

THE RETHINK GROUP LIMITED
(PREVIOUSLY KNOWN AS RETHINK RECRUITMENT SOLUTIONS LIMITED)
REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

BDO Stoy Hayward LLP
Commercial Buildings
11-15 Cross Street
Manchester
M2 1WE

THE RETHINK GROUP LIMITED
(PREVIOUSLY KNOWN AS RETHINK RECRUITMENT SOLUTIONS LIMITED)
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FOR THE YEAR ENDED 31 DECEMBER 2007

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THE RETHINK GROUP LIMITED
(PREVIOUSLY KNOWN AS RETHINK RECRUITMENT SOLUTIONS LIMITED)
COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2007

DIRECTORS:

J Sadiq
J Butterfield
I P Blair
J O'Sullivan
A Lord
M J Bennett
P Dundon
S Church
R O'Callaghan
S P Salvin

SECRETARY:

P Dundon

REGISTERED OFFICE:

3rd Floor
25 Cross Street
Manchester
M2 1WL

REGISTERED NUMBER:

5078352 (England and Wales)

AUDITORS:

BDO Stoy Hayward LLP
Commercial Buildings
11-15 Cross Street
Manchester
M2 1WE

BANKERS:

Bank of Scotland
600 Gorgie Road
Edinburgh
EH11 3XP

THE RETHINK GROUP LIMITED
(PREVIOUSLY KNOWN AS RETHINK RECRUITMENT SOLUTIONS LIMITED)
REVIEW OF THE BUSINESS
FOR THE YEAR ENDED 31 DECEMBER 2007

Performance

In 2007 we achieved strong revenue and profit growth from 2006. Profits before tax were up by over 600% and revenues increased by over 118%. This was ahead of expectations as we had not budgeted for such significant growth in 2007.

We continued to invest in every operating unit during 2007 and this will continue into 2008. ReThink Recruitment Solutions was awarded the top industry prize at the 2007 Computing Awards for Excellence and was voted Recruitment Company of the Year (<http://www.computingawards.net/2007winners.asp>) This is a highly respected award and reflects on the professionalism and determination of all the staff in the Group.

During 2007 we also established a new office in Birmingham to service the Midland region. Rob O'Callaghan joined the board and he was joined by several former colleagues. This new office is developing well and now has a team of twelve. This fourth major hub adds to existing offices in London, Manchester and Bristol, and provides us with very strong coverage in England.

We have continued to invest in the development of ReBuild Recruitment Solutions, recruiting an experienced construction industry recruitment professional, to roll the ReBuild model across the geographic network of offices that we have established. We are pleased to report that ReBuild now has a presence in London, Birmingham, Bristol and Manchester and the results are in line with expectation.

Finally we have seen significant progress during 2007 in the development of ReThink Professional Services ("RPS"), the business and technology solutions company that was established in early 2007. We have enhanced both the technical competence and sales ability of this business and we are focused on increasing the customer base. The sales cycle in this particular business is longer than in recruitment.

Strategy

The Group has a committed strategy of organic and acquisitional growth in both its recruitment and business technology businesses. The board will continue to consider expansion into other high value recruitment niches and research is under way to identify new markets. We are considering launching a competitive IT brand which will approach the markets from a candidate driven perspective rather than a client led approach that ReThink Recruitment has adopted.

To this end the Group has undergone a reorganisation during the year. Three subsidiaries were formed: ReThink Recruitment Solutions Limited, ReBuild Recruitment Services Limited and ReThink Professional Services Limited and the company changed its name to The ReThink Group Limited. The acquisition of KeyPower Consultants Limited ("KPC") during December 2007 was consistent with this strategy. This structure allows for new operating companies to be established under the Group.

We believe the group now requires five hub operating centres in the UK. With Bristol, London, Birmingham, and Manchester already established, we are looking at options to develop a presence in Scotland. Each of these hubs could house a number of complementary recruitment businesses. Development of other smaller satellite offices such as KPC in Southend can be established as secondary locations. This strategy is starting to take shape with the rollout of ReBuild into all the existing ReThink offices. Each hub is overseen by a key stakeholder in the Group and plans are in place to maximise results.

We have also agreed that the Group will investigate the internationalisation of the business. Whilst we have just started recruiting to and from Poland for our UK client base upon request specific client requirements, our plans will need to be much more proactive in the future. It is not anticipated that this part of the strategy will be started until late 2009.