

	Share capital £'000	Share premium £'000	Capital redemption reserve £'000	Merger reserve £'000	Shares held in treasury £'000	Retained earnings £'000	Total £'000	Minority interest £'000	Total equity £'000
Balance at 1 October 2007	60	4,577	—	1,905	—	12,217	18,759	7	18,766
Shares issued	—	19	—	—	—	—	19	—	19
IFRS 2 share-based payments	—	—	—	—	—	303	303	—	303
Share buy-back	(3)	—	3	—	(1,422)	(2,681)	(4,103)	—	(4,103)
Shares issued to purchase minority interest	—	188	—	—	—	—	188	(9)	179
Share expenses	—	(63)	—	—	—	—	(63)	—	(63)
Deferred tax on share options	—	—	—	—	—	266	266	—	266
Profit for the year	—	—	—	—	—	6,497	6,497	2	6,499
Dividends paid	—	—	—	—	—	(1,811)	(1,811)	—	(1,811)
Balance at 30 September 2008	57	4,721	3	1,905	(1,422)	14,791	20,055	—	20,055
Shares issued	—	134	—	—	—	—	134	—	134
IFRS 2 share-based payments	—	—	—	—	—	565	565	—	565
Share buy-back	(1)	—	1	—	—	(1,356)	(1,356)	—	(1,356)
Deferred tax on share options	—	—	—	—	—	(396)	(396)	—	(396)
Profit for the year	—	—	—	—	—	5,091	5,091	—	5,091
Dividends paid	—	—	—	—	—	(2,088)	(2,088)	—	(2,088)
Balance at 30 September 2009	56	4,855	4	1,905	(1,422)	16,607	22,005	—	22,005

The balance classified as share capital includes the proceeds arising on issue of the Company's equity share capital, comprising 0.125p ordinary shares and the cancellation of shares purchased during the year.

Capital redemption reserve arose from the purchase of own share capital.

The merger reserve results from the previous acquisitions of Integrated Communications for Business (UK) Limited and The Telecom Centre Limited and represents the difference between the value of the shares acquired (nominal value plus related share premium) and the nominal value of the shares issued.

Shares acquired in relation to the employee Share Incentive Plan are held in treasury until such time as the awards vest. At 30 September 2009 the number of shares held in treasury was 1,000,000 (2008: 1,000,000). These had a nominal value of £1,250 and a market value of £1.04 million.