cap £m	4.1
Y/E	Sales	Declared	Adjusted	Adjusted	p/e	Divi	Yield
March	£m	Profit £m	Profit £m	Basic eps p.	ratio	p.	%
2007A	90.5	6.2	6.2	15.3	1.0	3.75	25.0%
2008A	44.7	-6.1	-6.1	-19.9	-0.8	1.1	7.3%
2009E	No	Forecasts					
2010E	No	Forecasts					

MINOAN

There has been no news flow from the developers of Cavo Sidero, the Minoan Group. 4.8m new ordinary shares were issued in July following a combined share placing and the issue of new shares to satisfy company commitments. We do not expect any major news flow until an announcement is made regarding the appeal hearing against the Greek Government's approval of Minoan's Environmental Impact Study which is scheduled for 7 November.

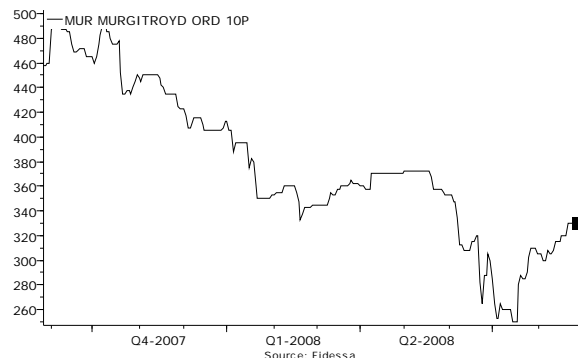


Minoan Group					MIN			Price p.	37.5
AIM					Leisure & Hotels			Cap £m	18.5
Y/E	Sales	Declared	Adjusted	Adjusted	p/e	Divi	Yield		
September	£m	Profit £m	Profit £m	Basic eps p.	ratio	p.	%		
2006A*	0.0	-0.9	-0.9	-3.2	-	0.0	-		
2007A*	0.0	-0.8	-0.8	-2.1	-	0.0	-		
2008A**	0.0	-1.7	-1.7	-3.6	-	0.0	-		
2008E	No	Forecast							

*March year end **12 months to March

MURGITROYD

European Patent and Trade Mark Attorney, Murgitroyd Group, has released its full year results for the year ending 31 May 2008. Top line sales of £25.7m were fractionally ahead of our forecast sales figure of £25.5m while pre-tax profit of £2.9m after allowing for a one-off onerous lease provision was spot on. Despite what is widely regarded as a difficult market the outlook for the Group appears to remain positive and the new year has started well. We are now forecasting EPS of 29.9p for 2009 and 31.9p for 2010.

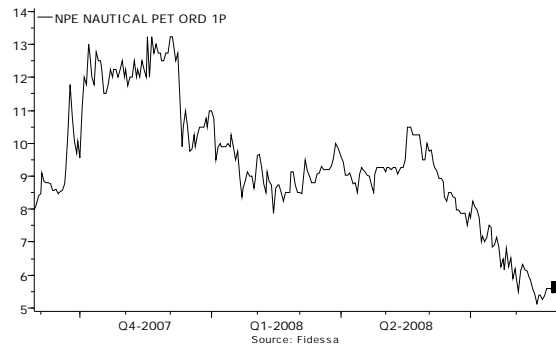


Murgitroyd					MUR			Price p.	332.5
AIM					Support Services			Cap £m	27.5
Y/E	Sales	Declared	Adjusted	Adjusted	p/e	Divi	Yield		
May	£m	Profit £m	Profit £m	Basic eps p.	ratio	p.	%		
2007A	22.8	2.9	2.9	24.2	13.7	9.0	2.7%		
2008A	25.7	2.9	3.1	25.3	13.1	9.5	2.9%		
2009E	29.8	3.6	3.6	29.9	11.1	11.3	3.4%		
2010E	31.3	3.8	3.8	31.9	10.4	12.0	3.6%		

NAUTICAL PETROLEUM

We have recently revised all our forecasts and valuations on Nautical Petroleum in a recent research note - Drilling Rig Secured for Hydra, Strong Cash Position After Farmout.

Our new cashflow model indicates a risked, discounted core value of 473m (37p/share) for Nautical, with risked exploration upside of an additional 103m or 8p/share which totals to 45p/share in aggregate. We estimate that cash receivables from farm-in partners will come to 6.7m which will leave Nautical with cash resources of around 13m at the end of FY09 sufficient to support Nautical's program up to the submission of field development plans for both Kraken and Mariner. These FDP submissions (and acceptances) will in turn trigger further cash payments to Nautical including the 10m carry from ENI which will become recoverable



Since our update note Nautical has announced two applications for licences in France on the Gax and Pontenx Permits, with Egdon Resources plc as operator.

The Gex Permit covers an area of 932 square kilometres and is located in Eastern France near the Swiss border. This permit will have a five year duration and an initial two year work programme reprocessing and re-interpreting existing seismic data with detailed geographical studies.

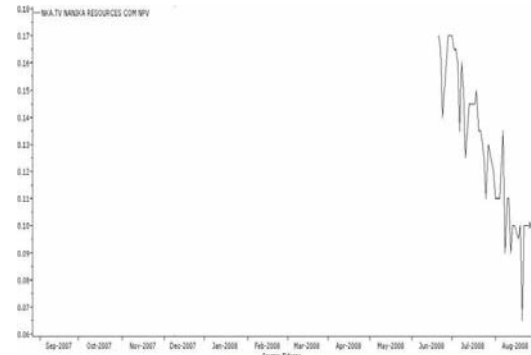
The Pontenx Permit which covers an area of 313 square kilometres is located in South West France on the southern margins of the Parentis Basin, an oil productive region on the west coast. This licence contains the abandoned Mimizan Nord heavy oil field with a number of other high potential prospects with good oil shows and tests.

Both applications are proceeding through the French system with formal awards anticipated in late 2008 or early 2009. We will look to assess both blocks in due course.

Nautical Petroleum				NPE	Price p.		5.5
AIM				Oil	Cap £m		59.3
Y/E	Sales	Declared	Adjusted	Adjusted	p/e	Divi	Yield
June	£m	Profit £m	Profit £m	Basic eps p.	ratio	p.	%
2006A	0.0	-7.2	-7.2	-0.78	-	0.0	-
2007A	0.0	-0.9	-0.5	-0.05	-	0.0	-
2008E	0.0	-4.6	-4.6	-0.4	-	0.0	-
2009E	0.0	-1.6	-1.6	-0.1	-	0.0	-

NANIKA RESOURCES

Nanika and its Korean partners at Lucky Ship, Palm Clean Energy Inc. and Daewon Chemical Co. Ltd., have agreed to use their 'best efforts' to conclude negotiations before September 15 2008. This date, now only two weeks away, is the key one for investors in this Canadian mining company. Palm Clean and Daewon have already partly financed exploration and development at the company's key molybdenum prospect. We would be surprised if the relationship falls apart. Meanwhile the previously signed option agreement with the Koreans, entered into on December 13 2006, remains in force.

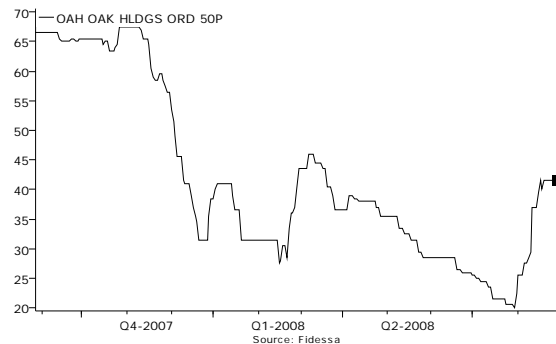


We visited Nanika in Vancouver at end July and were encouraged by our meetings with the management. The latest mineral resource estimate filed by the company gave, at a 0.03% grade cut-off, 92.6m lbs of Mo indicated and 12.2m lb Mo inferred.

Nanika/New Cantech				NCV:TSX-V	Price CANc.	11.0	
TSX-V				Mining Exploration	Cap. CAN\$	6.9	
Y/E	Sales	Declared	Adjusted	Adjusted	p/e	Divi	Yield
December	£m	Profit £m	Profit £m	Basic eps p.	ratio	p.	%
2006A	No	estimates	at present				
2007A							
2008E							
2009E							

OAK HOLDINGS

Oak Holdings, the developer behind YES! a mixed use leisure and entertainment based resort to be built in Rotherham, South Yorkshire, has made several announcements of late. A Development Agreement has been signed between the company and the Rotherham Metropolitan Borough Council. The signing formalises the Council's approval and brings an end to the necessary statutory approval process. The team at Oak will now be able to move forward with their plans, getting commitment from tenants and a development loan with which to bring the YES! project to fruition.



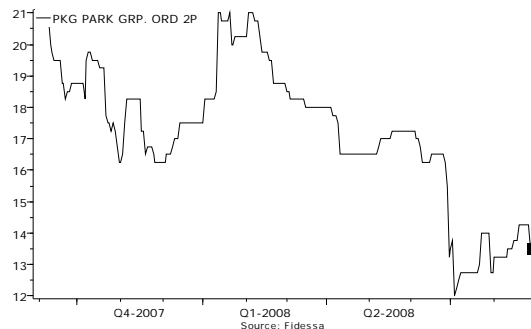
Since announcing the approval of the Council's Development Agreement at the end of July Oak's shares have soared over 100%. The company has also just now announced that it has had a formal valuation undertaken by HLL Humberts which has put Oak's interests in the YES! project at £21.0m.

Oak Holdings				OAH	Price p.	41.5	
AIM				Real Estate	Cap £m	6.2	
Y/E	Sales	Declared	Adjusted	Adjusted	p/e	Divi	Yield
October	£m	Profit £m	Profit £m	Basic eps p.	ratio	p.	%
2006A	0.1	-0.6	-0.6	-3.8	-	0.0	-
2007A	0.4	-0.5	-0.5	-3.1	-	0.0	-
2008E	No	Forecast					
2009E							

PARK GROUP

Park Group is approaching its peak cash flow period. Park is market leader in the Christmas savings market, and its teams of agents collect money from private individuals throughout spring and summer, paying the money back ahead of Christmas. We expect 47% of profits in the current financial year to be generated from investment income.

Customers sign up for a savings programme in the early Spring, and in a normal year the average customer sticks pretty rigidly to the savings plan. 2008, of course, has not been a normal year, but we pick up indications that Christmas club type savings schemes generally have held up very well. This is logical. While personal spending for people throughout Britain is under pressure, discretionary spending is suffering more than saving. We maintain our estimates, and our dividend projection which suggests a near 10% yield for the current year.



Park Group has no debt, and the March balance sheet showed £41m of net cash, of which £31m was money held in trust for customers.

Park Group	PKG				Price p.	13.5	
AIM	Consumer Finance				Cap £m	22.3	
Y/E	Sales	Declared	Adjusted	Adjusted	p/e	Divi	Yield
March	£m	Profit £m	Profit £m	Basic eps p.	ratio	p.	%
2007A	305.2	6.2	10.1	4.0	3.4	1.2	8.9%
2008A	225.1	4.5	5.2	2.2	6.1	1.2	8.9%
2009E	255.2	6.4	6.4	2.8	4.8	1.3	9.6%
2010E	278.1	7.0	7.0	3.0	4.5	1.4	10.4%

PHOTO-ME INTERNATIONAL

Principle Capital has been adding to its share stake, and with purchases at the end of August took its holding above 14%. This has had little impact on the share price, which is surprising as 48% of the equity is in the hands of ex-directors. The additional purchases by Principle amount to a significant proportion of the outstanding equity.

The Interim Management Statement from this company will probably be issued in mid-late September. No date has yet been announced.

We are maintaining our estimates, because the weakness in the Euro seen in recent weeks is relatively minor compared to its rise against the Pound earlier in 2008. We believe that as long as losses at the manufacturing business can be maintained, the steady profit generation of the vending operations ought to ensure a small profit, or breakeven at worst. One recent stockbroking estimate in the market is predicting a loss but at present we believe that is too pessimistic.

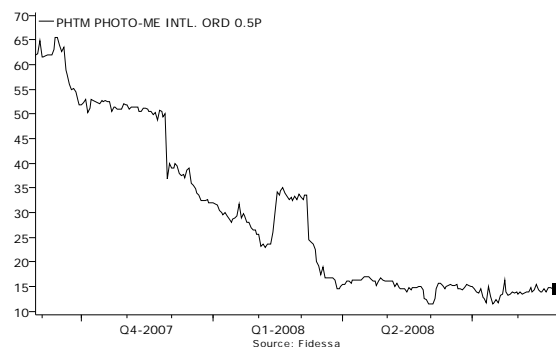


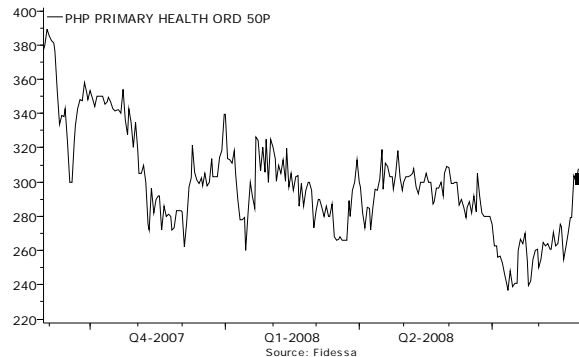
Photo-Me	PHTM				Price p.	14.5	
Full List	Support Services				Cap £m	52.1	
Y/E	Sales	EBITDA	Adjusted	Adjusted	p/e	Divi	Yield
April	£m	£m**	Profit £m**	Basic eps p.**	ratio	p.	%
2007A*	212.8	46.0	13.9	2.4	6.0	2.4	16.6%
2008A	209.6	35.8	-6.9	-2.0	-	0.0	-
2009E	200.1	36.4	1.3	0.2	72.5	0.0	-
2010E	192.2	38.5	4.8	0.9	16.1	0.2	1.4%

*Restated by management for sale of US business **Before exceptional items

PRIMARY HEALTH PROPERTIES

PHP, which invests in GP surgeries, delivered interims in line with our expectations, and showed a solid, safe performance. This company is fully listed, has a market capitalisation of c.a. £100m and yields c.a. 5.5%. Properties are virtually fully let on long leases where rents tend to increase in line with inflation.

Interim results showed 28.3% growth in the annualised rent on H1 2007 at £18.6m, reflecting the expansion in the property portfolio and the company's effectively upward-only rent reviews. Due to lower costs and the absence of performance fees, operating profit before revaluation and financing costs stood at £7m, a high 76.2% of rents and related income. Profit after tax adjusted for unrealised losses and one-off costs grew by 25.6% to £2.7m, and the interim dividend was raised by 10% to 8.25p/share.



NAV per share rose from 369.4p in H2 2007 to 373.4p. This included 14p derived from a higher fair value of interest rate swaps in the balance sheet equity account. Before this addition, NAV per share stood at 259.4p. Reported passing yield (rental yield based on past rentals) shifted by 20bps, rising from 5.35% to 5.55%. The company has indicated that on a DCF basis, 104p would be added to NAV per share, with the following assumptions (same as MedicX Fund's): 7% discount rate, 3% rent increase, 1% capital gain rise. Interestingly, terminal value represented a modest 25% of this DCF-based valuation which is positive as it implies that the bulk of the valuation is derived from visible cashflows.

The business is expanding thanks to the ongoing reform of public primary care. PHP added several premises recently, including a large one in May which leverages the drive towards a loose polyclinic model of primary care services. Bank covenants are still comfortably met, with LTV at 62% v. 75% maximum allowed and interest cover at 2.1x v. 1.3x minimum required. Our forecasts for 2008 are unchanged due to the company's sustained cashflows over the long term, a feature which stands out positively in a market where profits and dividends are being slashed.

The downturn in the property sector has inevitably affected the stock but it retains its strong defensive characteristics.

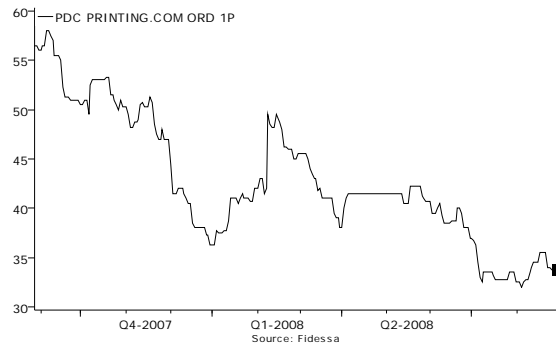
Primary Health	PHP				Price p.	303.5	
Full List	Real Estate				Cap £m	102.0	
Y/E	Sales	Declared	Adjusted	Adjusted	p/e	Divi	Yield
December	£m	Profit £m	Profit £m	Basic eps p.	ratio	p.	%
6/2006A	11.1	18.4	3.9	16.5	18.4	13.5	4.4%
6/2007A	14.1	14.3	4.0	14.6	20.8	15.0	4.9%
12/2007/A*	15.7	-12.8	4.2	13.8	22.0	15.5	5.1%
12/2008/E	18.0	2.0	4.2	12.5	24.3	16.5	5.4%

*12 Month Period- change of year end from June to Dec.

PRINTING.COM

We are pulling back our 2009 and 2010 estimates following the Annual General Meeting Statement in late July.

Whilst we understand current trading volumes continue to be ahead of last year, the levels achieved remain below management's own expectations. Consequently we are scaling back our FY09 estimates, reducing turnover from £15.2m to £14.3m and pre-tax profit from £2.8m to £2.5m. Our new eps estimate is 3.8p, down from 4.2p previously. For 2010 we now look for sales of £16.4m (£17.4m), pre-tax profit of £2.8m (£3.1m) and earnings per share of 4.2p (4.6p). Our new dividend per share estimates for 2009 and 2010 are 3.1p and 3.3p respectively. Even on our reduced dividend estimates, the shares are yielding over 9%. Printing.com usually releases a pre-close trading update in September.



Printing.com				PDC	Price p.	33.75	
AIM				Retailing	Cap £m	15.9	
Y/E	Sales	Declared	Adjusted	Adjusted	p/e	Divi	Yield
March	£m	Profit £m	Profit £m	Basic eps p.	ratio	p.	%
2007A	12.1	2.3	2.3	3.4	9.9	2.50	7.4%
2008A	13.5	2.4	2.4	3.5	9.6	3.00	8.9%
2009E	14.3	2.5	2.5	3.8	8.9	3.10	9.2%
2010E	16.4	2.8	2.8	4.2	8.0	3.30	9.8%

R.E.A. HOLDINGS

Interim results will be released at the end of September and R.E.A. Holdings is heavily in close period. The company has, however, confirmed that the whole of the proposed initial tranche of £15,000,000 nominal of further guaranteed sterling loan notes payable in 2015/17 and bearing an initial interest rate of 9.5% has been placed firm with dealings commencing on 22 August 2008.



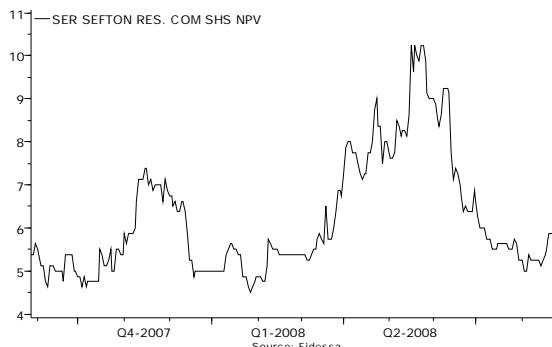
In sector news, commodity prices have been sold down heavily in recent weeks and the palm oil price (CPO) is no exception. Having hit a record \$1400/mt in March, the CPO price has tumbled 25% in the past month alone and currently stands at \$860/mt. The falls mirror the decline in the crude oil price which has fallen 22% from its July peak to \$114 a barrel, diminishing the appeal of palm oil as an alternative fuel source. Bumper harvests of other vegetable crops – particularly rapeseed and sunflower seed – and the fact that the palm oil price has had a particularly steep bull run have also contributed to the price fall. The R.E.A. management team have consistently cautioned that the palm oil price bubble was not sustainable.

Our estimates model assumes the CPO price, CIF Rotterdam will stabilize at 950/mt over the next three years. This could prove optimistic but we prefer to adopt a wait and see approach for the time being because price volatility remains high. We will revisit our assumptions after the interim results statement.

R.E.A. Holdings				RE.	Price p.	480.0	
Full List				Food	Cap £m	157.4	
Y/E	Sales	Declared	Adjusted	Adjusted	p/e	Divi	Yield
December	USDm	Profit USDm	Profit USDm	Basic eps p.	ratio	p.	%
2006A	33.1	19.76	11.06	17.8	49.3	1.0	0.2%
2007A	57.6	47.01	38.98	73.0	12.0	2.0	0.4%
2008E	81.5	52.91	44.91	87.5	10.0	3.0	0.6%
2009E	102.6	70.93	62.93	125.4	7.0	4.0	0.8%

SEFTON RESOURCES

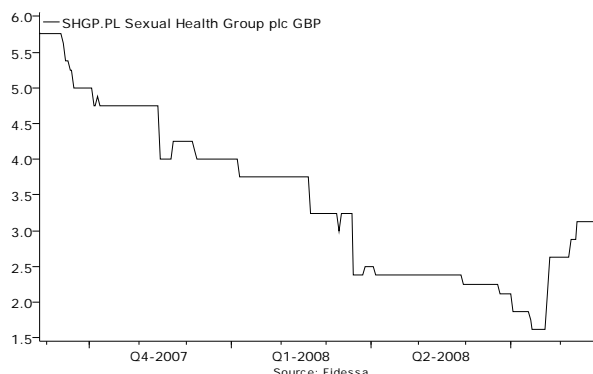
There has been no news from Sefton Resources this month. However with the recent successful steaming we look forward to upcoming results with confidence.



Sefton Resources				SER	Price p.		5.8
AIM				Oil and Gas	Cap £m		6.2
Y/E	Sales	Declared	Adjusted	EPS	p/e	Divi	Yield
December	USD\$m	Profit \$m	Profit \$m	c/share	ratio	p.	%
2005A	1.81	-0.56	-0.56	-0.74	-	0.0	-
2006A	2.70	-0.38	-0.38	-0.56	-	0.0	-
2007A	2.98	0.20	0.20	0.40	87.30	0.0	-
2008E	7.96	4.46	4.02	3.40	4.50	0.0	-

S.H.G.

Sexual Health Group's results showed sales up 18% thanks to strong demand, as sexual health and patient hygiene are top priorities of the NHS. Gross operating margin rose from 44% to 45%, due to a rising proportion of higher-margin new products and own-brand products. Cost control also contributed positively, as administrative costs were flat. Net loss for the year was cut by about a quarter to £0.2m.



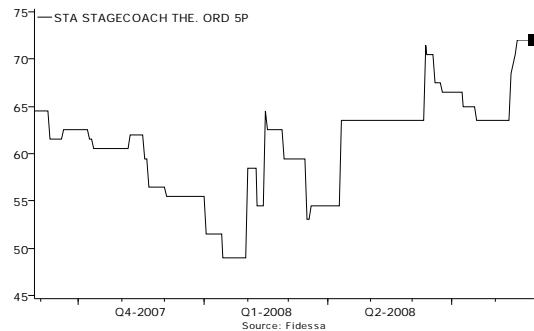
SHG is an approved NHS supplier in the areas of sexual health, patient hygiene and diagnostic products, with a significant 5% market share of the NHS condom market, representing 1.7% of the total UK market. In April 2008, SHG envisaged the acquisition of Pasante, a larger competitor, but the project was eventually withdrawn. SHG then launched a £500,000 share and convertible unsecured loan issue to fund the replacement of loans close to redemption, the costs of the withdrawn Pasante acquisition, and working capital needs aimed at supporting growth – with the recruitment of a new sales person. £305,000 has been raised so far (2/3 in shares, 1/3 in convertible loan notes) and the share issue is still ongoing at 2p.

SHG's future growth should be driven by its strong pipeline of new product development as well as acquisitive growth aimed at helping the company reach critical size, and potential targets have already been identified in this respect. Gross margin should continue to increase, thanks to the wider product offering and increasing own branding. This, combined with sustained cost control, bodes well for SHG's future profitability.

SHG plc				SER	Price p.		3.125
PLUS				Oil and Gas	Cap £m		4.3
Y/E	Sales	Declared	Adjusted	Adjusted	p/e	Divi	Yield
March	£m	Profit £m	Profit £m	Basic eps p.	ratio	p.	%
2007A	0.6	-0.23	-0.23	-0.61	-	0.0	-
2008A	0.7	-0.19	-0.19	-0.52	-	0.0	-
2009E		No	Forecasts				-
2010E		No	Forecasts				-

STAGECOACH THEATRE ARTS

FY08 results were substantially ahead of our expectations with the company reporting an 89% rise in pre-tax profits to £0.71m thanks to better-than-expected growth in network fees and a reduction in costs. Cash generation was equally impressive with cash inflows from operating activities more than doubling to £1.1m and the company finished the year with cash in hand of £1m, a significant improvement on the £0.34m reported in 2007. In light of the good progress made and healthy cash position, dividend payments were resumed at 2p/share, ahead of our 0.5p/share forecast.

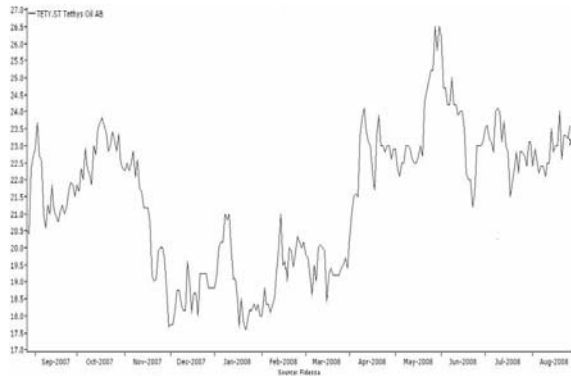


The Chairman's statement accompanying the results was upbeat. The company 'has yet to see any negative impact' from the downturn in economic activity suggesting its schools remain as popular as ever. Trading in the current year so far supports this with network fees for the first two months of the current year (June and July) reportedly up 5% y-on-y and several new schools contracted to open in September. Ordinarily we would be upgrading at this stage. However, tighter conditions in the credit markets will inevitably make it difficult for potential franchisees to raise finance and for this reason we conservatively leave our FY09 forecasts unchanged.

Stagecoach Theatre Arts				STA	Price p.		72.0
AIM				Theatre Arts	Cap £m		7.1
Y/E	Sales	Declared	Adjusted	Adjusted	p/e	Divi	Yield
May	£m	Profit £m	Profit £m	Basic eps p.	ratio	p.	%
2007A	6.32	0.37	0.37	1.71	42.1	0.0	0.0%
2008A	6.33	0.71	0.71	5.1	14.1	2.0	2.8%
2009E	6.46	0.72	0.72	5.14	14.0	2.2	3.1%
2010E	6.91	0.90	0.90	6.54	11.0	2.4	3.3%

TETHYS OIL

Drilling of the Jebel Aswad JAS-2 on Block 15 in Oman has now finished with a total measured depth of 4,018 metres. Nearly a kilometre of lateral section has been drilled out into the reservoir section at around 3,000 metres. Encouragingly the reservoir seen in the lateral well appears to confirm similar or better petrophysics than that seen in the JAS-1 well which flowed 2,626 BOEPD on test last year.



A 3D seismic survey over the Jebel Aswad structure is underway with acquisition and processing of the raw data anticipated by end September so field development plans may be prepared for first production scheduled for next summer. Outside of Oman Tethys have announced that near-term drilling plans are firming up for Thrace in Turkey and Bouanane in Morocco.

Tethys reported a loss for the first six months 2008 of TSEK 8,631 impacted by net foreign exchange losses due to weaker US dollar. The majority of these exchange rate losses are translation differences and were therefore non cash related items. Earnings per share amounted to SEK 0.40 for H108 and SEK 0.13 for Q2.

Tethys Oil				TETY.SE	Price p.		23.5
AIM				Oil	Cap £m		451.2
Y/E	Sales	Declared	Adjusted	Adjusted	p/e	Divi	Yield
December	£m	Profit £m	Profit £m	Basic eps p.	ratio	p.	%
2005A	0.0	-14.4	-14.4	-1.09	-	0.0	-
2006A	0.0	-29.8	-29.8	-1.94	-	0.0	-
2007A	0.0	-24.7	-24.7	-1.41	-	0.0	-
2008E	0.0	-8.3	-8.3	-0.37	-	0.0	-

THOR MINING

A Chief Operating Officer has been appointed. He is Ian Sheffield-Parker, and his previous positions include Project Manager – Frontier Project for First Quantum Minerals in the Democratic Republic of Congo, Executive Director of Skardon River’s Kaolin Project and General Manager of Eneabba Mineral Sands for Illuka Resources. The appointment is an important one, and very necessary as the Molyhill project moves towards commercial exploitation. John Young remains as Chief Executive Officer. The level of activity at the company is enough to justify the separation of the two roles.



Western Desert Resources has acquired a 16.7% shareholding in Thor, and three of its nominees have been appointed to the Thor board. John Barr, who had been executive chairman, has resigned. Over the course of the next six months Thor is likely to move its operational base to Adelaide – it is currently based in Perth.

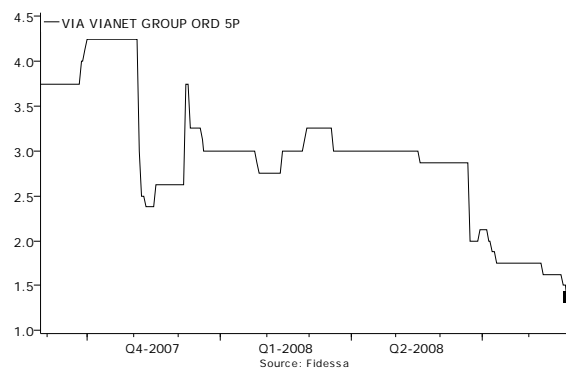
In its latest quarterly report, CEO John Young reported that the share register had now been cleared of the overhang created by the collapse of the Australian stockbroker Opes Prime.

Thor is currently active in Molybdenum (at Molyhill, its most advanced project), tungsten, wolfram and uranium. Its exploration is also producing samples showing some values for gold, silver, tin and copper. We produced a new research note on Thor Mining on 11 August.

Thor Mining					THR	Price p.	3.25
AIM					Mining	Cap £m	4.5
Y/E	Sales	Declared	Adjusted	Adjusted	p/e	Divi	Yield
June	£m	Profit £m	Profit £m	Basic eps p.	ratio	p.	%
2006A	0.0	-0.7	-0.7	-1.1	-	0.0	0.0%
2007A	0.0	-1.4	-1.4	-1.3	-	0.0	0.0%
2008E	No	Forecasts					
2009E	No	Forecasts					

VIANET

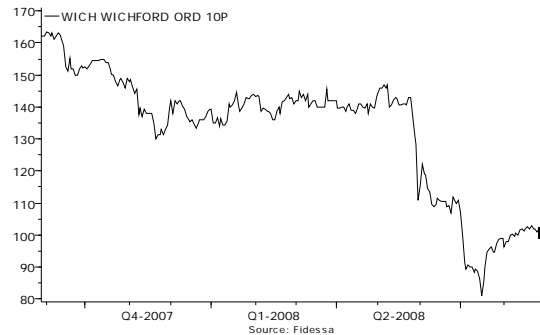
There has been no news from Vianet in the past month. The shares are now trading at a year low of 1p, which could make it difficult for the company to raise cash from the market. We believe Vianet could now look attractive to a corporate (possibly telecoms) buyer wanting to add Vianet’s telemetry, M2M and cashless payment capabilities to a network or services portfolio.



Vianet					VIA	Price p.	1.38
AIM					IT Hardware	Cap £m	3.5
Y/E	Sales	Declared	Adjusted	Adjusted	p/e	Divi	Yield
December	£m	Profit £m	Profit £m	Basic eps p.	ratio	p.	%
2006A	0.6	-1.7	-1.7	-0.7	-	0.0	-
2007A	1.0	-1.7	-1.7	-0.8	-	0.0	-
2008E	1.1	-1.7	-1.7	-0.6	-	0.0	-
2009E	3.6	-1.1	-1.1	-0.2	-	0.0	-

WICHFORD

Wichford has confirmed two deals recently: 1) the Trillium agreement bearing on c.a. £60m of its assets and leading to lengthening lease maturities, increasing CPI indexation (a very positive move in an environment of rising inflation) and adding c.a. 7 to 10p to NAV per share and 2) the purchase of a building in The Hague to be let as office space for the International Courts of Justice, bought at £26.9m (12,350 sq.m., CPI index, 5.9% yield). Of note, the indexed portfolio has become dominant which enhances the bond-like characteristics of the share.



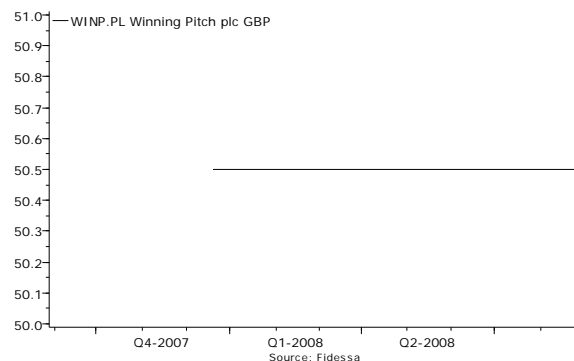
Wichford remains a quality property play, with a focus on government occupiers. The company has limited LTV bank covenants, as the UK portfolio (80% of total assets) has no LTV bank covenants and although the European portfolio does, unused borrowing capacity can be used to reduce LTV on other bank facilities. In addition, Wichford has limited interest rate risk, as the bulk of its assets are matched against bank borrowings with interest-rate risk eliminated through swaps. Currency risk is only in the Euro and limited to the NAV of European assets (as both related assets and liabilities are denominated in Euro).

The company is also considering using its cash reserve to take advantage of current market conditions by either making acquisitions at attractive prices or buying back its own shares. A share buyback would increase Wichford's gearing but given a high prospective dividend yield, it would be considerably cheaper for it than paying dividends – and it would also increase its NAV per share.

Wichford Full List					WICH Property	Price p.	101.0
						Cap £m	135.0
Y/E	N.A.V	Declared	Trading	Trading	Discount to	Divi	Yield
September	p.	PBT £m	PBT £m	Eps p.	NAV	p.	%
2006A	217	52.9	8.0	8.1	-37%	9.5	9.4%
2007A	208	-9.6	11.6	9.7	-35%	10.2	10.1%
2008E	121	-96.1	13.8	10.4	-18%	10.4	10.3%
2009E	132	31.0	16.0	12.1	-17%	10.6	10.5%

WINNING PITCH

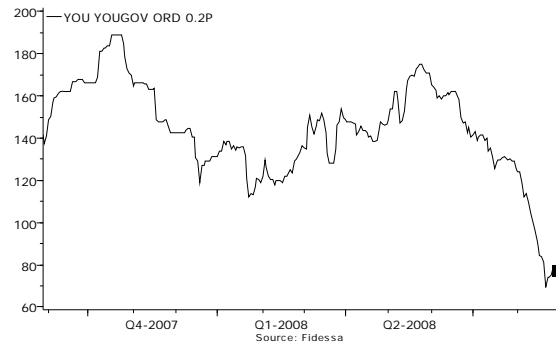
Plus listed business consultancy Winning Pitch is coming up to its first year of life as a listed company. The team continues to actively pursue new opportunities and we anticipate a progress update in the near future. In the difficult times in which we are operating it may be that Winning Pitch's services will be increasingly in demand – re-focusing and energizing businesses that have perhaps lost their focus, teaching methods for creating sustainable growth in sales and business development performance, sales coaching and strategy and providing innovation support.



Winning Pitch PLUS					WINP Support Services	Price p.	50.5
						Cap £m	2.5
Y/E	Sales	Declared	Adjusted	Adjusted	p/e	Divi	Yield
December	£m	Profit £m	Profit £m	Basic eps p.	ratio	p.	%
2006A	0.3	0.2	0.2	-	-	-	-
2007A	0.4	0.1	0.1	-	-	-	-
2008E	No	Forecasts					
2009E	No	Forecasts					

YUGOV

Online market research agency, YouGov, has announced that its revenues for FY2008 are on track to meet market expectations of over £40m. All businesses are performing well with both YouGov's UK and its Middle East businesses achieving revenue growth of over 35% and the integration of Polimetrix, Psychnomics and Zapera proceeding according to plan. In line with its growth plans YouGov has been investing heavily in both its people and its assets. Integrated data centres and offices have been established in both Berlin and in Palo Alto in the US. As a result of these increased expenditures YouGov expects to report adjusted normalised operating profit before tax for the year to 31 July 2008 of £8.5m versus our previous forecast of £9.9m. Preliminary results are due for release on 13 October 2008.



YouGov AIM				YOU Media		Price p. Cap £m	76.0 70.4
Y/E	Sales £m	Declared Profit £m	Adjusted Profit £m*	Adjusted Basic eps p.	p/e ratio	Divi p.	Yield %
2006A	9.6	4.1	4.1	4.2	34.6	0.0	-
2007A	14.3	5.6	5.7	6.1	23.9	0.0	-
2008E	40.5	4.2	8.5	6.1	17.3	0.0	-
2009E	50.3	8.9	11.1	7.9	14.7	0.0	-

*Declared net profit before tax plus amortisation and excluding exceptional items

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