



PSG Solutions plc

ANNUAL REPORT AND ACCOUNTS 2006

contents

	Page
chairman's statement	2
directors, secretary and advisors	5
report of the directors	6
corporate governance	10
independent auditors' report	11
group profit and loss account	12
group statement of total recognised gains and losses	12
group balance sheet	13
company balance sheet	14
group cash flow statement	15
notes to the group cash flow statement	16
notes to the financial statements	17
notice of annual general meeting	37
form of proxy	39

chairman's statement

year ended 31 March 2006

A breakdown of pre-tax loss between the Group's activities for the years ended 31 March 2006 and 2005 are:

	2006 £'000	2005 £'000
PSG Franchising	2,138	1,378
Audiotel	272	(431)
Moore & Buckle	412	291
Paterson Financial Services	224	31
	3,046	1,269
Less		
Head office costs	(1,023)	(1,159)
Interest	(461)	(320)
	1,562	(210)
Less		
Exceptionals	(2,272)	(624)
Total pre-tax loss	(710)	(834)

There have been substantial changes in the management, focus and overall direction of PSG Solutions plc ("the Group") with my appointment eight months ago as Chairman and John Warwick as Finance Director. Tweedie Brown, Managing Director of PSG Franchising Limited ("PSG") was appointed as an Executive Director in January along with David Holme as a Non-executive Director. Key points have been:

- £4 million (gross) raised by share placing with new institutions, existing and other shareholders. Balance sheet subsequently still strengthening. Cash and bank facilities are now in excess of £4.5 million;
- changed name to incorporate "PSG" reflecting the appropriate emphasis on the core business – which is the largest provider of personal residential Local Authority searches in England and Wales;
- 20% increase in turnover of property search business;
- robust and successful legal and lobbying campaign against blatant anti-competitive practices of many Local Authorities;
- Audiotel – substantial change in management and direction; and

- head office costs will reduce to around £550,000 in current year and no exceptional charges are anticipated.

PSG

PSG increased both the number, (up 20%), and its share of the market for the provision of personal local searches to the conveyancing profession during the current financial year. Some 280,000 searches were carried out by the Company's 86 franchisees and its franchisor owned outlet based in Huddersfield. This represents around 25% of total residential transactions. Healthy growth has been maintained for the year to 31 March 2007, with the Company recording the best ever search volumes in its history. Calendar year 2005 saw PSG increase its market share in England and Wales by 5.7% over 2004. PSG currently provides additional search products, compiled by third parties, for areas such as environmental, mining, drainage and water.

This performance flows from the level of service and close personal relationships with over 4,000 conveyancing clients, which PSG and its franchisees maintain nationally. This gives PSG a unique market advantage and has also enabled it to speed up the home moving process.

The intended introduction of the Home Information Packs ("HIPs") in June 2007 has been a catalyst to PSG widening its

traditional solicitor customer base. The Company is continuing to establish and strengthen its relationships with existing and new participants servicing residential property transactions. These include Estate Agents, specialist providers of Home Condition Reports (an essential new pre-requisite component of a HIP), Mortgage Lenders, Independent Financial Advisors and resellers seeking access to PSG's national franchise network.

PSG now has the funds available and Group management support structure in place to be able to carry out the initiatives and make the investments required, to avail itself of new opportunities for growth. This resource had not been available previously. It has been essential, in the first instance, to invest to create these necessary pre-requisites for improved and sustained future performance.

Key developments at PSG have been:

- ✓ the recent appointment of an experienced Finance Director who will bring a new dimension to PSG's financial management systems and assist PSG's Managing Director in ensuring that there is sufficient capacity in place. He will also enhance and streamline the delivery of existing and new products to customers and franchisees;

chairman's statement

year ended 31 March 2006

- ✓ further Franchise Support Managers will be appointed to generate improved performance from franchisees and to help them promote PSG's HIPs product through TheHIPAlliance;
- ✓ the current roll-out of the new IT system to support the above and products for the future;
- ✓ the move of PSG's Huddersfield operation at the end of June to larger and more appropriate premises; and
- ✓ the acquisition of the Bradford and, recently Wakefield franchise to expand PSG's wholly owned West Yorkshire franchise.

PSG and HIPs

The Company provides packaged information to property lawyers, which already includes many of the elements of the HIP. In addition to its existing clients, it has forged links on the High Street with estate agents and surveyors through a campaign geared towards maximising the power of property professionals, who already work together in satisfying the needs of the home buyer and seller. PSG calls its local solution "TheHIPAlliance". It unites the main players on the High Street and it has been warmly welcomed by those who know and understand the power of a local solution offered nationally. Using its well established network, PSG can not only absorb the volume demand that there will be for its search product, but also offer a bespoke HIP solution to suit the needs of independent and chain businesses alike.

PSG takes its responsibilities to the consumer, its clients, the Government and its suppliers seriously. The PSG Brand has become known for its transparency and for moving heaven and earth to satisfy its clients' needs. "Personal Service Guaranteed" has become the unofficial motto of its franchisees.

Because it is the volume supplier of the personal search, PSG has a powerful voice in the market place and has been involved with Government consultative bodies, as well as providing input to the National Association of Estate Agents, The Royal

Institution of Chartered Surveyors and the Council of Mortgage Lenders. Recently the Managing Director has been invited, along with a few key players, to join the Department for Communities and Local Government ("DCLG") Home Information Pack Implementation Group.

The prognosis is that HIPs will allow PSG to consolidate its already powerful place in the local and ancillary search business. As a volume supplier it will be able to cope with the demands of a new market for its products as well as the new business of packaging HIPs under "TheHIPAlliance" banner for its existing and prospective clients. Attractive additional income streams based on a realistic assessment of the new home selling environment are anticipated.

Personal search based on a point of law

The commercial basis for the Personal Search Business relies on the unequivocal right enshrined in law to carry out a personal property search for a fixed fee of £11.

The Local Authorities have a monopoly as the sole custodians of the search records, which are also used by them to carry on their own business of selling searches to the conveyancing industry. In the past they delivered a poor service exacerbated by a complacency, common to totally dominant long term monopolies. When, from its inception in 1997, PSG offered a quicker, reliable and cost effective service, certain Local Authorities responded by restricting access to PSG and other personal searchers to view public records. This blatant abuse of their dominant position has been anti-competitive by restricting fair and reasonable access to view public records.

This abuse has been successfully challenged by PSG in the High Court in March this year, in respect of Burnley Council. At Judicial Review Proceedings in the High Court Burnley Council's conduct was described by the Judge as "so unfair as to amount to an abuse of power".

Documents obtained under the Freedom of Information Act point to further abuse and collusion amongst some authorities. PSG will continue to protect its position by exposing wrong doing and will campaign as it sees fit

to bring about a level playing field between the Franchise and the Local Authorities, who remain their biggest competitor.

Other new products

PSG recognises the scope and potential to use its channel to the market to supply other essential products – in addition to HIPs – needed or required by house-buyers and sellers.

New products are being developed which will consolidate and enhance the offering both to franchisees and clients, and provide a new source of business with a ready made channel to the market.

Paterson Financial Services

Paterson Financial Services ("PFS") now focuses almost entirely on servicing PSG. It manages the professional indemnity insurance premiums and claims negotiations with the underwriters. PFS is responsible for developing the new PSG insurance products.

Audiotel

Despite Audiotel's renowned brand and reputation worldwide, the growth in turnover and profitability over the last few years have been disappointing.

In March this year, substantial changes have been made to the management structure at Audiotel with both the Chairman and Managing Director (Paul Hughes and Ian Roberts respectively) leaving the Company. At the same time, Bernie Connor was appointed Managing Director joining the Company from Computer Cab where in his role as operations director he has seen pre-tax profit growth of £1 million to £5 million during a four year period.

In addition to the changes at Board level, there has been a restructure of the sales team which has been streamlined and re-focused on more traditional markets. The cost base, Company wide, has been reviewed and rationalised accordingly. This will enable greater profits to be generated from a more modest sales revenue, and in turn this will ensure that any growth in turnover will feed directly to the bottom line.

chairman's statement

year ended 31 March 2006

Audiotel (continued)

Audiotel's counter surveillance products have a loyal UK and overseas user base that has been built up over the last 15/20 years, with a reputation for the supply of reliable products backed up by good customer service. Product innovation is focused on market needs and includes a comprehensive roll-out of upgrades to existing products alongside a counter surveillance market breakthrough, with the RoomGuard and CasinoGuard products that supply 24/7 proactive audiovisual surveillance.

Both these products provide continuous security systems to enable:

- in the case of RoomGuard, constant monitoring of audio and video signals within the corporate environment ensuring that any 'alien' signals are instantly reported, investigated and identified. In today's competitive corporate environments these systems will act as the hub of an overall security policy providing peace of mind to senior executives that private meetings remain private.
- in the case of CasinoGuard, constant monitoring of audio and video signals within the gaming floor environment ensuring that any 'alien' signals are instantly reported, investigated and identified. Casino fraud, using highly technical audio systems, has increased in the last 18 months and this system enables the security officers within the casinos to identify quickly, the early stages of the setup of the fraud and thereby prevent any losses to the business through this illegal channel.

These new products, together with the traditional products, will provide a platform for expansion for Audiotel in the second half of 2006 and into 2007.

Moore & Buckle

Moore & Buckle, based at St Helens, undertakes short run specialist flexible packaging work. The small team relies on its ability to provide innovative engineered solutions to otherwise difficult problems. Its other service feature is to complete "impossible" projects on time. Although Moore & Buckle majors in the food industry it has a wide mix of customers. The high trading margins reflect the high level of service required in executing customer orders.

Whilst the trading margins have been consistently attractive, it was considered prudent, when taking into account the future profit potential, to write down the book value of the goodwill by £600,000.

New 24,000 square foot premises gives the Company surplus space and enables the business to expand or to sub-let.

Investments

The Group still holds minority investments in four businesses though the percentage holding has been reduced in two of them, through dilution on fund raisings and through part disposal. There is no intention of making any further investment in these businesses. The policy remains in place to dispose of each when the opportunity arises.

Avatar Systems Inc. – 19% of equity owned. Based in Dallas, this business provides the software management package to small exploration drilling companies based in the USA. Avatar maintains and manages these software packages on behalf of its customers and has been self-funding and consistently profitable. It has not been able to expand through lack of funds to pursue the acquisition of competitors in a fragmented industry. Consensus, a shareholder in the Group, has indicated in principle a willingness to support Avatar's acquisition programme.

Energy Technique plc was the subject in April 2006 of a further major re-financing following the capital injection in October 2005. The Group did not participate in the latest fundraising. It now holds 7.75% of Energy Technique.

Harrell Hospitality Group Inc, based in Dallas, is considering new funding opportunities. The Group will not be participating.

Netcentric Systems plc – the Group sold 29.9% of Netcentric (a shell company) in March 2006. It has subsequently sold shares in the market reducing its interest to 9.9%.

Employees

The understanding and co-operation of both management and employees and, not least the franchisees, through so much uncertainty and change has been greatly appreciated. Our structure, the focus on a clear strategy and the drive for profitability ultimately must be rewarding for our three principal stakeholders – shareholders, franchisees and employees.

Outlook

With the impending introduction of HIPS, PSG's national coverage of the search and its brand, gives it a major platform and the leverage to take full advantage of HIPS. It will retain the search element and increase income for its expanded role in the HIP compilation process.

New PSG products are being developed to provide to its customers alongside the search.

The introduction of new management at Audiotel, followed by major restructuring and the introduction of products for the commercial market, should lead to improving performance.

The Group has the resources in place to take advantage of opportunities as they arise.

Jonathan Mervis

Chairman

5 July 2006

directors, secretary and advisors

directors

Jonathan Phillip Mervis
Chairman and Chief Executive

John Arthur Warwick FCA
Finance Director

Tweedie McGrath Brown
Executive Director

John David Gawain Holme FCA
Non-executive Director

John Martin Burley
Non-executive Director

Julie Amanda Hester
Non-executive Director

All of whose business address is
133 Ebury Street, London SW1W 9QU

registered office

133 Ebury Street
London SW1W 9QU

Company Secretary

John Arthur Warwick FCA

auditors

Milsted Langdon
Chartered Accountants
Winchester House
Deane Gate Avenue
Taunton
Somerset TA1 2UH

registrars

Capita Registrars
The Registry
34 Beckenham Road
Beckenham
Kent BR3 4TU

nominated advisor and broker

Shore Capital & Corporate Ltd
Bond Street House
14 Clifford Street
London W1S 4JU

solicitors to the Company

Keeble Hawson
Protection House
16–17 East Parade
Leeds LS1 2BR

principal bankers

Lloyds TSB Bank plc
3rd Floor
PO Box 18436
39 Threadneedle Street
London EC2 8PT

Barclays Bank plc
Bristol Business Team
PO Box 324 (Patchway)
Park House
Newbrick Road
Stock Gifford

report of the directors

for the year ended 31 March 2006

The directors present herewith their annual report and the audited financial statements for the year ended 31 March 2006.

principal activities

The principal activities of the Group are those of the sale and operation of property search franchises together with property searches; manufacture and sale of specialist electronic equipment; manufacture of flexible packaging products; and financial services.

review of business

A report on the business of the Group is provided in the Chairman's report.

future plans

Future plans for the Group are referred to in the Chairman's report.

results

The Group's profit and loss account for the period is set out on page 12 of the financial statements.

dividends

The directors do not recommend payment of a dividend.

research and development

Audiotel International Limited continues its policy of investment in research and development in order to retain a competitive position in its market.

directors and their interests

The directors of the Company during the financial period were:

J P Mervis (appointed 31 October 2005)
J A Warwick (appointed 30 November 2005)
T Brown (appointed 5 January 2006)
J D G Holme (appointed 5 January 2006)
J M Burley
J A Hester
S A Komlósy (resigned 28 October 2005)
J J May (resigned 30 November 2005)
P L G Cotgrove (resigned 28 October 2005)
B E Adams (resigned 28 October 2005)

Under the terms of the acquisition of PSG Franchising Limited, G Hester has been appointed as alternate director for J A Hester.

report of the directors

for the year ended 31 March 2006

directors and their interests (continued)

The beneficial interests of the directors in the issued share capital of the Company, are shown below:

	At 31 March 2006 or date of leaving if earlier	At 31 March 2005 or date of appointment if later
J P Mervis	937,500	137,500
J A Warwick	150,000	—
T Brown	20,000	—
J D G Holme	151,500	51,500
J M Burley	—	—
J A Hester*	5,504,594	5,504,594
S A Komlósy	470,785	470,785
J J May	45,914	45,914
P L G Cotgrove	98,957	6,000
B E Adams	36,363	36,363

* This beneficial holding includes 2,752,297 ordinary shares held by G Hester.

J P Mervis, J A Warwick and T Brown have options to subscribe for 1,200,000, 350,000 and 300,000 ordinary shares of 20p each respectively in PSG Solutions plc at 50p per share. This is provided that they each continue to be employed by PSG Solutions plc for the period to 14 February 2008.

contracts for directors' services and emoluments

Contracts for the provision of the services of directors or letters of appointment have been entered into with all the directors or companies controlled by them and the principal terms are summarised below:

	Effective date of contract	Current annual remuneration £	Director's position
J P Mervis	5 January 2006	110,000	Chief Executive
J A Warwick	5 January 2006	35,000	Finance Director
T Brown	10 January 2005	85,000	Executive Director
J D G Holme	5 January 2006	15,000	Non-executive Director
J M Burley	25 June 2004	21,000	Non-executive Director
J A Hester	25 June 2004	15,000	Non-executive Director

Under an agreement dated 12 April 2006 John Burley Public Relations Consultants Limited, a company controlled by J M Burley, is entitled to fees for the provision of public relations and consultancy services, at the rate of £96,000 per annum.

report of the directors

for the year ended 31 March 2006

substantial shareholders

On 24 June the Company's register of shareholders showed the following interests in 3% or more of the Company's enlarged issued share capital:

	20p ordinary shares	%
G Hester	2,752,297	10.28
Wheddon Limited	3,525,252	13.16
Southwind Limited	3,165,568	11.82
Willbro Nominees Limited	2,573,541	9.61
Artemis Investment Management Limited	1,600,000	5.97
Directors' shareholdings:		
J P Mervis	937,500	3.50
J A Warwick	150,000	0.56
T Brown	20,000	0.07
J D G Holme	151,500	0.57
J A Hester	2,752,297	10.28

donations

During the period the Company donated £50 (2005: £4,800) to charities.

payment of creditors

The Group's policy in relation to all of its suppliers is to agree payment terms with individual suppliers in advance, and ensure that these suppliers are aware of those terms and abide by such terms.

The Company's creditor payment days as at 31 March 2006 for trade creditors were 25 days (2005: 25 days).

financial risk management

The principal financial risks to which the Group is exposed relate to liquidity, foreign exchange rates and interest rates. The policies and strategies for managing these risks are summarised as follows:

(a) liquidity risk

The Group actively maintains committed facilities that are designed to ensure the Group has sufficient available funds for operations and planned expansions.

(b) foreign exchange risk

The Group has foreign currency transactions arising from the sales and purchases by an operating subsidiary in a currency other than the subsidiary's functional currency. Under the Group's foreign exchange policy, such transactions are recorded at the rate of exchange prevailing at the transaction date.

(c) interest rate risk

The interest rate risk profile of financial liabilities is as detailed in Note 27.

report of the directors

for the year ended 31 March 2006

directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that year. In preparing those financial statements, directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Group will continue in business.

Directors are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and the Group and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for ensuring that the directors' report and other information included in the annual report is prepared in accordance with company law in the United Kingdom.

The maintenance and integrity of the Group's websites is the responsibility of the directors, the work carried out by the auditors does not involve consideration of these matters and accordingly the auditors accept no responsibility for any changes that may have occurred to the information contained in the financial statements, since they were initially presented on the website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements and other information included within the annual reports may differ from legislation in other jurisdictions.

auditors

In accordance with Section 385 of the Companies Act 1985, a resolution proposing that Milsted Langdon be re-appointed as auditors of the Company will be put to the Annual General Meeting.

There is no relevant audit information of which the Company's auditors are unaware, and the directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

By order of the Board

John Warwick

Company Secretary
5 July 2006

corporate governance

for the year ended 31 March 2006

Being a Company whose shares are admitted to AIM, the Company is not a listed Company and therefore is not required to comply with the Combined Code. The Board has however adopted the following:

Board committees

The Board has two sub-committees, the Audit Committee and the Remuneration Committee, both of which include the Finance Director.

the Audit Committee

The Audit Committee is chaired by J D G Holme FCA, with its other members being J A Warwick FCA and J M Burley. Any director may attend by invitation. The external auditors may be invited to attend the meetings and have direct access to members of the Committee. The Audit Committee may examine any matters relating to the financial affairs of the Company including reviews of the annual and interim financial statements, announcements, internal control procedures and accounting policies.

the Remuneration Committee

The Remuneration Committee, which is chaired by J D G Holme FCA, reviews the performance of the executive directors, considers and approves all Board and senior executive appointments, remuneration and benefits including share options and service contracts. J A Warwick FCA and J M Burley are the other members of the Committee.

internal financial control

The directors are responsible for the Group's system of internal financial control. A system can only provide reasonable and not absolute assurance regarding:

- the safeguarding of assets against unauthorised use or disposition;
- the minimisation of risk of material loss whilst in pursuit of the Group's business objectives; and
- the maintenance of proper accounting records and the reliability of financial information within the business or for publication.

Due to the size of the Group, a key control procedure during the year was the close day-to-day supervision by the executive directors.

auditor independence

The Audit Committee reviews the services provided by the external auditors at least on an annual basis. This review includes consideration of the confirmation of independence which the external auditors provide to the Company on an annual basis and of the services which they provide to the Group, in order to ensure that their independence is not compromised.

relations with shareholders

The directors seek to ensure that all shareholders are kept informed about the Group and its activities. A comprehensive annual report and accounts and an interim report are sent to shareholders and there is frequent dialogue with institutional investors. The Annual General Meeting provides shareholders with the opportunity to meet and question directors. Details of the resolutions to be proposed at the Annual General Meeting, to be held on 7 August 2006 are set out in the notice of Annual General Meeting which is attached to this report.

going concern

The directors consider, after making appropriate enquiries, that the Company and Group have adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

independent auditors' report to the members of PSG Solutions plc

for the year ended 31 March 2006

We have audited the Group and Parent Company financial statements (the "financial statements") of PSG Solutions plc for the year ended 31 March 2006 which comprise the Group Profit and Loss Account, the Group Statement of Recognised Gains and Losses, the Group Balance Sheet, the Company Balance Sheet, the Group Cash Flow Statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body for our audit work, for this report or for the opinions we have formed.

respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions with the Company and other members of the Group is not disclosed.

We are not required to consider whether the Board's statements on internal control cover all risks and controls, or form an opinion on the effectiveness of the Group's corporate governance procedures or its risk and control procedures.

We read other information contained in the annual report and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report, the Chairman's Statement and the Corporate Governance Statement. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Group's and Company's circumstances, consistently applied and adequately disclosed.

We planned our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we have also evaluated the overall adequacy of the presentation of information in the financial statements.

opinion

In our opinion the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practices, of the state of the Group's and the Parent Company's affairs as at 31 March 2006 and of the Group's loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Milsted Langdon

Chartered Accountants and Registered Auditors

Taunton

5 July 2006

group profit and loss account

for the year ended 31 March 2006

	Note	2006 £	2005 £
Turnover			
Continuing operations	2	12,418,257	2,031,250
Acquisitions		489,289	5,828,973
		12,907,546	7,860,223
Cost of sales	3	(6,168,783)	(3,786,661)
Gross profit		6,738,763	4,073,562
Administrative expenses	3	(4,716,053)	(3,963,378)
Operating profit before exceptional items		2,022,710	110,184
Exceptional administrative expenses	4	(2,272,315)	(624,342)
Operating loss			
Continuing operations	5	(399,508)	(2,531,241)
Acquisitions		149,903	2,017,083
		(249,605)	(514,158)
Interest payable	9	(471,410)	(369,025)
Interest receivable	10	10,398	48,873
Loss on ordinary activities before taxation		(710,617)	(834,310)
Taxation	11	12,797	(6,232)
Retained loss for the year	25	(697,820)	(840,542)
Basic loss per share	13	3.76p	5.89p
Diluted loss per share	13	3.75p	5.89p

group statement of total recognised gains and losses

for the year ended 31 March 2006

	2006 £	2005 £
Loss for the period	(697,820)	(840,542)
Unrealised increase on valuation of investments	—	—
Unrealised decrease on valuation of investments	—	(249,250)
	(697,820)	(1,089,792)

The notes on pages 17 to 36 form part of these financial statements.

Auditors' report – page 11.

group balance sheet

As at 31 March 2006

	Note	2006		2005	
		£	£	£	£
Fixed assets					
Intangible assets	14		12,871,450		13,231,125
Tangible assets	15		613,324		640,541
Investments	16		375,000		805,878
			13,859,774		14,677,544
Current assets					
Stocks	18	676,799		904,806	
Debtors	19	2,804,025		2,110,195	
Cash at bank and in hand		1,666,429		559,652	
		5,147,253		3,574,653	
Creditors: amounts falling due within one year	21	(4,148,197)		(6,445,313)	
Net current assets/(liabilities)			999,056		(2,870,660)
Total assets less current liabilities			14,858,830		11,806,884
Creditors: amounts falling due after more than one year	22		(2,600,697)		(3,976,934)
Net assets			12,258,133		7,829,950

Represented by:

Capital and reserves

Called up share capital	23	5,356,648		3,233,006	
Share premium account	25	8,449,769		5,444,443	
Revaluation reserve	25	—		2,965	
Profit and loss account	25	(1,548,284)		(850,464)	
Shareholders' funds	26	12,258,133		7,829,950	

Approved by the Board on 5 July 2006.

Jonathan Mervis

Director

John Warwick

Director

The notes on pages 17 to 36 form part of these financial statements.

Auditors' report – page 11.

company balance sheet

As at 31 March 2006

	Note	2006		2005	
		£	£	£	£
Fixed assets					
Tangible assets	15		33,039		50,146
Investments	16		15,960,582		16,803,595
			15,993,621		16,853,741
Current assets					
Debtors	19	2,035,116		2,005,524	
Cash at bank and in hand		224,530		136,967	
		2,259,646		2,142,491	
Creditors: amounts falling due within one year	21	(3,203,470)		(4,314,889)	
Net current (liabilities)			(943,824)		(2,172,398)
Total assets less current liabilities			15,049,797		14,681,343
Creditors: amounts falling due after more than one year	22		(2,448,428)		(5,753,820)
Net assets			12,601,369		8,927,523

Represented by:

Capital and reserves

Called up share capital	23	5,356,648		3,233,006	
Share premium account	25	8,449,769		5,444,443	
Revaluation reserve	25	—		2,965	
Profit and loss account	25	(1,205,048)		247,109	
Shareholders' funds	26	12,601,369		8,927,523	

Approved by the Board on 5 July 2006.

Jonathan Mervis

Director

John Warwick

Director

The notes on pages 17 to 36 form part of these financial statements.

Auditors' report – page 11.

group cash flow statement

for the year ended 31 March 2006

	Note	2006		2005	
		£	£	£	£
Net cash inflow from operating activities	(i)	1,677,309		2,100,294	
Returns on investments and servicing of finance					
Bank interest received		10,398		48,873	
Bank interest paid		(463,761)		(369,025)	
Interest element of finance lease payments		(7,649)		—	
			(461,012)		(320,152)
Taxation					
Corporation tax paid			(228,817)		(380,418)
Capital expenditure and financial investment					
Payments to acquire tangible assets		(141,057)		(133,554)	
Receipts on disposal of tangible assets		9,000		3,800	
Payments to acquire investments		(573,188)		(5,003)	
Receipts on disposal of investments		248,918		131,102	
			(456,327)		(3,655)
Acquisitions and disposals					
Payments to acquire subsidiary undertaking		(147,377)		(7,602,935)	
Cash acquired in subsidiary undertakings		15,779		1,016,082	
Deferred consideration		(1,271,171)		(156,250)	
			(1,402,769)		(6,743,103)
Net cash outflow before financing			(871,616)		(5,347,034)
Financing					
Issue of share capital		5,128,968		1,400,293	
Capital element of finance lease contracts		(69,780)		(45,878)	
Increase in borrowings		—		4,150,000	
Bank loan repaid		(3,080,795)		(98,803)	
			1,978,393		5,405,612
Increase in cash for the period			1,106,777		58,578
Reconciliation of net cash flow to movement in net debt					
Increase in cash for the year			1,106,777		58,578
Movement in bank loans			3,080,795		(4,051,197)
Decrease in finance leases			69,780		45,878
Finance leases acquired with subsidiary			—		(35,019)
Movement in net funds/(debt)			4,257,352		(3,981,760)
Net debt at 1 April 2005	(ii)		(5,721,333)		(1,739,573)
Net debt at 31 March 2006	(ii)		(1,463,981)		(5,721,333)

The notes on pages 17 to 36 form part of these financial statements.

Auditors' report – page 11.

notes to the group cash flow statement

for the year ended 31 March 2006

(i) reconciliation of operating loss to net cash inflow from operating activities

	2006 £	2005 £
Operating loss	(249,605)	(514,158)
Depreciation	156,856	145,013
Loss/(profit) on disposal of tangible fixed assets	2,970	(3,800)
Impairment in the value of investments	752,178	612,659
Amortisation of goodwill	600,000	—
(Increase)/decrease in debtors	(652,056)	2,182,378
Increase/(decrease) in creditors	838,959	(65,106)
Decrease/(increase) in stocks	228,007	(256,692)
Net cash inflow from operating activities	1,677,309	2,100,294

(ii) analysis of net debt

	At 1 April 2005 £	Cash flow £	Acquisitions £	At 31 March 2006 £
Cash in bank and in hand	559,652	1,090,998	15,779	1,666,429
Debt due within one year	(2,919,024)	2,094,013	—	(825,011)
Debt due after one year	(3,252,859)	986,782	—	(2,266,077)
Finance lease	(109,102)	69,780		(39,322)
	(5,721,333)	4,241,573	15,779	(1,463,981)

The notes on pages 17 to 36 form part of these financial statements.

Auditors' report – page 11.

notes to the financial statements

for the year ended 31 March 2006

1. accounting policies

The financial statements have been prepared under the historical cost convention as modified to include the revaluation of certain investments and in accordance with applicable Accounting Standards in the United Kingdom.

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the Group's financial statements.

(a) consolidation

The consolidated financial statements include those of the Company and its subsidiaries from their date of acquisition. All acquisitions of subsidiaries have been accounted for under the acquisition method of accounting.

Under Section 230 of the Companies Act 1985, the Company is exempt from the requirement to present its own profit and loss account.

(b) turnover

Turnover represents amounts receivable for goods and services net of VAT and discount and intra-Group transactions.

(c) depreciation

Depreciation is provided to write-off the cost less estimated residual value (based on prices prevailing at the date of acquisition) in annual instalments over the estimated useful economic lives of the assets. The depreciation rates used are as follows:

Motor vehicles	25% straight line and 25% reducing balance
Fixtures, fittings and equipment	15%/25% straight line and 25% reducing balance
Computer equipment	33.3% straight line
Leasehold property	Straight line over the life of the lease
Freehold property	2% straight line

(d) investments

Investments held as fixed assets are stated at market value based on the directors' valuation at the balance sheet date. Where the directors consider that the market for an investment is not liquid, or that price fluctuations within the market deem the current market value inappropriate, the investment is listed at the mid market price with an appropriate adjustment to reflect these perceptions. The above change in calculating market value does not have a material effect on the results for the year.

The aggregate surplus arising on the revaluation of an investment where there is a facility for the disposal of shares is transferred to the revaluation reserve. Any deficit arising on revaluation which is deemed to represent an impairment in value is charged to the profit and loss account unless it related to an investment whose value had been increased in a previous period in which case the deficit is netted off against that investment's revaluation reserve before any excess is charged to the profit and loss account.

Any realised gain or loss resulting from the disposal of an investment is recognised in the profit and loss account after charging the amount of any revaluation previously shown in the revaluation reserve.

Investments in subsidiary companies are valued at cost less provision for diminution in value.

(e) goodwill

Goodwill represents the difference between the fair value of the consideration paid on the acquisition of a business and the fair value of the identifiable net assets acquired.

Goodwill arising on acquisitions is capitalised and subjected to annual impairment reviews under FRS11: Impairment of fixed assets and goodwill. Any excess of goodwill over the value in use of the underlying assets is written off to the profit and loss account. This accounting policy departs from the specific requirements of companies legislation to amortise goodwill over a finite period for the overriding purpose of giving a true and fair view. Goodwill has not been amortised in the period, except for in the case of Moore & Buckle (Flexible Packaging) Limited where it was felt necessary to make an impairment charge, because there is evidence that the goodwill has an indefinite useful life as the estimated increase in projected returns on the investment is in excess of the expected annual discount rate.

notes to the financial statements

for the year ended 31 March 2006

1. accounting policies (continued)

(f) financial instruments

Financial instruments are accounted for and classified as equity or non-equity share capital and debt according to their form.

(g) leasing

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce constant periodic rates of charge on the net obligations outstanding in each period.

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

(h) foreign currency transactions

Transactions in foreign currencies are recorded at the rate of exchange prevailing at the transaction date. Assets and liabilities in foreign currencies are translated into sterling at the rate of exchange ruling at the end of the financial year. All exchange differences are dealt with in the profit and loss account.

(i) deferred tax

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax assets are recognised to the extent that they are recoverable in the foreseeable future. No provision is made for deferred tax on the unrealised appreciation of investments.

The deferred tax balance has not been discounted.

(j) liquid resources

Liquid resources are defined as short term bank deposits and cash in hand.

(k) research and development

Research and development expenditure is written off to the profit and loss account in the year in which it is incurred.

(l) stock and work in progress

Stock and work in progress are stated at the lower of cost and net realisable value. Cost includes all direct costs incurred in bringing the stocks to their present location and condition, including where appropriate, a proportion of manufacturing overheads.

(m) pensions

The pension costs charged represent the contribution payable by the Group in the year.

notes to the financial statements

for the year ended 31 March 2006

2. segmental analysis business analysis

	2006			2005		
	Turnover £	Operating profit/(loss) £	Net operating assets £	Turnover £	Operating profit/(loss) £	Net operating assets £
Property search services	7,751,389	2,137,771	870,094	4,711,466	1,378,043	142,500
Financial services	583,560	224,555	23,149	68,301	31,580	18,951
Specialist electronics	3,386,843	271,821	243,802	2,031,250	(430,970)	1,213,271
Packaging solutions	1,185,754	411,839	309,249	1,049,206	290,933	101,163
Head office	—	(1,023,276)	12,275,820	—	(1,159,402)	12,075,398
	12,907,546	2,022,710	13,722,114	7,860,223	110,184	13,551,283
Exceptional items	—	(2,272,315)	—	—	(624,342)	—
	12,907,546	(249,605)	13,722,114	7,860,223	(514,158)	13,551,283
Interest bearing assets			1,666,429			559,652
Interest bearing liabilities			(3,130,410)			(6,280,985)
Net assets			12,258,133			7,829,950

turnover by geographical destination

In the opinion of the directors, it would be seriously prejudicial to the interests of the Group to disclose turnover by geographical segment for the specialist electronics business. All other business is carried out in the UK.

3. cost of sales and administrative expenses

	2006			2005		
	Total £	Continuing activities £	Acquisitions £	Total £	Continuing activities £	Acquisitions £
Cost of sales	6,168,783	6,063,494	105,289	3,786,661	834,581	2,952,080
Administrative expenses:						
Non exceptional	4,716,053	4,481,956	234,097	3,963,378	3,103,568	859,810
Exceptional	2,272,315	2,272,315	—	624,342	624,342	—

notes to the financial statements

for the year ended 31 March 2006

4. exceptional administrative expenses

	2006 £	2005 £
Amounts payable to former directors including legal fees	597,771	—
Investment write down	752,178	624,342
Bank arrangement fees written off	291,366	—
Goodwill written off	600,000	—
Redundancy costs	31,000	—
	2,272,315	624,342

The investment write down is made up as follows:

	2006 £	2005 £
Energy Technique plc	573,982	315,116
Avatar Systems Inc.	213,316	(88,918)
Croma Group plc	269	(14,904)
Harrell Hospitality Group Inc.	100,000	143,913
Merchant House Group plc	(25,983)	152,877
Netcentric Systems plc	(109,115)	116,258
Other	(291)	—
	752,178	624,342

The Group accounting policy for investments is to state them at directors' valuation. Where this reduces the value of the investment below its cost, the deficit is reflected as a charge to the profit and loss account. This represents the movement in value of the investments below cost at 31 March 2006.

There is no tax effect of the above investment write downs.

5. operating loss

	2006 £	2005 £
Operating loss is stated after charging/(crediting):		
Auditors' remuneration:		
– audit	75,910	69,501
– other services	18,938	86,699
Depreciation	156,856	119,641
Loss on disposal of fixed assets	2,970	—
Profit on exchange differences	(8,965)	—
Operating lease rentals:		
– Plant and machinery	2,666	3,014
– Other assets	167,310	58,819
Hire of plant and machinery	2,880	—
Exceptional charges – Note 4	2,272,315	624,342
Research and development	14,685	43,474

Remuneration of the Group's auditors for provision of non audit services includes accountancy, taxation and other advice. Non audit fees payable to Milsted Langdon amounted to £10,010. Remuneration for audit services amounted to £29,060.

The auditors' remuneration for audit services includes £9,500 (2005: £8,000) attributable to the audit of Audiotel International Limited; £15,750 (2005: £20,213) attributable to Rochdale Development Company Limited and Moore & Buckle (Flexible Packaging) Ltd and £21,600 (2005: £18,000) attributable to PSG (Franchising) Limited; subsidiaries of PSG Solutions plc which are not audited by the Group's principal auditors.

notes to the financial statements

for the year ended 31 March 2006

6. staff costs

	2006 £	2005 £
Staff costs are made up as follows:		
Wages and salaries	2,888,337	2,149,877
Social security costs	303,879	263,599
Pension contributions	65,238	16,283
	3,257,454	2,429,759

The average number of persons employed by the Group including directors was:

	2006 Number	2005 Number
Administration	24	15
Production	38	33
Research and development	8	8
Sales and marketing	16	15
	86	71

At 31 March 2006 the number of persons employed by the Group was 86.

7. pension costs

The Group operates a defined contribution pension scheme in respect of its directors and employees. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the Company and amounted to £65,328 (2005: £16,283).

8. directors' remuneration

	Salaries £	Payment made to third parties £	Benefits £	Compensation for loss of office £	2006 Total £	2005 Total £
Executive directors						
J P Mervis	46,256	—	—	—	46,256	—
J A Warwick	11,668	—	—	—	11,668	—
T Brown	22,500	—	1,118	—	23,618	—
Non-executive directors						
J M Burley	27,001	88,800	—	—	115,801	69,933
J D G Holme	3,750	—	—	—	3,750	—
J A Hester	15,000	—	—	—	15,000	15,000
Former directors						
S A Komlósy	42,875	49,000	19,595	191,740	303,210	175,839
J J May	59,993	56,000	5,043	167,965	289,001	157,078
P L G Cotgrove	30,264	—	—	10,000	40,264	27,860
B E Adams	11,668	—	—	10,000	21,668	20,405
	270,975	193,800	25,756	379,705	870,236	466,115

The salary of T Brown and J A Hester are payable by PSG (Franchising) Limited. Part of the salary of P L G Cotgrove was payable by Patersons Financial Services Limited.

notes to the financial statements

for the year ended 31 March 2006

9. interest payable

	2006 £	2005 £
Interest payable on bank loans and overdrafts	453,749	360,974
Hire purchase interest	8,567	8,051
Interest on late payment of corporation tax	9,094	—
	471,410	369,025

10. interest receivable

	2006 £	2005 £
Bank interest	10,398	48,873

11. taxation

	2006 £	2005 £
UK corporation tax at 30% (2005: 30%)	76,625	17,385
Overprovision in prior year	(89,422)	(24,827)
Current tax credit	(12,797)	(7,442)
Deferred tax	—	13,674
	(12,797)	6,232

The tax for the period is lower than the standard rate of corporation tax in the UK (30%). The differences are explained below:

	2006 £	2005 £
Loss on ordinary activities before taxation	(710,617)	(834,310)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2005: 30%)	(213,186)	(250,293)
Effects of:		
Expenses not deductible for tax purposes	433,557	178,883
Depreciation in excess of capital allowances	9,614	11,417
Tax losses utilised in current year	(109,406)	(45,832)
Tax losses in current year	47,592	146,898
Movement in short term timing differences	20,473	(424)
Marginal rate relief	(26,591)	(2,758)
Overprovision in prior year	(89,422)	(24,827)
Other tax adjustments	(85,428)	(20,506)
	(12,797)	(7,442)

The Company has a carried forward loss for capital gains purposes amounting to £2,427,224 and excess management charges to carry forward of £574,000.

notes to the financial statements

for the year ended 31 March 2006

12. (loss)/profit of parent company

	2006 £	2005 £
(Loss)/profit on ordinary activities after taxation	(1,452,157)	247,109

13. loss per share

The calculation of basic loss per ordinary share is based on the Group loss of £697,820 (2005: loss of £840,542) and the weighted average number of shares in issue during the period of 18,569,506 (2005: 14,275,064). Share options do not have a significant dilutive effect.

14. intangible fixed assets goodwill

Group	£
Cost	
At 31 March 2005	13,235,973
Additions	240,325
At 31 March 2006	13,476,298
Amortisation	
At 31 March 2005	4,848
Charge for year	600,000
At 31 March 2006	604,848
Net book value	
At 31 March 2006	12,871,450
At 31 March 2005	13,231,125

During the current year, the directors carried out impairment reviews using discount rates of 8% on estimated profits based on projected growth rates of 10% for the next seven years and reviewed the remaining life of the Audiotel International Limited, Rochdale Development Company Limited, including Moore & Buckle (Flexible Packaging) Limited, PSG (Franchising) Limited and Patersons Financial Services Limited businesses. The directors concluded that, based on the resilience and sustainability of these businesses, the remaining goodwill has an indefinite life save for Moore & Buckle (Flexible Packaging) Limited where it was felt necessary to make an impairment charge of £600,000.

Cumulative goodwill written off against reserves is £604,848 (2005: £4,848).

notes to the financial statements

for the year ended 31 March 2006

15. tangible fixed assets

Group	Freehold land and buildings £	Leasehold property £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
Cost					
At 1 April 2005	188,791	86,724	541,399	78,738	895,652
Acquisitions	—	—	552	—	552
Additions	—	—	108,557	32,500	141,057
Disposals	—	—	(27,494)	(48,418)	(75,912)
At 31 March 2006	188,791	86,724	623,014	62,820	961,349
Depreciation					
At 1 April 2005	3,074	12,504	223,806	15,727	255,111
Reclassification	—	—	(50)	50	—
Disposals	—	—	(24,524)	(39,418)	(63,942)
Charge for year	4,037	7,798	121,051	23,970	156,856
At 31 March 2006	7,111	20,302	320,283	329	348,025
Net book value					
At 31 March 2006	181,680	66,422	302,731	62,491	613,324
At 31 March 2005	185,717	74,220	317,593	63,011	640,541

Company		Fixtures, fittings and equipment £	Motor vehicles £	Total £
Cost				
At 1 April 2005		59,842	33,820	93,662
Additions		19,935	—	19,935
Disposals		(3,480)	(33,820)	(37,300)
At 31 March 2006		76,297	—	76,297
Depreciation				
At 1 April 2005		27,966	15,550	43,516
Disposals		(3,480)	(24,820)	(28,300)
Charge for year		18,772	9,270	28,042
At 31 March 2006		43,258	—	43,258
Net book value				
At 31 March 2006		33,039	—	33,039
At 31 March 2005		31,876	18,270	50,146

notes to the financial statements

for the year ended 31 March 2006

15. tangible fixed assets (continued)

Included in the above are assets held under finance leases or hire purchase contracts as follows:

Group	2006		2005	
	Net book value £	Depreciation charge £	Net book value £	Depreciation charge £
Motor vehicles	25,985	21,387	63,011	27,258
Fixtures, fittings and equipment	65,795	40,027	134,217	48,850
	91,780	61,414	197,228	76,108
Company				
Motor vehicles	—	9,270	18,270	6,084
Fixtures, fittings and equipment	—	—	—	—
	—	9,270	18,270	6,084

16. fixed asset investments

Group	Unlisted investments £
Cost/valuation	
At 1 April 2005	3,388,359
Additions	573,188
Disposals	(1,049,320)
Revaluations	(2,965)
Transfer	(5)
At 31 March 2006	2,909,257
Provision for reduction in value	
At 1 April 2005	2,582,481
Provision for year	752,178
Disposals	(800,402)
At 31 March 2006	2,534,257
Net book value	
At 31 March 2006	375,000
At 31 March 2005	805,878

notes to the financial statements

for the year ended 31 March 2006

16. fixed asset investments (continued)

Company	Subsidiaries £	Other fixed asset investments £	Total £
Cost/valuation			
At 1 April 2005	15,997,717	3,388,359	19,386,076
Additions	187,865	573,188	761,053
Disposals	—	(1,049,320)	(1,049,320)
Revaluations	—	(2,965)	(2,965)
Transfer	—	(5)	(5)
At 31 March 2006	16,185,582	2,909,257	19,094,839
Provision for reduction in value			
At 1 April 2005	—	2,582,481	2,582,481
Provision for year	600,000	752,178	1,352,178
Disposals	—	(800,402)	(800,402)
At 31 March 2006	600,000	2,534,257	3,134,257
Net book value			
At 31 March 2006	15,585,582	375,000	15,960,582
At 31 March 2005	15,997,717	805,878	16,803,595

i) subsidiaries

	Shares £	Total £
Albion Plaza Limited	2	2
1st Mortgage Company Limited	1,600,000	1,411,407
L & B I Holding Limited	1	1
Rochdale Development Company Limited	357,500	2,329,874
PSG (Franchising) Limited	180	11,606,759
Patersons Financial Services Limited	40,002	137,539
Ufford Insurance PCC Limited	1,000	100,000
At 31 March 2006		15,585,582

ii) investments

other fixed assets

	Shares held	% holding	Weighted average cost per share £	Cost £	Valuation 31 March 2006 £
Unlisted investments – AIM					
Energy Technique plc ¹	68,413,989	22.60	0.014	986,161	100,000
Netcentric Systems plc ²	23,605,460	16.89	0.007	160,663	150,000
				1,146,824	250,000
Unlisted investments – other					
Avatar Systems Inc. ³	1,690,502	19.13	0.664	1,123,113	125,000
Harrell Hospitality Group Inc. ⁴	1,410,500	11.22	0.453	639,320	—
				1,762,433	125,000
Total unlisted investments				2,909,257	375,000

notes to the financial statements

for the year ended 31 March 2006

16. fixed asset investments (continued)

ii) investments (continued)

investment details

Investment market values are quoted at directors' valuation:

1. Energy Technique plc is listed on AIM. On 31 March 2006 the mid-price quoted was 0.88p but there is little marketability in the shares. The investment has therefore been valued at an amount the directors consider to be its realisable value.
2. Netcentric Systems plc is listed on AIM. On 31 March 2006 the mid-price quoted was 1.52p but there is little marketability in the shares. The investment has therefore been valued at an amount the directors consider to be its realisable value.
3. Avatar Systems Inc. is listed on NASD OTC Bulletin Board, a matched bargain facility. On 31 March 2006 the average price quoted was \$0.41 per share but there is little marketability in the shares and in spite of the fact that the company is trading profitably, the directors of PSG Solutions plc consider that the investment has limited value and the investment has therefore been valued at an amount the directors consider to be its realisable value.
4. Harrell Hospitality Group Inc. is unlisted. On 31 March 2006 the average price indicated by Pink Sheets was \$0.16. Pink Sheets is a provider of financial information for the over-the-counter securities market. The directors of PSG Solutions plc consider that the investment has no realisable value and accordingly have written down the value of the investment to £nil.

17. subsidiary undertakings

The Company holds 100% of the share capital and voting rights of the following companies:

Name of subsidiary held directly	Nominal value of issued ordinary capital £	Date acquired	Principal activity	Country of incorporation
Rochdale Development Company Limited	357,500	15 April 2004	Holding company	England
PSG (Franchising) Limited	180	25 June 2004	Property search	England
Patersons Financial Services Limited	40,002	1 January 2005	Insurance services	England
Albion Plaza Limited	2	21 February 2000	Property development	England
1st Mortgage Company Limited	1,600,000	19 December 2001	Mortgage provider	British Virgin Isles
L & B I Holding Limited	1	31 January 2003	Holding company	England
PSG Marketing Limited	2	23 August 2005	Marketing	England
PSG Financial Services Limited	1	19 April 2005	General insurance	England
Ufford Insurance PCC Limited	1,000	11 May 2005	Insurance services	Guernsey

Held indirectly

Audiotel International Limited	31 January 2003	Electronics	England
Audiotel (UK) Limited	31 January 2003	Dormant	England
Moore & Buckle (Flexible Packaging) Limited	15 April 2004	Flexible packaging	England
Yorkshire Legals Limited	1 February 2006	Property search	England

Moore & Buckle (Flexible Packaging) Limited is a wholly owned subsidiary of Rochdale Development Company Limited. Audiotel International Limited is a wholly owned subsidiary of L & B I Holding Limited. Audiotel (UK) Limited is a wholly owned subsidiary of Audiotel International Limited. Yorkshire Legals Limited is a wholly owned subsidiary of PSG (Franchising) Limited.

notes to the financial statements

for the year ended 31 March 2006

18. stocks

Group	2006 £	2005 £
Raw materials and consumables	422,193	410,701
Work in progress	188,180	247,148
Finished goods and goods for resale	66,426	246,957
	676,799	904,806

19. debtors

Group	2006 £	2005 £
Trade debtors	1,824,195	1,165,767
Corporation tax recoverable	25,382	—
Prepayments and accrued income	758,011	775,884
Other debtors	196,437	167,815
Loans to associated undertakings	—	729
	2,804,025	2,110,195

Including within payments is an amount totalling £101,732 (2005: £113,658) relating to monies held by the bankers under a deposit agreement in respect of foreign guarantees.

Company	2006 £	2005 £
Prepayments and accrued income	97,453	205,909
Other debtors	—	2,750
Loan to subsidiary undertakings	1,937,663	1,796,136
Loan to associated undertakings	—	729
	2,035,116	2,005,524

The above debtors fall due within one year.

20. deferred tax

	2006 £	2005 £
Balance at 1 April 2005	—	13,674
Profit and loss account	—	(13,674)
Balance at 31 March 2006	—	—

	2006 £	2005 £
Accelerated capital allowances	—	—

No deferred tax is provided on investments that have been revalued. The Group holds a loss for capital gains purposes amounting to £2,427,224 at 31 March 2006 which may be used against the disposal of the revalued investments at 31 March 2006. No corporation tax liability would therefore arise if the Group were to dispose of these investments at the March 2006 value.

notes to the financial statements

for the year ended 31 March 2006

21. creditors: amounts falling due within one year

Group (including convertible debt)	2006	2005
	£	£
Bank loans and overdraft	825,011	2,919,024
Trade creditors	1,010,899	808,192
Other creditors	619,698	1,590,203
Other taxes and social security	290,843	170,691
Corporation tax	75,931	284,084
Net obligations under hire purchase contracts	34,702	63,078
Accruals and deferred income	1,291,113	610,041
	4,148,197	6,445,313

Included within bank loans is an amount of convertible debt of £160,000. The date of redemption is 2 October 2006 with a total amount payable of £160,000. This is convertible, at the election of the lender, into 20p ordinary shares issued at 40p per share, in any proportion of cash to shares as may be elected by the lender from time to time.

The terms of the bank loans are set out in Note 27.

Included within other creditors is an amount of £559,934 (2005: £1,413,250) relating to 'deferred' consideration following the acquisition of Rochdale Development Company Limited and PSG (Franchising) Limited. Total consideration payable is £889,934 (2005: £2,073,250), of which the remaining £330,000 (2005: £660,000) is shown within other creditors falling due after one year.

Hire purchase liabilities are secured on the underlying assets.

Company (including convertible debt)	2006	2005
	£	£
Bank loans and overdraft	810,000	2,723,787
Trade creditors	9,026	34,627
Loan from associated undertaking	1,555,947	25,000
Other creditors	559,934	1,461,197
Other taxes and social security	190,240	10,073
Net obligations under hire purchase contracts	—	5,400
Accruals and deferred income	78,323	54,805
	3,203,470	4,314,889

notes to the financial statements

for the year ended 31 March 2006

22. creditors: amounts falling due after one year

Group	2006 £	2005 £
Bank loan	2,266,077	3,252,859
Other creditors	330,000	678,051
Net obligations under hire purchase contracts	4,620	46,024
	2,600,697	3,976,934

Company	2006 £	2005 £
Bank loan	2,118,428	3,252,859
Other creditors	330,000	660,000
Loan from subsidiary undertakings	—	1,827,857
Net obligations under hire purchase contracts	—	13,104
	2,448,428	5,753,820

Other creditors relate to the deferred consideration due to the previous owners of PSG (Franchising) Limited.

23. share capital

	2006		2005	
	Number	£	Number	£
Authorised				
Ordinary shares of 20p each	35,000,000	7,000,000	—	—
Ordinary shares of 2p each	—	—	250,000,000	5,000,000
Allotted and called up				
Fully paid ordinary shares of 20p each	26,783,240	5,356,648	—	—
Fully paid ordinary shares of 2p each	—	—	161,650,304	3,233,006

In November 2005 the Company issued 25,252,525 ordinary shares of 2p each to Wheddon Limited, a company ultimately owned by the trustees of The Tchenguiz Family Trust, at a price of 4.9p per share. 929,575 shares of 2p each were issued to Novation Capital Limited a company controlled by Peter Cotgrove at 5.65p per share. This was in respect of the conversion of £50,000 of a loan note plus accrued interest due to Novation Capital Limited.

In February 2006 every ten ordinary shares of 2p each were consolidated into one ordinary share of 20p each and the authorised share capital was increased from £5,000,000 to £7,000,000 by the creation of 10,000,000 additional ordinary shares of 20p each. Also 8,000,000 ordinary shares of 20p each were placed with investors including some of the present directors at a price of 50p per share.

notes to the financial statements

for the year ended 31 March 2006

24. share share options

At 31 March 2006 share options were held by directors in respect of 1,850,000 shares analysed as follows:

Name	Number of shares	Option price per share	Exercisable
J P Mervis	1,200,000	50p	14/02/2008–14/02/2013
J A Warwick	350,000	50p	14/02/2008–14/02/2013
T Brown	300,000	50p	14/02/2008–14/02/2013

The options are only exercisable if the option holder has continued to be employed by the Company for two years from the date of the start of the option. It is the Board's intention to keep the number of options outstanding at no more than 10% of the issued share capital.

25. reserves

Group	Profit and loss account £	Investment revaluation reserve £	Share premium account £
At 31 March 2005	(850,464)	2,965	5,444,443
Additions	—	—	3,005,236
Loss for the period	(697,820)	—	—
Revaluation of investments during the period	—	(2,965)	—
At 31 March 2006	(1,548,284)	—	8,449,679

Company	Profit and loss account £	Investment revaluation reserve £	Share premium account £
At 31 March 2005	247,109	2,965	5,444,443
Additions	—	—	3,005,236
Loss for the period	(1,452,157)	—	—
Revaluation of investments during the period	—	(2,965)	—
At 31 March 2006	(1,205,048)	—	8,449,679

Movements on the investment revaluation reserve comprise as follows:

	£
Energy Technique plc	2,674
Friends Provident plc (disposal)	291
	2,965

notes to the financial statements

for the year ended 31 March 2006

26. reconciliation of movements in shareholders' funds

Group	2006 £	2005 £
Loss for the financial period	(697,820)	(840,542)
Issue of ordinary shares	2,123,642	1,528,739
Increase in share premium account	3,005,326	4,843,578
Revaluation of investments	(2,965)	(249,250)
Increase in shareholders' funds	4,428,183	5,282,525
Opening shareholders' funds	7,829,950	2,547,425
Closing shareholders' funds	12,258,133	7,829,950

Company	2006 £	2005 £
(Loss)/profit for the financial period	(1,452,157)	247,109
Issue of ordinary shares	2,123,642	1,528,739
Increase in share premium account	3,005,326	4,843,578
Revaluation of investments	(2,965)	(249,250)
Increase in shareholders' funds	3,673,846	6,370,176
Opening shareholders' funds	8,927,523	2,557,347
Closing shareholders' funds	12,601,369	8,927,523

27. financial instruments

financial risk management

The principal financial risks to which the Group is exposed relate to liquidity, foreign exchange rates and interest rates. The policies and strategies for managing these risks are summarised as follows:

(a) liquidity risk

The Group actively maintains committed facilities that are designed to ensure the Group has sufficient available funds for operations and planned expansions.

(b) foreign exchange risk

The Group has foreign currency transactions arising from the sales and purchases by an operating subsidiary in a currency other than the subsidiary's functional currency. Under the Group's foreign exchange policy, such transactions are recorded at the rate of exchange prevailing at the transaction date.

notes to the financial statements

for the year ended 31 March 2006

27. financial instruments (continued) financial risk management (continued) (c) interest rate risk

The interest rate risk profile of financial liabilities is as follows:

At 31 March 2006 the Group had the following financial liabilities

	2006 £	2005 £
At fixed interest rates:		
Net obligations under finance leases and hire purchase contracts	43,305	113,661
Loan note	—	50,000
Bank loan	160,000	450,000
	203,305	613,661

The weighted average rate of interest of the fixed rate financial liabilities is 7% (2005: 7%). The weighted average period for which interest rates are fixed is seven months (2005: 24 months).

	2006 £	2005 £
At floating interest rates:		
Bank overdraft	—	67,250
Bank loans	2,934,688	5,654,633
	2,934,688	5,721,883

At 31 March 2006 an overdraft facility of £500,000 was available to the Company. The rate of interest on the overdraft is at 1.5% over the Lloyds TSB Bank plc base rate. At 31 March 2006 the amount outstanding in respect of this facility was £nil.

At 31 March 2006 a bank loan of £2,750,000 was repayable over 60 months by equal instalments commencing February 2006. The rate of interest was 4.5%.

At 31 March 2006 a revolving loan facility of £2,750,000 has been entered into expiring on 31 January 2011. The rate of interest on the facility is 1.5% over Lloyds TSB Bank plc cost of funds. At 31 March 2006 the amount outstanding in respect of this facility was £100,000.

At 31 March 2006 an interest swap transaction was entered into until 24 February 2011 in respect of an amount of £2,750,000 whereby interest will be payable at the rate of 0.26% above Lloyds TSB Bank plc base rate at 24 February 2006 of 4.5% and will be receivable by the Company at the rate of Lloyds TSB Bank plc base rate at any one time.

At 31 March 2006 a bank loan of £166,260 was available, repayable in equal monthly instalments over a period of 20 years to July 2025 with interest accruing at a rate of National Westminster Bank plc base rate plus 2%.

notes to the financial statements

for the year ended 31 March 2006

27. financial instruments (continued) financial risk management (continued) (c) interest rate risk (continued)

The weighted average period until maturity for floating rate financial liabilities is 68 months (2005: 37 months).

	2006 £	2005 £
On which no interest is payable:		
Deferred purchase consideration	889,934	2,073,250

The weighted average period until maturity for liabilities on which no interest is paid is 27 months (2005: seven months).

All other Group's creditors falling due within one year (other than bank and other borrowings) are excluded from the above tables due to the exclusion of short term items or because they do not meet the definition of a financial liability.

	2006 £	2005 £
At floating interest rates:		
Cash at bank	1,666,429	559,652

The rate of interest payments for floating rate financial assets is based on LIBOR.

maturity of financial liabilities

	2006		2005	
	Group £	Company £	Group £	Company £
Bank and other loans (excluding Group debt):				
In one year or less	825,011	810,000	2,723,787	2,723,787
Between one and two years	565,011	550,000	1,903,792	1,903,792
From two to five years	1,613,460	1,568,428	1,316,401	1,316,401
Over five years	87,606	—	32,666	32,666
	3,091,088	2,928,428	5,976,646	5,976,646
Finance leases:				
In one year or less	34,702	—	63,078	5,400
Between one and two years	4,620	—	38,320	5,400
From two to five years	—	—	7,704	7,704
	39,322	—	109,102	18,504

fair values of financial assets

The fair value is an amount at which a financial instrument could be exchanged in an arms length transaction between informed and willing parties, other than a forced or liquidation sale and excludes accrued interest.

The fair value of cash deposits approximates to the carrying amount because of the short maturity of these instruments.

notes to the financial statements

for the year ended 31 March 2006

27. financial instruments (continued)

currency exposure

The Group make sales in foreign currency denominations.

The Group does not hedge against fluctuations in these currency rates.

At 31 March 2006 and 31 March 2005 the Group's exposure on such monetary assets that could give rise to net currency gains or losses was negligible.

interest risk exposure

Financial instruments are selected by the directors in order to minimise the Company's exposure to financial risk. Principal borrowings are taken at floating interest rates backed by swap transactions to protect the Company from any significant rate increases in the future.

28. financial commitments

operating leases:

Group	2006		2005	
	Land and buildings £	Other £	Land and buildings £	Other £
Within one year	2,666	9,100	8,000	9,016
In the second to fifth year	108,000	9,244	—	5,476
After five years	61,000	—	56,000	—
	171,666	18,344	64,000	14,492

29. transactions with directors

During the year to 31 March 2006 PSG Franchising Limited made purchases amounting to £234,045 (2005: £162,518) from John Burley Public Relations Consultants Limited, a company controlled by J M Burley, a director of the company, for the provision of public relations and consultancy services. The amount includes a sum of £88,800 (2005: £66,600) shown in Note 8 under directors' remuneration. The balance outstanding at the end of the year was £nil (2005: £39,476).

During the year to 31 March 2006 S A Komlósy and J J May were each paid the sum of £75,000 in consideration for the surrender of all the warrants held by them to subscribe for shares in PSG Solutions plc.

J J May, was also a director of Croma Group plc. During the year to 31 March 2006 the Company has charged consultancy fees to Croma Group plc and its subsidiary, Croma Optical Limited, of £nil (2005: £10,000). At 31 March 2006 the balance due from Croma Group plc was £nil (2005: £nil). J J May made charges in connection with consultancy of Croma Group plc of £nil (2005: £5,000) during the year.

S A Komlósy, was also a director of Energy Technique plc. During the year to 31 March 2006 the Company charged consultancy fees of £nil (2005: £7,500) to Energy Technique plc. At 31 March 2006 the balance due from Energy Technique plc was £nil (2005: £nil).

During the year to 31 March 2006 S A Komlósy made charges in connection with consultancy in connection with Energy Technique plc of £nil (2005: £13,125).

S A Komlósy and J J May, are also directors of Netcentric Systems plc. During the year to 31 March 2006 the Company charged Netcentric Systems plc £nil (2005: £25,000) for administrative support. The balance due from Netcentric Systems plc at 31 March 2006 was £nil (2005: £729).

S A Komlósy through General Trading Corporation Limited, a company in which he is a director, and J J May, both made charges in connection with consultancy, in connection with the acquisition of PSG (Franchising) Limited, of £nil (2005: £43,750).

S A Komlósy through General Trading Corporation Limited, a company in which he is a Director, and J J May, both made charges in connection with consultancy, in connection with the acquisition of Patersons Financial Services Ltd of £nil (2005: £10,000).

notes to the financial statements

for the year ended 31 March 2006

30. acquisitions

Yorkshire Legals Limited

On 1 February 2006 PSG (Franchising) Limited acquired 100% of the issued share capital of Yorkshire Legals Limited a property search company operating in Bradford.

The consideration paid was £150,000 cash. The effective net cost to PSG (Franchising) Limited was £152,465.

Yorkshire Legals Limited has been consolidated using the acquisition method. The fair value to the Group was as follows:

	Book value of assets acquired from Yorkshire Legals Limited £	Fair value to the Group £
Tangible fixed assets	552	552
Debtors	16,392	16,392
Deposits and cash	15,779	15,779
Creditors	(37,811)	(37,811)
	(5,088)	(5,088)
Goodwill		152,465
		147,377
		£
Satisfied by:		
Cash including costs of acquisition		152,465
Assets less liabilities acquired		(5,088)
		147,377

From the date of acquisition to 31 March 2006 Yorkshire Legals Limited contributed £46,959 to turnover, £11,301 to operating profit, £11,349 to profit before tax and £2,958 to profit after tax. In its last financial year to 31 May 2005 Yorkshire Legals Limited made a profit before tax of £85,008. For the period since that date to the date of acquisition, Yorkshire Legals Limited's management accounts showed:

	£
Turnover	235,084
Operating profit	48,924
Profit before taxation	49,108
Taxation	9,665
Profit after taxation	39,443

notice of annual general meeting

for 2006

Notice is given to all shareholders that the Annual General Meeting of PSG Solutions plc ("the Company") for 2006 will be held at the offices of the Company, 133 Ebury Street, London SW1W 9QU on 7 August 2006 at 11.30am for the transaction of the following business. Resolutions 1 to 8 inclusive and 10 will be proposed as ordinary resolutions and resolution 9 will be proposed as a special resolution:

ordinary business

1. To receive the Company's annual accounts for the financial year ended 31 March 2006 together with the last directors' report and the auditors' report on those accounts.
2. To re-appoint J P Mervis as director of the Company, who retires under Article 84 at the Annual General Meeting.
3. To re-appoint J A Warwick as director of the Company, who retires under Article 84 at the Annual General Meeting.
4. To re-appoint J D G Holme as director of the Company, who retires under Article 84 at the Annual General Meeting.
5. To re-appoint T Brown as director of the Company, who retires under Article 84 at the Annual General Meeting.
6. To re-appoint J M Burley as a director of the Company, who retires under Article 106 at the Annual General Meeting.
7. To re-appoint Milsted Langdon, Chartered Accountants and Registered Auditors, as auditors of the Company to hold office from the conclusion of the meeting to the conclusion of the next meeting at which the accounts are laid before the Company and to authorise the directors to determine the auditors' remuneration.

special business

8. That the directors be generally and unconditionally authorised, pursuant to Section 80 of the Companies Act 1985 ("the Act"), to allot relevant securities (as defined in that section) up to a maximum nominal amount equal to the nominal amount of the unissued share capital of the Company following the passing of this resolution provided that:

8.1 this authority shall expire 15 months from the date of this resolution or at the Company's next Annual General Meeting, if earlier; and

8.2 that the Company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the directors may allot relevant securities in pursuance of such an offer or agreement notwithstanding that the authority conferred hereby has expired and that this authority shall be in substitution of all previous authorities conferred upon the directors pursuant to the said Section 80.

9. That, subject to the passing of resolution 8 above, the directors be and they are hereby empowered pursuant to Section 95 of the Act to allot equity securities (as defined in section 94(2) of the Act) of the Company for cash pursuant to the general authority granted in resolution 8 above as if section 89(1) of the Act did not apply to any such allotment, provided that this power shall be limited to:

9.1 the allotment of equity securities in connection with or pursuant to an offer by way of rights, open offer or other pre-emptive offer to the holders of ordinary shares and other persons entitled to participate therein in proportion to their respective holdings, subject to such exclusions or other arrangements as the directors may consider necessary or expedient to deal with fractional entitlements or legal or practical problems under the laws of any territory or the regulations or requirements of any regulatory authority or any stock exchange in any territory;

9.2 the allotment (otherwise than pursuant to 9.1 above) of equity securities up to an aggregate nominal amount of £267,832 (being approximately 5% of the current issued ordinary share capital of the Company);

and such power shall expire 15 months from the date of this resolution or at the Company's next Annual General Meeting, if earlier.

notice of annual general meeting

for 2006

special business (continued)

10. That, subject to the passing of the above resolutions 8 and 9, the Company be generally and unconditionally authorised, pursuant to Article 11.2 of the Articles of Association of the Company to make market purchases (as defined in Section 163 of the Companies Act 1985) of up to 1,339,162 ordinary shares of 20p (being approximately 5% of the current issued ordinary share capital of the Company) on such terms and in such manner as the directors of the Company may from time to time determine, provided that:

10.1 the amount paid for each share (exclusive of expenses) shall not be more than 5% above the average of the middle market quotation for ordinary shares as derived from the Daily Official List of London Stock Exchange plc for the ten business days before the date on which the contract for the purchase is made, and in any event not less than 20p per share; and

10.2 the authority herein contained shall expire in 15 months or at the conclusion of the next Annual General Meeting, if earlier, provided that the Company may, before such expiry, make a contract to purchase its own shares which would or might be executed wholly or partly after such expiry, and the Company may make a purchase of its own shares in pursuance of such contract as if the authority hereby conferred had not expired.

By order of the Board

John Warwick

Company Secretary

133 Ebury Street

London

SW1W 9QU

Notes:

1. A member entitled to attend and vote at the meeting convened by the notice set out above may appoint a proxy to attend and, on a poll, to vote, instead of him. A proxy need not be a member of the Company.
2. A form of proxy is provided. To be effective, the form of proxy must be received at the office of the Company's Registrars, Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU not less than 48 hours before the time fixed for the Annual General Meeting. Completion of the form of proxy does not preclude a member from subsequently attending and voting at the meeting in person if he or she so wishes.
3. The register of interests of the directors and their families in the share capital of the Company and copies of contracts of service of directors with the Company or with any of its subsidiary undertakings will be available for inspection at the registered office of the Company during normal business hours (Saturdays and public holidays excepted) from the date of this notice until the conclusion of the meeting.
4. In accordance with Regulation 41 of the Uncertificated Securities Regulations 2001, only those members entered on the Company's register of members not later than 48 hours before the date of the meeting, or, if the meeting is adjourned, shareholders entered on the Company's register of members not less than 48 hours before the time fixed for the adjourned meeting shall be entitled to attend and vote at the meeting.

form of proxy

I/We
 (PLEASE INSERT FULL NAMES IN BLOCK CAPITALS)

of

being (a) member(s) of PSG Solutions plc hereby appoint the Chairman of the Meeting, or,

failing him,as my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on 7 August 2006 at 11.30am and at any adjournment thereof, I/We direct my/our proxy to vote as follows:

	Resolutions	*For	*Against	*Withheld	*Discretionary
Resolution 1 (Ordinary)	To receive the financial statements, directors' report, and auditors' report				
Resolution 2 (Ordinary)	To re-appoint J P Mervis as a director of the Company				
Resolution 3 (Ordinary)	To re-appoint J A Warwick as a director of the Company				
Resolution 4 (Ordinary)	To re-appoint J D G Holme as a director of the Company				
Resolution 5 (Ordinary)	To re-appoint T Brown as a director of the Company				
Resolution 6 (Ordinary)	To re-appoint J M Burley as a director of the Company				
Resolution 7 (Ordinary)	To re-appoint Milsted Langdon as auditors of the Company				
Resolution 8 (Ordinary)	Authority to allot shares				
Resolution 9 (Special)	Disapplication of pre-emption rights				
Resolution 10 (Ordinary)	Approve the share buy back				

* Please indicate with an X in spaces provided how you wish your votes to be cast. If you do not do so, the proxy may vote or abstain as he thinks fit on the above-mentioned resolutions.

Dated this Day of2006

Signed

Notes:

- To be valid, this proxy, duly completed and signed, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof, should be deposited at Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, not less than 48 hours before the time appointed for holding the meeting or adjourned meeting.
- If the member is a corporation, this form of proxy must be executed under its common seal or under the hand of an officer or attorney duly authorised in writing.
- In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint holders and, for this purpose, seniority will be determined by the order in which the names stand in the register of members.
- If you do not indicate how you wish your proxy to vote on any resolution, the proxy will vote as he thinks fits or, at his discretion, abstain from voting.
- A proxy need not be a member of the Company. Appointment of a proxy will not preclude a member from attending and voting in person at the meeting.

second fold

BUSINESS REPLY SERVICE
Licence No. MB 122

1



Capita Registrars (Proxies)
PO Box 25
Beckenham
Kent BR3 4BR

first fold

third fold and tuck in



133 Ebury Street London SW1W 9QU
Tel: 020 7881 0800 Fax: 020 7881 0707
www.psgsols.com