Interim Results
for the six months ended 31 December 2007

avanticapital

Group Review

Interim Results for the six months ended 31 December 2007

Avanti Capital Plc, the AIM quoted private equity company, announces interim results for the six months ended 31 December 2007.

HIGHLIGHTS

- As at 31 December 2007, the Group had net assets (excluding the accounting effects of the consolidation of Eclectic Bars Limited) of £15.8 million or 197 pence per ordinary shares.
- As at 31 December 2007, the Group had net assets on a consolidated basis of £13.2 million or 164 pence per ordinary share.
- mBlox Inc continues its successful expansion and completes $22.0 million fund-raising.
- Eclectic Bars' business is robust with satisfactory performance in a challenging environment.
- Share buy back policy to continue.

28 March 2008

ENQUIRIES:
Avanti Capital Plc **Tel: 020 7299 1459**
Julian Fellerman
Richard Kleiner

Interim Results for the six months ended 31 December 2007

Adopted IFRS

The Group's shares are traded on the Alternative Investment Market ('AIM') and the AIM rules require that the next annual consolidated financial statements of the Group for the year ending 30 June 2008 be prepared in accordance with Adopted IFRS, as adopted by the European Union.

This interim financial information has been prepared on the basis of the recognition and measurement requirements of Adopted IFRS that are anticipated to be effective (or available) for adoption at 30 June 2008, the Group's first annual reporting date at which it is required to use Adopted IFRS. Based on those Adopted IFRS, the directors have applied the accounting policies, as set out in the restatement document referred in Appendix 1 of this interim financial information, which they expect to apply when the first annual IFRS financial statements are prepared for the year ending 30 June 2008.

However, the Adopted IFRS that will be effective (or available for early adoption) in the financial statements for the year ending 30 June 2008 are still subject to change and additional interpretations and therefore cannot be determined with certainty. Accordingly, the accounting policies for that annual period will be determined finally only when the annual financial statements are prepared for that year.

Results of the Group

As at 31 December 2007, the Group had net assets (excluding the accounting effects of the consolidation of Eclectic Bars Limited of £15.8 million (2006: £15.2 million) or 197 pence per share (2006: 181 pence per share). It is the view of the board that this basis gives shareholders the most relevant measure of the underlying value of the net assets within the guidelines for the valuation and disclosure of venture capital portfolios.

As at 31 December 2007, the Group had net assets on a consolidated basis of £13.1 million (2006: £14.0 million) or 164 pence per share (2006: 166 pence per share).

In the period to 31 December 2007, the loss before exceptional items, excluding the consolidation of Eclectic Bars Limited, was £942,000 (2006: £207,000). The loss on a consolidated basis was £864,000 (2006: £499,000). The results include, within finance cost, an amount of approximately £900,000 being an adjustment to the mBlox valuation pursuant to the terms of the fund-raising of $22.0 million which completed in late November 2007 and which reflects the change in the investment climate.

All of the above figures have been arrived at after making an adjustment in the provision for the carried interest, which as at 31 December 2007 amounted to £1.679 million or 21 pence per share. The payment of such a carried interest is dependent upon the realisation of the individual assets being at values which are, at least, equal to the values stated in these interim results.

Net asset values (excluding the accounting effect of the consolidation of Eclectic Bars Limited), per Avanti share by category were:

Investments	Carrying value (pence per share)
Espresso	5
mBlox	97
Medcenter	4
PoNaNa (Eclectic Bars Limited)	95
Others	1
Net current assets including cash	16
Total	**218**

Note:

The total in the above table does not take account of any dilutory effect of the Long Term Incentive Share Scheme options or the carried interest under the investment advisory agreement. Details of the Long Term Incentive Share Scheme options and the carried interest were set out in the company's 2007 Annual Report.

Portfolio Investments

Eclectic Bars

During the six months to 31 December 2007, the bar and club sector saw a fair amount of distress however, against this backdrop, the business traded well. The site EBITDA for the business for the six month period under review was £1.1 million before Head Office costs. Whilst 2007 showed a reduction in turnover due to the closure of loss-making Sites, the EBITDA was broadly in line with the internal forecast made by management and on a like for like basis is broadly in line with the results for the pervious year. During the period the new site at Lincoln was opened and has seen sales and site EBITDA ahead of forecast.

Whilst the sector remains challenging, the management team continues to explore sound expansion opportunities both organically and by merger and acquisition.

As at 31 December 2007, the carrying value of the Company's investment in Eclectic Bars was £7.6 million or 95 pence per share.

Espresso

The business continues to perform in line with expectations. The Channel 4 Learning acquisition made by Espresso in 2007 is progressing well and the business has continued to expand its presence in the UK education market. With over 10,000 schools now taking its primary school services, the acquisition has enabled Espresso to begin marketing its services to the secondary schools market. During the past year, Espresso has received many industry accolades in addition to winning both a Royal Television Society Award and a BAFTA. The business made its second consecutive appearance in the Sunday Times Tech Track 100 league table which ranks Britain's fastest-growing private tech companies based on sales growth. The business has recently started international expansion by launching its services in Sweden.

As at 31 December 2007, the carrying value of the Company's investment in Espresso was £366,000 or 5 pence per share.

mBlox

During the six months to 31 December 2007 mBlox continued its successful expansion. The 2007 year has seen revenues up over 40% on a like for like basis.

With 12 offices covering North America, Europe, Asia Pacific and Africa, mBlox delivered over 2 billion application-to-person transactions in 2007, demonstrating the continued appetite for mobile messaging-based services. These transactions covered a wide range of applications including, mobile originated and terminated messages and Premium SMS, powered mobile business, mobile marketing and mobile entertainment worldwide.

mBlox predicts that within three years, mobile carriers will more than double their revenues from off-portal entertainment. Carrier revenues will grow to $8 billion by 2011 compared to $3 billion in 2007. This growth will be derived from providing value added and enabling services to off-portal publishers. The research, conducted in conjunction with Cambridge University's Judge Business School, found that this additional revenue will principally come from three newly emerging areas: WAP billing, sender pays data and handset/subscriber data. These services will help off-portal content and service providers to meet growing consumer demand for rich mobile entertainment on the mobile internet.

In February 2008, mBlox launched its global WAP Billing platform. Bringing together the next generation in mobile technology and mBlox's unrivalled strength in mobile billing and delivery, the platform provides a user-friendly payment experience which will fuel further growth for mobile content providers.

In late November 2007, mBlox raised $22.0 million in a Series E round taken up by the principal existing investors and a substantial new late-stage investor. The Company invested $0.25 million. The terms of the investment (with its preferences) reflect the change in the investment climate giving an implied valuation of the Company's interest in mBlox of £7.8 million.

As at 31 December 2007, the carrying value of the Company's investments in mBlox was £7.8 million or 97p per share.

Medcenter

Medcenter is a multinational pharmaceutical marketing company specialising in innovative solutions that increase drug sales and business effectiveness.

In the third quarter of 2007, Medcenter entered into a five year exclusive collaboration and revenue sharing agreement with Web MD, to market and sell Web MD products throughout Latin America, Spain and Portugal and for Web MD to market and sell Medcenter products in the United States. The venture is co-branded as Medcenter / Medscape. Web MD is the largest internet provider of medical intelligence in the United States and enjoys a 95 % market share. The collaboration represents Web MD's first move outside of the United States and, to date, has exceeded the expectations of both parties in terms of sales and market reception. Both companies are in discussions to extend the collaboration to other countries.

In late 2007, Medcenter completed a capital raising of $8.0 million from certain existing investors at a value which is about 10% higher than when the Company made its investment.

Subject to market conditions, Medcenter is considering a stock exchange listing within the next 12 months, but continues to believe that the value of its assets would be best exploited and maximised by being comprised within a larger group. With this objective, Medcenter continues to be in discussions with respect to various potential business combinations

As at 31 December 2007, the carrying value of the Company's investment in Medcenter was £303,000 or 4 pence per share. This carrying value does not reflect the terms of the 2007 capital raising.

Others

In relation to the remainder of the legacy investments in the Group's portfolio, the Board continues to seek ways of maximising value to the group. As at 31 December 2007, the aggregate carrying value of these investments was £86,000.

J M Fellerman

R H Kleiner

28 March 2008

Consolidated Income Statement
for the six months ended 31 December 2007

	Notes	Unaudited 6 months ended 31 Dec 2007 £000	Unaudited 6 months ended 31 Dec 2006 (restated to IFRS) £000	Unaudited 12 months ended 30 Jun 2007 (restated to IFRS) £000
Revenue	3	**4,970**	6,973	**12,607**
Cost of sales		**(804)**	(1,158)	**(2,112)**
Gross profit		**4,166**	5,815	**10,495**
Administrative expenses – others		**4,063**	(5,839)	**(13,194)**
Operating profit/(loss) (pre-exceptional items)		**103**	(24)	**(2,699)**
Administrative expenses – exceptional	5	**(161)**	(698)	**(1,471)**
Operating loss (post-exceptional items)		**(58)**	(722)	**(4,170)**
Other income		**57**	–	**105**
Operating loss		**(1)**	(722)	**(4,065)**
Gain on disposal of tangible assets		**–**	–	**374**
Finance revenue		**70**	41	**3,571**
Finance cost		**(933)**	–	**(5)**
Loss on ordinary activities before taxation		**(864)**	(681)	**(125)**
Taxation		**–**	–	**–**
Minority interest		**–**	182	**–**
Loss for the period		**(864)**	(499)	**(125)**
Loss per share – basic and diluted	4	**(10.77)p**	(5.90)p	**(1.51)p**

5 Consolidated Balance sheet
at 31 December 2007

	Unaudited 6 months ended 31 Dec 2007 £000	Unaudited 6 months ended 31 Dec 2006 (restated to IFRS) £000	Unaudited 12 months ended 30 June 2007 (restated to IFRS) £000
Assets			
Non current assets			
Goodwill	**4,454**	4,397	**4,454**
Property, plant & equipment	**1,176**	1,406	**871**
Financial assets held at fair value through income statement	**8,560**	6,411	**9,276**
	14,190	12,214	**14,601**
Current Assets			
Inventories	**126**	163	**80**
Trade and other receivables	**1,043**	1,233	**967**
Cash and cash equivalents	**1,044**	1,690	**1,457**
	2,213	3,086	**2,504**
Current liabilities			
Bank overdrafts	**(509)**	–	**(117)**
Finance leases	**(4)**	(4)	**(4)**
Trade and other payables	**(1,056)**	(1,305)	**(1,144)**
	(1,569)	(1,309)	**(1,265)**
Net current assets	**644**	1,777	**1,239**
Total assets less current liabilities	**14,834**	13,991	**15,840**
Non-current liabilities			
Finance leases	**(3)**	(10)	**(5)**
Provisions	**(1,679)**	–	**(1,819)**
	(1,682)	(10)	**(1,824)**
Net Assets	**13,152**	13,981	**14,016**
Capital and Reserves			
Called up share capital	**4,815**	5,060	**4,815**
Capital redemption reserve	**1,409**	1,164	**1,409**
Merger reserve	**2,045**	2,045	**2,045**
Retained earnings	**4,883**	5,894	**5,747**
Avanti Group shareholders equity	**13,152**	14,163	**14,016**
Minority interests	**–**	(182)	**–**
Total equity	**13,152**	13,981	**14,016**

Approved by the board on 28 March 2008

Richard Kleiner
Julian Fellerman

Consolidated Statement of Cash flows
For the period ended 31 December 2007

	Unaudited 6 months ended 31 Dec 2007 £000	Unaudited 6 months ended 31 Dec 2006 £000	Unaudited 12 months ended 30 Jun 2007 £000
Cash flows from operating activities			
Operating loss for the period	(1)	(722)	(4,065)
Depreciation	152	181	362
Provision against fixed asset investment (including exchange loss)	(74)	–	635
Increase/(decrease) in provision for carried interest	(140)	–	1,819
(Increase)/decrease in inventories	(46)	38	121
(Increase) in trade and other receivables	(76)	(387)	(121)
Increase/(decrease) in trade and other payables	(88)	1,189	1,024
Cash (outflow)/inflow generated from operating activities	(273)	299	(225)
Cash from operating activities			
Interest received	70	41	71
Interest paid	(20)	–	(5)
Net cash from operating activities	(223)	340	(159)
Cash flows from investing activities			
Purchase of property, plant & equipment	(457)	(74)	(87)
Purchase of intangible assets	–	(183)	(334)
Purchase of investments	(128)	(52)	(52)
Proceeds from sale of property, plant & equipment	–	3	3
Proceeds from sale of intangible fixed assets	–	–	740
Receipts from sales of fixed asset investments	3	–	94
Net cash outflows used in investing activities	(582)	(306)	364
Cash flows from financing activities			
Purchase of own shares	–	(147)	(668)
Net cash generated from financing activities	–	(147)	(668)
Net decrease in cash and cash equivalents	(805)	(113)	(463)
Cash and cash equivalents at start of period	1,340	1,803	1,803
Cash and cash equivalents at end of period	535	1,690	1,340

7 Consolidated statement of changes in Equity (unaudited)

	Share Capital £000	Merger Reserve £000	Capital Redemption Reserve £000	Minority Interest £000	Retained Earnings £000	Totals £000
At 1 July 2006	5,131	2,045	1,093	1	6,540	14,810
Own shares acquired	(71)	–	71	–	(148)	(148)
Loss for the period	–	–	–	(183)	(498)	(681)
At 31 December 2006	5,060	2,045	1,164	(182)	5,894	13,981
Own shares acquired	(245)	–	245	–	(520)	(520)
Loss for the period	–	–	–	182	373	555
At 30 June 2007	4,815	2,045	1,409	–	5,747	14,016
Loss for the period	–	–	–	–	(864)	(864)
At 31 December 2007	4,815	2,045	1,409	–	4,883	13,152

1. Basis of preparation of interim financial information

The financial information for the 6 months ended 31 December 2006 and 31 December 2007 does not constitute statutory accounts for the purposes of S240 of the Companies Act 1985 and has not been audited.

For the year ended 30 June 2007, and previous accounting periods, the Group prepared its audited full year and unaudited financial statements under UK Generally Accepted Accounting Principles ("UK GAAP"). From 1 July 2007, the Group is required to prepare its published financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU") and implemented in the UK, as well as those parts of the Companies Act 1985 that are applicable to companies reporting under IFRS. UK GAAP differs in some areas from IFRS.

The Company's transition date for adoption of IFRS is 1 July 2006 and the Company has prepared its opening IFRS balance sheet at that date.

The interim financial statements of the Group for the six months ended 31 December 2007 have been prepared in accordance with the principal accounting policies set out in Appendix 1 – these policies have been consistently applied to all periods presented. The interim financial statements have been prepared in accordance with those IFRS standards, as adopted by the EU, and IFRIC Interpretations issued and effective as at the time of issuing these interim financial statements. The IFRS standards and IFRIC Interpretations that will be applicable at 30 June 2008, including those that will be applicable on an optional basis, are not known with certainty at the time of preparing these interim financial statements.

The changes to accounting policies are explained in Appendix 2, together with a reconciliation of the balance sheets at 30 June 2006, 31 December 2006 and 30 June 2007, and of the profit and loss account for the periods at 31 December 2006 and 30 June 2007, as reported under UK GAAP to the balance sheet and income statement under IFRS, as reported in these financial statements. The note also includes a reconciliation of net assets at the date of transition.

2. Accounting policies

The accounting policies used in the preparation of the financial information for the 6 months ended 31 December 2007 are the IFRS accounting principles as expected to be applied to the Group's first IFRS financial statements for the year ended 30 June 2008, as set out in the IFRS transition statements on pages 13 to 15.

3. Segmental information

	Unaudited 6 months ended 31 Dec 2007 £000	Unaudited 6 months ended 31 Dec 2006 (restated to IFRS) £000	**Unaudited 12 months ended 30 Jun 2007 (restated to IFRS) £000**
Revenue by products and services			
Bars and nightclubs	**4,970**	6,934	**12,548**
Rental income	**–**	39	**59**
	4,970	6,973	**12,607**

4. Earnings per share

	Unaudited 6 months ended 31 Dec 2007 £000	Unaudited 6 months ended 31 Dec 2006 (restated to IFRS) £000	**Unaudited 12 months ended 30 Jun 2007 (restated to IFRS) £000**
Loss for the period	**(864)**	(499)	**(125)**
Basic weighted and diluted number of shares	**8,025,752**	8,457,265	**8,031,887**
Earnings per share (pence) – Basic and diluted	**(10.77)**	(5.90)	**(1.51)**

5. Exceptional items

	Unaudited 6 months ended 31 Dec 2007 £000	Unaudited 6 months ended 31 Dec 2006 (restated to IFRS) £000	**Unaudited 12 months ended 30 Jun 2007 (restated to IFRS) £000**
Provision for impairment of fixed asset investments	2	–	88
Deal and merger costs:			
– Redundancy costs	–	340	552
– Cost on share buy back	–	1	7
– Cost of abortive deals	70	23	17
Restructuring charges	89	334	807
	161	698	1,471

6. Pro-forma information

The Accounting Standards require the Group to consolidate Eclectic Bars Limited. Shareholders may find it useful to see the separate trading results and net assets of Avanti Capital plc and Eclectic Bars Limited as shown in this pro-forma.

The adjustments shown within the pro-forma financial information enables a reconciliation to be made to the consolidated interim results which comprise the usual consolidation items including fees and interest charged by the Group to Eclectic Bars Limited and the inclusion within the pro-forma Profit and Loss, of EBITDA for Eclectic Bars Limited for the 26 week period ended 30 December 2007.

Income Statement	Avanti Capital plc £000	Eclectic Bars Limited £000	Adjustments £000	Group Total £000
Revenue	53	4,970	(53)	4,970
	53	4,970	(53)	4,970
Less: cost of sales	–	(804)	–	(804)
Gross profit	53	4,166	(53)	4,166
Operating expenses	(286)	(3,818)	53	(4,051)
Other income	2	55	–	57
EBITDA	(231)	403	–	172
Depreciation	(1)	(151)	–	(152)
Finance cost	(913)	(153)	133	(933)
Finance revenue	203	–	(133)	70
Loss/(profit) on ordinary activities before Taxation and exceptional items	(942)	99	–	(843)
Exceptional items – other	138	(159)	–	(21)
(Loss) on ordinary activities before taxation	(804)	(60)	–	(864)
Taxation	–	–	–	–
(Loss) on ordinary activities after taxation	(804)	(60)	–	(864)
Minority interest	–	–	–	–
(Loss) for the period After minority interest	(804)	(60)	–	(864)

Assets				
Non-current assets				
Goodwill	–	6,476	(2,022)	4,454
Property, plant & equipment	4	1,172	–	1,176
Financial assets held at fair values the through income statement	16,136	–	(7,576)	8,560
	16,140	7,648	(9,598)	14,190
Current assets				
Inventories	–	126	–	126
Trade & other receivables	331	846	(134)	1,043
Cash and cash equivalents	1,044	–	–	1,044
	1,375	972	(134)	2,213
Current liabilities				
Bank overdrafts	–	509	–	509
Finance leases	–	4	–	4
Trade & other payables	57	1,133	(134)	1,056
	57	1,646	(134)	1,569
Net current assets/(liabilities)	1,318	(674)	–	644
Total assets less current liabilities	17,458	6,974	(9,598)	14,834

Creditors: amounts falling due after one year				
Shareholders' loan	–	(7,576)	7,576	–
Finance leases	–	(3)	–	(3)
Provisions	(1,679)	–	–	(1,679)
Net assets	15,779	(605)	(2,022)	13,152
Represented by:				
Called up share capital	4,815	–	–	4,815
Capital redemption reserve	1,409	–	–	1,409
Merger reserve	2,045	–	–	2,045
Retained earnings	7,510	(605)	(2,022)	4,883
Shareholders' funds	15,779	(605)	(2,022)	13,152

Appendix 1
Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all periods presented.

1. Basis of consolidation

The Group financial statements consolidate those of the Company and its subsidiary undertakings drawn up to 31 December 2007. Subsidiaries are entities over which the Group has the power to control the financial and operating policies so as to obtain benefits from its activities. The Group obtains and exercises control through voting rights.

The purchase method of accounting is used to account for the acquisition of subsidiaries by group companies. The cost of an acquisition is measured as the fair value of assets given, equity instruments issued and liabilities incurred or assumed at the date of acquisition, plus costs directly attributable to the expansion. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The excess acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of net assets acquired, the difference is recognised directly in the income statement.

2. Segmental reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. Save for the product and services analysis of turnover asset out in Note 3 to the half yearly results the Board considers that the Group's activities are derived from UK.

3. Revenue recognition

Turnover comprises the value of goods and services provided during the period, excluding value added tax. Each element of turnover is recognised when:

(i) Supply of goods and services has taken place;

(ii) There are no significant obligations remaining to be delivered; and

(iii) Collection of the amount due from the customers is reasonably assured.

Income which is recognised in turnover but not invoiced at the period end is recorded in prepayments and accrued income in debtors. Where invoices are raised in advance of the provision of services they are recorded as deferred income in creditors.

4. Property, plant and equipment

All property, plant and equipment is shown at cost less accumulated depreciation and any accumulated impairment losses. Cost excludes expenditure that is directly attributable to the acquisition of the items.

Depreciation is provided to write off the costs, less estimated residual values, of all fixed assets over its estimated useful life:

a. Leasehold property – Life of lease
b. Leasehold improvements – 4 years
c. Furniture and fittings – 4 years
d. IT equipment – 3 years
e. Motor vehicles – 3 to 5 years

5. Financial assets

All investments undertaken by the Group are classified as financial assets held at fair through the income statement. Any fair valuations, including impairment, are taken to the income statement.

6. Intangible assets – goodwill

Goodwill represents the excess of cost of the purchase or certain assets and liabilities from a company that was under administration at the date of purchase. This goodwill is tested annually for impairment and carried at cost less accumulated impairment losses.

This goodwill is not allocated to a cash-generating unit as the group is not able to recognise if a benefit would arise from such treatment.

7. Trade receivables

Trade receivables are recognised at fair value less provision for impairment. A provision for impairment is established when there is objective evidence that the group will not be able to collect all amounts due on the original terms of the receivables.

8. Cash and cash equivalents

Cash and cash equivalents includes cash in hand, cash in transit, deposits held at call with banks, other short-term liquid investments with original maturities less than three months or less.

9. Financial instruments and derivatives

The Group's financial instruments comprise cash and cash equivalents and other items, such as trade receivables and trade payables that arise directly from its operations. The main purpose of these financial instruments is to provide working capital and raise finance for the Group's operations.

The group does not enter into derivative transactions such as interest rate swaps and forward contracts.

10. Trade payables

Trade payables are recognised at fair value.

Summary of significant accounting policies

11. Borrowings
Borrowings, including bank overdrafts, are recognised at fair value, net of transaction costs incurred. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least one year after the balance sheet date.

12. Provisions
Provisions for liabilities are recognised when the company has a present legal or constructive obligation as a result of past event, and it is considered more likely than not that an outflow of resources will be required to settle that obligation, and the amount can be reliably estimated. Provisions are measured at the present value of the directors' best estimate of the expenditure required to settle the obligation at the balance sheet date.

13. Deferred taxation
Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

Deferred tax assets are regarded as recoverable and recognised in the financial statements when, on the basis of available evidence, it is more likely than not there will be suitable taxable profits from which the future reversal of the timing differences can be deducted. The recoverability of tax losses is assessed by reference to forecasts which have been prepared and approved by the Board. The deferred tax assets and liabilities are not discounted.

14. Foreign currencies
Transactions in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated to sterling with the rate of exchange ruling at the balance sheet date. Differences on exchange arising from the retranslation of the opening net investments are taken to reserves and reported in the statement of recognised gains and losses. All foreign exchange differences are taken to the income statement.

15. Operating leases
Operating lease rentals are charged to the income statement on an accrual basis over the term of the lease.

16. Shares
Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown equity as a deduction from the proceeds of the issue. This is applied to all share buybacks retrospectively.

Explanations of transition to IFRS

The tables below show the main impact of IFRS on:

i. the consolidated income statements for the year ended 30 June 2007 (date of last UK GAAP statements) and the six months ended 31 December 2006 (half year comparative period) and;

ii. the consolidated balance sheets as at 1 July 2006 (date of transition to IFRS), 30 June 2007 (date of last UK GAAP statements) and 31 December 2006 (half year comparative period).

The main areas of these financial statements impacted by the transaction to IFRS are detailed below.

Consolidated Income Statement UK GAAP to IFRS reconciliation

	Notes	6 months ended 31.12.2006 UK GAAP £000	Effect of transition to IFRS £000	6 months ended 31.12.2006 IFRS £000	12 months ended 30.06.2007 UK GAAP £000	Effect of transition to IFRS £000	12 months ended 30.06.2007 IFRS £000
Revenue		6,973	–	6,973	12,607	–	12,607
Cost of sales		(1,158)	–	(1,158)	(2,112)	–	(2,112)
Gross profit		5,815		5,815	10,495		10,495
Administrative expenses – others	i	(6,160)	321	(5,839)	(13,821)	627	(13,194)
Operating loss (pre-exceptional items)		(345)	321	(24)	(3,326)		(2,699)
Administrative expenses – exceptional		(698)	–	(698)	(1,471)	–	(1,471)
Operating loss (post-exceptional items)		(1,043)	321	(722)	(4,797)	627	(4,170)
Other income		–	–	–	105	–	105
Operating loss		(1,043)		(722)	(4,692)	627	(4,065)
Gain on disposal of tangible assets		–	–	–	374	–	374
Finance revenue	ii	41	–	41	71	3,500	3,571
Finance costs		–	–	–	(5)	–	(5)
Loss on ordinary activities before taxation		(1,002)	321	(681)	(4,252)	4,127	(125)
Income tax expense		–		–	–	–	–
		(1,002)		(681)	(4,252)	4,127	(125)
Attributable to:							
Equity holders of the company		(820)	321	(499)	(4,252)	4,127	
Minority interest		(182)		(182)	–		–
		(1,002)	321	(681)	(4,252)	4,127	(125)

13 Appendix 2 continued
Explanations of transition to IFRS

Consolidated Balance Sheet UK GAAP to IFRS reconciliation

		At 30 June 2006			At 31 December 2006			At 30 June 2007		
			Effect			Effect			Effect	
		UK GAAP	of IFRS	IFRS	UK GAAP	of IFRS	IFRS	UK GAAP	of IFRS	IFRS
	Notes	£000	£000	£000	£000	£000	£000	£000	£000	£000
Assets										
Non current assets										
Goodwill	i	4,214	–	4,214	4,076	321	4,397	3,827	627	4,454
Property, plant & equipment		1,513	–	1,513	1,406	–	1,406	871	–	871
Financial assets held at fair value through income statement		6,362	–	6,362	6,411	–	6,411	9,276	–	9,276
		12,089	–	12,089	11,893	321	12,214	13,974	627	14,601
Current Assets										
Inventories		201	–	201	163	–	163	80	–	80
Trade and other receivables		846	–	846	1,233	–	1,233	967	–	967
Cash and cash equivalents		1,803	–	1,803	1,690	–	1,690	1,457	–	1,457
		2,850	–	2,850	3,086	–	3,086	2,504	–	2,504
Current liabilities										
Bank overdrafts		–	–	–	–	–	–	(117)	–	(117)
Finance leases		–	–	–	(4)	–	(4)	(4)	–	(4)
Trade and other payables		(129)	–	(129)	(1,305)	–	(1,305)	(1,144)	–	(1,144)
		(129)	–	(129)	(1,309)	–	(1,309)	(1,265)	–	(1,265)
Net current assets		2,721	–	2,721	1,777	–	1,777	1,239	–	1,239
Total assets less current liabilities		14,810	–	14,810	13,670	321	13,991	15,213	627	15,840
Non-current liabilities										
Finance leases		–	–	–	(10)	–	(10)	(5)	–	(5)
Provisions		–	–	–	–	–	–	(1,819)	–	(1,819)
		–	–	(10)	–	(10)	(1,824)	–	(1,824)	
Net Assets		14,810	–	14,810	13,660	321	13,981	13,389	627	14,016
Capital and Reserves										
Called up share capital		5,131	–	5,131	5,060	–	5,060	4,815	–	4,815
Capital redemption reserve		1,093	–	1,093	1,164	–	1,164	1,409	–	1,409
Revaluation reserve	ii	1,984	(1,984)	–	1,984	(1,984)	–	5,484	(5,484)	–
Merger reserve		2,045	–	2,045	2,045	–	2,045	2,045	–	2,045
Minority interests		1	–	1	(182)	–	(182)	–	–	–
Retained earnings		4,556	1,984	6,540	3,589	2,305	5,894	(364)	6,111	5,747
Total equity		14,810	–	14,810	13,660	321	13,981	13,389	627	14,016

Notes

IFRS adjustments

i) IFRS 3 Business Combinations

Under UK GAAP, goodwill arising on a business combination was amortised over its estimated economic life. Under IFRS, goodwill is not amortised but is tested for impairment at least annually. The adjustments therefore related to the write back of goodwill amortisation charged from the date of transition to IFRS.

ii) Financial income

Financial assets held at fair value through profit and loss which were previously classified as fixed assets investments under UK GAAP and the revaluation taken to revaluation reserves. Under IFRS, these amounts are reflected in the income statement.

Consolidated Cash Flow UK GAAP to IFRS reconciliation

In relation to cash flow reporting, under UK GAAP the Group has previously reported its cash flows in accordance with FRS 1 (Revised 1996) 'Cash Flow Statements'. The objectives and principles of this standard are similar to those set out in the equivalent IFRS standard, IAS 7 'Cash Flow Statements'. Other than the differences in respect of classification of cash flow items, reporting under IAS 7 has had no significant effect on the reports net cash flows for the year ended 30 June 2007 (date of last UK GAAP statements) and the six months ended 31 December 2006 (half year end comparative).

Copies of this Announcement will be available, free of charge, from the Company's office at 25 Harley Street, London W1G 9BR for a period of 1 month from the date of this Announcement. A copy of this Announcement will also be available on the Company's website at www.avanticap.com.

Independent review report to Avanti Capital plc

Introduction

We have been engaged by the Company to review the condensed set of financial statements in the Interim Report for the six months ended 31 December 2007 which comprises the Consolidated income statement, the Consolidated statement of changes in equity, the Consolidated balance sheet and the Consolidated cash flow statement and the related notes 1 to 5. We have read the other information contained in the Interim Report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the Company in accordance with guidance contained in ISRE 2410 (UK and Ireland) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our work, for this report, or for the conclusions we have formed.

Directors' responsibilities

The Interim Report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the Interim Report in accordance with the AIM Rules issued by the London Stock Exchange which require that it is presented and prepared in a form consistent with that which will be adopted in the company's annual accounts having regard to the accounting standards applicable to such annual accounts.

The condensed set of financial statements included in this Interim Report has been prepared in accordance with the basis of preparation outlined in note 1 and with the AIM Rules issued by the London Stock Exchange.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the Interim Report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the Interim Report for the six months ended 31 December 2007 is not prepared, in all material respects, in accordance with the basis of preparation outlined in note 1 and in accordance with the AIM Rules issued by the London Stock Exchange.

Ernst & Young LLP
London

28 March 2008

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