THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action to be taken you should immediately seek your own independent financial advice from a professional investment adviser authorised under the Financial Services and Markets Act 2000 if you are in the United Kingdom or, if not, from another appropriately authorised independent financial adviser. This document has been prepared for the purposes of paragraph 1.2.2R (2) of the Prospectus Rules published by the Financial Services Authority.

Copies of this document are being sent to shareholders of Berkeley Scott and Quantica. If you sell or have sold or transferred all of your shares in Berkeley Scott and/or Quantica, please forward this document and any enclosed documents to the purchaser or transferee or to the stockbroker or other agent through whom the sale or transfer was effected for delivery to the purchaser or transferee.

The Company, whose name and registered office appear on page 19 and the Directors whose names appear on page 19, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Company and the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and contains no omission likely to affect the import of such information.

No person has been authorised to give any information or make any representations other than those contained in this document and, if given or made, such information or representations must not be relied upon as having been so authorised. The delivery of this document will not, under any circumstances, be deemed to create any implication that there has been no change in the affairs of the Company since the date of this document or that the information in this document is correct at any time subsequent to its date.

A copy of this document, which comprises a document equivalent to a prospectus relating to the Company, in accordance with the Prospectus Rules, has been filed with the FSA in accordance with those rules. This document also comprises an AIM admission document and has been prepared in accordance with the AIM Rules. In accordance with the AIM Rules, if the Acquisition is approved by holders of Existing Berkeley Scott Shares at the EGM and the Offer is declared wholly unconditional, application will be made for the Existing Berkeley Scott Shares to be re-admitted to trading on AIM and for the New Berkeley Scott Shares to be admitted to trading on AIM. It is expected that such admission will become effective and that dealings in the New Berkeley Scott Shares will commence on the fifth and sixth dealing days following the day on which the Offer becomes or is declared unconditional in all respects.

AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. Each AIM company is required pursuant to the AIM Rules for Companies to have a nominated adviser. The nominated adviser is required to make a declaration to the London Stock Exchange on admission in the form set out in Schedule Two to the AIM Rules for Nominated Advisers. The London Stock Exchange has not itself examined or approved the contents of this document. The Existing Berkeley Scott Shares are not dealt in and the New Berkeley Scott Shares will not be dealt in on any other recognised investment exchange and, apart from the application for Admission, no other such application has been or is intended to be made.

Prospective investors should read the whole text and contents of this document and should assume that an investment in the Company is speculative and involves a degree of risk. In particular, prospective investors should carefully consider the section entitled "Risk Factors" in Part II of this document before taking any action. All statements regarding the Company's business should be viewed in light of these risk factors.

Placing of 23,920,000 Ordinary Shares of 2p each

Application for admission of the Enlarged Issued Share Capital to trading on AIM by

Berkeley Scott Group plc

(Incorporated in England and Wales under the Companies Act 1985 with registered number 2228050)

in connection with the recommended offer made for the entire issued and to be issued share capital of

Quantica plc

(Incorporated in England and Wales under the Companies Act 1985 with registered number 3058194)

Nominated Adviser & Broker
Daniel Stewart & Company Plc

Financial Adviser
Strand Partners Limited

Daniel Stewart, which is regulated and authorised in the United Kingdom by the FSA and is a member of the London Stock Exchange, is acting as the Company's broker and nominated adviser. Its responsibilities as the Company's nominated adviser under the AIM Rules are owed solely to the London Stock Exchange and are not owed to the Company or any Director or to any other person in respect of their decision to acquire shares in the Company in reliance on any part of this document. Daniel Stewart is acting exclusively for the Company in connection with the Placing and the proposed admission of the Enlarged Issued Share Capital to trading on AIM. Strand Partners, which is regulated and authorised in the United Kingdom by the FSA, is acting as the Company's financial adviser. Neither Daniel Stewart nor Strand Partners will be responsible to anyone other than the Company for providing the protections afforded to its customers or providing advice in connection with the matters set out in this document or any transaction or arrangement referred to in this document. No representation or warranty, express or implied, is made by Daniel Stewart or Strand Partners as to the contents of this document, without limiting the statutory rights of any person to whom this document is issued. The information contained in this document is not intended to inform or be relied upon by any subsequent purchasers of Ordinary Shares (whether on or off exchange) and accordingly no duty of care is accepted in relation to them.

The distribution of this document in jurisdictions other than the UK may be restricted by law and, therefore, persons into whose possession this document comes should inform themselves about and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of the securities laws of any such jurisdictions. In particular, this document should not be forwarded or transmitted in or into the United States, Canada, Australia or Japan. The New Berkeley Scott Shares have not been, nor will they be, registered under the United States Securities Act 1933 (as amended) or under any of the relevant securities laws of any state of the United States or of Canada, Australia or Japan. Accordingly, the New Berkeley Scott Shares may not (unless an exemption under relevant securities laws is applicable) be offered, sold, resold or delivered, directly or indirectly, in or into the United States, Canada, Australia or Japan or for the account or benefit of any such person located in the United States, Canada, Australia or Japan.

Copies of this document, the Offer Document, the Form of Acceptance, the Circular and form of proxy are available for collection, free of charge during normal business hours from the registered office of Berkeley Scott, Berkeley House, 11-13 Ockford Road, Godalming, Surrey, GU7 1QU and at the offices of Berkeley Scott's Nominated Adviser, Daniel Stewart & Company Plc, Becket House, 36 Old Jewry, London, EC2R 8DD, or the offices of Berkeley Scott's financial adviser, Strand Partners Limited, 26 Mount Row, London, W1K 3SQ.

CONTENTS

OFFER, PLACING AND SHARE CAPITAL STATISTICS

Placing Price	40.0 pence
Gross proceeds of the Placing	9.6 million
Estimated net proceeds of the Placing receivable by the Company	£7.1 million
Maximum cash consideration payable by the Company pursuant to the Offer	£14.7 million
Number of Placing Shares being issued pursuant to the Placing	23,920,000
Number of Ordinary Shares in issue immediately following Admission (assuming full acceptance of the Equity Alternative)	117,573,742
Placing Shares as a percentage of the Enlarged Issued Share Capital (assuming full acceptance of the Equity Alternative)	20.3%
Market capitalisation following the Placing at the Placing Price (assuming full acceptance of the Equity Alternative)	£47 million

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Issue of this document	24 August 2007
Latest time and date for receipt of completed forms of proxy for the EGM	16 September 2007
EGM	18 September 2007
Admission and dealings in the Ordinary Shares (other than the Non-VCT Placing Shares) expected to commence on AIM*	24 September 2007
Admission and dealings in the Non-VCT Placing Shares expected to commence on AIM*	25 September 2007
Expected date for CREST accounts to be credited (other than those relating to the Non-VCT Placing Shares)*	24 September 2007
Expected date for CREST accounts to be credited (for those relating to Non-VCT Placing Shares)*	25 September 2007
Despatch of definitive share certificates relating to the Placing Shares (where applicable)*	4 October 2007

*assuming the Offer becomes or is declared unconditional as to acceptances on 14 September 2007, the first closing date of the Offer.

PART I

SUMMARY

This summary should be read as an introduction to the whole document and any decision to accept the Offer should be based on consideration of the document as a whole. This summary should be read as an introduction to this document only. Where a claim relating to the information contained in a prospectus is brought before a court where English is not the language in which proceedings are conducted, the plaintiff investor might, under the legislation of the EEA States, have to bear the costs of translating the prospectus before legal proceedings are initiated. Civil liability attaches to the persons who are responsible for the summary including any translation of the summary, but only if the summary is misleading, inaccurate or inconsistent when read in conjunction with the other parts of the whole document.

Introduction

The Berkeley Scott Board and the Quantica Board announced on 24 August 2007 the terms of the Offer to be made by Berkeley Scott for the entire issued and to be issued share capital of Quantica.

Information on Berkeley Scott

Berkeley Scott is a market leading provider of people resourcing solutions to the hospitality and leisure industries and has been for 23 years. The Group is focused on the provision of resourcing solutions including broad-based 'people solutions' rather than simplistic recruitment services. The Group provides resourcing services to its long standing clients, many of which are recognisable brand names, throughout the UK via its national network of 12 offices. This provides the Group with a strong competitive advantage in the management recruitment market and leveraging this infrastructure is a key element of the Group's strategy. The Group employs approximately 168 staff, of whom in the region of 130 are fee-earning consultants.

Information on Quantica

Quantica is a recruitment group focused on the provision of permanent and contract recruitment services for the professional services markets. The main markets served by Quantica include finance, technology, supply chain management, manufacturing, retail, legal, sales and marketing, HR and private equity.

Quantica operates through five main brands: Quantica Technology, Quantica Search & Selection, RK Accountancy, Supply Chain Personnel and Robinson Keane Search & Selection. Quantica has its headquarters in Elland, West Yorkshire. As at 31 July 2007, Quantica employed 217 people, of whom 142 were fee-earning consultants, across 17 offices, principally located in the North and South East of England.

The Offer

The Berkeley Scott Board and the Quantica Board announced on 24 August 2007 the terms of the Offer to be made by Berkeley Scott for the entire issued and to be issued share capital of Quantica. The Offer Document containing the Offer and the Form of Acceptance has been posted today to Quantica Shareholders.

Berkeley Scott is offering to acquire all of the Quantica Shares on the following basis:

for each Quantica Share 47.5 pence in cash

The Offer values the entire issued ordinary share capital of Quantica at approximately £28.3 million.

The Offer represents a premium of approximately 14.5 per cent. to the Closing Price of 41.5 pence per Quantica Share on 20 July 2007, being the last business day prior to the announcement by Quantica on 23 July 2007 that it was in advanced discussions with Berkeley Scott that may or may not lead to an offer being made for Quantica.

The Equity Alternative

Quantica Shareholders who validly accept the Offer may elect for the Equity Alternative. The Equity Alternative is made on the following basis:

for every 16 Quantica Shares 19 New Offer Berkeley Scott Shares

New Offer Berkeley Scott Shares issued under the Offer will be credited as fully paid and free from all liens, charges and encumbrances whatsoever and will rank *pari passu* with Existing Berkeley Scott Shares including in respect of all dividends made, paid or declared after the date of this document.

The Equity Alternative is conditional upon the Offer becoming unconditional in all respects.

Full acceptance of the Equity Alternative (disregarding fractions and assuming no exercise of any options granted to the Quantica Share Option Holders) would result in the issue of 70,849,413 New Offer Berkeley Scott Shares, which would represent 60.3 per cent. of the Enlarged Issued Share Capital.

The Offer extends to any Quantica Shares issued or unconditionally allotted prior to the date on which the Offer closes (or by such earlier date as Berkeley Scott may, subject to the Code, determine in accordance with the terms and conditions of the Offer), including any Quantica Shares unconditionally allotted or issued upon the exercise of options granted by Quantica to the Quantica Share Option Holders.

Fractions of New Berkeley Scott Shares will not be allotted or issued to Quantica Shareholders who validly accept the Offer and elect for the Equity Alternative but will be aggregated and sold in the market for the benefit of the Enlarged Group.

The Quantica Shares which are the subject of the Offer will be acquired fully paid and free from all liens, charges, encumbrances, rights of pre-emption and other third party rights of any nature whatsoever and together with all rights now or hereafter attaching thereto, including the right to receive and retain all dividends and other distributions, if any, declared, made or paid after the date of this document.

Key financial information

The following is a summary of financial information relating to the Group's activities for the three years ended 30 September 2006 and the six months ended 31 March 2007 which has been prepared in accordance with UK GAAP. Potential investors should read the whole of this document and not rely only on the following summary information.

	Year ended 30 September 2004 £'000	*Year ended 30 September 2005 £'000*	*Year ended 30 September 2006 £'000*	*Six months ended 31 March 2007 £'000*
Revenue	16,611	17,064	17,977	8,780
Gross Profit	4,356	4,081	4,159	4,347
Adjustment	4,391	4,991	5,428	–
Net Fee Income *	8,747	9,072	9,587	4,347
EBITDA	840	4	400	(1,139)
Loss on ordinary activities before taxation	(4)	(896)	(388)	(1,508)

* In the three years ended 30 September 2006, Gross Profit was stated after attributing the remuneration costs of certain consultants and operating staff. The interim accounts for the six months ended 31 March 2007 were restated to include these costs within operating expenses in accordance with industry practice. Accordingly the three years ended 30 September 2006 have been represented to aid comparability. The reclassification between cost of sales and operating expenses amounted to £5,428,000 in the year ended 30 September 2006 (2005 – £4,991,000, 2004 – £4,391,000).

The following is a summary of financial information relating to Quantica's activities for the twelve month period ended 26 November 2004, the twelve month period ended 2 December 2005 and the 13 month period ended 31 December 2006 which has been prepared in accordance with UK GAAP. Potential investors should read the whole of this document and not rely only on the following summary information.

	Year ended 26 November 2004 £'000	Year ended 2 December 2005 £'000	13 months ended 31 December 2006 £'000
Revenue			
Continuing operations	14,438	15,893	28,236
Discontinued operations	16,410	23,029	20,551
	30,848	38,922	48,787
Net fee income	13,816	16,499	24,489
EBITDA*	2,999	4,384	4,106
Profit on ordinary activities before taxation	1,957	2,560	7,458

** Before exceptional items and LTIP charges*

The following unaudited pro forma statement of net assets of the Enlarged Group (the "pro forma financial information") is based on the consolidated net assets of the Group as at 31 March 2007, set out in the unaudited consolidated interim financial statements of the Group for the period ended on that date and has been prepared to illustrate the effect on the consolidated net assets of the Group as if the Acquisition and Placing was completed on that date.

		Adjustments				
	The Group as at 31 March 2007 (note 1) £'000	Quantica as at 31 December 2006 (note 2) £'000	Quantica share buy back (note 3) £'000	Accounting policy alignment (note 4) £'000	The Offer and the Placing (note 5, 6, 7, 8) £'000	Pro forma net assets of the Enlarged Group £'000
Fixed assets						
Intangible assets	2,240	12,562	–	–	–	14,802
Goodwill	–	–	–	–	5,609	5,609
Tangible assets	709	304	–	–	–	1,013
	2,949	12,866	–	–	5,609	21,424
Current assets						
Debtors	3,070	4,995	–	796	–	8,861
Cash at bank and in hand	3	9,142	(1,922)	–	1,455	8,678
	3,073	14,137	(1,922)	796	1,455	17,539
Creditors: amounts falling due within one year						
Bank loans	(152)	–	–	–	(5,678)	(5,830)
Other creditors	(2,910)	(6,789)	–	(126)	–	(9,825)
	(3,062)	(6,789)	–	(126)	(5,678)	(15,655)
Net current assets	11	7,348	(1,922)	670	(4,223)	1,884
Total assets less current liabilities	2,960	20,214	(1,922)	670	1,386	23,308
Creditors: amounts falling due after one year						
Bank loans	(167)	–	–	–	(3,403)	(3,570)
Net assets	2,793	20,214	(1,922)	670	(2,017)	19,738

Notes:

1. The consolidated net assets of the Group at 31 March 2007 have been extracted without material adjustment from the unaudited interim financial statements of the Group for the period ended 31 March 2007.

Adjustments:

2. The consolidated net assets of Quantica have been extracted without material adjustment from the financial information on Quantica and its subsidiaries for the year ended 31 December 2006.

3. An adjustment has been made to reflect Quantica's purchase on 11 January 2007, for cancellation, of 6,629,184 ordinary shares at 29p per ordinary share. Following this purchase Quantica has 59,662,664 ordinary shares in issue.

4. The accounting policy adopted by the Group in connection with income generated from permanent placements differs from that applied by Quantica. The Group recognises income on permanent placements when the offer of employment has been accepted by the candidate. Quantica recognises permanent income on the candidate's employment start date. An adjustment has been made to reflect the alignment of Quantica's accounting policy with that of the Group.

5. An adjustment has been made to reflect:

   (i) the estimated goodwill arising on the acquisition of Quantica; and

   (ii) the Group's transaction expenses.

   For the purposes of this pro forma information, no adjustment has been made to the separate assets and liabilities of Quantica to reflect their fair value. The gross difference between the net assets of Quantica as stated at their book value at 31 December 2006 and the aggregate of the estimated consideration and the Group's transaction expenses has therefore been presented as a single value in goodwill.

   The net assets of Quantica will be subject to a fair value restatement as at the effective date of the Acquisition and the Placing. Also, in accordance with FRS 7 – "Fair Values in Acquisition Accounting", the Company will assess the need for an impairment of goodwill at the next reporting date, unless there is an indication of the need for an impairment at an earlier point. Actual goodwill included in the Group's next published financial statements may therefore be materially different from that included in the pro forma statement of net assets.

6. Assuming acceptance of the Equity Alternative by Quantica Shareholders holding 48.2 per cent. of Quantica's fully diluted share capital, the estimated cash consideration for Quantica is approximately £14.7 million based on the recommended cash offer for each Quantica Share of 47.5 pence in cash. The estimated transaction expenses are based on the Directors' latest estimate of the Company's transaction expenses that may be capitalised as part of the total expenses of the transaction.

	£'000
Consideration payable in cash	14,677
Consideration payable in New Berkeley Scott Shares	13,663
Estimated consideration	28,340
Estimated transaction costs of the Company that may be capitalised	(2,517)
	25,823
Book value of Quantica net assets as at 31 December 2006	(20,214)
Estimated goodwill arising on the Acquisition	5,609

7. The increase in bank loans comprises:

	£'000	*£'000*
Due within one year		
– Term loan	630	
– Bridging loan	5,200	
		5,830
Due after more than one year		
– Term loan		3,570
		9,400

   An adjustment has been made to reflect the repayment of the Group's existing Royal Bank of Scotland Plc term loan amounting to £319,000.

8. The Placing is estimated to raise net proceeds of £7.051 million (£9.568 million gross proceeds less estimated expenses of £2.517 million).

Background to and reasons for the Offer

The Directors have publicly indicated their intention to pursue a strategy of expansion, both organically and through the acquisition of complementary recruitment consultancies.

The Directors' objective is to improve the financial performance of Berkeley Scott and to acquire specialty, higher margin, niche recruitment companies in sectors such as IT, finance and accounting, legal and banking. Eventually, the Directors hope to build a medium sized diversified recruitment company whose shares trade with improved liquidity.

Quantica has been identified as the first key acquisition target due to its strong brand name in the market, its financial performance and quality candidate database.

The Berkeley Scott Board believes that they will be able to enhance shareholder value through rationalisation of the Enlarged Group's cost base and improvements in sales growth and productivity. The Directors have strong track records of building value through acquisition.

Irrevocable undertakings

Berkeley Scott has received irrevocable undertakings to accept the Offer from the Quantica Directors and two additional Quantica Shareholders in respect of, in aggregate, 8,549,001 Quantica Shares, representing approximately 14.3 per cent. of the existing issued ordinary share capital of Quantica. The irrevocable undertakings will lapse only in the event of the Offer lapsing or being withdrawn. The Quantica Directors and such additional Quantica Shareholders have in aggregate undertaken to elect for the Equity Alternative in respect of 3,476,583 Quantica Shares.

In addition, Berkeley Scott has received irrevocable undertakings in respect of an aggregate of 28,106,413 Quantica Shares from other Quantica Shareholders, representing approximately 47.1 per cent. of the existing issued ordinary share capital of Quantica. The undertakings will lapse in the event of the Offer lapsing or being withdrawn or if a competing offer for Quantica is announced by a third party, where the value of such competing offer is, in the reasonable opinion of Strand Partners and Landsbanki, not less than a price which (depending on the terms of the relevant undertaking) is between five and 20 per cent. higher than the Offer price of 47.5 pence per Quantica Share. These Quantica Shareholders have undertaken to elect for the Equity Alternative in respect of 25,288,110 Quantica Shares representing approximately 42.4 per cent. of the existing issued share capital of Quantica.

In total, therefore, Berkeley Scott has received irrevocable undertakings to accept, or procure the acceptance of, the Offer in respect of 36,655,414 Quantica Shares representing approximately 61.4 per cent. of the existing issued share capital of Quantica, and to elect for the Equity Alternative in respect of 28,764,693 Quantica Shares, representing approximately 48.2 per cent. of the existing ordinary share capital of Quantica.

Financing of the Offer

Full acceptance of the Offer, assuming that accepting Quantica Shareholders (other than those who have irrevocably undertaken to elect for the Equity Alternative) elect to receive cash consideration rather than New Offer Berkeley Scott Shares under the Equity Alternative, would result in a maximum cash consideration of approximately £14.7 million being payable by Berkeley Scott to Quantica Shareholders.

Berkeley Scott will finance this maximum cash consideration partly by way of the Placing and partly by way of the Banking Facilities to be provided by Barclays Bank PLC.

The Placing

Berkeley Scott is proposing to issue the Placing Shares at the Placing Price pursuant to the Placing Agreement to raise £9.6 million, before expenses.

The Placing has been split into two tranches. The first tranche of £1.7 million (consisting of the VCT Placing Shares) is intended to be VCT qualifying. The second tranche of £7.9 million (consisting of the Non-VCT Placing Shares) will not be VCT qualifying. The proceeds of the Placing will be used, along with bank borrowings, to fund the cash consideration of up to £14.7 million under the Offer, together with costs and expenses of the Offer and the Placing. Depending on the level of elections for the Equity Alternative, the balance of the Placing (if any) will be used toward providing additional working capital to the Enlarged Group and additional funding to exploit further acquisition opportunities.

The Company expects that the VCT Placing Shares will qualify for VCT status; however no confirmation has been received from HMRC. The Directors believe that a minor capital reconstruction of the Quantica subsidiaries is necessary in order to achieve clearance from HMRC. The Directors will undertake this, if it has not already been done by Quantica, as soon as practicable following the Offer being declared wholly unconditional. There can be no certainty that qualifying VCT status will be achieved in the future or that the Company will be in a position to maintain qualifying VCT status in the future.

The VCT Placing Shares will be admitted to trading on AIM prior to drawdown of the Banking Facilities which is intended to take place simultaneously with admission of the Non-VCT Placing Shares.

Pursuant to the Placing Agreement, Daniel Stewart has procured Placees for the Placing Shares at the Placing Price, on behalf of the Company, from among institutional and other investors. The Placing has not been underwritten.

The Placing is conditional on, *inter alia*, the passing by Berkeley Scott Shareholders of the Resolutions to be proposed at the EGM, the Offer being declared unconditional in all respects (save as to Admission) and Admission in respect of the Placing Shares becoming effective by no later than the tenth business day after the Offer is declared unconditional in all respects. A conditional listing is not sought or expected. Dealings in the VCT Placing Shares are expected to commence on the fifth dealing day following the day on which the Offer becomes or is declared unconditional in all respects. Dealings in the Non-VCT Placing Shares are expected to commence on the sixth dealing day following the day on which the Offer becomes or is declared unconditional in all respects. It is expected that CREST accounts will be credited on the respective days that the VCT Placing Shares and the Non-VCT Placing Shares are admitted to AIM.

Assuming full acceptance of the Equity Alternative, the Placing Shares will represent approximately 20.3 per cent. of the Enlarged Issued Share Capital and are or will be in registered form and, on Admission, will rank *pari passu* in all respects with the Existing Berkeley Scott Shares and will rank in full for dividends and other distributions declared, paid or made following Admission in respect of the Ordinary Shares.

The Banking Facilities

The cash consideration payable under the Offer will be partly financed by Berkeley Scott from the Banking Facilities provided by Barclays Bank PLC. It is envisaged that security over the Quantica Group's assets will be given to the lender under these Banking Facilities. The payment of interest and principal under these Banking Facilities will be funded by the financial resources of the Enlarged Group.

Strand Partners is satisfied that sufficient cash resources are available to Berkeley Scott to satisfy in full the cash consideration payable to Quantica Shareholders under the Offer.

Compulsory acquisition, cancellation of admission to AIM and re-registration

As soon as it is appropriate to do so, and subject to the Offer becoming or being declared unconditional in all respects and sufficient acceptances being received, it is Berkeley Scott's intention to acquire compulsorily any outstanding Quantica Shares pursuant to the provisions of sections 974 to 991 (inclusive) of the Companies Act 2006 and procure that Quantica will apply to the London Stock Exchange for the cancellation of the admission of the Quantica Shares to trading on AIM. Berkeley Scott also intends to re-register Quantica as a private company under the relevant provisions of the Act as soon as practicable.

Cancelling the admission of Quantica Shares to trading on AIM is likely to reduce significantly the liquidity and marketability of any Quantica Shares in respect of which the Offer has not been accepted and their value may be materially or adversely affected as a consequence.

Dealing arrangements for New Berkeley Scott Shares

Application will be made to AIM for the Enlarged Issued Share Capital to be admitted to trading on AIM. It is expected that Admission will become effective and dealings will commence on AIM in the Enlarged Issued Share Capital on the fifth and sixth dealing days following the date on which the Offer becomes or is declared unconditional in all respects.

It is likely that some New Offer Berkeley Scott Shares will be issued after the expected date of Admission referred to above to Quantica Shareholders who do not validly accept the Offer before that date and, accordingly, admission of such New Offer Berkeley Scott Shares to trading on AIM may become effective and dealings in them may commence on one or more subsequent dates.

Dealings on AIM in New Berkeley Scott Shares issued in registered form will be for normal rolling settlement. In relation to New Berkeley Scott Shares issued in certificated form, temporary documents of title will not be issued and, pending the despatch by post of definitive certificates for New Berkeley Scott Shares transfers will be certified against the register held by Capita Registrars.

Procedure for acceptance of the Offer

Written and electronic acceptances are valid for accepting the Offer if holding certificated or uncertificated shares respectively.

Risk Factors

Set out below is a summary of what the Berkeley Scott Board believes to be some of the principal risk factors involved in an investment in the Company.

- **The Company's growth strategy includes the making of strategic acquisitions which brings with it certain risks.**
- **The Company's plan to continue its growth will place additional demand on the Enlarged Group's management, customer support, marketing, administrative and technological resources.**
- **The future performance of the Enlarged Group will depend on personnel and staff turnover.**
- **Future funding requirements beyond the next twelve months may be dilutive to shareholders or involve restrictions on financing and operating activities.**
- **Gearing; the use of borrowings presents a risk that the Enlarged Group may be unable to service interest rate payments and principal repayments or comply with other requirements of its loans.**
- **Dependence on third party technology systems and services exposes the Enlarged Group to risk.**
- **The Enlarged Group cannot guarantee that it will be able to supply sufficient numbers of, or suitably skilled, candidates to meet the future demand of its clients.**
- **Seasonality of recruiting activities weights revenues and operating profits towards the period March to September.**
- **The Enlarged Group is dependent on relationships with a number of key providers.**
- **There is no guarantee that the existing clients of Quantica will continue to be clients of Quantica and/or the Enlarged Group following completion of the Acquisition.**
- **There can be no guarantee that the current or future actions of the Enlarged Group will not result in litigation.**
- **The adoption of International Financial Reporting Standards may have a material impact on the reported results, balance sheets and cash flow statements of the Enlarged Group.**
- **The UK recruitment market is competitive.**
- **The expansion plans of the Berkeley Scott Board may be materially affected by increased supply of products and services by other companies.**
- **The Enlarged Group's operating results may fluctuate significantly in the future due to a variety of factors, many of which are outside of its control.**
- **Changing laws and cultural environment in relation to licensed drinking hours and smoking may affect the hospitality and leisure industries.**
- **The general economic climate is volatile and is affected by numerous factors which are beyond the Enlarged Group's control which may affect its operations, business and profitability.**

- **The Enlarged Group's objectives may not be fulfilled.**
- **The Acquisition may not complete and there may be difficulties integrating the Quantica Group.**
- **Possible volatility of the price of the Ordinary Shares.**
- **Substantial sales of the Ordinary Shares could cause the price of the Ordinary Shares to decline.**
- **There is no guarantee that the Enlarged Group will pay dividends.**
- **Changes in tax laws or the practice of any taxation authority could have a material adverse effect on the Enlarged Group.**
- **Shares traded on AIM may carry a higher risk than an investment in shares listed on the Official List.**
- **Investment in the Ordinary Shares may not be suitable for all investors.**

This summary has considered and discloses all appropriate items required by Annex I, to the Prospectus Directive.

PART II

RISK FACTORS

In addition to all other information set out in this document, investors should carefully consider the risk factors described below before making a decision to invest in the Company. If any of the following events actually occur, the Enlarged Group's business, financial condition, results or future operations could be materially affected. In such circumstances, the price of the Ordinary Shares could decline and investors could lose all or part of their investment. This document contains forward-looking statements that involve risks and uncertainties. The Enlarged Group's results could actually differ materially from those anticipated in the forward-looking statements as a result of many factors, including, without limitation, the risks faced by the Enlarged Group which are described below. Making an investment in the Company may not be suitable for all recipients of this document. An investment in the Company is only suitable for investors who are capable of evaluating the risks and merits of such investment and who have sufficient resources to bear any loss which might result from such investment. If you are in any doubt about the action you should take, you should consult a professional adviser authorised under FSMA who specialises in advising on the acquisition of shares and other securities. The Enlarged Group's business is subject to significant risk and past performance is no guarantee of future performance.

This summary of risk factors is not exhaustive but is intended to comprise the material risks which the Directors believe to be associated with the Enlarged Group and other risk factors may apply. In particular the Enlarged Group's performance is likely to be affected by changes in the market and/or economic conditions and in legal, accounting, regulatory and tax requirements. If any of the matters referred to in the following risk factors actually occur, the Enlarged Group's business and financial condition could be materially and adversely affected.

The material risks that an investor of securities in Berkeley Scott may face are set out below:

SECTION A: BUSINESS RISKS RELATING TO THE ENLARGED GROUP

Growth strategy and acquisition risks

The Company's growth strategy includes the making of strategic acquisitions. Such a strategy brings with it certain risks. In order to expand its operations, the Enlarged Group may seek to make acquisitions of, and investments in, businesses of varying sizes. Each acquisition or other investment brings financial and commercial risks inherent within the target or investment vehicle that may not be fully appreciated by the Company at the time of the relevant acquisition or investment and which may materially and adversely impact the Enlarged Group in the future. The Enlarged Group's success in making any acquisitions or investments will depend on a number of factors, including but not limited to:

- negotiating acceptable terms for the acquisition of, or the investment in, target companies or businesses;
- obtaining approval from regulatory authorities in the jurisdiction of target companies or businesses to be acquired or invested in, as applicable;
- assimilating the operations of an acquired company or business or asset(s) in a timely and efficient manner;
- maintaining the Enlarged Group's financial and strategic focus while integrating acquired companies or businesses;
- implementing uniform standards, controls, procedures and policies in relation to the acquired companies or businesses; and
- to the extent that the Enlarged Group makes an acquisition or investment outside of markets of which it has previously operated, conducting and managing operations in a new operating environment.

Management of growth

The Company's plan to continue its growth will place additional demand on the Enlarged Group's management, customer support, marketing, administrative and technological resources. If the Enlarged Group is unable to manage its growth effectively, its business, operations or financial condition may deteriorate.

Dependence on key personnel and staff turnover

The future performance of the Enlarged Group will depend on its ability to retain the services and personal connections or contacts of key executives and to recruit, motivate and retain suitably skilled, qualified and industry experienced personnel. The loss of one or more key employees could have a material adverse effect on the Enlarged Group. No assurances can be given, however, that the loss of any executive officer of the Company would not have a material adverse effect on the business, financial condition or results of operations of the Enlarged Group. In addition, the Enlarged Group may be adversely affected by staff turnover at more junior levels.

Future funding requirements

The Enlarged Group may, beyond the next twelve months, need to raise equity funds or require debt financing to finance working capital requirements or to make acquisitions and finance its growth through future stages of development. Any additional equity financing may be dilutive to the then Shareholders if they are unable or choose not to subscribe, and debt financing, if available, may involve restrictions on financing and operating activities. In addition, there can be no assurance that the Enlarged Group will be able to raise additional funds when needed or that such funds will be available on terms favourable to the Enlarged Group. If the Enlarged Group is unable to obtain additional financing as needed, the Enlarged Group may be required to reduce the scope of its operations or anticipated expansion or cease trading.

Gearing

The use of borrowings presents a risk that the Enlarged Group may be unable to service interest payments and principal repayments or comply with other requirements of its loans, which may render its borrowings immediately repayable in whole or in part, together with any attendant cost, and the Enlarged Group might be forced to sell some of its assets to meet such obligations, with the risk that borrowings will not be able to be refinanced or the terms of such refinancing may be less favourable than the existing terms of borrowing.

If the Enlarged Group's borrowings become more expensive, relative to the income it receives from its investments, then the Enlarged Group's profits will be adversely affected. If the Enlarged Group is unable to obtain new finance then it may suffer a substantial loss as a result of having to dispose of those investments which cannot be financed.

Dependence on third party technology systems and services

The Enlarged Group's business, in particular its internet-related activities, depends on technology systems and services provided by third parties. The Enlarged Group is dependent on the efficient and uninterrupted operation of its information technology and computer systems, which may be vulnerable to short term damage or interruption from power loss, telecommunications failure, sabotage, vandalism or similar misconduct. Whilst the Enlarged Group has contingency planning, disaster recovery procedures and insurance in place, it cannot guarantee that if there is any interruption to the systems or services provided by those third parties or those systems or services are not reinstated as anticipated or at all, or there are problems in upgrading such systems or services, the Enlarged Group's business will not be adversely affected. In addition, the Enlarged Group may be unable to find adequate replacement services on a timely basis or at all.

Shortage of candidates and skills

The hospitality, leisure and professional services sectors are major employers of the UK's workforce and they experience relatively high levels of staff turnover. Furthermore, these sectors have recently shown signs of growth. The Enlarged Group's clients require large numbers of staff, both permanent and temporary. However, the Enlarged Group cannot guarantee that it will be able to supply sufficient numbers of, or suitably skilled, candidates to meet the future demand of its clients. This may adversely affect the Enlarged Group's business performance.

Seasonality

The Enlarged Group's experience indicates that recruiting activities are more prevalent between March and September in each year. Accordingly, revenues and operating profits have been weighted towards this period of the year. A significant proportion of the staff costs and overheads of the Enlarged Group are fixed and although the Enlarged Group will manage its cost base and its investment decisions in line with forecast activity levels and prior experience, any shortfall in revenues during peak trading periods could have a significant impact on the Enlarged Group's profitability and results.

Customer Relationships

The Enlarged Group is dependent on relationships with a number of key customers and the Directors believe that both the Group's and the Quantica Group's reputation for providing high quality resourcing services is key to maintaining and developing relationships with its clients. The loss or deterioration of one or more of these relationships could have an adverse effect on the financial or trading position of the Enlarged Group.

Existing business of Quantica

There is no guarantee that the existing clients of Quantica will continue to be clients of Quantica and/or the Enlarged Group (or continue to transact the same level of business) following completion of the Acquisition. The loss of certain key clients (or a significant number of clients) of Quantica could materially adversely affect the business, financial condition, results or future operations of the Enlarged Group.

Litigation

There can be no guarantee that the current or future actions of the Enlarged Group will not result in litigation, since the recruitment industry, as with all industries, is subject to legal claims, both with and without merit. Defence and settlement costs can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process, there can be no assurance that the resolution of any particular legal proceeding will not have a material adverse effect on the Enlarged Group's financial position or results of operations.

International Financial Reporting Standards ("IFRS")

It will be mandatory for AIM companies to adopt IFRS for accounting periods commencing on or after 1 January 2007. The Berkeley Scott Board will keep under review the impact of adopting IFRS and their adoption may have a material impact on the reported results, balance sheets and cash flow statements of the Enlarged Group when they are adopted.

SECTION B: MARKET RISKS RELATING TO THE COMPANY AND ENLARGED GROUP

Competition

The UK recruitment market is competitive. The Enlarged Group may face significant competition, both actual and potential, including competition from competitors which either have greater capital resources for the provision of products and services than those of the Enlarged Group; are able to provide services which are more effective, economically viable or advanced than those provided by the Enlarged Group; or undertake an aggressive pricing policy. Despite its current contractual arrangements, there is no assurance that the Enlarged Group will be able to compete successfully in such a market place.

Market saturation

The expansion plans of the Berkeley Scott Board may be materially affected by increased supply of products and services by other companies. If the market becomes saturated with similar products and services, especially in the Enlarged Group's target areas, then the effectiveness of the Enlarged Group's strategic plans may be severely diminished. The Enlarged Group's ability to penetrate new geographical markets may be impeded if the Enlarged Group's competitors have already become established in those markets.

The Enlarged Group may face increased competition from on-line competitors and it cannot guarantee that this will not erode the Enlarged Group's internet-related business, or indeed that derived from its traditional market place.

Operating results

The Enlarged Group's operating results may fluctuate significantly in the future due to a variety of factors, many of which are outside of its control. Accordingly, investors should not rely on comparisons with the Group's results to date as an indication of future performance. Factors that may affect the Enlarged Group's operating results include increased competition, an increased level of costs and expenses as it continues to expand its services, increased employment costs as the market in which the Enlarged Group operates improves, slower than expected take-up by customers of its services and changes to the statutory and regulatory regime in which it operates. It is possible that, in the future, the Enlarged Group's operating results will fall below the expectations of securities analysts or investors. If this occurs, the trading price of the Company's shares may decline significantly.

Changing laws and cultural environment in relation to licensed drinking hours and smoking

The UK government has introduced new laws in relation to licensed drinking hours and smoking, which may change the culture of socialising. The hospitality and leisure industries would clearly be exposed to any such change. It is difficult for the Enlarged Group to anticipate the potential negative consequences of this, but it cannot guarantee that such change will not adversely affect recruitment trends in these industries.

General economic climate

The general economic climate is volatile and is affected by numerous factors which are beyond the Enlarged Group's control which may affect its operations, business and profitability. These factors include the supply and demand of capital, growth in gross domestic product, employment trends and industrial disruption, international economic trends, currency exchange rate fluctuations, the level of interest rates and the rate of inflation, global or regional political events and international events, as well as a range of other market forces, all of which have an impact on demand, business costs and stock market prices.

The Enlarged Group's objectives may not be fulfilled

The ability of the Berkeley Scott Board to implement the Enlarged Group's strategy could be adversely affected by changes in the economy and/or industries in which it operates. Although the Enlarged Group has a clearly defined strategy, there can be no guarantee that its objectives or any of them will be achieved on a timely basis or at all. In particular, acquisition opportunities may not be available or of the quality or in the number required to satisfy the Enlarged Group's requirements and therefore the anticipated development or growth of the Enlarged Group may not be achieved. The Enlarged Group's ability to attract new business is also dependent on the maintenance of its reputation.

SECTION C: RISKS RELATING TO THE ACQUISITION

The Acquisition may not complete

It is possible that factors beyond the control of the Company will result in the Acquisition not taking place and that any legal rights of the Company in relation to such failure to complete may be of limited worth in practice. Consequently the Group's ongoing acquisition strategy will not proceed as planned.

Difficulties integrating the Quantica Group

Unforeseen difficulties in the integration of the Quantica Group may result in increased expense, loss of customers and decline in profitability. For these reasons, the Group may not realise all of the anticipated benefits of the Acquisition, either in a timely manner, or at all. If that happens, and the Enlarged Group incurs significant costs, it could have a material adverse impact on the business of the Enlarged Group.

SECTION D: RISKS RELATING TO ORDINARY SHARES

Possible volatility of the price of the Ordinary Shares

The market price of the Ordinary Shares could be subject to significant fluctuations due to a change in sentiment in the market regarding the Ordinary Shares (or securities similar to them) or in response to various factors and events, including any regulatory changes affecting the Enlarged Group's operations, variations in the Enlarged Group's operating results and business developments of the Enlarged Group or its competitors.

Stock markets have from time to time experienced significant price and volume fluctuations which have affected the market prices for securities which may be unrelated to the Enlarged Group's operating performance or prospects. Furthermore the Enlarged Group's operating results and prospects from time to time may be below the expectations of market analysts and investors. Any of these events could result in a decline in the market price of the Ordinary Shares. The trading prices of the Ordinary Shares may go down as well as up and Shareholders may, therefore, not recover their original investment costs.

Substantial sales of Ordinary Shares could cause the price of Ordinary Shares to decline

There can be no assurance that the Directors or other Berkeley Scott Shareholders will not elect to sell their Ordinary Shares when they are legally entitled so to do. The market price of Ordinary Shares could decline as a result of any sales of such Ordinary Shares or as a result of the perception in the market which may occur as a result of such a sale. If these or any other sales were to occur, the Company may in the future have difficulty in offering or selling Ordinary Shares at a time or at a price it deems appropriate.

Dividends

The dividend policy of the Enlarged Group is dependent upon its financial condition, cash requirements, future prospects, profits available for distribution and other factors deemed to be relevant at the time. There can be no guarantee that the Enlarged Group will pay dividends in the foreseeable future.

Tax and regulatory considerations

Changes in tax laws or subordinate legislation or the practice of any taxation authority could have a material adverse effect on the Enlarged Group.

An investment in the Company may involve complex tax considerations which may differ for each investor and each investor is advised to consult its own tax advisers. Any tax legislation and its interpretation and the legal and regulatory regimes which apply in relation to an investment in the Company may change at any time.

Securities traded on AIM

The Ordinary Shares will be traded on AIM rather than on the Official List. An investment in shares traded on AIM may carry a higher risk than an investment in shares listed on the Official List. Investors should be aware that the value of the Ordinary Shares may be volatile and may go down as well as up and investors may therefore not recover their original investment especially since the market in the Ordinary Shares on AIM may have limited liquidity.

The price at which investors may dispose of their Ordinary Shares may be influenced by a number of factors some of which may pertain to the Company and others of which are extraneous. Investors may realise less than the original amount invested.

Suitability

Investment in the Ordinary Shares may not be suitable for all readers of this document. Readers are accordingly advised to consult a person authorised under FSMA who specialises in investments of this nature before making any investment decision.

Forward-looking statements

This document contains forward-looking statements that involve risks and uncertainties. All statements, other than statements of historical facts, contained in this document, including statements regarding the Enlarged Group's future financial position, business strategy and plans, business model and approach and objectives of management for future operations, are forward-looking statements. Generally, the forward-looking statements in this document use words like "anticipate", "believe", "could", "estimate", "expect", "future", "intend", "may", "opportunity", "plan", "potential", "project", "seek", "will" and similar terms. The Enlarged Group's actual results could differ materially from those anticipated in the forward-looking statements as a result of many factors, including the risks faced by the Enlarged Group which are described in this Part II and elsewhere in this document. Investors are urged to read this entire document carefully before making an investment decision. The forward-looking statements in this document are based on the relevant Directors' beliefs and assumptions and information only as of the date of this document, and the forward-looking events discussed in this document might not occur. Therefore, investors should not place any reliance on any forward-looking statements. Except as required by law or regulation, the Directors undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future earnings or otherwise.

Daniel Stewart, the Company's nominated adviser and broker, considers the Ordinary Shares to be a "high risk" investment according to its categories of investment. As the Directors have intimated that the Company is unlikely to pay dividends in the foreseeable future, the Ordinary Shares are in particular not suitable for investors requiring income.

PART III

DIRECTORS, SECRETARY AND ADVISERS

The Company, whose name and registered office appear on this page 19 and each of the Directors whose names appear on this page 19 accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Company and the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and contains no omission likely to affect the import of such information.

Directors	Anthony Henry Reeves, *Co-Non-Executive Chairman* John Philip Bowmer, *Co-Non-Executive Chairman* John Ian Rose, *Chief Executive Officer* William Joseph Coker, *Chief Financial Officer* Michael Edward Wilson Jackson, *Non-Executive Director* *each of whose business address is:* Berkeley House 11-13 Ockford Road Godalming Surrey GU7 1QU
Registered Office & Business Address	Berkeley House 11-13 Ockford Road Godalming Surrey GU7 1QU
Telephone number	+44 (0) 1483 414 141
Company Secretary	IMCO Secretary Limited
Nominated Adviser and Broker	Daniel Stewart & Company plc 36 Old Jewry London EC2R 8DD
Financial Adviser to the Company	Strand Partners Limited 26 Mount Row London W1K 3SQ
Solicitors to the Company	Denton Wilde Sapte LLP One Fleet Place London EC4M 7WS
Solicitors to the Nominated Adviser and Broker and Financial Adviser	Manches LLP Aldwych House 81 Aldwych London WC2B 4RP
Auditors and Reporting Accountants	BDO Stoy Hayward LLP Connaught House Alexandra Terrace Guildford Surrey GU1 3DA
Registrar	Capita Registrars Northern House Woodsome Park Fenay Bridge Huddersfield HD8 0LA

PART IV

GENERAL INFORMATION

1. Information on Berkeley Scott and Quantica

1.1 ***Berkeley Scott***

Berkeley Scott is a market leading provider of people resourcing solutions to the hospitality and leisure industries and has been for 23 years. The Group is focused on the provision of resourcing solutions including broad-based 'people solutions' rather than simplistic recruitment services. The Group provides resourcing services to its long standing clients, many of which are recognisable brand names throughout the UK via its 12 branch national network of offices. This provides the Group with a strong competitive advantage in the management recruitment market and leveraging this infrastructure is a key element of the Group's strategy. The Group employs approximately 168 staff, of whom in the region of 130 are fee-earning consultants.

1.2 ***Quantica***

Quantica is a recruitment group focused on the provision of permanent and contract recruitment services for the professional services markets. The main markets served by Quantica include finance, technology, supply chain management, manufacturing, retail, legal, sales and marketing, HR and private equity.

Quantica operates through five main brands: Quantica Technology, Quantica Search & Selection, RK Accountancy, Supply Chain Personnel and Robinson Keane Search & Selection.

Quantica is headquartered in Elland, West Yorkshire. As at 31 July 2007, Quantica employed 217 people, of whom 142 were fee-earning consultants, across 17 offices, principally located in the North and South East of England.

2. History of Berkeley Scott and Quantica

2.1 ***Berkeley Scott***

Since Gary Katzler and Roddy Watt formed Berkeley Scott Associates in 1984, the Company has experienced certain significant changes. In 1997, the Company was re-branded as Berkeley Scott Selection.

The Company joined AIM in December 2004. Following admission, it experienced a period of difficult trading coinciding with increased investment by the Group in its office and network infrastructure including an increase in the number of employees. This caused funding pressure which the Berkeley Scott Board alleviated through a programme of rationalisation.

On 30 January 2007, Anthony Reeves and John Bowmer invested £2.5 million in Berkeley Scott by way of a share subscription.

2.2 ***Quantica***

Quantica was formed in June 1997 and was floated on the London Stock Exchange in June 1998. It continued to develop its business to include recruitment for the healthcare and construction sectors, search and selection services and the provision of vocational training. More recently, Quantica's strategy has been to focus on niche professional markets within the UK recruitment sector.

This was demonstrated by the acquisition in September 2005 of RK Group for £12.35 million. RK Group was a privately owned recruitment specialist focused on both the placement of permanent and temporary staff in the finance and supply chain sectors as well as executive search and selection.

In November 2006, Quantica announced the disposal of Quantica Healthcare to Advantage Healthcare Group Limited for a consideration of £4.5 million. At the same time Quantica transferred from the Official List to AIM, which the directors of Quantica believed provided a more appropriate market for its shares given its size and strategy.

On 11 December 2006, Quantica announced the disposal of its training division to Carter and Carter Group plc for £12 million. This transaction represented a further step in Quantica's transition to become a recruitment company wholly focused on the professional services sectors and gave Quantica the financial flexibility to respond to the opportunities in the market to the best advantage of Quantica Shareholders.

3. Business Description and Operational Overview of Berkeley Scott and Quantica

3.1 *Berkeley Scott*

Berkeley Scott has two principal business divisions. Firstly, Resourcing, which is a temporary and permanent staff recruitment business, trading under the Berkeley Scott name. Secondly, ISIS, which is an executive search and selection business.

3.1.1 *Resourcing*

Resourcing comprises a permanent and temporary staff recruitment business, trading under the Berkeley Scott name. In 2006 it was the largest part of the Group, accounting for approximately 85 per cent. of turnover in the year ended 30 September 2006.

Berkeley Scott provides temporary and permanent recruitment solutions through a network of 12 offices throughout the UK. In the year ended 30 September 2006, it generated net fee income of approximately £8.1 million from its temporary and permanent recruitment services. It recruits for operational and support function roles in the hospitality and leisure sectors.

(a) *Permanent Recruitment*

Berkeley Scott provides nationwide support for major employers, as well as services on a local basis to smaller companies. It has developed a variety of rate structures for differing situations. Berkeley Scott utilises the internet and traditional advertising to complement these rate structures. It also provides after-service support to its customers thereby aiming to give genuine, long-term value and secure repeat business.

Berkeley Scott has a substantial database of over 100,000 screened candidates relevant to the hospitality and leisure industries.

The services provided by the management recruitment teams include:

- Database selection
- Advertised selection, including web advertising
- Salary surveys and benchmarking

(b) *Temporary Recruitment*

Berkeley Scott's temporary recruitment services are provided on a local and national basis. These services include:

- Short or long-term bookings
- Provision of quality screened personnel at all levels
- High volume staffing for events or seasonal bookings

Temporary staff provided by Berkeley Scott are all screened to ensure they have the right to work in the UK, and the skills to perform the functions required to a high standard. Where required, Berkeley Scott trains its temporary workers prior to assignment.

(c) *Interim Management*

There is an on-going demand for managerial level candidates to be placed with clients on an interim basis. The reasons for this are often that the candidate is required to undertake specific projects, to provide cover, or to bring a certain set of skills to an organisation for a period. Berkeley Scott has an extensive pool of experienced candidates, available for interim assignments in its core operating sectors, regardless of length or purpose of the assignments.

(d) *Outsourcing*

The Directors see outsourcing as a further growth area for Berkeley Scott. Whether demand is for long-term support or short-term situations, such as new business openings, the Company is able to construct teams appropriate to a client's projects.

Outsourcing services include:

- Large scale recruitment for new openings and major projects
- Long term Recruitment Process Outsourcing (RPO) or national contract capability
- Campaign management, including response handling and competency based screening

3.1.2 *ISIS*

ISIS is an executive search and selection business operating at a senior executive level. In the year ended 30 September 2006, it generated turnover of approximately £603,000. ISIS operates not only within the hospitality and leisure sectors but also in other consumer related sectors. The ISIS team combines in-depth sector knowledge with a flexible solutions-led approach.

The services provided by ISIS include:

- Executive search
- Advertised selection
- Corporate intelligence gathering
- Executive research and benchmarking

The combined services of ISIS and Resourcing enable the Group to provide effective nationwide recruitment solutions at every level from senior management to shop floor, and of both a temporary and permanent nature.

The Group has developed a candidate attraction facility using its website, www.berkeley-scott.co.uk. Designed and built in-house, this has now won two major UK awards for excellence, *Professional Recruiter Magazine* 'Best Recruitment Website' and caterer.com 'UK Recruitment Website of the Year'. Approximately 25 per cent. of all candidates placed by the Group are derived from Berkeley Scott's website.

3.2 ***Quantica***

Quantica is focused on recruitment for the professional services markets and operates primarily through five main brands.

3.2.1 *Quantica Technology*

Operating from a central office in Halifax, Quantica Technology specialises in the placement of IT professionals throughout the UK, on both a contract and permanent basis. Quantica Technology serves the technology recruitment markets, including programmers, helpdesk analysts, support specialists, developers, analysts, system test consultants, project managers and ERP consultants.

3.2.2 *Quantica Search & Selection*

Quantica Search & Selection is a specialist managerial recruitment consultancy, offering search and selection recruitment solutions to a range of markets and industry sectors, including the legal, automotive manufacturing, food manufacturing, FMCG, retail and sales and marketing sectors.

Key services include advertised assignments, corporate mapping and executive research, database search, internet advertising, psychometric and ability testing, response handling and targeted headhunting. Clients range from small, high-growth businesses to multi-national organisations, including Britvic, Arla Foods, John Lewis Partnership, Pepsi Co, Heinz and Bentley.

Quantica Search & Selection operates from five offices in Halifax, Milton Keynes, Colchester, Cardiff and Harrogate.

3.2.3 *RK Accountancy*

RK Accountancy specialises in finance and accountancy recruitment, ranging from clerical and supervisory level account staff to part-qualified and qualified accountants. Staff are supplied on both a permanent and contract basis. RK Accountancy operates from seven branches, predominantly in the North of England.

3.2.4 *Supply Chain Personnel*

Supply Chain Personnel specialises in the recruitment, on a permanent or interim basis, of management professionals for procurement, supply chain planning and logistic roles. Clients are typically in non-cyclical sectors, including food, drink and pharmaceuticals. Supply Chain Personnel operates from three branches, in London, Manchester and Toronto.

3.2.5 *Robinson Keane Search & Selection*

Robinson Keane Search & Selection is a senior management and executive search and selection business. Clients range from FTSE 100 companies to small private companies.

4. Business Strategy of the Enlarged Group

The Directors, who have a track record of growing recruitment businesses, are seeking, through a mixture of organic and acquisition-led growth, to both consolidate the Enlarged Group's strong market position in the hospitality and leisure sectors and to diversify into other specialist recruitment disciplines, either sector or function focused.

The principal elements of the Enlarged Group's strategy are set out below.

Expansion through organic growth

The Directors believe that far greater scale exists for the current businesses of the Group and the Quantica Group. They both possess strong brands and a largely exclusive candidate database. The growth of the Enlarged Group will be derived from investing in its consultant headcount. This growth will be supported by strong brands within specialist sectors, the strength of candidate databases and established client relationships. The Directors believe that the Enlarged Group will achieve organic growth by further developing each of its locations, with London as its epicentre.

The Directors believe that in addition to its human capital, the increasing differentiator for any recruitment business is in its attention to detail on processes. The Enlarged Group will place strong emphasis on key performance indicators to enable it to maximise its productivity and hence profitability. It is the Directors' strategy to drive expansion by ensuring operational excellence. This will include both operating standards and investment in front office systems.

The recruitment industry has seen increased pressure on fees over recent years. The Enlarged Group will be focused on its ability to deliver genuine value added service to its clients and in doing so secure a higher fee. Additionally, expanding the business by moving up the value chain (i.e. transacting at a higher permanent average salary and temporary pay rate) will ensure greater revenue and assist with significant sales growth.

Expansion by acquisition

The Directors have stated their intention to pursue actively strategic acquisitions aimed at penetrating new markets. They are seeking targets which have strong brands, serve niche recruitment sectors, have sustainable revenues and quality candidate databases. These targets will possess good geographical coverage, a sector or discipline focus, an attractive temporary/permanent mix, growth opportunities and strength and depth of management. The strategy of the Directors is to acquire businesses in the staffing sector which will be synergistic and which will therefore be readily able to be incorporated into the Enlarged Group's structure.

Financial improvements in acquired companies will aim to be secured by strengthened management and by centralising back office infrastructure. It is believed that operating efficiencies will follow as a result of cross selling and maximising the opportunities provided by the merged client and candidate database.

In summary, the overarching strategy of the Enlarged Group is to develop strong, niche brands which will deliver long term enhancement of shareholder value through improved operating performance of the business.

5. Markets and Competition

5.1 ***The Market***

The Board believes that the Enlarged Group will benefit from several factors they see as driving change in the employment marketplace. These factors include the expansion in the European labour market following the enlargement of the European Union; acute skills shortages in the majority of the professional recruitment markets; and growing and increasingly complex employment-related legislation. In aggregate these factors are contributing to a demand for more sophisticated and flexible recruitment and consultancy services, such as those that will be provided by the Enlarged Group.

To date, the Group has focused on the hospitality and leisure sectors which employ 1 in 10 of the UK's workforce. These sectors experience one of the highest levels of staff turnover in the UK at more than twice the national average (approximately 45 per cent. in 2002 compared to a national average of approximately 20 per cent.). They also require large numbers of temporary staff to cover events ranging in duration from a few hours to several days.

The UK recruitment sector in general, and the hospitality industry in particular, was depressed between 2001 and 2003 as a result of major adverse domestic and world events. Recently, however, there have been signs of recovery in the hospitality sector, including:

- Improving hotel occupancies in London
- The first signs of the return of the US market to UK hotels
- Growing numbers of overseas visitors to the UK
- Contract caterers reporting improving optimism about future business levels

Quantica, through its focus on the professional services, primarily operates in niche sectors of the recruitment market where it tends to compete on quality, service, delivery and brand awareness rather than price. As a consequence, the Directors believe that the Quantica Group is less subject to market trends towards the use of fewer agencies, in particular by large corporates, and the use of preferred supplier agreements, which by their nature tend to be high volume and low margin.

The majority of Quantica's business is transacted in areas which continue to show increased demand for skilled staff in candidate-short markets. This benefits those recruitment organisations who can rise above being simply a "CV shop" to offer genuine advice on how to solve a client's hiring issues and who possess a brand name and client list which is able to attract the desired quality of candidate. Close to 90 per cent. of Quantica's revenue is derived from three markets which fit directly with the acquisition strategy of Berkeley Scott and which continue to show above average (7 per cent.) growth in sales.

- Technology: The information technology and telecommunications sector remains the largest of the specialist recruitment markets with an annual turnover of £6 billion and around 100,000 flexible workers. Continued and fast paced development in technologies and telecommunications should ensure continued high demand for professionals in this area. Additionally, companies are increasingly outsourcing the recruitment of both contractors and permanent staff, and with significant staff shortages, these trends should provide continued growth in an already lucrative market. Information technology skills lie centrally to the UK's future prosperity which is why the IT recruitment industry is, and will continue to be, a significant contributor to the economy. Companies will continue to struggle to find staff with the appropriate specialist skills and experience. Successful information technology recruitment companies will benefit from market drivers that will increase spending in this sector. The Directors consider theses drivers to be a convergence of the computing and telecommunications industries, security, managed services and regulation.

- Finance and Accounting: The finance recruitment market remains extremely buoyant as is shown by the results of the UK quoted companies whose businesses trade mainly in this area. Demand for finance professionals has increased and is likely to continue to do so given the changing nature of the role of today's finance professional. The introduction of greater corporate governance, compliance and risk management, accounting standards and financial controls has increased the demand. This has ensured not just an ongoing healthy market but also one which the Directors believe is more robust during economic downturns. The supply of suitably qualified candidates has not met this increase in demand. Supply has decreased for a number of reasons, which include there being greater career choice for graduates mainly driven by the rise of computers, the internet and the recession of the early 1990s which undermined perceptions of accountancy as a 'job for life'. The increased demand for finance staff with the shortage in supply has created a market which remains very attractive and with continued scale.

- Supply Chain and Procurement: The movement of goods, both locally and internationally, has become more prevalent. Further, the rise of procurement with more sophisticated purchasing of goods and services by organisations has caused growth and increased demand in this recruitment market. Supply chain and procurement strategies are being driven by the need to minimise costs and maximise efficiencies. These conditions create increasing demands in this recruitment sector.

5.2 ***Competition***

It is envisaged that the Enlarged Group will compete at three distinct levels of the market place: (i) as an executive search company placing senior executives; (ii) as a core management recruitment business providing high volume specialist recruitment of an operations and support function nature; and (iii) on the high street, through a branch network which provides blue-collar recruitment of both a temporary and permanent nature. The executive search market is principally made up of a large number of generalist search providers, many of which have an international infrastructure and a number of other small niche players which are typically unincorporated. Competitors include Korn/Ferry International and Heidrick and Struggles.

In terms of the core management recruitment business, the Enlarged Group will compete with many small businesses, most of which are specialists in the hospitality sector. Of these businesses only a handful have any real scale of operation, and none has a national network of offices. The Enlarged Group will be a market leader at this level of the market, with its main competitors being Portfolio International (part of PSD), Profile and the Chess Partnership. The Enlarged Group will also compete in this area with generalist recruitment companies such as Michael Page International and a number of retail specialists such as Retail Human Resources.

Each of the professional services markets in which Quantica operates can be characterised by a handful of large international providers with a highly fragmented market of smaller providers operating on a regional and local basis. The fragmented nature of Quantica's markets presents significant opportunities for growth both through acquisition and organically, by benefiting from market growth and/or gaining market share in declining markets.

As a high street recruitment business, the Enlarged Group will compete with a range of larger generalist temporary and blue-collar recruitment providers. These include Blue Arrow (Corporate Services Group), Reed Employment Services and Adecco.

6. Key Financial Information on Berkeley Scott and Quantica

6.1 *Berkeley Scott*

The following summary of financial information relating to the Group's activities for the three years ended 30 September 2006 and the six months ended 31 March 2007 has been extracted from the financial information on the Group set out in Part VI of this document. Potential investors should read the whole of this document and not rely only on the following summary information.

	Year ended 30 September 2004 £'000	*Year ended 30 September 2005 £'000*	*Year ended 30 September 2006 £'000*	*Six months ended 31 March 2007 £'000*
Revenue	16,611	17,064	17,977	8,780
Gross Profit	4,356	4,081	4,159	4,347
Adjustment	4,391	4,991	5,428	–
Net Fee Income *	8,747	9,072	9,587	4,347
EBITDA	840	4	400	(1,139)
Loss on ordinary activities before taxation	(4)	(896)	(388)	(1,508)

* In the three years ended 30 September 2006, Gross Profit was stated after attributing the remuneration costs of certain consultants and operating staff. The interim accounts for the six months ended 31 March 2007 were restated to include these costs within operating expenses in accordance with industry practice. Accordingly the three years ended 30 September 2006 have been represented to aid comparability. The reclassification between cost of sales and operating expenses amounted to £5,428,000 in the year ended 30 September 2006 (2005 – £4,991,000, 2004 – £4,391,000).

An operating and financial review relating to the Group in respect of the period covered by the financial information set out in Sections A and B of Part VI of this document, is set out in Part V of this document.

6.2 *Quantica*

The following summary of financial information relating to Quantica's activities for the 12 month period ended 26 November 2004, the 12 month period ended 2 December 2005 and the 13 month period ended 31 December 2006 has been extracted from the financial information on the Quantica Group set out in Part VII of this document. Potential investors should read the whole of this document and not rely only on the following summary information.

	Year ended 26 November 2004 £'000	*Year ended 2 December 2005 £'000*	*13 months ended 31 December 2006 £'000*
Revenue			
Continuing operations	14,438	15,893	28,236
Discontinued operations	16,410	23,029	20,551
	30,848	38,922	48,787
Net fee income	13,816	16,499	24,489
EBITDA*	2,999	4,384	4,106
Profit on ordinary activities before taxation	1,957	2,560	7,458

** Before exceptional items and LTIP charges*

7. Current Trading and Future Prospects for the Enlarged Group

7.1 *Current Trading of Berkeley Scott*

Berkeley Scott has seen a period of significant and continuing organisational restructuring. The business is now focused on: permanent recruitment, temporary recruitment and executive search and selection. An ongoing far reaching review of costs has identified savings and priorities for future investment which are undergoing implementation. The business has been stabilised with a focus on improving productivity. Additionally, the cost base has been further rationalised. The Directors are confident about the future performance of the business.

Berkeley Scott announced on 29 June 2007 its interim results for the six months ended 31 March 2007, which included the following statement:

> "The numbers we are reporting today reflect a troubled period in the history of the Company that we believe is now at an end. There is some excellent talent within the firm whose potential can now be fully utilised as the Company moves through its restructuring and into a new chapter of development and growth".

The full text of the interim results announcement is set out in Section B of Part VI of this document.

7.2 *Current Trading of Quantica*

Quantica's performance in the markets in which it operates remains robust and Quantica continues to perform ahead of internal expectations. This was indicated at the time of its preliminary results and more recently at the time of Quantica's Annual General Meeting.

7.3 *Future Prospects for the Enlarged Group*

The Directors are optimistic as to the Enlarged Group's prospects. In particular, they believe that there are a number of opportunities and synergies for the Enlarged Group to exploit. These include:

- increasing revenues with the Enlarged Group's existing clients;
- winning new clients with the Enlarged Group's existing services;
- expanding the Enlarged Group's services into new product and service offerings;
- building increased scale and investigating geographical diversification;
- minimising duplication and reducing the Enlarged Group's cost-base; and
- offering employees of the Enlarged Group greater career opportunities.

8. Background to and Reasons for the Offer

The Directors have publicly indicated their intention to pursue a strategy of expansion, both organically and through the acquisition of complementary recruitment consultancies aimed at enhancing Berkeley Scott's existing offering in key areas or enabling it to extend its market penetration into new and profitable niche sectors.

The Directors' objective is to improve the financial performance of Berkeley Scott and to acquire specialty, higher margin, niche recruitment companies in sectors such as IT, finance and accounting, legal and banking. Eventually, the Directors intend to build a medium sized diversified recruitment company whose shares trade with improved liquidity.

Quantica has been identified as the first key acquisition target due to its strong brand name in the market, its financial performance and quality candidate database.

The Berkeley Scott Board believes that they will be able to enhance shareholder value through rationalisation of the Enlarged Group's cost base and improvements in sales growth and productivity. The Directors have strong track records of building value through acquisition and believe that should Quantica Shareholders elect for the Equity Alternative, they will have the opportunity to benefit from anticipated future acquisitions and organic growth as shareholders in the Enlarged Group.

Financial effect of the Acquisition and the Placing

On a pro forma basis and assuming the Acquisition and the Placing had become effective on 31 March 2007, the Group would have had net assets of £19,738 million (based on the net assets of the Group as at 31 March 2007 and Quantica as at 31 December 2006). More detailed information on the expected impact of the Acquisition and the Placing on the consolidated net assets and liabilities of the Group is set out in Part VIII of this document.

The Berkeley Scott Board believes that had the Acquisition and the Placing been undertaken on 1 October 2006 (being the start of Berkeley Scott's current financial year) there would be a dilutive impact on the reported earnings of the Company in the year ending 30 September 2007. This statement does not constitute a profit forecast and should not be interpreted to mean that the Berkeley Scott's reported earnings per share for the current or future years will necessarily match or exceed the historical published reported earnings per share of Berkeley Scott.

9. The Offer for Quantica

The Berkeley Scott Board and the Quantica Board announced on 24 August 2007 the terms of the Offer to be made by Berkeley Scott for the entire issued and to be issued share capital of Quantica. The Offer Document containing the Offer and the Form of Acceptance has been posted today to Quantica Shareholders.

Berkeley Scott is offering to acquire all of the Quantica Shares on the following basis:

for each Quantica Share **47.5 pence in cash**

The Offer values the entire issued ordinary share capital of Quantica at approximately £28.3 million.

The Offer represents a premium of approximately 14.5 per cent. to the Closing Price of 41.5 pence per Quantica Share on 20 July 2007, being the last business day prior to the announcement by Quantica on 23 July 2007 that it was in advanced discussions with Berkeley Scott that may or may not lead to an offer being made for Quantica.

The Equity Alternative

Quantica Shareholders who validly accept the Offer may elect for the Equity Alternative. The Equity Alternative is made on the following basis:

for every 16 Quantica Shares **19 New Offer Berkeley Scott Shares**

New Offer Berkeley Scott Shares issued under the Offer will be credited as fully paid and free from all liens, charges and encumbrances whatsoever and will rank *pari passu* with Existing Berkeley Scott Shares including in respect of all dividends made, paid or declared after the date of this document. Further details in relation to the rights attaching to the New Offer Berkeley Scott Shares are set out in Part IX of this document.

The Equity Alternative is conditional upon the Offer becoming unconditional in all respects.

Full acceptance of the Equity Alternative (disregarding fractions assuming no exercise of any options granted to the Quantica Share Option Holders) would result in the issue of 70,849,413 New Offer Berkeley Scott Shares, which would represent 60.3 per cent. of the Enlarged Issued Share Capital.

The Offer extends to any Quantica Shares issued or unconditionally allotted prior to the date on which the Offer closes (or by such earlier date as Berkeley Scott may, subject to the Code, determine in accordance with the terms and conditions of the Offer), including any Quantica Shares unconditionally allotted or issued upon the exercise of options granted by Quantica to the Quantica Share Option Holders.

Fractions of New Berkeley Scott Shares will not be allotted or issued to Quantica Shareholders who validly accept the Offer and elect for the Equity Alternative but will be aggregated and sold in the market for the benefit of the Enlarged Group.

The Quantica Shares which are the subject of the Offer will be acquired fully paid and free from all liens, charges, encumbrances, rights of pre-emption and other third party rights of any nature whatsoever and together with all rights now or hereafter attaching thereto, including the right to receive and retain all dividends and other distributions, if any, declared, made or paid after the date of this document.

Details of the conditions and further terms of the Offer are set out in Part X of this document.

10. Financing the Offer

Full acceptance of the Offer, assuming that accepting Quantica Shareholders (other than those who have irrevocably undertaken to elect for the Equity Alternative) elect to receive cash consideration rather than New Offer Berkeley Scott Shares under the Equity Alternative would result in a maximum cash consideration of approximately £14.7 million being payable by Berkeley Scott to Quantica Shareholders.

Berkeley Scott will finance this maximum cash consideration partially by way of the Placing and partially by way of new banking facilities provided by Barclays Bank PLC.

Further details of the Placing and the new banking facilities are given in paragraphs 10.1 and 10.2 below.

10.1 *The Placing*

Berkeley Scott is proposing to issue the Placing Shares at the Placing Price pursuant to the Placing Agreement to raise £9.6 million, before expenses.

The Placing has been split into two tranches. The first tranche of £1.7 million (consisting of the VCT Placing Shares) is intended to be VCT qualifying. The second tranche of £7.9 million (consisting of the Non-VCT Placing Shares) will not be VCT qualifying. The proceeds of the Placing will be used, along with bank borrowings, to fund the cash consideration of up to £14.7 million under the Offer, together with costs and expenses of the Offer and the Placing. Depending on the level of elections for the Equity Alternative, the balance of the Placing (if any) will be used toward providing additional working capital to the Enlarged Group and additional funding to exploit further acquisition opportunities.

The Company expects that the VCT Placing Shares will qualify for VCT status, however no confirmation has been received from HMRC. The Directors believe that a minor capital reconstruction of the Quantica subsidiaries is necessary in order to achieve clearance from HMRC. The Directors will undertake this, if it has not already been done by Quantica, as soon as practicable following the Offer being declared wholly unconditional. There can be no certainty that qualifying VCT status will be achieved in the future or that the Company will be in a position to maintain qualifying VCT status in the future.

The VCT Placing Shares will be admitted to trading on AIM prior to drawdown of the Bank Facilities which is intended to take place simultaneously with admission of the Non-VCT Placing Shares.

Pursuant to the Placing Agreement, Daniel Stewart has procured Placees for the Placing Shares at the Placing Price, on behalf of the Company, from among institutional and other investors. The Placing has not been underwritten.

The Placing is conditional on, *inter alia*, the passing by Berkeley Scott Shareholders of the Resolutions to be proposed at the EGM, the Offer being declared unconditional in all respects (except as to the condition as to Admission), and Admission in respect of the Placing Shares becoming effective by no later than ten business days after the Offer is declared unconditional in all respects. A conditional listing is not sought or expected. Dealings in the VCT Placing Shares are expected to commence on the fifth dealing day following the day on which the Offer becomes or is declared unconditional in all respects. Dealings in the Non-VCT Placing Shares are expected to commence on the sixth dealing day following the day on which the Offer becomes or is declared unconditional in all respects. It is expected that CREST accounts will be credited on the respective days that the VCT Placing Shares and the Non-VCT Placing Shares are admitted to AIM.

Further details of the Placing Agreement are set out in paragraph 13.1 of Part IX of this document. Assuming full acceptance of the Equity Alternative, the Placing Shares will represent approximately 20.3 per cent. of the Enlarged Issued Share Capital and are or will be in registered form and, on Admission, will rank pari passu in all respects with the Existing Berkeley Scott Shares and will rank in full for dividends and other distributions declared, paid or made following Admission in respect of the Ordinary Shares.

10.2 ***The Banking Facilities***

The cash consideration payable under the Offer will be partly financed by Berkeley Scott from new banking facilities provided by Barclays Bank PLC. Further details are set out in paragraph 13.8 of Part IX of this document. It is envisaged that security over the Quantica Group’s assets will be given to the lender under these facilities. The payment of interest and principal under these facilities will be funded by the financial resources of the Enlarged Group.

Strand Partners is satisfied that sufficient cash resources are available to Berkeley Scott to satisfy in full the cash consideration payable to Quantica Shareholders under the Offer.

10.3 ***Lock-up and orderly market arrangements***

The Directors who, following Admission, will have in aggregate an interest in approximately 23 per cent. of the Enlarged Issued Share Capital (assuming full acceptance of the Equity Alternative) have entered into the Lock-up Agreements under the terms of which they have undertaken not to sell, charge or grant any interests over any Ordinary Shares held by them or in respect of which they have any interests (subject to certain exceptions) for 9 months following Admission and, for 12 months thereafter, to make any disposals through Daniel Stewart. Further details of the Lock-up Agreements are set out in paragraph 13.3 of Part IX of this document.

10.4 ***Dealing Arrangements for New Berkeley Scott Shares***

Application will be made to AIM for the Enlarged Issued Share Capital to be admitted to trading on AIM. It is expected that Admission will become effective and dealings will commence on AIM in the Enlarged Issued Share Capital on the fifth and sixth dealing days following the day on which the Offer becomes or is declared unconditional in all respects.

It is likely that some New Offer Berkeley Scott Shares will be issued after the expected Admission date referred to above to Quantica Shareholders who do not validly accept the Offer before that date and, accordingly, admission of such New Offer Berkeley Scott Shares to trading on AIM may become effective and dealings in them may commence on one or more subsequent dates.

Dealings on AIM in New Berkeley Scott Shares issued in registered form will be for normal rolling settlement. In relation to New Berkeley Scott Shares issued in certificated form, temporary documents of title will not be issued and, pending the despatch by post of definitive certificates for New Berkeley Scott Shares transfers will be certified against the register held by Capita Registrars.

10.5 ***Irrevocable undertakings***

Berkeley Scott has received irrevocable undertakings to accept the Offer from the Quantica Directors and two additional Quantica Shareholders in respect of, in aggregate, 8,549,001 Quantica Shares, representing approximately 14.3 per cent. of the existing issued ordinary share capital of Quantica. The irrevocable undertakings will lapse only in the event of the Offer lapsing or being withdrawn. The Quantica Directors and such Quantica Shareholders have in aggregate undertaken to elect for the Equity Alternative in respect of 3,476,583 Quantica Shares.

In addition, Berkeley Scott has received irrevocable undertakings in respect of an aggregate of 28,106,413 Quantica Shares from other Quantica Shareholders, representing approximately 47.1 per cent. of the existing issued ordinary share capital of Quantica. The undertakings will lapse in the event of the Offer lapsing or being withdrawn or if a competing offer for Quantica is announced by a third party, where the value of such competing offer is, in the reasonable opinion of Strand Partners and Landsbanki, a price which (depending on the terms of the relevant undertaking) is between five and twenty per cent. higher than the Offer price of 47.5 pence per Quantica Share. These Quantica Shareholders have undertaken to elect for the Equity Alternative in respect of 25,288,100 Quantica Shares representing approximately 42.4 per cent. of the existing issued share capital of Quantica.

Irrevocable undertakings have been received from the following Quantica Shareholders:

Name of Quantica Shareholder	*Number of Quantica Shares held*	*Percentage of Quantica's issued share capital*	*Number of Quantica Shares to elect for Equity Alternative*	*Percentage of Quantica's issued share capital*
Gartmore Investment Management	9,998,186	16.8%	9,998,186	16.8%
AXA S.A.	8,289,127	13.9%	5,470,824	9.2%
Progressive Asset Management	7,486,000	12.5%	7,486,000	12.5%
Ennismore Fund Management	2,333,100	3.9%	2,333,100	3.9%
Richard Robinson	2,971,015	5.0%	594,203	1.0%
Rob Turner	170,211	0.3%	85,000	0.1%
Les Lawson	2,220,000	3.7%	–	–
John Bowman	387,995	0.7%	–	–
Michael Waterhouse	2,400	0.0%	–	–
Q Capital LLP	2,797,380	4.7%	2,797,380	4.7%
Total	36,655,414	61.4%	28,764,693	48.2%

In total, therefore, Berkeley Scott has received irrevocable undertakings to accept the Offer in respect of 36,655,414 Quantica Shares representing approximately 61.4 per cent. of the existing issued share capital of Quantica and to elect for the Equity Alternative in respect of 28,764,693 Quantica Shares representing approximately 48.2 per cent. of the existing ordinary share capital of Quantica.

Save for the irrevocable undertakings referred to above, no arrangement exists between any person and Berkeley Scott or any associate of Berkeley Scott or Quantica in relation to Quantica Shares or securities convertible into, or exchangeable for, rights to subscribe for, or options in respect of, Quantica Shares which may be an inducement to deal or refrain from dealing in and, save as disclosed in this document, neither Berkeley Scott, nor, so far as Berkeley Scott is aware, any person acting in concert with Berkeley Scott, owns or controls or is interested, directly or indirectly in any Quantica Shares or has any option to acquire any Quantica Shares or has entered into any derivatives referenced to Quantica Shares.

11. Compulsory acquisition, cancellation of admission to AIM and Re-registration

As soon as it is appropriate to do so, and subject to the Offer becoming or being declared unconditional in all respects and sufficient acceptances being received, it is Berkeley Scott's intention to acquire compulsorily any outstanding Quantica Shares pursuant to the provisions of sections 974 to 991 (inclusive) of the Companies Act 2006 and procure that Quantica will apply to the London Stock Exchange for the cancellation of the admission of the Quantica Shares to trading on AIM. Berkeley Scott also intends to re-register Quantica as a private company under the relevant provisions of the Act as soon as practicable.

Cancelling the admission of Quantica Shares to trading on AIM is likely to reduce significantly the liquidity and marketability of any Quantica Shares in respect of which the Offer has not been accepted and their value may be materially or adversely affected as a consequence.

12. Dividend policy

The New Berkeley Scott Shares will be identical to and rank *pari passu* with the Existing Berkeley Scott Shares in all respects.

Berkeley Scott has not, since the date of its incorporation, declared or paid any dividends on its Ordinary Shares. For the foreseeable future, Berkeley Scott anticipates that it will retain future earnings and other cash resources for the operation and development of its business. The payment of dividends in the future will depend on the earnings, if any, and Berkeley Scott's financial condition and such other factors as the Berkeley Scott Board thinks appropriate.

13. Directors and Senior Managers

13.1 *Directors and Senior Management*

Brief biographies of the Directors and Senior Managers are set out below. Paragraph 10 of Part IX of this document contains further details of the Directors' and Senior Managers' current and past directorships and certain other important information regarding the Directors and Senior Managers.

Anthony Henry Reeves, aged 66, *Non-Executive Co-Chairman*

Tony Reeves has over 45 years' experience in the recruitment sector, most recently as chairman and chief executive officer of hotgroup plc from 2002 until its acquisition by Trinity Mirror Group plc in September 2005. Prior to that Tony was chairman and chief executive officer of the Delphi Group Plc until 1998 where he was chief executive officer until its acquisition by Adecco SA. He is also a private investor in various early stage companies. Before joining Delphi Group Plc, Tony was chairman, president and chief executive officer of Lifetime Corporation, which was then a public company listed on the New York Stock Exchange.

John Philip Bowmer, aged 63, *Non-Executive Co-Chairman*

John Bowmer is the former chairman of Adecco SA, the international staffing and recruitment company where he was chief executive officer from 1996 to 2002 and chief executive officer of its predecessor, Adia, from 1992. Prior to this time he served in a variety of executive positions at Adia in the UK, Asia, Australia and the US from 1989. Between 1987 and 1989 he was chief executive officer of Jonathan Wren. Previously, John held a range of management positions in marketing and finance at companies including MAI plc, a financial services and media organisation and Polaroid (UK) Limited. He was a director of CP Ships from its flotation on the New York Stock Exchange in 2001 until its disposal to TUI AG at the end of 2005.

John Ian Rose, aged 44, *Chief Executive Officer*

John Rose has 20 years experience of the recruitment industry. As an accountancy graduate his early career was in sales before entering the recruitment industry with Harrison Willis in 1987. John has worked in management roles since 1993; he was a senior manager at HW Group through its IPO in 1998 and a divisional Managing Director when it was subsequently sold to TMP (now Monster

Worldwide) in 2000. Initially MD of TMP's Financial and IT recruitment businesses in the UK, he was promoted to UK COO when Hudson (Nasdaq: HHGP) was demerged from TMP in 2003. In 2004 he was made CEO of Hudson UK/Ireland with responsibility for a multi-functional recruitment business of some 800 staff. John joined Berkeley Scott in May 2007 as Chief Executive Officer.

William Joseph Coker, aged 41, *Chief Financial Officer*

Will Coker qualified as a Chartered Accountant with Price Waterhouse in London before moving to the BOC Group in 1993 as Audit Manager. In 1996 Mr Coker was seconded to Ohmeda Australia, BOC's Australian healthcare business, as Finance & Operations Director before moving to Thomas Cook/Travelex Australia in 1999 as Financial Controller. Recruited in 2002 by Philips Medical Systems Australasia as Finance Director, he was involved in a series of acquisitions, and a bottom line turnaround of $6million from loss making to sustainable profitability. Mr Coker returned to the UK in 2004 after eight years in Australia. He joined Berkeley Scott in March 2005 and in April 2005 he became CFO.

Michael Edward Wilson Jackson, aged 57*, Non-Executive Director*

Michael Jackson founded Elderstreet Investments Limited in 1990 and is its executive chairman. For the past 20 years, he has specialised in raising finance and investing in the smaller companies sector. Mr Jackson is chairman of PartyGaming plc and until August 2006 was chairman of FTSE100 company The Sage Group plc. He is also a director and investor in many other quoted and unquoted companies, including Netstore PLC and Computer Software Group plc. Mr Jackson studied law at Cambridge University, and qualified as a chartered accountant with Coopers and Lybrand before spending five years in marketing for various US multinational technology companies.

Senior Management

The Directors are supported by a senior management team:

Lisa Blood, aged 46, *Head of Human Resources.*

Lisa has worked in human resources for most of her career. Prior to joining Berkeley Scott in 2004, she held managerial positions in the retail and hospitality and leisure sectors. Lisa is responsible for all aspects of human resource management in Berkeley Scott.

Mark Darby, aged 44, *Director, London region.*

Prior to joining Berkeley Scott in 2005, Mark was Sales Director of a privately owned sales and marketing consultancy company. He has responsibility to lead all aspects of temporary and permanent recruitment business within the London region.

Kathryn Davies, aged 38, *Director, United Kingdom.*

Kathryn had ten years recruitment experience prior to joining Berkeley Scott in 1997. Kathryn has responsibility to lead all aspects of temporary and permanent recruitment business in the Berkeley Scott regional offices, excluding London.

Alistair Rennie, aged 34, *Director of Sales and Marketing.*

Alistair has ten years experience in the recruitment industry. His primary responsibility is to develop and lead the group sales strategy.

Simon Tucker-Brown, aged 38, *Executive Search Director.*

After twelve years in the hospitality industry latterly with the Arcadian Hotel Group, Simon has spent the past seven years in various posts within the service industry search and selection sector.

13.2 ***Employees***

The Group's staff has grown significantly from its early origins and currently employs approximately 168 staff, of whom in the region of 130 are fee-earning consultants. The Directors consider that the capacity to recruit, train and integrate staff into the business is fundamental to its continued success.

As at 27 July 2007, the Group had 168 employees, analysed as follows:

Resourcing	135
ISIS	6
Other (central and support staff)	27
Total	168

14. Details of New Offer Berkeley Scott Shares

The New Offer Berkeley Scott Shares will be allotted and issued as fully paid in consideration for the Quantica Shares acquired pursuant to the Offer. It is expected that the New Offer Berkeley Scott Shares will be issued within 14 days of the Offer becoming or being declared unconditional (or 14 days following receipt of a valid acceptance or on compulsory acquisition under section 979 of the Companies Act 2006, if later) and will upon issue be identical to and rank *pari passu* in all respects with the Existing Berkeley Scott Shares and the Placing Shares.

15. Procedure for acceptance of the Offer

Written and electronic acceptances are valid for accepting the Offer if holding certificated or uncertificated shares respectively. The conditions and further terms of the Offer are set out in Part X of this document.

16. Admission, Settlement and Dealings

The Existing Berkeley Scott Shares are currently admitted to trading on AIM. Application will be made to re-admit the Existing Berkeley Scott Shares and admit the New Berkeley Scott Shares to trading on AIM once the Offer is declared wholly unconditional.

17. Corporate Governance

The Directors recognise the value of the Combined Code on Corporate Governance published in July 2003 (the "Combined Code"). The Company intends to continue to comply with the Combined Code so far as is practicable and appropriate for a public company of its size and nature. The Company proposes to continue to follow the recommendations contained within the QCA Guidelines.

The Company takes all reasonable steps to ensure compliance by the Directors and employees with the provisions of the AIM Rules relating to dealings in the Company's securities and has adopted a share dealing code for this purpose.

The Berkeley Scott Board has established an audit committee and a remuneration committee each with formally delegated duties and responsibilities. Further details are contained in paragraphs 17.1 and 17.2 in this part of document.

17.1 ***Audit committee***

The audit committee receives and reviews reports from management and the Company's auditors relating to the annual and interim accounts and the accounting and internal control systems in use throughout the Group. The audit committee has unrestricted access to the Group's auditors. The audit committee comprises John Bowmer, as the chairman, Anthony Reeves and Michael Jackson.

17.2 ***Remuneration committee***

The remuneration committee reviews the scale and structure of the executive Directors' remuneration and the terms of their service contracts. The remuneration and terms and conditions of appointment of the non-executive directors is set by the Berkeley Scott Board. The remuneration committee comprises Anthony Reeves, as the chairman, Michael Jackson and John Bowmer. The remuneration committee makes recommendations to the Board on proposals for the granting of share options and other equity incentives pursuant to any share option scheme or equity incentive scheme in operation from time to time.

17.3 ***Internal Financial Controls***

The Berkeley Scott Board will be responsible for establishing and maintaining the Enlarged Group's system of internal financial controls and importance is placed on maintaining a strong control environment. The key procedures which the Berkeley Scott Board intends to establish with a view to providing effective internal financial controls include the following:

- the Company will institute a monthly management reporting process, including fully consolidated management information to enable the Berkeley Scott Board to monitor the performance of the Enlarged Group; and
- the Berkeley Scott Board will be responsible for maintaining and identifying major business risks faced by the Enlarged Group and for determining the appropriate courses of action to manage those risks.

The Berkeley Scott Board recognises, however, that such a system of internal financial controls can only provide reasonable, not absolute, assurance against material misstatement or loss. The effectiveness of the system of internal financial controls operated by the Enlarged Group will therefore be subject to continuing review by the Board.

The Berkeley Scott Board intends to continue to comply with Rule 21 of the AIM Rules relating to directors' dealings as applicable to AIM companies and will also take all reasonable steps to ensure compliance with that by the Company's applicable employees. The Company has adopted a share dealing code for this purpose.

18. CREST

CREST is a paperless settlement system enabling securities to be evidenced otherwise than by certificate and transferred otherwise than by written instrument in accordance with the Regulations. The Articles permit the holding of Ordinary Shares in uncertificated form in accordance with the Regulations. The Directors will apply for the New Berkeley Scott Shares to be admitted to CREST with effect from Admission. Accordingly, it is anticipated that settlement of transactions in the New Berkeley Scott Shares following Admission may take place within the CREST system if Shareholders so wish.

CREST is a voluntary system and Shareholders who wish to receive and retain share certificates will be able to do so.

19. Further Information

Your attention is drawn to the financial information on the Company in Part VI of this document and the additional information set out in Part IX of this document.

PART V

OPERATING AND FINANCIAL REVIEW OF BERKELEY SCOTT

The financial information contained in this section has been extracted without material adjustment from the audited report and accounts of Berkeley Scott for the three years ending 30 September 2006, as well as the unaudited financial information for the interim six-month period ended 31 March 2007. The financial information has been prepared in accordance with UK GAAP. Investors should read the whole of this document and not just rely on the key or summarised data below.

1. Financial Highlights

Consolidated profit and loss accounts

	Note	2004	2005	2006	Unaudited 6 months ended 31 March 2006 (Restated)	Unaudited 6 months ended 31 March 2007
		£'000	£'000	£'000	£'000	£'000
Turnover	2	16,611	17,064	17,977	8,765	8,780
Cost of sales		(12,255)	(12,983)	(13,818)	(4,301)	(4,433)
Gross profit		4,356	4,081	4,159	4,464	4,347
Adjustment		4,391	4,991	5,428	–	–
Net Fee Income *		8,747	9,072	9,587	4,464	4,347
Operating expenses						
Operating expenditure before depreciation, amortisation and exceptional items		(7,864)	(9,021)	(9,187)	(4,708)	(4,827)
Exceptional item	4	(43)	(47)	–	–	(659)
Depreciation, amortisation and similar charges	4	(497)	(609)	(480)	(242)	(251)
		(8,404)	(9,677)	(9,667)	(4,950)	(5,737)
Operating profit/(loss)						
EBITDA		840	4	400	(244)	(1,139)
Depreciation, amortisation and similar charges	4	(497)	(609)	(480)	(242)	(251)
		343	(605)	(80)	(486)	(1,390)
Interest receivable		1	1	3	–	2
Interest payable and similar charges	7	(348)	(292)	(311)	(140)	(120)
Loss on ordinary activities before taxation		(4)	(896)	(388)	(626)	(1,508)
Tax charge/(credit) on loss on ordinary activities	8	68	(64)	(1)	–	–
Loss on ordinary activities after taxation		(72)	(832)	(387)	(626)	(1,508)
Dividends payable (non equity)	9	(49)	(8)	–	–	–
Loss on ordinary activities transferred to reserves	18	(121)	(840)	(387)	(626)	(1,508)
Loss per share in pence						
(Basic and Diluted)	10	(3.1)	(10.8)	(4.50)	(7.4)	(11.3)
Adjusted loss per share (Basic and Diluted)	3	–	–	–	(5.8)	(5.6)

* In the three years ended 30 September 2006, Gross Profit was stated after attributing the remuneration costs of certain consultants and operating staff. The interim accounts for the six months ended 31 March 2007 were restated to include these costs within operating expenses in accordance with industry practice. Accordingly the three years ended 30 September 2006 have been represented to aid comparability. The reclassification between cost of sales and operating expenses amounted to £5,428,000 in the year ended 30 September 2006 (2005 – £4,991,000, 2004 – £4,391,000).

2. Operational Structure and Strategy

During the financial period under review, the Group experienced poor trading results.

In June 2005, a strategy was adopted to simplify the organisational structure of the Group with the aim of establishing a stronger platform for growth. Four business divisions were created: Permanent Recruitment, Temporary Recruitment, ISIS (an executive search business) and Solutions (a business division providing human resource consulting products and services). This strategy failed to deliver the expected results due to two major factors:

(i) the under-performance of the permanent recruitment business, which accounts for approximately 60 per cent. of the net fee income of the Group; and

(ii) the establishment of a "chinese wall" between the temporary and permanent recruitment divisions, which meant cross-selling opportunities were not exploited.

In May 2007, the business was restructured along geographical lines to create two recruitment divisions: London and Regions. This has the aim of enabling the Group to increase the number of clients and candidates. In addition, the Solutions business division was sold to enable the Group to follow a strategy which focuses purely on recruitment.

Historically central support functions were disproportionately large for the Group. A programme of cost reduction was implemented which served to remove approximately £400,000 of costs on an annualised basis. During 2005 the number of employees of the Group reduced by 18 per cent. from 200 to 164. This number has not grown significantly since 2005.

The first six months of 2007 saw considerable change. In January 2007, Berkeley Scott raised £2.5 million by way of a share subscription by Anthony Reeves and John Bowmer and in May 2007, John Rose was appointed as chief executive officer. A number of measures have been implemented with a view to increasing the profitability of the Group. Such measures focus on staff recruitment, training and retention, the adoption of a new remuneration scheme, the introduction of minimum operating standards, the establishment of a mid-market temporary recruitment business and a growing focus on the London market. These measures are in addition to the closure of the Cardiff office in June 2007 and the consolidation of three London temporary recruitment offices.

3. Financial Review

3.1 *Turnover and net fee income*

The Group generates revenues from the provision of permanent and temporary recruitment, primarily to the hospitality and leisure industries. The total revenue of the Group increased by 5.7 per cent. to £18 million in 2006 (2005: £17.1 million; 2004: £16.6 million) and net fee income (revenue less direct costs) by 5.4 per cent. to £9.6 million in 2006 (2005: £9.1 million; 2004: £8.7 million). Net fee income referable to the permanent recruitment business fell by 5.5 per cent. to £5.3 million in 2006 (2005: £5.6 million; 2004: £4.9 million). Growth in this area had been anticipated and due to under-performance the management organisation and structure of the permanent recruitment business was changed. Net fee income referable to the temporary recruitment business, driven both by high demand and by increasing productivity, increased by 9.5 per cent. to £2.7 million in 2006 (2005: £2.5 million; 2004: £2.6 million). The executive search business, ISIS, achieved a substantial level of growth, net fee income increasing by 71 per cent. to £0.6 million in 2006 (2005: £0.4 million; 2004: £0.5 million).

3.2 *Operating costs*

The cost base of the Group increased during the first half of 2006. In response to this increase, a cost cutting programme was initiated.

3.3 *Loss on ordinary activities before taxation*

The Group's loss on ordinary activities before taxation of the Group in the six months ended 31 March 2007 was £1,508,000 (2006: £626,000). The operating loss for the twelve months ended 30 September 2006 was £388,000 (2005: £896,000; 2004: £4,000).

3.4 ***Taxation***

The taxation charge of the Group for the six months ended 31 March 2007 was £nil (2006: £nil). During the three years ended 30 September 2006, tax charges and credits were respectively £1,000 credit (2006), £64,000 credit (2005) and £68,000 charge (2004).

3.5 ***Profit and dividends***

The results for the year ended 30 September 2006 and six months ended 31 March 2007 are set out above in paragraph 1 of this Part V and show a loss after taxation for 2006 of £387,420 (2005: loss of £832,236; 2004: £72,200). The Directors have not recommended or paid a dividend on the Ordinary Shares since its shares have been admitted to trading on AIM.

3.6 ***Current assets/(net current liabilities)***

	Year ended 30 September 2004 £'000	*Year ended 30 September 2005 £'000*	*Year ended 30 September 2006 £'000*	*Six months ended 31 March 2007 £'000*
Debtors falling due within one year				
Cash at bank and in hand	3	3	3	3
Trade debtors	2,385	2,717	2,488	2,388
Other debtors	74	160	98	65
Prepayments and accrued income	891	747	756	617
Total	3,353	3,627	3,345	3,073
Creditors falling due within one year				
Bank loans and overdraft (secured)	515	211	691	152
Confidential Invoice Discounting	1,498	2,071	1,838	648
Trade creditors	395	494	298	601
Corporation Tax	65	–	–	–
Other taxation and social security	759	748	658	596
Other creditors	278	165	163	155
Accruals and deferred income	642	458	626	902
Dividends payable	101	–	–	–
Obligations under finance leases and hire purchase contracts	55	48	26	8
Total	4,308	4,195	4,300	3,062
Net Current (Liabilities)/Assets	(955)	(568)	(955)	11

3.7 ***Net Liabilities***

Net current (liabilities)/assets plus creditors falling due after one year as at 31 March 2007 were £0.156 million, compared with £1.172 million at 30 September 2006, £0.911 million at 30 September 2005, and £2.559 million at 30 September 2004.

4. Liquidity and capital resources

4.1 ***Source and use of funds***

The Group's principal sources of funds over the last three and a half years have been:

(a) cash generated from operations;

(b) issue of equity share capital and reserves; and

(c) external borrowings.

The Group generated a cash inflow of £330,238 from operating activities in the year ended 30 September 2006 compared to £129,996 in the year ended 30 September 2005.

The Group's principal uses of funds are operating expenses and capital expenditure to renew and enhance its service offering.

The summary cash flow for the Group's activities for the three years ended 30 September 2006 was:

		2004		*2005*		*2006*	
	Note	*£'000*	*£'000*	*£'000*	*£'000*	*£'000*	*£'000*
Net cash inflow from operating activities	1		944		130		330
Returns on investments and servicing of finance							
Interest received		1		1		3	
Interest paid		(338)		(281)		(306)	
Interest element of finance lease rental payments		(9)		(11)		(5)	
Special dividend – non equity		–		(109)		–	
Net cash outflow from returns on investment and servicing of finance			(346)		(400)		(308)
Taxation							
UK corporation tax		(3)		(42)		1	
Tax paid			(3)		(42)		1
Capital expenditure and financial investment							
Purchase of tangible fixed assets		(414)		(300)		(357)	
Receipts from sale of fixed assets		–		14		1	
Net cash outflow from capital expenditure and financial investment			(414)		(286)		(356)
Cash outflow before management of liquid resources and financing			181		(598)		(333)
Financing							
Capital element of finance lease rental payments		(69)		(56)		(48)	
Repayment of loans		(190)		(1,908)		(100)	
Share capital issued		4		3,072		–	
Expenses paid in connection with share issue		–		(894)		–	
New loans		–		500		–	
Cash (outflow)/inflow from financing			(255)		714		(148)
(Decrease)/Increase in cash in the year	2		(74)		116		(481)

Notes

1. Reconciliation of Operating Profit/(Loss) to Net Cash Inflow from Operating Activities

	2004	*2005*	*2006*
	£'000	*£'000*	*£'000*
Operating profit/(loss) on ordinary activities	343	(605)	(80)
Depreciation	304	324	294
Amortisation of goodwill	193	284	186
Decrease/(increase) in debtors	(1,074)	(232)	281
(Decrease)/increase in creditors	1,178	365	(354)
Loss/(profit) on disposal of fixed assets	–	(6)	3
Net cash inflow from operating activities	944	130	330

2. **Reconciliation of Net Cash Flow to Movement in Net Debt**

	2004	*2005*	*2006*	*2007*
	£'000	*£'000*	*£'000*	*£'000*
(Decrease)/increase in cash in the year	(74)	116	(481)	539
Cash inflow from movement in debt and lease financing	259	1,465	148	68
Change in net debt resulting from cash flows	185	1,581	(333)	607
New finance lease	(102)	(7)	–	–
Movement in net debt in the year	83	1,574	(333)	607
Net debt at start of year	(2,254)	(2,171)	(599)	(932)
Net debt at end of year	(2,171)	(597)	(932)	(325)

4.2 *Net debt*

Outstanding net debt plus the confidential invoice discounting facility of the Group was £2,770,000 as at 30 September 2006 (2005: £2,668,000) and £973,000 as at 31 March 2007 reflecting the use of the finance facilities described below in paragraph 4.3 of this Part V. Bank loans and overdrafts outstanding at 30 September 2006 and 31 March 2007 were payable as follows:

	Year ended 30 September 2006	*Six months ended 31 March 2007*
	£'000	*£'000*
Amounts payable:		
– on demand or within one year	2,530	800
– between one and two years	100	100
– between two and five years	117	67
Total	2,747	967

4.3 *Finance facilities*

A bank loan of £500,000 and overdraft facility of £100,000 were arranged on 6 December 2004 with The Royal Bank of Scotland plc. The bank loan and overdraft are secured by composite guarantees and mortgage debentures granted by the Group. The loan attracts interest at a variable rate of 2.25 per cent. per annum above the base rate of The Royal Bank of Scotland. The overdraft attracts interest at a variable rate of 2.00 per cent. per annum above the base rate of The Royal Bank of Scotland.

These finance facilities will be repaid in full and all security released upon the entering into of the new financing arrangements with Barclays Bank PLC (please see paragraph 13.8 of Part IX of this document for further details of the new financing arrangements).

4.4 *Confidential Invoice Discounting*

A Confidential Invoice Discounting facility with the Royal Bank of Scotland provides a maximum advance of £3,000,000 against the sales ledger. Interest is charged at 1.75 per cent. above the base rate of the Royal Bank of Scotland on the funds in use.

This facility will be replaced by a new Confidential Invoice Discounting Facility provided by Barclays Bank PLC (please see paragraph 13.10 of Part IX of this document for further details).

4.5 *Treasury Policies*

The Group has no derivative or hedging transactions for the three year period ended 30 September 2006 or the six month period ended 31 March 2007. The Group has no material overseas operations.

4.6 ***Movement in capital and reserves***

Movements in the Group's capital and reserves are summarised as follows:

	Equity shareholders' funds £'000
At 1 October 2003	1,136
Loss transferred to reserves for the year ended 30 September 2004	(121)
Share Issues	4
At 1 October 2004	1,019
Loss transferred to reserves for the year ended 30 September 2005	(840)
Share Issues	2,177
Reduction in shares issued	–
At 1 October 2005	2,356
Loss transferred to reserves for the year ended 30 September 2006	(387)
Share Issues	–
Reduction in shares issued	–
	1,969
At 31 March 2007	2,793

A statement regarding the adequacy of the working capital available to the Enlarged Group is set out in paragraph 16 of Part IX of this document.

5. Capitalisation and Indebtedness

The following tables show the capitalisation of the Berkeley Scott Group at close of business on 31 March 2007 and the cash and indebtedness of the Berkeley Scott Group as at 30 June 2007. There have been no material changes to the capitalisation figures since 31 March 2007.

	As at 31 March 2007 £'000
Total Current debt	
– Guaranteed	–
– Secured	800
– Unguaranteed/ Unsecured	–
Total Non-Current debt (excluding current portion of long-term debt)	
– Guaranteed	–
– Secured	167
– Unguaranteed/ Unsecured	–
Shareholders' equity	
– Share capital	456
– Share premium account	5,549
– Other Reserves	(3,212)
Total	2,793

5. Capitalisation and Indebtedness (continued)

	As at 30 June 2007 £'000
Cash	4
Trading securities	–
Liquidity	4
Current Financial Receivable	
Current Bank debt	100
Other current financial debt	1,253
Current Financial Debt	1,353
Net Current Financial Indebtedness	1,349
Non current Bank loans	142
Bonds Issued	–
Other non current loans	–
Non current Financial Indebtedness	142
Net Financial Indebtedness	1,491

The Group does not have any indirect or contingent debt liabilities.

Apart from the above, neither Berkeley Scott nor its subsidiaries had outstanding at 30 June 2007 any loan capital or loan capital created but unissued, term loans, borrowings or indebtedness in the nature of borrowings, including bank overdrafts, liabilities under acceptances (other than normal trade bills) or acceptance credits, mortgages, charges, hire purchase commitments or guarantees or other material contingent liabilities.

6. Further Information

Further information on the financial results for the period covered by this review is set out in Part VI.

PART VI

SECTION A: FINANCIAL INFORMATION ON BERKELEY SCOTT FOR THE THREE YEARS ENDED 30 SEPTEMBER 2006 UNDER UK GAAP

The following tables set out the audited consolidated financial statements of Berkeley Scott for the years ended 30 September 2004, 30 September 2005 and 30 September 2006 which have been prepared in accordance with UK GAAP. The auditors' report and financial information set out in Part VI has been extracted without material adjustment from the audited accounts of Berkeley Scott for each year.

The unaudited interim financial information of Berkeley Scott for the six months ended 31 March 2007 is set out in Part VI, Section B of this document.

Financial information on Berkeley Scott for the year ended 30 September 2006

Report of the independent auditors

To the shareholders of Berkeley Scott Group Plc

We have audited the group and parent company financial statements (the ''financial statements'') of Berkeley Scott Group Plc for the year ended 30 September 2006 which comprise the Consolidated Profit & Loss Account, the Consolidated and Parent Company Balance Sheets, the Consolidated Cash Flow Statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

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 and whether the information given in the Directors' Report is consistent with those financial statements. We also report to you if, in our opinion, 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 transactions is not disclosed.

We read other information contained in the annual report and consider whether it is consistent with the audited financial statements. The other information comprises only the Chairman's Statement and the Directors' Report. 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.

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

Basis of audit 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 and performed 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 also evaluated the overall adequacy of the presentation of information in the financial statements .

Opinion

In our opinion:

- the group financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group's affairs as at 30 September 2006 and of its loss for the year then ended;
- the parent company financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the parent company's affairs as at 30 September 2006;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

BDO STOY HAYWARD LLP
Chartered Accountants and Registered Auditors
Guildford
Date: 2 March 2007

Consolidated profit and loss account for the year ended 30 September 2006

	Note	*2006* £	*2005* £
Turnover	2	17,976,941	17,063,791
Cost of sales		(13,818,049)	(12,982,587)
Gross profit		4,158,892	4,081,204
Administrative expenses	4	(4,238,834)	(4,686,622)
Operating loss			
EBITDA*		399,960	3,366
Depreciation, amortisation and similar charges	4	(479,902)	(608,784)
		(79,942)	(605,418)
Interest receivable		2,822	513
Interest payable and similar charges	7	(310,892)	(291,825)
Loss on ordinary activities before taxation		(388,012)	(896,730)
Tax credit on loss on ordinary activities	8	592	64,494
Loss on ordinary activities after taxation		(387,420)	(832,236)
Dividends payable (non equity)	9	–	(7,551)
Loss on ordinary activities transferred to reserves	19	(387,420)	(839,787)
Loss per share in pence (Basic and diluted)	10	(4.5)	(10.8)
Loss per share in pence (continuing operations) (Basic and diluted)	10	(4.5)	(9.3)

All recognised gains and losses in the current and prior year are included in the profit and loss account.

The notes on pages 50 to 62 form part of these financial statements.

Consolidated balance sheet at 30 September 2006

			2006		2005
	Note	£	£	£	£
Fixed assets					
Intangible assets	12		2,332,301		2,517,781
Tangible assets	13		807,667		749,749
			3,139,968		3,267,530
Current assets					
Debtors	15	3,342,936		3,624,019	
Cash at bank and in hand		3,161		3,161	
		3,346,097		3,627,180	
Creditors: amounts falling due within one year	16	(4,299,551)		(4,194,952)	
Net current liabilities			(953,454)		(567,772)
Total assets less current liabilities			2,186,514		2,699,758
Creditors: amounts falling due after more than one year	17		(217,522)		(343,346)
			1,968,992		2,356,412
Capital and reserves					
Called up share capital	18		170,372		170,372
Share premium account	19		3,571,738		3,571,738
Capital redemption reserve	19		1,834		1,834
Profit and loss account	19		(1,774,952)		(1,387,532)
Shareholders' funds	20		1,968,992		2,356,412

The financial statements were approved and authorised for issue by the Board on 2 March 2007

WJ COKER
Director

AH REEVES
Director

The notes on pages 50 to 62 form part of these financial statements.

Company balance sheet at 30 September 2006

			2006		*2005*
	Note	£	£	£	£
Fixed assets					
Intangible assets	12		739,430		792,983
Investments	14		2,202,488		2,202,488
			2,941,918		2,995,471
Current assets					
Debtors – due within one year	15	15,506		56,301	
Debtors – due after more than one year	15	1,099,406		1,113,541	
Cash at bank and in hand		–		26,101	
		1,114,912		1,195,943	
Creditors: amounts falling due within one year	16	(539,595)		(398,870)	
Net current assets			575,317		797,073
Total assets less current liabilities			3,517,235		3,792,544
Creditors: amounts falling due after more than one year	17		(216,667)		(316,667)
			3,300,568		3,475,877
Capital and reserves					
Called up share capital	18		170,372		170,372
Share premium account	19		3,571,738		3,571,738
Capital redemption reserve	19		1,834		1,834
Profit and loss account	19		(443,376)		(268,067)
Shareholders' funds	20		3,300,568		3,475,877

The financial statements were approved and authorised for issue by the Board on 2 March 2007

WJ COKER
Director

AH REEVES
Director

The notes on pages 50 to 62 form part of these financial statements.

Consolidated cash flow statement for the year ended 30 September 2006

	Note	£	2006 £	£	2005 £
Net cash inflow from operating activities	23		330,238		129,996
Returns on investments and servicing of finance					
Interest received		2,822		513	
Interest paid		(305,865)		(280,992)	
Interest element of finance lease rental payments		(5,027)		(10,833)	
Special dividend – non equity		–		(109,451)	
Net cash outflow from returns on investment and servicing of finance			(308,070)		(400,763)
Taxation					
UK corporation tax		592		(41,702)	
Tax paid			592		(41,702)
Capital expenditure and financial investment					
Purchase of tangible fixed assets		(356,731)		(300,322)	
Receipts from sale of fixed assets		1,069		13,964	
Net cash outflow from capital expenditure and financial investment			(355,662)		(286,358)
Cash (outflow) before management of liquid resources and financing			(332,902)		(598,827)
Financing					
Capital element of finance lease rental payments		(47,751)		(55,571)	
Repayment of loans		(100,000)		(1,908,333)	
Share capital issued		–		3,071,500	
Expenses paid in connection with share issue		–		(894,421)	
New loans		–		500,000	
Cash (outflow)/ inflow from financing			(147,751)		713,175
(Decrease)/Increase in cash in the year	24		(480,653)		114,348

The notes on pages 50 to 62 form part of these financial statements.

Notes forming part of the financial statements for the year ended 30 September 2006

1. Accounting policies

The financial statements have been prepared under the historical cost convention, and are in accordance with applicable accounting standards.

In preparing these financial statements the Group has adopted for the first time FRS21 'Events after the balance sheet date', FRS22 'Earnings per share' and FRS 25 'Financial Instruments: Disclosure and Presentation.

The following principal accounting policies have been applied:

Basis of consolidation

The consolidated financial statements incorporate the results of Berkeley Scott Group Plc and all of its subsidiary undertakings as at 30 September 2006 using the acquisition method of accounting. The results of subsidiary undertakings are included from the date of acquisition.

Goodwill

Goodwill arising on an acquisition of a trade or a subsidiary undertaking is the difference between the fair value of the consideration paid and the fair value of the assets and liabilities acquired. It is capitalised and amortised through the profit and loss account over the directors' estimate of its useful economic life of 20 years. Impairment tests on the carrying value of goodwill are undertaken:

– at the end of the first full financial year following acquisition; and

– in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

Agency income on temporary placements is recognised as the service is supplied. Income on permanent placements is recognised when the offer of employment has been accepted by the candidate. Provision for fee rebates is made for withdrawals within a reasonable period after the commencement of employment.

Advertising income is recognised when the advertisement is placed.

Depreciation

Depreciation is provided to write off the cost or valuation, less estimated residual values, of all tangible fixed assets evenly over their expected useful lives. It is calculated at the following rates:

Motor vehicles and computer equipment	–	25% on a straight line basis
Office equipment	–	10% – 33% on a straight line basis
Short leasehold premises and improvements	–	over the duration of the lease

Investments

Investments held as fixed assets are stated at cost less any provision for permanent diminution in value.

Foreign currency

Foreign currency transactions are translated into sterling at the rates ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rates ruling at the balance sheet dates. Any differences are taken to the profit and loss account.

1. Accounting policies (continued)

Deferred taxation

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date except that the recognition of deferred tax assets is limited to the extent that the Company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances are not discounted.

Leased assets

Where assets are financed by leasing agreements that give rights approximating to ownership ('finance leases'), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the profit and loss account over the useful economic life.

Lease payments are analysed between capital and interest components. The interest element of the payment is charged to the profit and loss account over the period of the lease and is calculated so that it represents a constant proportion of the balances of capital repayments outstanding. The capital element reduces the amounts payable to the lessor.

All other leases are treated as operating leases. Their annual rentals are charged to the profit and loss account on a straight-line basis over the term of the lease.

Pension costs

The Group makes contributions to money purchase pension schemes of certain staff and directors. The assets of the schemes are held separately from those of the Group in independently administered funds. Contributions are charged to the profit and loss account in the period in which they are payable.

Finance costs

Finance costs associated with the issue of debt are carried forward and charged to profit over the term of the debt so that the amount charged is at a constant rate on the carrying amount.

Financial instruments

Financial instruments are measured initially and subsequently at cost. Financial liabilities and equity are classified according to the substance of the financial instruments' contractual obligations rather than the financial instruments' legal form.

2. Turnover

Turnover attributable to each of the Group's geographical markets is:

	2006	*2005*
	£	*£*
United Kingdom	17,783,378	16,940,389
Europe	56,578	31,873
Rest of the World	136,985	91,529
	17,976,941	17,063,791

Turnover arises from the provision of recruitment and advertising services to the hospitality industry.

The directors believe that it would be seriously prejudicial to the interests of the Company to disclose further segmental information.

3. Corresponding figures

The analysis between continuing and discontinued operations for year ending 30 September 2005 is shown below.

	Continuing operations 2006	*Continuing operations 2005*	*Discontinued operations in 2005*
	£	*£*	*£*
Turnover	17,976,941	16,662,277	401,514
Cost of sales	(13,818,049)	(12,698,187)	(284,400)
Gross profit	4,158,892	3,964,090	117,114
Administrative expenses			
Operating expenditure before depreciation, amortisation and exceptional items	(3,758,932)	(3,853,017)	(177,435)
Exceptional item	–	(47,386)	–
Depreciation, amortisation and similar charges	(479,902)	(607,445)	(1,339)
	(4,238,834)	(4,460,462)	(226,160)
Operating loss	(79,942)	(496,372)	(109,046)

The discontinued activities represent the closure of the Number One Bureau Ltd, the business of which was involved in recruitment activities outside the company's normal markets.

4. Operating loss

	2006	*2005*
	£	*£*
This is arrived at after charging		
Pension contributions	91,236	86,360
Depreciation	294,422	324,514
Amortisation of goodwill	185,480	284,270
Operating leases – hire of plant & machinery	65,925	81,163
Operating leases – hire of other assets	470,936	345,182
Non-recurring costs	72,675	273,766
Exceptional item	–	47,386
Auditors' remuneration – audit services	44,727	44,443
Auditors' remuneration – taxation services	6,333	7,625
Foreign exchange loss	2,074	35

Depreciation includes £50,494 (2005 – £69,676) charged on assets held under finance leases and hire purchase contracts.

Included in the Group audit fee is an amount of £10,000 (2005 – £10,000) in respect of the Company.

	2006	*2005*
Reconciliation of EBITDA to Adjusted EBITDA	*£*	*£*
EBITDA per consolidated profit and loss	399,960	3,366
Non-recurring costs		
Restructuring and redundancy costs	39,425	273,766
Settlement to Chairman and associated legal fees	33,250	–
Exceptional items		
Costs relating to the closure of Number One Bureau Limited	–	47,386
Adjusted EBITDA	472,635	324,518

5. Employees

Staff costs (including executive directors) consist of:

	2006	*2005*
	£	*£*
Wages and salaries	13,116,136	12,497,323
Social security costs	1,079,985	978,477
Other pension costs	91,236	86,360
	14,287,357	13,562,160

There are no staff costs in respect of the company in the current year (2005- £nil)

The average number of employees (including executive directors) during the year was as follows:

	2006	*2005*
	Number	*Number*
Recruitment	146	162
Advertising	3	6
Administrative staff	34	31
Temporary workers (whose costs are included in cost of sales and services charged within turnover)	1,014	1,116
	1,197	1,315

The only employees of the company were the 2 directors during the current year and the prior year.

6. Directors' remuneration

	2006	*2005*
	£	*£*
Directors' emoluments	289,696	310,614
Compensation for loss of office	25,000	52,000
Company contributions to money purchase pension schemes	22,744	17,411
	337,440	380,025

There were 2 directors in defined contribution pension schemes during the year (2005 – 2).

The total amount payable to the highest paid director in respect of emoluments was £129,074 (2005 – £130,639). Company pension contributions of £12,744 (2005 – £12,744) were made to a money purchase scheme on his behalf.

Fees paid to Non-executive directors are disclosed in Note 26.

No directors have exercised options to purchase shares in the Company during the year (2005 – Nil).

7. Interest payable and similar charges

	2006	*2005*
	£	*£*
Bank loans and overdrafts	105,759	116,847
Finance costs	–	1,500
Finance leases and hire purchase contracts	5,027	10,833
Other interest	22,378	23,116
Interest payable on invoice discounting	177,728	139,529
	310,892	291,825

8. Taxation on loss from ordinary activities

	2006	*2005*
	£	*£*
Current tax		
UK corporation tax on results of the year	–	(41,110)
Adjustment in respect of previous periods	(592)	(23,384)
Total current tax	(592)	(64,494)

The tax assessed for the period is higher than the standard rate of corporation tax in the UK. The differences are explained below.

	2006	*2005*
	£	*£*
Loss on ordinary activities before tax	(388,012)	(896,730)
Loss on ordinary activities at the standard rate of corporation tax in the UK of 30% (2005 – 30%)	(116,404)	(269,019)
Effect of:		
Expenses not deductible for tax purposes	94,641	73,410
Depreciation in excess of capital allowances	56,571	51,763
Other short term timing differences	4,360	–
Adjustment to tax charge of previous period	(592)	(23,384)
Losses utilised	(39,168)	
Losses carried forward	–	91,203
Losses carried back	–	10,891
Charges on income	–	642
Current tax charge for period	(592)	(64,494)

Deferred tax

On 30 September 2006, there was an unprovided deferred tax asset as set out below. This asset has not been included in the balance sheet as its recoverability is uncertain.

	As at 30 September 2006	*As at 30 September 2005*
	£	*£*
Depreciation in excess of Capital Allowances	70,582	13,090
Provisions	12,933	10,071
Losses carried forward	42,421	85,325
	125,936	108,486

9. Dividends

	2006	2005
	£	£
Non-equity shares		
Special shares	–	7,551

The special shares were converted to 2p ordinary shares on pre admission to AIM. No special dividends are payable.

10. Basic Loss per share

Loss per ordinary share has been calculated using the weighted average number of shares in issue during the relevant financial periods. The weighted average number of equity shares in issue was 8,518,615 (2005 – 7,770,968) and the loss, being loss after tax and non equity dividends, was £387,420 (2005 – £839,787). The loss after tax and non equity dividends, on continuing operations was £387,420 (2005 – £718,882)

Diluted Loss per share

Options held in respect of the ordinary shares of the Company do not have a dilutive effect on the loss per share calculation in any of the periods covered by these accounts.

11. Profit or loss for the financial year

The Company has taken advantage of the exemption allowed under section 230 of the Companies Act 1985 and has not presented its own profit and loss account in these financial statements. The Group profit and loss account for the year includes a loss after tax and dividends of £175,309 (2005 – profit of £421,550) which is dealt with in the financial statements of the parent company.

12. Intangible assets

Group

	Purchased goodwill £	*Goodwill arising on consolidation* £	*Total* £
Cost			
At 1 October 2005	283,563	3,585,045	3,868,608
30 September 2006	283,563	3,585,045	3,868,608
Amortisation			
At 1 October 2005	137,416	1,213,411	1,350,827
Provision for year	14,170	171,310	185,480
At 30 September 2006	151,586	1,384,721	1,536,307
Net book value			
At 30 September 2006	131,977	2,200,324	2,332,301
At 30 September 2005	146,147	2,371,634	2,517,781

Company

	Purchased goodwill £
Cost	
At 1 October 2005 and 30 September 2006	1,071,231
Amortisation	
At 1 October 2005	278,248
Provision for the year	53,553
At 30 September 2006	331,801
Net book amount	
At 30 September 2006	739,430
At 30 September 2005	792,983

13. Tangible fixed assets

Group

	Short leasehold premises and improvements £	*Computer and office equipment* £	*Total* £
Cost			
At 1 October 2005	523,132	1,965,937	2,489,069
Additions	111,152	245,579	356,731
Disposals	(4,000)	(1,255)	(5,255)
At 30 September 2006	630,284	2,210,261	2,840,545
Depreciation			
At 1 October 2005	311,179	1,428,141	1,739,320
Provisions for the year	54,450	239,972	294,422
Disposals	–	(864)	(864)
At 30 September 2006	365,629	1,667,249	2,032,878
Net book value			
At 30 September 2006	264,655	543,012	807,667
At 30 September 2005	211,953	537,796	749,749

The net book value of tangible fixed assets includes an amount of £49,406 (2005 – £100,292) in respect of assets held under finance lease and hire purchase contracts.

The Company had no tangible fixed assets.

14. Fixed asset investments

Company

	Group undertakings £
Cost	
At 1 October 2005 and 30 September 2006	2,202,488
Net book value	
At 30 September 2005 and 30 September 2006	2,202,488

14. Fixed asset investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings at the beginning and end of the year and have all been included in the consolidated financial statements:

Subsidiary undertakings	*Proportion of voting rights and ordinary share capital held*	*Nature of business*	*Last year end*
Berkeley Scott Limited	100%	Provision of recruitment and advertising services	30 September 2006
Number One Bureau Limited	100%	Provision of recruitment services	30 September 2006
Berkeley Scott Sherwoods Limited	100%	Dormant	30 September 2006
Berkeley Scott (Chefs) Limited	100%	Dormant	30 September 2006
International Service Industry Search Limited	100%	Dormant	30 September 2006
*Gold Helm Roche Limited	100%	Dormant	30 September 2006
*Roche Recruitment Limited	100%	Dormant	30 September 2006
*Roche Personnel Limited	100%	Dormant	31 December 2005
*Roche Personnel (London) Limited	100%	Dormant	31 December 2005
*Roche Personnel (UK) Limited	100%	Dormant	31 December 2005

For all undertakings listed above, the country of operation is the same as its country of incorporation or registration being England and Wales.

15. Debtors

	Group		*Company*	
	2006	*2005*	*2006*	*2005*
	£	*£*	*£*	*£*
Trade debtors	2,488,868	2,717,327	–	–
Amounts owed by Group undertakings	–	–	1,099,406	1,113,541
Other debtors	98,137	160,101	–	–
Prepayments and accrued income	755,931	746,591	15,506	56,301
	3,342,936	3,624,019	1,114,912	1,169,842

Included within amounts owed by Group undertakings is an amount of £1,099,406 (2005 – £1,113,541) due after more than one year.

16. Creditors: amounts falling due within one year

	Group		Company	
	2006	*2005*	*2006*	*2005*
	£	*£*	*£*	*£*
Bank loans and overdrafts (secured)	691,504	210,851	213,494	100,000
Trade creditors	298,299	494,140	–	–
Amounts due to subsidiary undertakings	–	–	296,434	296,434
Other taxation and social security	657,697	748,486	–	–
Obligations under finance leases and hire purchase contracts	25,802	47,729	–	–
Other creditors	2,000,565	2,235,884	–	–
Accruals and deferred income	625,684	457,862	29,667	2,436
	4,299,551	4,194,952	539,595	398,870

The overdrafts of £591,504 (2005 – £110,851) and bank loans of £100,000 (2005 – £100,000), included in bank loans and overdrafts, and the invoice discounting facility of £1,838,127 (2005 – £2,071,216), included in other creditors, are secured by fixed and floating charges over certain assets of the Group and the Company.

Included in other creditors is an amount of £16,002 (2005 – £5,593) relating to outstanding pension contributions.

17. Creditors: amounts falling due after more than one year

	Group		Company	
	2006	*2005*	*2006*	*2005*
	£	*£*	*£*	*£*
Bank loans	216,667	316,667	216,667	316,667
Obligations under finance leases and hire purchase contracts	855	26,679	–	–
	217,522	343,346	216,667	316,667

	Group		Company	
Maturity of debt:	*2006*	*2005*	*2006*	*2005*
	£	*£*	*£*	*£*
Analysis of bank loans and overdrafts:				
In one year or less, or on demand	691,504	210,851	213,494	100,000
In more than one year but not more than two years	100,000	100,000	100,000	100,000
In more than two years but not more than five years	116,667	216,667	116,667	216,667
	908,171	527,518	430,161	416,667
Analysis of obligations under finance leases and hire purchase contracts:				
In one year or less, or on demand	25,802	47,729	–	–
In more than one year but not more than two years	855	26,679	–	–
	26,657	74,408	–	–

A bank loan of £500,000 and an overdraft facility of £100,000 were arranged on 6 December 2004.

The balance owing at 30 September 2006 in respect of the loan was £316,667. The balance owing at 30 September 2006 in respect of the overdraft was £591,504.

17. Creditors: amounts falling due after more than one year (continued)

The bank made an agreement to continue to support the Berkeley Scott Group, following arrangements made by the directors to issue a substantial new share issue. The detail of this post balance sheet event is included in note 18 to the accounts.

The bank loan and overdraft are secured on deeds of composite guarantees and mortgage debentures granted by the Berkeley Scott Group Plc group companies.

The loan attracts interest at a variable rate of 2.25 per cent. per annum above the RBS Bank Base Rate. The overdraft attracts interest at a variable rate of 2.00 per cent. per annum above the RBS Bank Base Rate.

There is no material difference between the carrying value and the fair value of bank borrowings.

Obligations under finance leases and hire purchase contracts are secured on the assets concerned.

18. Share capital

	2006 *Number*	*2005* *Number*	*2006* *£*	*2005* *£*
Authorised				
Ordinary shares of 2p each	50,000,000	50,000,000	1,000,000	1,000,000
Allotted, called up and fully paid				
Ordinary shares of 2p each	8,518,615	8,518,615	170,372	170,372

Post Balance Sheet Event

An EGM was held on 29 January 2007 to approve resolutions authorising the Company to raise £2.5 million (before expenses) through the issue of 14,285,714 new ordinary shares of 2p each to AH Reeves and JP Bowmer.

The subscription was recommended by the Board after consultation with a number of key shareholders.

Following admittance of these shares to AIM on 30th January 2007 AH Reeves and JP Bowmer joined the Board as Co-Chairmen, M E W Jackson joined the Board as a non executive director and DRB Watt stepped down.

Funds raised will be used to strengthen the Group's balance sheet.

Options

At 30 September 2006, the following share options were outstanding in respect of the ordinary shares:

Date of grant	*Number of shares*	*Period of option*	*Exercise price per share* *£*
30 May 1997	14,000	30 May 2007	0.914
30 May 1997	52,500	30 May 2007	0.914
11 December 1997	34,300	11 December 2007	0.714
14 April 1999	27,690	31 January 2008	0.990
30 November 1998	43,050	30 November 2008	0.994
28 April 2000	8,750	28 April 2010	0.994
27 February 2001	10,175	27 February 2011	0.994
5 August 2004	24,314	5 August 2014	0.200
9 September 2005	50,000	9 September 2015	0.325
15 December 2005	150,832	15 December 2015	0.255

The period of option for share options at date of grant is 10 years from date of grant.

19. Reserves

	Share premium account £	Capital redemption reserve £	Profit & loss account £
Group			
At 1 October 2005	3,571,738	1,834	(1,387,532)
Loss for the year	–	–	(387,420)
At 30 September 2006	3,571,738	1,834	(1,774,952)
Company			
At 1 October 2005	3,571,738	1,834	(268,067)
Loss for the year	–	–	(175,309)
At 30 September 2006	3,571,738	1,834	(443,376)

20. Reconciliation of movements in shareholders' funds

	Group		*Company*	
	2006 £	2005 £	2006 £	2005 £
Loss for the year	(387,420)	(832,236)	(175,309)	(413,999)
Dividends	–	(7,551)	–	(7,551)
New share capital subscribed	–	2,177,079	–	2,177,079
Net addition to/(deduction from) shareholders' funds	(387,420)	1,337,292	(175,309)	1,755,529
Opening shareholders' funds	2,356,412	1,019,120	3,475,877	1,720,348
Closing shareholders' funds	1,968,992	2,356,412	3,300,568	3,475,877

21. Contingent liabilities

Group bank loans and overdrafts amounting to £2,316,136 (2005 – £2,208,166) are secured by cross guarantees from Berkeley Scott Group Plc and its subsidiary companies.

22. Commitments under operating leases

As at 30 September 2006, the Group had annual commitments under non-cancellable operating leases as set out below:

	2006		*2005*	
	Land and buildings £	Other £	Land and buildings £	Other £
Operating leases which expire:				
Within one year	41,150	14,491	–	2,731
In two to five years	402,985	45,495	247,188	45,454
After five years	54,036	–	115,736	–
	498,171	59,986	362,924	48,185

23. Reconciliation of operating profit to net cash inflow from operating activities

	2006	*2005*
	£	*£*
Operating loss on ordinary activities	(79,942)	(605,418)
Depreciation	294,422	324,514
Amortisation of goodwill	185,480	284,270
Decrease/(Increase) in debtors	281,082	(232,262)
(Decrease)/Increase in creditors	(354,126)	364,686
Loss / (Profit) on disposal of fixed assets	3,322	(5,794)
Net cash inflow from operating activities	330,238	129,996

24. Reconciliation of net cash flow to movement in net debt

	2006	*2005*
	£	*£*
(Decrease)/increase in cash in the year	(480,653)	114,348
Cash inflow from movement in debt and lease financing	147,751	1,465,054
Change in net debt resulting from cash flows	(332,902)	1,579,402
New finance lease	–	(7,000)
Movement in net debt in the year	(332,902)	1,572,402
Net debt at start of year	(598,765)	(2,171,167)
Net debt at end of year	(931,667)	(598,765)

25. Analysis of net debt

	At 1 October 2005	*Cash flow*	*Other non-cash changes*	*At 30 September 2006*
	£	*£*	*£*	*£*
Cash at bank and in hand	3,161	–	–	3,161
Overdrafts	(110,851)	(480,653)	–	(591,504)
Cash	(107,690)	(480,653)	–	(588,343)
Debt due after one year:				
Finance leases	(26,679)	25,824	–	(855)
Bank loans	(316,667)	–	100,000	(216,667)
Debt due within one year:				
Finance leases	(47,729)	21,927	–	(25,802)
Bank loans	(100,000)	100,000	(100,000)	(100,000)
Financing	(491,075)	147,751	–	(343,324)
Total	(598,765)	(332,902)	–	(931,667)

In addition, invoice discounting at 30 September 2006 amounted to £1,838,127 (2005 – £2,071,216).

26. Related party disclosures

Fees of £9,167 (2005 – £17,167) were paid to the directors of the parent undertaking.

27. Ultimate controlling party

In the opinion of the directors there is no one individual or entity that ultimately controls the Group.

Financial information on Berkeley Scott for the year ended 30 September 2005

Report of the independent auditors

To the shareholders of Berkeley Scott Group Plc

We have audited the financial statements of Berkeley Scott Group Plc for the year ended 30 September 2005 on pages 63 to 81 which have been prepared under the accounting policies set out therein.

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 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 United Kingdom Auditing Standards.

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 transactions with the Group is not disclosed.

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 Chairman's Statement and the Director's Report. 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.

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards 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 circumstances, consistently applied and adequately disclosed.

We planned and performed 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 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 of the state of affairs of the Company and the Group at 30 September 2005 and of the loss of the Group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

BDO STOY HAYWARD LLP
Chartered Accountants and Registered Auditors
Guildford
Date 10 January 2006

Consolidated profit and loss account for the year ended 30 September 2005

	Note	*Continuing operations* £	*Discontinued operations* £	*2005* £	*2004* £
Turnover	2	16,662,277	401,514	17,063,791	16,611,136
Cost of sales		(12,698,187)	(284,400)	(12,982,587)	(12,254,859)
Gross profit		3,964,090	117,114	4,081,204	4,356,277
Operating expenses					
Operating expenditure before depreciation, amortisation and exceptional items		(3,853,017)	(177,435)	(4,030,452)	(3,472,941)
Exceptional item	4	–	(47,386)	(47,386)	(43,108)
Depreciation, amortisation and similar charges	4	(607,445)	(1,339)	(608,784)	(496,901)
		(4,460,462)	(226,160)	(4,686,622)	(4,012,950)
Operating (loss)/profit					
EBITDA*		111,073	(107,707)	3,366	840,228
Depreciation, amortisation and similar charges	4	(607,445)	(1,339)	(608,784)	(496,901)
		(496,372)	(109,046)	(605,418)	343,327
Interest receivable				513	624
Interest payable and similar charges	7			(291,825)	(347,666)
Loss on ordinary activities before taxation (carried forward)				(896,730)	(3,715)

	Note	*2005* £	*2004* £
Loss on ordinary activities before taxation (brought forward)		(896,730)	(3,715)
Tax (credit)/charge on loss on ordinary activities	8	(64,494)	68,485
Loss on ordinary activities after taxation		(832,236)	(72,200)
Dividends payable (non equity)	9	(7,551)	(48,645)
Loss on ordinary activities transferred to reserves	19	(839,787)	(120,845)
Loss per share in pence (Basic and diluted)	10	(10.8)	(3.1)

All recognised gains and losses in the current and prior year are included in the profit and loss account.

Discontinued operations relates to the business and trading of Number One Bureau Limited a wholly owned subsidiary of Berkeley Scott Group Plc.

The notes on pages 68 to 81 form part of these financial statements.

Consolidated balance sheet at 30 September 2005

	Note		*2005*		*2004*
		£	£	£	£
Fixed assets					
Intangible assets	12		2,517,781		2,802,051
Tangible assets	13		749,749		775,311
			3,267,530		3,577,362
Current assets					
Debtors	15	3,624,019		3,350,647	
Cash at bank and in hand		3,161		2,561	
		3,627,180		3,353,208	
Creditors: amounts falling due within one year	16	(4,194,952)		(4,307,717)	
Net current liabilities			(567,772)		(954,509)
Total assets less current liabilities			2,699,758		2,622,853
Creditors: amounts falling due after more than one year	17		(343,346)		(1,603,733)
			2,356,412		1,019,120
Capital and reserves					
Called up share capital	18		170,372		80,654
Share premium account	19		3,571,738		1,484,377
Capital redemption reserve	19		1,834		1,834
Profit and loss account	19		(1,387,532)		(547,745)
Shareholders' funds	20		2,356,412		1,019,120

Included within shareholders' funds in 2004 is an amount of £2 in respect of non-equity interests.

The financial statements were approved by the Board on 9 January 2006.

D R B Watt
Director

W Coker
Director

The notes on pages 68 to 81 form part of these financial statements.

Company balance sheet at 30 September 2005

	Note		*2005*		*2004*
		£	£	£	£
Fixed assets					
Intangible assets	12		792,983		846,536
Investments	14		2,202,488		2,431,382
			2,995,471		3,277,918
Current assets					
Debtors – due within one year	15	56,301		481,290	
Debtors – due after more than one year	15	1,113,541		269,736	
Cash at bank and in hand		26,101		–	
		1,195,943		751,026	
Creditors: amounts falling due within one year	16	(398,870)		(773,596)	
Net current assets/(liabilities)			797,073		(22,570)
Total assets less current liabilities			3,792,544		3,255,348
Creditors: amounts falling due after more than one year	17		(316,667)		(1,535,000)
			3,475,877		1,720,348
Capital and reserves					
Called up share capital	18		170,372		80,654
Share premium account	19		3,571,738		1,484,377
Capital redemption reserve	19		1,834		1,834
Profit and loss account	19		(268,067)		153,483
Shareholders' funds	20		3,475,877		1,720,348

Included within shareholders' funds in 2004 is an amount of £2 in respect of non-equity interests.

The financial statements were approved by the Board on 9 January 2006.

D R B Watt
Director

W Coker
Director

The notes on pages 68 to 81 form part of these financial statements.

Consolidated cash flow statement for the year ended 30 September 2005

	Note		*2005*		*2004*
		£	£	£	£
Net cash inflow from operating activities	22		129,996		944,307
Returns on investments and servicing of finance					
Interest received		513		624	
Interest paid		(280,992)		(338,374)	
Interest element of finance lease rental payments		(10,833)		(9,292)	
Special dividend – non equity		(109,451)		–	
Net cash outflow from returns on investment and servicing of finance			(400,763)		(347,042)
Taxation					
UK corporation tax		(41,702)		(3,399)	
Tax paid			(41,702)		(3,399)
Capital expenditure and financial investment					
Purchase of tangible fixed assets		(300,322)		(413,583)	
Receipts from sale of fixed assets		13,964		–	
Net cash outflow from capital expenditure and financial investment			(286,358)		(413,583)
Cash (outflow)/inflow before management of liquid resources and financing			(598,827)		180,283
Financing					
Capital element of finance lease rental payments		(55,571)		(68,939)	
Repayment of loans		(1,908,333)		(190,000)	
Share capital issued		3,071,500		3,694	
Expenses paid in connection with share issue		(894,421)		–	
New loans		500,000		–	
Cash inflow/(outflow) from financing			713,175		(255,245)
Increase/(decrease) in cash in the year	23		114,348		(74,962)

The notes on pages 68 to 81 form part of these financial statements.

Notes forming part of the financial statements for the year ended 30 September 2005

1. Accounting policies

The financial statements have been prepared under the historical cost convention, and are in accordance with applicable accounting standards.

The following principal accounting policies have been applied:

Basis of consolidation

The consolidated financial statements incorporate the results of Berkeley Scott Group Plc and all of its subsidiary undertakings as at 30 September 2005 using the acquisition method of accounting. The results of subsidiary undertakings are included from the date of acquisition.

Goodwill

Goodwill arising on an acquisition of a trade or a subsidiary undertaking is the difference between the fair value of the consideration paid and the fair value of the assets and liabilities acquired. It is capitalised and amortised through the profit and loss account over the directors' estimate of its useful economic life of 20 years. Impairment tests on the carrying value of goodwill are undertaken:

– at the end of the first full financial year following acquisition; and
– in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

Agency income on temporary placements is recognised as the service is supplied. Income on permanent placements is recognised when the offer of employment has been accepted by the candidate. Provision for fee rebates is made for withdrawals within a reasonable period after the commencement of employment.

Advertising income is recognised when the advertisement is placed.

Depreciation

Depreciation is provided to write off the cost or valuation, less estimated residual values, of all tangible fixed assets evenly over their expected useful lives. It is calculated at the following rates:

Motor vehicles and computer equipment	–	25% on a straight line basis
Office equipment	–	10% – 33% on a straight line basis
Short leasehold premises and improvements	–	over the duration of the lease

Investments

Investments held as fixed assets are stated at cost less any provision for permanent diminution in value.

Foreign currency

Foreign currency transactions are translated into sterling at the rates ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rates ruling at the balance sheet dates. Any differences are taken to the profit and loss account.

Deferred taxation

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date except that the recognition of deferred tax assets is limited to the extent that the Company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances are not discounted.

Accounting policies (continued)

Leased assets

Where assets are financed by leasing agreements that give rights approximating to ownership ('finance leases'), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the profit and loss account.

Lease payments are analysed between capital and interest components. The interest element of the payment is charged to the profit and loss account over the period of the lease and is calculated so that it represents a constant proportion of the balances of capital repayments outstanding. The capital element reduces the amounts payable to the lessor.

All other leases are treated as operating leases. Their annual rentals are charged to the profit and loss account on a straight-line basis over the term of the lease.

Pension costs

The Group makes contributions to money purchase pension schemes of certain staff and directors. The assets of the schemes are held separately from those of the Group in independently administered funds. Contributions are charged to the profit and loss account in the period in which they are made and amounted to £86,360 (2004 – £82,756).

Finance costs

Finance costs associated with the issue of debt are carried forward and charged to profit over the term of the debt so that the amount charged is at a constant rate on the carrying amount.

2. Turnover

Turnover attributable to each of the Group's geographical markets is:

	2005	*2004*
	£	*£*
United Kingdom	16,940,389	16,497,023
Europe	31,873	25,163
Rest of the World	91,529	88,950
	17,063,791	16,611,136

Turnover arises from the provision of recruitment and advertising services to the hospitality industry.

The directors believe that it would be seriously prejudicial to the interests of the Company to disclose further segmental information.

3. Corresponding figures

The analysis between continuing and discontinued operations for year ending 30 September 2004 is shown below.

Activities discontinued in the year ending 30 September 2005 are shown as discontinued operations.

	Continuing operations	*Discontinued operations in 2005*	*2004*
	£	*£*	*£*
Turnover	16,111,104	500,032	16,611,136
Cost of sales	(11,902,505)	(352,354)	(12,254,859)
Gross profit	4,208,599	147,678	4,356,277
Operating expenses			
Operating expenditure before depreciation, amortisation and exceptional items	(3,329,603)	(143,338)	(3,472,941)
Exceptional item	(43,108)	–	(43,108)
Depreciation, amortisation and similar charges	(495,335)	(1,566)	(496,901)
	(3,868,046)	(144,904)	(4,012,950)
Operating profit	340,553	2,774	343,327

The discontinued activities represent the closure of the Number One Bureau Ltd, the business of which was involved in recruitment activities outside the company's normal markets.

4. Operating profit

	2005	*2004*
	£	*£*
This is arrived at after charging		
Depreciation	324,514	303,946
Amortisation of goodwill	284,270	192,955
Operating leases – hire of plant & machinery	81,163	66,963
Operating leases – hire of other assets	345,182	394,268
Non-recurring costs	273,766	–
Exceptional item	47,386	43,108
Auditors' remuneration – audit services	44,443	29,765
Auditors' remuneration – non audit services	7,625	5,743

Depreciation includes £69,676 (2004 – £70,748) charged on assets held under finance leases and hire purchase contracts.

Included in the share premium account are costs of £119,867 for non audit services provided by the Auditors.

Included in the Group audit fee is an amount of £10,000 (2004 – £8,500) in respect of the Company.

	2005	*2004*
Non-recurring costs	*£*	*£*
Restructuring costs	273,766	–
Exceptional item		
Redundancy costs relating to the closure of Number One Bureau Limited	47,386	–
Aborted acquisition	–	43,108

5. Employees

Staff costs (including executive directors) consist of:

	2005	*2004*
	£	*£*
Wages and salaries	12,497,323	11,305,175
Social security costs	978,477	900,563
Other pension costs	86,360	82,756
	13,562,160	12,288,494

The average number of employees (including executive directors) during the year was as follows:

	2005	*2004*
	Number	*Number*
Recruitment	162	141
Advertising	6	6
Administrative staff	31	27
Temporary workers (whose costs are included in cost of sales and services charged within turnover)	1,116	945
	1,315	1,119

6. Directors' remuneration

	2005	*2004*
	£	*£*
Directors' management emoluments	310,614	400,906
Compensation for loss of office	52,000	–
Company contributions to money purchase pension schemes	17,411	16,225
	380,025	417,131

There were 2 directors in defined contribution pension schemes during the year (2004 – 2).

The total amount payable to the highest paid director in respect of emoluments was £130,639 (2004 – £126,067). Company pension contributions of £12,744 (2004 – £9,558) were made to a money purchase scheme on his behalf.

No directors have exercised options to purchase shares in the Company during the year (2004 – Nil).

7. Interest payable and similar charges

	2005	*2004*
	£	*£*
Bank loans and overdrafts	116,847	135,478
Loan stock interest	–	58,500
Finance costs	1,500	6,000
Finance leases and hire purchase contracts	10,833	9,292
Other interest	23,116	22,579
Interest payable on invoice discounting	139,529	115,817
	291,825	347,666

8. Taxation on profit from ordinary activities

	2005 £	2004 £
Current tax		
UK corporation tax on results of the year	(41,110)	65,086
Adjustment in respect of previous periods	(23,384)	3,399
Total current tax	(64,494)	68,485

The tax assessed for the period is higher than the standard rate of corporation tax in the UK. The differences are explained below.

	2005 £	2004 £
Loss on ordinary activities before tax	(896,730)	(3,715)
Loss on ordinary activities at the standard rate of corporation tax in the UK of 30% (2004 – 30%)	(269,019)	(1,115)
Effect of:		
Expenses not deductible for tax purposes	73,410	102,293
Capital allowances in advance of depreciation	51,763	(27,771)
Lower rate relief	–	(8,321)
Adjustment to tax charge of previous period	(23,384)	3,399
Losses carried forward	91,203	–
Losses carried back	10,891	–
Charges on income	642	–
Current tax charge for period	(64,494)	68,485

Deferred tax

On 30 September 2005, there was an unprovided deferred tax asset as set out below. This asset has not been included in the balance sheet as its recoverability is uncertain.

	As at 30 September 2005 £	As at 30 September 2004 £
Accelerated capital allowances	13,090	39,667
Provisions	10,071	3,015
	23,161	42,682

9. Dividends

	2005 £	2004 £
Non-equity shares		
Special shares	7,551	48,645

The special shares were converted to 2p ordinary shares on pre admission to AIM. No special dividends are payable.

10. Basic Loss per share

Loss per ordinary share has been calculated using the weighted average number of shares in issue during the relevant financial periods. On 6 December 2004 the authorised share capital of 9,999,980 ordinary shares of 10p each and the 2 special shares of £1 each were converted and redesignated as 2p ordinary shares. In accordance with Financial Reporting Standard 14 Earnings per share, the comparative figures for the number of shares used in the earnings have been adjusted retrospectively as if the shares had been denominated at 2p each. The weighted average number of equity shares in issue was 7,770,968 (2004 – 4,032,645) and the loss, being loss after tax and non equity dividends, was £839,787 (2004 – £120,845).

Diluted Loss per share

Options held in respect of the ordinary shares of the Company do not have a dilutive effect on the loss per share calculation in any of the periods covered by these accounts.

11. Profit or loss for the financial year

The Company has taken advantage of the exemption allowed under section 230 of the Companies Act 1985 and has not presented its own profit and loss account in these financial statements. The Group profit and loss account for the year includes a loss after tax and dividends of £421,550 (2004 – profit of £146,307) which is dealt with in the financial statements of the parent company.

12. Intangible assets

Group

	Purchased goodwill £	*Goodwill arising on consolidation* £	*Total* £
Cost			
At 1 October 2004 and 30 September 2005	283,563	3,585,045	3,868,608
Amortisation			
At 1 October 2004	123,246	943,311	1,066,557
Provision for year	14,170	270,100	284,270
At 30 September 2005	137,416	1,213,411	1,350,827
Net book value			
At 30 September 2005	146,147	2,371,634	2,517,781
At 30 September 2004	160,317	2,641,734	2,802,051

Company

	Purchased goodwill £
Cost	
At 1 October 2004 and 30 September 2005	1,071,231
Amortisation	
At 1 October 2004	224,695
Provision for the year	53,553
At 30 September 2005	278,248
Net book amount	
At 30 September 2005	792,983
At 30 September 2004	846,536

13. Tangible fixed assets

Group	*Motor vehicles* £	*Short leasehold premises and improvements* £	*Computer and office equipment* £	*Total* £
Cost or valuation				
At 1 October 2004	10,930	424,741	1,802,008	2,237,679
Additions	–	103,572	215,138	318,710
Disposals	(10,930)	(5,181)	(51,209)	(67,320)
At 30 September 2005	–	523,132	1,965,937	2,489,069
Depreciation				
At 1 October 2004	10,930	253,137	1,198,301	1,462,368
Provisions for the year	–	58,310	266,204	324,514
Disposals	(10,930)	(268)	(36,364)	(47,562)
At 30 September 2005	–	311,179	1,428,141	1,739,320
Net book value				
At 30 September 2005	–	211,953	537,796	749,749
At 30 September 2004	–	171,604	603,707	775,311

The net book value of tangible fixed assets includes an amount of £100,292 (2004 – £167,402) in respect of assets held under finance lease and hire purchase contracts.

The Company had no tangible fixed assets.

14. Fixed asset investments

Company *Cost*	*Group undertakings* £
At 1 October 2004	2,431,382
Impairment adjustment	(228,894)
At 30 September 2005	2,202,488
Net book value	
At 30 September 2005	2,202,488
At 30 September 2004	2,431,382

The impairment adjustment relates to the Company's investment in Number One Bureau Ltd which has ceased trading. The investment has been written down to book value of assets and liabilities in Number One Bureau Ltd's books at 30 September 2005.

14. Fixed asset investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings at the beginning and end of the year and have all been included in the consolidated financial statements:

Subsidiary undertakings	*Proportion of voting rights and ordinary share capital held*	*Nature of business*	*Last year end*
Berkeley Scott Limited	100%	Provision of recruitment and advertising services	30 September 2005
Number One Bureau Limited	100%	Provision of recruitment and advertising services	30 September 2005
Berkeley Scott Sherwoods Limited	100%	Dormant	30 September 2005
Berkeley Scott (Chefs) Limited	100%	Dormant	30 September 2005
International Service Industry Search Limited	100%	Dormant	30 September 2005
*Gold Helm Roche Limited	100%	Dormant	30 September 2005
*Roche Recruitment Limited	100%	Dormant	30 September 2005
*Roche Personnel Limited	100%	Dormant	31 December 2004
*Roche Personnel (London) Limited	100%	Dormant	31 December 2004
*Roche Personnel (UK) Limited	100%	Dormant	31 December 2004

For all undertakings listed above, the country of operation is the same as its country of incorporation or registration being England and Wales.

15. Debtors

	Group		*Company*	
	2005	*2004*	*2005*	*2004*
	£	*£*	*£*	*£*
Trade debtors	2,717,327	2,385,803	–	–
Amounts owed by Group undertakings	–	–	1,113,541	694,736
Other debtors	160,101	73,898	–	–
Prepayments and accrued income	746,591	890,946	56,301	56,290
	3,624,019	3,350,647	1,169,842	751,026

Included within amounts owed by Group undertakings is an amount of £1,113,541 (2004 – £269,736) due after more than one year.

16. Creditors: amounts falling due within one year

	Group		*Company*	
	2005	*2004*	*2005*	*2004*
	£	*£*	*£*	*£*
Bank loans and overdrafts (secured)	210,851	514,599	100,000	290,000
Trade creditors	494,140	394,535	–	–
Amounts due to subsidiary undertakings	–	–	296,434	296,434
Corporation tax	–	65,086	–	–
Other taxation and social security	748,486	758,563	–	–
Obligations under finance leases and hire purchase contracts	47,729	55,396	–	–
Dividends payable	–	101,346	–	101,346
Other creditors	2,235,884	1,775,799	–	–
Accruals and deferred income	457,862	642,393	2,436	85,816
	4,194,952	4,307,717	398,870	773,596

The overdrafts of £110,851 (2004 – £224,599) and bank loans of £100,000 (2004 – £290,000), included in bank loans and overdrafts, and the invoice discounting facility of £2,071,216 (2004 – £1,497,681), included in other creditors, are secured by fixed and floating charges over certain assets of the Group and the Company.

Included in other creditors is an amount of £5,593 (2004 – £12,741) relating to outstanding pension contributions.

17. Creditors: amounts falling due after more than one year

	Group		*Company*	
	2005	*2004*	*2005*	*2004*
	£	*£*	*£*	*£*
Bank loans	316,667	885,000	316,667	885,000
Obligations under finance leases and hire purchase contracts	26,679	68,733	–	–
Loan stock – Elderstreet Downing VCT Plc	–	390,000	–	390,000
Loan stock – Chrysalis A VCT Plc	–	260,000	–	260,000
	343,346	1,603,733	316,667	1,535,000

17. Creditors: amounts falling due after more than one year (continued)

	Group		Company	
Maturity of debt:	*2005*	*2004*	*2005*	*2004*
	£	*£*	*£*	*£*
Analysis of loan stock:				
In one year or less, or on demand	–	–	–	–
In more than one year but not more than two years	–	–	–	–
In more than two years but not more than five years	–	650,000	–	650,000
Analysis of bank loans and overdrafts:				
In one year or less, or on demand	210,851	514,599	100,000	290,000
In more than one year but not more than two years	100,000	390,000	100,000	390,000
In more than two years but not more than five years	216,667	495,000	216,667	495,000
	527,518	1,399,599	416,667	1,175,000
Analysis of obligations under finance leases and hire purchase contracts:				
In one year or less, or on demand	47,729	55,396	–	–
In more than one year but not more than two years	26,679	45,495	–	–
In more than two years but not more than five years	–	23,238	–	–
	74,408	124,129	–	–

The proceeds from the issue of shares have been used in part to reduce the level of long term debt.

The loan stock of £650,000 was repaid in full on 6 December 2004. A new bank facility of £500,000 was arranged on 6 December 2004. Bank loans are secured on deeds of composite guarantees and mortgage debentures granted by the Berkeley Scott Group Plc group companies.

The bank borrowings attract interest at variable rates. There is no material difference between the carrying value and the fair value of bank borrowings.

Obligations under finance leases and hire purchase contracts are secured on the assets concerned.

18. Share capital

	2005 Number	2004 Number	2005 £	2004 £
Authorised				
Equity share capital				
Ordinary shares of 10p each	–	9,999,980	–	999,998
Ordinary shares of 2p each	50,000,000	–	1,000,000	–
Non-equity share capital				
Special shares of £1 each	–	2	–	2
	50,000,000	9,999,982	1,000,000	1,000,000

	2005 Number	2004 Number	2005 £	2004 £
Allotted, called up and fully paid				
Equity share capital				
Ordinary shares of 10p each	806,527	806,527	80,652	80,652
Non-equity share capital				
Special shares of £1 each	–	2	–	2
Converted to 10p shares	20	–	2	–
Ordinary shares of 10p each	806,547	806,529	80,654	80,654
Shares of 10p issued pre admission to AIM	44,500	–	4,450	–
	851,047	806,529	85,104	80,654
Subdivision of 10p shares to 2p shares	4,255,235	–	85,104	–
New shares issued post admission to AIM	4,263,380	–	85,268	–
Ordinary shares of 2p each	8,518,615	806,529	170,372	80,654

All share options held over 10p shares prior to subdivision have been subdivided into options over 2p shares and the number of shares over which the options are held increased five fold.

At 30 September 2005, the following share options were outstanding in respect of the ordinary shares:

Date of grant	*Number of shares*	*Period of option*	*Exercise price per share* £
23 April 1996	31,500	23 April 2006	0.714
31 May 1996	68,565	31 May 2006	0.714
30 May 1997	14,000	30 May 2007	0.914
30 May 1997	52,500	30 May 2007	0.914
11 December 1997	34,300	11 December 2007	0.714
30 November 1998	49,000	30 November 2008	0.994
14 April 1999	27,690	14 April 2009	0.99
28 April 2000	10,325	28 April 2010	0.994
26 October 2000	15,000	26 October 2010	0.994
27 February 2001	13,125	27 February 2011	0.994
25 September 2001	20,000	15 July 2006	0.994
5 August 2004	25,000	15 July 2006	0.994
5 August 2004	82,257	5 August 2014	0.20
9 September 2005	100,000	9 September 2015	0.325

The period of option for share options at date of grant is 10 years from date of grant with the exception of options with date of grant 25 September 2001 and the 25,000 share options dated 5 August 2004 which will expire on 15 July 2006 due to termination of employment.

19. Reserves

	Share premium account £	*Capital redemption reserve* £	*Profit & loss account* £
Group			
At 1 October 2004	1,484,377	1,834	(547,745)
Share issue – consideration	2,981,782	–	–
Share issue – associated costs	(894,421)	–	–
Loss for the year	–	–	(839,787)
At 30 September 2005	3,571,738	1,834	(1,387,532)
Company			
At 1 October 2004	1,484,377	1,834	153,483
Share issue – consideration	2,981,782	–	–
Share issue – associated costs	(894,421)	–	–
Loss for the year	–	–	(421,550)
At 30 September 2005	3,571,738	1,834	(268,067)

20. Reconciliation of movements in shareholders' funds

	Group		*Company*	
	2005 £	*2004* £	*2005* £	*2004* £
(Loss)/Profit for the year	(832,236)	(72,200)	(413,999)	194,952
Dividends	(7,551)	(48,645)	(7,551)	(48,645)
New share capital subscribed	2,177,079	3,694	2,177,079	3,694
Net addition to/(deduction from) shareholders' funds	1,337,292	(117,151)	1,755,529	150,001
Opening shareholders' funds	1,019,120	1,136,271	1,720,348	1,570,347
Closing shareholders' funds	2,356,412	1,019,120	3,475,877	1,720,348

21. Commitments under operating leases

As at 30 September 2005, the Group had annual commitments under non-cancellable operating leases as set out below:

	2005		*2004*	
	Land and buildings £	*Other* £	*Land and buildings* £	*Other* £
Operating leases which expire:				
Within one year	–	2,731	141,145	16,439
In two to five years	247,188	45,454	97,900	29,109
After five years	115,736	–	100,736	–
	362,924	48,185	339,781	45,548

22. Reconciliation of operating profit to net cash inflow from operating activities

	2005	*2004*
	£	*£*
Operating (loss)/profit on ordinary activities	(605,418)	343,327
Depreciation	324,514	303,946
Amortisation of goodwill	284,270	192,955
(Increase) in debtors	(232,262)	(1,073,514)
Increase in creditors	364,686	1,177,593
Profit on sale of fixed assets	(5,794)	–
Net cash inflow from operating activities	129,996	944,307

23. Reconciliation of net cash flow to movement in net debt

	2005	*2004*
	£	*£*
Increase/(decrease) in cash in the year	114,348	(74,962)
Cash outflow from decrease in debt and lease financing	1,465,054	258,939
Change in net debt resulting from cash flows	1,579,402	183,977
New finance lease	(7,000)	(101,512)
Movement in net debt in the year	1,572,402	82,465
Net debt at start of year	(2,171,167)	(2,253,632)
Net debt at end of year	(598,765)	(2,171,167)

24. Analysis of net debt

	At 1 October 2004	*Cash flow*	*Other non-cash changes*	*At 30 September 2005*
	£	*£*	*£*	*£*
Cash at bank and in hand	2,561	600	–	3,161
Overdrafts	(224,599)	113,748	–	(110,851)
Cash	(222,038)	114,348	–	(107,690)
Debt due after one year:				
Finance leases	(68,733)	49,054	(7,000)	(26,679)
Bank loans	(885,000)	568,333	–	(316,667)
Loan notes	(650,000)	650,000	–	–
Debt due within one year:				
Finance leases	(55,396)	7,667	–	(47,729)
Bank loans	(290,000)	190,000	–	(100,000)
Financing	(1,949,129)	1,465,054	(7,000)	(491,075)
Total	(2,171,167)	1,579,402	(7,000)	(598,765)

25. Ultimate controlling party

In the opinion of the directors there is no one individual or entity that ultimately controls the Group.

Financial information on Berkeley Scott for the year ended 30 September 2003

Report of the independent auditors
To the shareholders of Berkeley Scott Group Plc

We have audited the financial statements of Berkeley Scott Group Plc for the year ended 30 September 2004 on pages 82 to 99 which have been prepared under the accounting policies set out therein.

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 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 United Kingdom Auditing Standards.

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 transactions with the group is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards 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 circumstances, consistently applied and adequately disclosed.

We planned and performed 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 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 of the state of affairs of the company and the group at 30 September 2004 and of the loss of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

BDO STOY HAYWARD LLP
Chartered Accountants
and Registered Auditors
Guildford
29 November 2004

Consolidated profit and loss account for the year ended 30 September 2004

	Note	2004 £	2003 £
Turnover	2	16,611,136	14,451,259
Cost of sales		(12,254,859)	(10,643,334)
Gross profit		4,356,277	3,807,925
Operating expenses			
Operating expenditure before depreciation, amortisation and exceptional items		(3,472,941)	(3,252,778)
Exceptional item	3	(43,108)	(113,162)
Depreciation, amortisation and similar charges	3	(496,901)	(489,056)
		(4,012,950)	(3,854,996)
Operating profit / (loss)	3		
EBITDA*		840,228	441,985
Depreciation, amortisation and similar charges		(496,901)	(489,056)
		343,327	(47,071)
Interest receivable		624	1,331
Interest payable and similar charges	6	(347,666)	(337,861)
Loss on ordinary activities before taxation (carried forward)		(3,715)	(383,601)
Loss on ordinary activities before taxation (brought forward)		(3,715)	(383,601)
Tax charge/(credit) on loss on ordinary activities	7	68,485	(3,557)
Loss on ordinary activities after taxation		(72,200)	(380,044)
Dividends payable	8	(48,645)	(48,645)
Loss on ordinary activities transferred to reserves	18	(120,845)	(428,689)
Loss per share (Basic and diluted)	9	(0.16)	(0.56)

All amounts relate to continuing activities.
All recognised gains and losses in the current and prior year are included in the profit and loss account.

The notes on pages 87 to 99 form part of these financial statements.

Consolidated balance sheet at 30 September 2004

	Note		*2004*		*2003*
		£	£	£	£
Fixed assets					
Intangible assets	11		2,802,051		2,995,006
Tangible assets	12		775,311		564,161
			3,577,362		3,559,167
Current assets					
Debtors	14	3,350,647		2,277,133	
Cash at bank and in hand		2,561		3,178	
		3,353,208		2,280,311	
Creditors: amounts falling due within one year	15	(4,307,717)		(3,682,279)	
Net current liabilities			(954,509)		(1,401,968)
Total assets less current liabilities			2,622,853		2,157,199
Creditors: amounts falling due after more than one year	16		(1,603,733)		(1,020,928)
			1,019,120		1,136,271
Capital and reserves					
Called up share capital	17		80,654		76,960
Share premium account	18		1,484,377		1,484,377
Capital redemption reserve	18		1,834		1,834
Profit and loss account	18		(547,745)		(426,900)
Shareholders' funds	19		1,019,120		1,136,271

Included within shareholders' funds is an amount of £2 (2003 – £2) in respect of non-equity interests.

The financial statements were approved by the Board on 29 November 2004

D R B Watt
Director

D J P Oakley
Director

The notes on pages 87 to 99 form part of these financial statements.

Company balance sheet at 30 September 2004

	Note		*2004*		*2003*
		£	£	£	£
Fixed assets					
Intangible assets	11		846,536		900,089
Investments	13		2,431,382		2,431,382
			3,277,918		3,331,471
Current assets					
Debtors – due within one year	14	481,290		30,891	
Debtors – due after more than one year	14	269,736		649,899	
		751,026		680,790	
Creditors: amounts falling due within one year	15	(773,596)		(1,466,914)	
Net current liabilities			(22,570)		(786,124)
Total assets less current liabilities			3,255,348		2,545,347
Creditors: amounts falling due after more than one year	16		(1,535,000)		(975,000)
			1,720,348		1,570,347
Capital and reserves					
Called up share capital	17		80,654		76,960
Share premium account	18		1,484,377		1,484,377
Capital redemption reserve	18		1,834		1,834
Profit and loss account	18		153,483		7,176
Shareholders' funds	19		1,720,348		1,570,347

Included within shareholders' funds is an amount of £2 (2003 – £2) in respect of non-equity interests.

The financial statements were approved by the Board on 29 November 2004

D R B Watt
Director

D J P Oakley
Director

The notes on pages 87 to 99 form part of these financial statements.

Consolidated cash flow statement for the year ended 30 September 2004

	Note		*2004*		*2003*
		£	£	£	£
Net cash inflow from operating activities	21		944,307		935,194
Returns on investments and servicing of finance					
Interest received		624		1,331	
Interest paid		(338,374)		(327,275)	
Interest element of finance lease rental payments		(9,292)		(10,586)	
Special dividend – non equity		–		(44,594)	
Net cash outflow from returns on investment and servicing of finance			(347,042)		(381,124)
Taxation					
UK corporation tax		(3,399)		(79,129)	
Tax paid			(3,399)		(79,129)
Capital expenditure and financial investment					
Purchase of tangible fixed assets		(413,583)		(153,694)	
Net cash outflow from capital expenditure and financial investment			(413,583)		(153,694)
Cash inflow before management of liquid resources and financing			180,283		321,247
Financing					
Capital element of finance lease rental payments		(68,939)		(54,113)	
Repayment of bank loan		(190,000)		(351,884)	
Share capital issued		3,694		–	
Cash outflow from financing			(255,245)		(405,997)
Decrease in cash in the year	22		(74,962)		(84,750)

The notes on pages 87 to 99 form part of these financial statements.

Notes forming part of the financial statements for the year ended 30 September 2004

1. Accounting policies

The financial statements have been prepared under the historical cost convention, and are in accordance with applicable accounting standards.

The following principal accounting policies have been applied:

Basis of consolidation

The consolidated financial statements incorporate the results of Berkeley Scott Group Plc and all of its subsidiary undertakings as at 30 September 2004 using the acquisition method of accounting. The results of subsidiary undertakings are included from the date of acquisition.

Goodwill

Goodwill arising on an acquisition of a trade or a subsidiary undertaking is the difference between the fair value of the consideration paid and the fair value of the assets and liabilities acquired. It is capitalised and amortised through the profit and loss account over the directors' estimate of its useful economic life of 20 years. Impairment tests on the carrying value of goodwill are undertaken:

– at the end of the first full financial year following acquisition;

– in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

Agency income on temporary placements is recognised on a weekly basis as the service is supplied. Income on permanent placements is recognised when the offer of employment has been accepted by the candidate. Provision for fee rebates is made for withdrawals within a reasonable period after the commencement of employment.

Advertising income is recognised when the advertisement is placed.

Depreciation

Depreciation is provided to write off the cost or valuation, less estimated residual values, of all tangible fixed assets evenly over their expected useful lives. It is calculated at the following rates:

Motor vehicles and computer equipment	– 25% on a straight line basis
Office equipment	– 10% – 33% on a straight line basis
Short leasehold premises and improvements	– over the duration of the lease

Investments

Investments held as fixed assets are stated at cost less any provision for permanent diminution in value.

Foreign currency

Foreign currency transactions are translated into sterling at the rates ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rates ruling at the balance sheet dates. Any differences are taken to the profit and loss account.

Deferred taxation

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date except that the recognition of deferred tax assets is limited to the extent that the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances are not discounted.

1. Accounting policies (continued)

Leased assets

Where assets are financed by leasing agreements that give rights approximating to ownership ('finance leases'), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the profit and loss account.

Lease payments are analysed between capital and interest components. The interest element of the payment is charged to the profit and loss account over the period of the lease and is calculated so that it represents a constant proportion of the balances of capital repayments outstanding. The capital element reduces the amounts payable to the lessor.

All other leases are treated as operating leases. Their annual rentals are charged to the profit and loss account on a straight-line basis over the term of the lease.

Pension costs

The group makes contributions to money purchase pension schemes of certain staff and directors. The assets of the schemes are held separately from those of the group in independently administered funds. Contributions are charged to the profit and loss account in the period in which they are made and amounted to £82,756 (2003 – £52,822).

Finance costs

Finance costs associated with the issue of debt are carried forward and charged to profit over the term of the debt so that the amount charged is at a constant rate on the carrying amount.

2. Turnover

Turnover attributable to each of the group's geographical markets is:

	2004	*2003*
	£	*£*
United Kingdom	16,497,023	14,438,882
Europe	25,163	6,421
Rest of world	88,950	5,956
	16,611,136	14,451,259

Turnover arises from the provision of recruitment and advertising services to the hospitality industry.

The directors believe that it would be seriously prejudicial to the interests of the company to disclose further segmental information.

3. Operating profit

	2004	*2003*
	£	*£*
This is arrived at after charging/(crediting):		
Depreciation	303,946	296,099
Amortisation of goodwill	192,955	192,957
Operating leases – hire of plant & machinery	66,963	93,903
Operating leases – hire of other assets	394,268	445,800
Auditors' remuneration – audit services	29,765	24,125
Auditors' remuneration – non audit services	5,743	1,600

3. Operating profit (continued)

Depreciation includes £70,748 (2003 – £82,135) charged on assets held under finance leases and hire purchase contracts.

Included in the group audit fee is an amount of £8,500 (2003 – £7,500) in respect of the company.

Exceptional item

During the year, the company incurred professional costs amounting to £43,108 in relation to the potential acquisition of a competitor, which subsequently aborted.

The 2003 exceptional item of £113,162 related to redundancy costs.

4. Employees

Staff costs (including executive directors) consist of:

	2004	*2003*
	£	*£*
Wages and salaries	11,305,175	10,236,889
Social security costs	900,563	776,395
Other pension costs	82,756	52,822
	12,288,494	11,066,106

The average number of employees (including executive directors) during the year was as follows:

	2004	*2003*
	Number	*Number*
Recruitment	141	137
Advertising	6	7
Administrative staff	27	25
Temporary workers (whose costs are included in cost of sales and services charged within turnover)	945	849
	1,119	1,018

5. Directors' remuneration

	2004	*2003*
	£	*£*
Directors' management emoluments	400,906	436,140
Company contributions to money purchase pension schemes	16,225	11,166
	417,131	447,306

There were 2 directors in defined contribution pension schemes during the year (2003 – 3).

The total amount payable to the highest paid director in respect of emoluments was £126,067 (2003 – £162,888). Company pension contributions of £9,558 (2003 – £5,310) were made to a money purchase scheme on his behalf.

No directors have exercised options to purchase shares in the company during the year (2003 – Nil).

6. Interest payable and similar charges

	2004	*2003*
	£	*£*
Bank loans and overdrafts	135,478	178,385
Loan stock interest	58,500	58,500
Finance costs	6,000	6,000
Finance leases and hire purchase contracts	9,292	10,586
Other	22,579	6,734
Interest payable on invoice discounting	115,817	77,656
	347,666	337,861

7. Taxation on profit from ordinary activities

	2004	2003
	£	£
Current tax		
UK corporation tax on profits of the year	65,086	–
Adjustment in respect of previous periods	3,399	(3,557)
Total current tax	68,485	(3,557)

The tax assessed for the period is higher than the standard rate of corporation tax in the UK. The differences are explained below.

	2004	*2003*
	£	*£*
Loss on ordinary activities before tax	(3,715)	(383,601)
Loss on ordinary activities at the standard rate of corporation Tax in the UK of 30% (2003 – 30%)	(1,115)	(115,080)
Effect of:		
Expenses not deductible for tax purposes	102,293	75,023
Capital allowances in advance of depreciation	(27,771)	(1,947)
Lower rate relief	(8,321)	(8,568)
Adjustment to tax charge of previous period	3,399	(3,557)
Losses carried forward	–	50,572
Current tax charge for period	68,485	(3,557)

Deferred tax

On 30 September 2004, there was an unprovided deferred tax asset as set out below. This asset has not been included in the balance sheet as its recoverability is uncertain.

	As at 30 September 2004	*As at 30 September 2003*
	£	*£*
Accelerated capital allowances	39,667	67,305
Provisions	3,015	3,628
	42,682	70,933

8. Dividends

	2004	2003
	£	£
Non-equity shares		
Special shares	48,645	48,645

The special shares are entitled to a dividend of £12,161 payable on 1 October 2001 and quarterly thereafter, in priority to any other shares.

9. Earnings per share

Loss per ordinary share has been calculated using the weighted average number of shares in issue during the relevant financial periods. The weighted average number of equity shares in issue was 777,691 (2003 – 769,581) and the loss, being loss after tax and non equity dividends, was £120,845 (2003 – £428,689).

The loss attributable to ordinary shareholders and weighted average number of ordinary shares for the purpose of calculating the diluted earnings per share are identical to those used for basic earnings per share as there are no potentially dilutive shares in issue.

10. Profit or loss for the financial year

The company has taken advantage of the exemption allowed under section 230 of the Companies Act 1985 and has not presented its own profit and loss account in these financial statements. The group profit and loss account for the year includes a profit after tax and dividends of £146,307 (2003 – loss of £319,069) which is dealt with in the financial statements of the parent company.

11. Intangible assets

Group

	Purchased goodwill £	*Goodwill arising on consolidation* £	*Total* £
Cost			
At 1 October 2003 and 30 September 2004	283,563	3,585,045	3,868,608
Amortisation			
At 1 October 2003	109,076	764,526	873,602
Provision for year	14,170	178,785	192,955
At 30 September 2004	123,246	943,311	1,066,557
Net book value			
At 30 September 2004	160,317	2,641,734	2,802,051
At 30 September 2003	174,487	2,820,519	2,995,006

Company

	Purchased goodwill £
Cost	
At 1 October 2003 and 30 September 2004	1,071,231
Amortisation	
At 1 October 2003	171,142
Provision for the year	53,553
At 30 September 2004	224,695
Net book amount	
At 30 September 2004	846,536
At 30 September 2003	900,089

12. Tangible fixed assets

Group

	Motor vehicles £	*Short leasehold premises and improvements* £	*Computer and office equipment* £	*Total* £
Cost or valuation				
At 1 October 2003	10,930	327,278	1,384,375	1,722,583
Additions	–	97,463	417,633	515,096
At 30 September 2004	10,930	424,741	1,802,008	2,237,679
Depreciation				
At 1 October 2003	10,930	195,148	952,344	1,158,422
Provisions for the year	–	57,989	245,957	303,946
At 30 September 2004	10,930	253,137	1,198,301	1,462,368
Net book value				
At 30 September 2004	–	171,604	603,707	775,311
At 30 September 2003	–	132,130	432,031	564,161

The net book value of tangible fixed assets includes an amount of £167,402 (2003 – £142,272) in respect of assets held under finance lease and hire purchase contracts.

The company had no tangible fixed assets.

13. Fixed asset investments

Company

	Group undertakings £
Cost	
At 1 October 2003 and 30 September 2004	2,431,382
Net book value	
At 30 September 2003 and 30 September 2004	2,431,382

Subsidiary undertakings, associated undertakings and other investments

The following were subsidiary undertakings at the beginning and end of the year and have all been included in the consolidated financial statements:

Subsidiary undertakings	*Proportion of voting rights and ordinary share capital held*	*Nature of business*	*Last year end*
Berkeley Scott Limited	100	Provision of recruitment and advertising services	30 September 2004
Number One Bureau Limited	100	Provision of recruitment services	30 September 2004
Berkeley Scott Sherwoods Limited	100	Dormant	30 September 2004
Berkeley Scott (Chefs) Limited	100	Dormant	30 September 2004
International Service Industry Search Limited	100	Dormant	30 September 2004
*Gold Helm Roche Limited	100	Dormant	30 September 2004
*Roche Recruitment Limited	100	Dormant	30 September 2004
*Roche Personnel Limited	100	Dormant	31 December 2003
*Roche Personnel (London) Limited	100	Dormant	31 December 2003
*Roche Personnel (UK) Limited	100	Dormant	31 December 2003

For all undertakings listed above, the country of operation is the same as its country of incorporation or registration being England and Wales.

14. Debtors

	Group		*Company*	
	2004 £	*2003* £	*2004* £	*2003* £
Trade debtors	2,385,803	1,938,178	–	–
Amounts owed by group undertakings	–	–	694,736	649,899
Other debtors	73,898	78,116	–	–
Prepayments and accrued income	890,946	260,839	56,290	30,891
	3,350,647	2,277,133	751,026	680,790

Included within amounts owed by group undertakings is an amount of £269,736 (2003 – £649,899) due after more than one year.

15. Creditors: amounts falling due within one year

	Group		*Company*	
	2004	*2003*	*2004*	*2003*
	£	*£*	*£*	*£*
Bank loans and overdrafts (secured)	514,599	540,254	290,000	390,000
Trade creditors	394,535	231,452	–	–
Amounts due to subsidiary undertakings	–	–	296,434	296,434
Corporation tax	65,086	–	–	–
Other taxation and social security	758,563	584,582	–	–
Obligations under finance leases and hire purchase contracts	55,396	45,628	–	–
Dividends payable	101,346	48,645	101,346	48,645
Other creditors	1,775,799	1,151,494	–	–
Accruals and deferred income	642,393	430,224	85,816	81,835
Loan stock – Elderstreet Downing VCT Plc	–	390,000	–	390,000
Loan stock – Chrysalis A VCT Plc	–	260,000	–	260,000
	4,307,717	3,682,279	773,596	1,466,914

The overdrafts of £224,599 (2003 – £150,254) and bank loans of £290,000 (2003 – £390,000), included in bank loans and overdrafts, and the invoice discounting facility of £1,497,681 (2003 – £1,042,157), included in other creditors, are secured by fixed and floating charges over certain assets of the group and the company.

Included in other creditors is an amount of £12,741 (2003 – £2,393) relating to outstanding pension contributions

16. Creditors: amounts falling due after more than one year

	Group		*Company*	
	2004	*2003*	*2004*	*2003*
	£	*£*	*£*	*£*
Bank loans	885,000	975,000	885,000	975,000
Obligations under finance leases and hire purchase contracts	68,733	45,928	–	–
Loan stock – Elderstreet Downing VCT Plc	390,000	–	390,000	–
Loan stock – Chrysalis A VCT Plc	260,000	–	260,000	–
	1,603,733	1,020,928	1,535,000	975,000

Loan stock represents £650,000 of unsecured 9 per cent. loan notes issued on 30 September 1999 at par. During the year, the Group has renegotiated its arrangements with the loan note holders and these loans now fall due for repayment in full by 30 September 2008.

Bank loans are secured on deeds of composite guarantees and mortgage debentures granted by the Berkeley Scott Group Plc group companies.

Obligations under finance leases and hire purchase contracts are secured on the assets concerned.

16. Creditors: amounts falling due after more than one year (continued)

	Group		*Company*	
	2004	*2003*	*2004*	*2003*
Maturity of debt:	*£*	*£*	*£*	*£*
Analysis of loan stock:				
In one year or less, or on demand	–	650,000	–	650,000
In more than one year but not more than two years	–	–	–	–
In more than two years but not more than five years	650,000	–	650,000	–
Analysis of bank loans and overdrafts:				
In one year or less, or on demand	514,599	540,254	290,000	390,000
In more than one year but not more than two years	390,000	390,000	390,000	390,000
In more than two years but not more than five years	495,000	585,000	495,000	585,000
	1,399,599	1,515,254	1,175,000	1,365,000
Analysis of obligations under finance leases and hire purchase contracts:				
In one year or less, or on demand	55,396	45,628	–	–
In more than one year but not more than two years	45,495	31,537	–	–
In more than two years but not more than five years	23,238	14,391	–	–
	124,129	91,556	–	–

17. Share capital

	2004	*2003*	*2004*	*2003*
	Number	*Number*	*£*	*£*
Authorised				
Equity share capital				
Ordinary shares of 10p each	9,999,980	9,999,980	999,998	999,998
Non-equity share capital				
Special shares of £1 each	2	2	2	2
	9,999,982	9,999,982	1,000,000	1,000,000

	2004	*2003*	*2004*	*2003*
	Number	*Number*	*£*	*£*
Allotted, called up and fully paid				
Equity share capital				
Ordinary shares of 10p each	806,527	769,581	80,652	76,958
Non-equity share capital				
Special shares of £1 each	2	2	2	2
	806,529	769,583	80,654	76,960

During the year share options were exercised by an employee on 36,946 10p ordinary shares at an exercise price of 10p.

17. Share capital (continued)

The special shares entitle the holder to a participating cumulative cash dividend in respect of each financial year of the company ending on or after 30 September 2002. On a return of assets the special shares will rank pari passu with equity shares. The special shares do not confer voting rights on the holder unless relevant repayments of loans, interest or dividends are over two months overdue.

The special shares are entitled to a dividend of £12,161 payable on 1 October 2001 and quarterly thereafter, in priority to any other shares. As required by FRS 4, the company has accrued for the dividends that are in arrears.

At 30 September 2004, the following share options were outstanding in respect of the ordinary shares:

Date of grant	*Number of shares*	*Period of option*	*Exercise price per share £*
23 April 1996	6,300	23 April 2006	3.57
31 May 1996	13,713	31 May 2006	3.57
30 May 1997	2,800	30 May 2007	4.57
30 May 1997	10,500	30 May 2007	3.57
11 December 1997	6,860	11 December 2007	3.57
30 November 1998	12,390	30 November 2008	4.97
14 April 1999	11,076	14 April 2009	4.97
28 April 2000	1,645	28 April 2010	4.97
26 October 2000	3,000	26 October 2010	4.97
27 February 2001	2,765	27 February 2011	4.97
25 September 2001	4,000	25 September 2011	4.97
27 April 2001	44,500	*See below	1.00
5 August 2004	43,425	5 August 2014	1.00

18. Reserves

	Share premium account £	*Capital redemption reserve* £	*Profit & loss account* £
Group			
At 1 October 2003	1,484,377	1,834	(426,900)
Loss for the year	–	–	(120,845)
At 30 September 2004	1,484,377	1,834	(547,745)
Company			
At 1 October 2003	1,484,377	1,834	7,176
Profit for the year	–	–	146,307
At 30 September 2004	1,484,377	1,834	153,483

19. Reconciliation of movements in shareholders' funds

	Group		*Company*	
	2004	*2003*	*2004*	*2003*
	£	*£*	*£*	*£*
(Loss)/Profit for the year	(72,200)	(380,044)	194,952	(270,424)
Dividends	(48,645)	(48,645)	(48,645)	(48,645)
New share capital subscribed	3,694	–	3,694	–
Net (deduction)/addition to shareholders' funds	(117,151)	(428,689)	150,001	(319,069)
Opening shareholders' funds	1,136,271	1,564,960	1,570,347	1,889,416
Closing shareholders' funds	1,019,120	1,136,271	1,720,348	1,570,347

20. Commitments under operating leases

As at 30 September 2004, the group had annual commitments under non-cancellable operating leases as set out below:

	2004		*2003*	
	Land and buildings	*Other*	*Land and buildings*	*Other*
	£	*£*	*£*	*£*
Operating leases which expire:				
Within one year	141,145	16,439	16,120	10,793
In two to five years	97,900	29,109	206,544	49,017
After five years	100,736	–	219,286	–
	339,781	45,548	441,950	59,810

21. Reconciliation of operating profit to net cash inflow from operating activities

	2004	*2003*
	£	*£*
Profit/(loss) on ordinary activities	343,327	(47,071)
Depreciation	303,946	296,099
Amortisation of goodwill	192,955	192,957
(Increase)/decrease in debtors	(1,073,514)	102,433
Increase in creditors	1,177,593	390,776
Net cash inflow from operating activities	944,307	935,194

22. Reconciliation of net cash flow to movement in net debt

	2004	*2003*
	£	*£*
Decrease in cash in the year	(74,962)	(84,750)
Cash outflow from decrease in debt and lease financing	258,939	405,996
Change in net debt resulting from cash flows	183,977	321,246
New finance lease	(101,512)	(67,943)
Bank loan	–	11,825
Movement in net debt in the year	82,465	265,128
Net debt at start of year	(2,253,632)	(2,518,760)
Net debt at end of year	(2,171,167)	(2,253,632)

23. Analysis of net debt

	At 1 October 2003 £	*Cash flow* £	*Other non-cash changes* £	*At 30 September 2004* £
Cash at bank and in hand	3,178	(617)	–	2,561
Overdrafts	(150,254)	(74,345)	–	(224,599)
Cash	(147,076)	(74,962)	–	(222,038)
Debt due after one year:				
Finance leases	(45,928)	78,707	(101,512)	(68,733)
Bank loans	(975,000)	–	90,000	(885,000)
Loan notes	–	–	(650,000)	(650,000)
Debt due within one year:				
Finance leases	(45,628)	(9,768)	–	(55,396)
Bank loans	(390,000)	190,000	(90,000)	(290,000)
Loan notes	(650,000)	–	650,000	–
Financing	(2,106,556)	258,939	(101,512)	(1,949,129)
Total	(2,253,632)	183,977	(101,512)	(2,171,167)

SECTION B:

UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 MARCH 2007

Set out below is the text of the Company's interim statement of results for the six months ended 31 March 2007:

"BERKELEY SCOTT GROUP PLC INTERIM RESULTS FOR THE 6 MONTHS ENDED 31 MARCH 2007

NEW BEGINNING AT BERKELEY SCOTT UNDERWAY

Berkeley Scott Group Plc ("the Group" or "the Company" or "Berkeley Scott"), a market-leading provider of human resource services to the hospitality and leisure sectors, announces its interim results for the six months ended 31 March 2007.

Financial Highlights

- Revenue unchanged at £8.780 million (2006: £8.765 million)
- Net fee income marginally lower at £4.347 million (2006: £4.464 million)
- Exceptional restructuring charges of £0.659m
- Loss before taxation £1.508 million (2006: £0.626 million loss)
- Basic loss per share 11.3p (2006: 7.4p loss)
- Basic loss per share (adjusted for exceptional items and amortisation of goodwill) improved slightly to 5.6p (2006: 5.8p loss)
- Net borrowing down substantially to £0.973 million (2006: £2.971 million)

Operational Highlights

- Investment of £2.5 million in the business by Tony Reeves and John Bowmer through the subscription of new shares to become the two largest shareholders in the Group
- John Rose appointed CEO in May, joined from Hudson UK/Ireland where he was CEO
- Period of significant and continuing restructuring of the management organisation and property assets including announcement of a move from the expensive Head Office in Godalming
- Business now focussed on; permanent recruitment, temporary recruitment and executive search and selection. Solutions business sold
- Ongoing far reaching review of costs identifying savings and priorities for future investment

Commenting on the results Tony Reeves and John Bowmer, Co-Chairmen of Berkeley Scott said:

"Berkeley Scott is a market leading brand name in the recruitment sector with a loyal customer base on which we are building the future of the company. The numbers we are reporting today reflect a troubled period in the history of the Company that we believe is now at an end. There is some excellent talent within the firm whose potential can now be fully utilised as the company moves through its restructuring and into a new chapter of development and growth. Since we came on board five months ago we have made significant progress in implementing positive changes that are beginning to unlock the potential of the firm that we envisioned when we made our investment.

We have secured an outstanding CEO in John Rose, who joined in May from Hudson UK and Ireland. Together we have begun taking out costs, completed some internal restructuring and clarified Berkeley Scott's service divisions and management structure. We have identified a strategy to attack our most attractive markets, our priorities for investment in the business, and our consolidation strategy. There is a long way to go but we now have a company rapidly moving towards what we believe the market and our employees want and need. We remain committed to our plans to use Berkeley Scott as a vehicle for acquiring other premium recruitment brands in this fragmented sector as well as driving profitability and excellence through Berkeley Scott itself. This is an extremely exciting time for us and everyone involved in the Company".

Enquiries:
Berkeley Scott Group Plc

Anthony Reeves, Co Chairman	01483 414141
John Rose, Chief Executive Officer	
Will Coker, Chief Financial Officer	

Brunswick Group LLP

James Hogan/Helen Barnes/Charlotte Kenyon	020 7404 5959

CO-CHAIRMEN'S STATEMENT

Today we are reporting the interim results of the Berkeley Scott Group plc for the 6 months ended 31 March 2007.

The most significant event to report during the period was the subscription for new shares in January which led to us investing £2.5 million in the Company and becoming the largest shareholders. Since then we have begun a review of the business and its operations and with a new CEO in place, John Rose, we have already made significant progress in implementing positive change for the Company. John Rose joined from Hudson UK/Ireland where he was CEO and offers the company an exceptional depth of expertise.

Berkeley Scott is a market leading brand name in the recruitment sector and there is some excellent talent within the firm whose potential can now be fully utilised as the company moves through its restructuring and into a new chapter of development and growth. We are beginning to unlock the potential of the firm that we envisioned when we made our investment. The recruitment sector is in a strong growth phase in the UK and it is a good time to be repositioning the Company to benefit from this.

The numbers we are reporting today reflect a troubled period in the history of the Company that we believe is now at an end. There is a similarity between the results for the period this year as the same period the previous year, where temporary & ISIS have maintained their growth but permanent recruitment has shown a small decline.

Trading Results

The total revenue of the business remained static at £8,780,000 (2006: £8,765,000), whilst net fee income fell by 2.6 per cent. to £4,347,000 (2006: £4,464,000). Administrative costs, excluding exceptional costs were similar at £5,078,000 (2006: £4,910,000).

Exceptional costs of £659,000 arose due to termination costs and associated restructuring provisions following the equity subscription.

The Company recorded a loss before taxation of £1,508,000 (2006: £626,000 loss), after charging goodwill amortisation of £93,000 (2006: £95,000) and exceptional items referred to above of £659,000. (2006: £40,000). Net borrowing (including invoice discounting) at the end of March was £973,000 (2006: £2,970,000) being gearing of 35 per cent. (2006: 172 per cent.).

The Board is not recommending the payment of a dividend. (2006: £Nil)

Operations Review

The Group operated four divisions: Permanent Recruitment, Temporary Recruitment, Executive Search and Solutions during the period. The service divisions are now refocused covering; permanent recruitment, and temporary recruitment and executive search and selection. The Solutions business has been sold although its results have been included as ongoing operations within this interim statement.

Permanent Recruitment – Net Fee Income £2,242,000 (2006: £2,521,000)

The market in general remained buoyant, particularly in the Hotels sector but nevertheless the six months represented a disappointing half year for the Permanent division.

Our strategy to boost the Permanent Recruitment business includes implementing a sales culture with an associated remuneration structure that rewards high performance. Reducing staff turnover is critical and boosting productivity overall as well as focussing on developing a premium client base for our business. This is a priority area for development and investment for the Company in the coming period.

Temporary Recruitment – Net Fee Income £1,465,000 (2006: £1,371,000)

The Temporary Division maintained a top line growth of 7 per cent. over the prior year through improved productivity, maintaining its cost base in line with 2006. Installation of the new IT platform was substantially completed and has already resulted in further efficiencies.

Executive Search (branded ISIS) – Net Fee Income £310,000 (2006: £231,000)

The Division built on the solid platform it generated in 2006. The team supplemented its existing Hospitality and Leisure sector offering with a strengthening presence in gaming and casinos. A specialist travel sector consultant was recruited towards the end of the half year, further expanding delivery capability.

Solutions – Net Fee Income £316,000 (2006:£332,000)

This division has now been exited although its results have been included as ongoing operations within this interim statement. Whilst it delivered a net fee income for the period, it is not a core business for the future of Berkeley Scott.

In addition to the above, the Company had other income of £14,000 (2006: £9,000)

Staff

We would like to thank our employees for their hard work and commitment in helping to deliver these results. In recognising the importance of the team we have prioritized the reorganisation of the remuneration structure and operating environment to allow the Company to attract new talent and retain and sustain existing employees. We are continuing to review our operations towards this goal. There is a lot of work to be done, however this is a very exciting time for everyone involved with the Company.

Outlook

We are pleased to report that good progress is being made in reorganising Berkeley Scott, towards setting new priorities for investment and marketing, and creating an environment to attract and retain good quality talent. John Rose is now on board as CEO and has the expertise to work with us to achieve our goals for the business and above all shares our passion for this industry which he will instil throughout the Company. We are working hard to position Berkeley Scott for profitable growth in what is a very exciting time for the recruitment industry.

At the same time we are pursuing our stated acquisition strategy of targeting niche, premium recruitment brands for acquisition. The UK recruitment market remains extremely fragmented and we will be targeting the niche high value sectors IT, finance and accounting and other professional disciplines, which offer the Berkeley Scott brand huge scope for growth and profitability in the short term. We will look to raise as little equity as possible to fund our acquisitions to sustain an efficient, manageable capital structure. There is a lot of work underway in the near term but we look forward to reporting the positive effects of the restructuring in the longer term. We're confident and ambitious about the future of Berkeley Scott.

Anthony Reeves
Co-Chairman

John Bowmer
Co-Chairman

BERKELEY SCOTT GROUP PLC

GROUP PROFIT AND LOSS ACCOUNT

	Notes	*Unaudited 6 months ended 31 March 2007* *£000*	*Unaudited 6 months ended 31 March 2006 (Restated)* *£000*	*Audited year ended 30 September 2006 (Restated)* *£000*
Turnover		8,780	8,765	17,977
Cost of Sales		(4,433)	(4,301)	(8,390)
Gross Profit/Net Fee Income		4,347	4,464	9,587
Administrative expenses	4	(5,737)	(4,950)	(9,667)
Operating loss		(1,390)	(486)	(80)
Interest receivable		2	–	3
Interest payable		(120)	(140)	(311)
Loss on ordinary activities before taxation		(1,508)	(626)	(388)
Tax credit on loss on ordinary activities	2	–	–	1
Loss on ordinary activities after taxation		(1,508)	(626)	(387)
Dividends Payable		–	–	–
Loss on ordinary activities transferred to reserves		(1,508)	(626)	(387)
Loss per share in pence (Basic and Diluted)	3	(11.3)	(7.4)	(4.5)
Adjusted loss per share (Basic and Diluted)	3	(5.6)	(5.8)	(1.5)

All recognised gains and losses are included in the profit and loss account. All amounts for the period ended 31 March 2007 relate to continuing activities.

BERKELEY SCOTT GROUP PLC

GROUP BALANCE SHEET

	Notes	*Unaudited 6 months ended 31 March 2007 £000*	*Unaudited 6 months ended 31 March 2006 £000*	*Audited year ended 30 September 2006 £000*
FIXED ASSETS				
Intangible Assets		2,240	2,423	2,332
Tangible Assets		709	700	808
		2,949	3,123	3,140
CURRENT ASSETS				
Debtors	5	3,070	3,070	3,343
Cash at bank and in hand		3	3	3
		3,073	3,073	3,346
CURRENT LIABILITIES				
Creditors falling due within one year	6	(3,062)	(4,191)	(4,300)
NET CURRENT ASSETS/ (LIABILITIES)		11	(1,118)	(954)
TOTAL ASSETS LESS CURRENT LIABILITIES		2,960	2,005	2,186
CREDITORS: amounts falling due after one year	6	(167)	(275)	(217)
NET ASSETS		2,793	1,730	1,969
CAPITAL AND RESERVES				
Called up share capital	7	456	170	170
Share Premium Account	7	5,549	3,572	3,572
Capital redemption reserve	7	2	2	2
Share Based Payment Reserve	7	69	–	–
Profit and Loss Account	7	(3,283)	(2,014)	(1,775)
EQUITY SHAREHOLDERS' FUNDS		2,793	1,730	1,969

BERKELEY SCOTT GROUP PLC

GROUP CASH FLOW STATEMENT

	Notes	*Unaudited 6 months ended 31 March 2007 £000*	*Unaudited 6 months ended 31 March 2006 £000*	*Audited year ended 30 September 2006 £000*
Net cash (outflow)/inflow from operating activities	8	(1,420)	(371)	330
Returns on investment and servicing of finance		(119)	(139)	(308)
Taxation		–	42	1
Capital expenditure and financial investment		(117)	(97)	(356)
Cash outflow before management of liquid resources and financing		(1,656)	(565)	(333)
Cash inflow/(outflow) from financing	9	2,195	(79)	(148)
Increase/(Decrease) in cash in period		539	(644)	(481)

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	Notes	*Unaudited 6 months ended 31 March 2007 £000*	*Unaudited 6 months ended 31 March 2006 £000*	*Audited year ended 30 September 2006 £000*
Increase/(Decrease) in cash in period		539	(644)	(481)
Cash outflow from decrease in debt and lease financing		68	79	148
Change in net debt resulting from cash flows		607	(565)	(333)
Movement in net debt in period		607	(565)	(333)
Net Debt at start of period		(932)	(599)	(599)
Net Debt at end of period		(325)	(1,164)	(932)

In addition, invoice discounting at 31 March 2007 amounted to £648,000 (31 March 2006: £1,806,000).

BERKELEY SCOTT GROUP PLC

NOTES TO THE INTERIM REPORT

For the 6 months ended 31 March 2007

1. Basis of Preparation

The financial information in this report for the 6 months ended 31 March 2007 is unaudited and represents the consolidated results of Berkeley Scott Group plc and its subsidiary undertakings. It has been prepared in a form consistent with that which will be adopted in the financial statement company's annual accounts having regard to the accounting standards applicable to those accounts.

The financial information contained in this interim report does not constitute statutory accounts as defined by Section 240 of the Companies Act 1985. The comparative figures for the year to 30 September 2006 were extracted from the accounts filed with the Registrar of Companies, which carry an unqualified auditors' report. The comparative figures for the 6 months to 31 March 2006 were unaudited.

In prior years, Gross Profit was stated after attributing the remuneration costs of certain consultants and operating staff. The interim accounts above have been restated to include these costs within administrative expenses in accordance with industry practice.

All shareholders will receive a copy of this report, which is also available from the company's registered office at Berkeley House, 11-13 Ockford Road, Godalming, Surrey, GU7 1QU.

2. Taxation

The taxation charge for the 6 months ended 31 March 2007 has been calculated by applying the projected effective tax rate for the full year ended 30 September 2007.

3. Basic Loss per share

Loss per ordinary share has been calculated using the weighted average number of shares in issue during the relevant financial periods. The weighted average number of equity shares in issue was 13,385,177 (2006 interim – 8,518,615: 2006 Full Year – 8,518,615) and the loss after tax and non equity dividends, was £(1,508,000) (2006 interim – £(626,000): 2006 Full Year – £(387,000))

Diluted Loss per share

Options held in respect of the ordinary shares of the Company do not have a dilutive effect on the loss per share calculation in any of the periods covered by these accounts.

Adjusted Loss per share

The Adjusted loss per share has been calculated using the loss for the period after adding back Exceptional costs of £659,000 (2006 interim – £40,000: Full Year – £73,000) and Goodwill Amortisation £93,000 (2006 interim – £95,000 : Full Year – £186,000). The adjusted loss was £(756,000) (2006 interim – £(491,000): Full Year – £(129,000)).

4. Operating (loss)

	Unaudited 6 months ended 31 March 2007 £000	*Unaudited 6 months ended 31 March 2006 £000*	*Audited year ended 30 September 2006 £000*
Operating (loss) includes			
Depreciation	158	147	294
Amortisation	93	95	186
Share Based Payments	69	–	–
Exceptional Items	659	40	73

Exceptional items related to termination payments in respect of the previous Chief Executive Officer (£194,000) in addition to restructuring costs consequential to the subscription (£465,000)

5. Debtors

	Unaudited 6 months ended 31 March 2007 £000	*Unaudited 6 months ended 31 March 2006 £000*	*Audited year ended 30 September 2006 £000*
Trade debtors	2,388	2,321	2,489
Other debtors	65	119	98
Prepayments and accrued income	617	630	756
	3,070	3,070	3,343

6. Creditors

	Unaudited 6 months ended 31 March 2007 £000	*Unaudited 6 months ended 31 March 2006 £000*	*Audited year ended 30 September 2006 £000*
Amounts falling due within one year			
Bank Loans and overdrafts (secured)	152	856	692
Bank invoice discounting facility	648	1,806	1,838
Trade Creditors	601	280	298
Other taxation and social security	596	627	658
Finance Leases and Hire Purchase	8	37	26
Other creditors	155	134	162
Accruals and deferred income	902	451	626
	3,062	4,191	4,300
Amounts falling due after one year			
Bank Loans	167	267	217
Finance Leases and Hire Purchase	–	8	–
	167	275	217

6. Creditors (continued)

The loan falling due after one year of £166,667 is part of the loan arranged on 6 December 2004 of £500,000. The amount of this loan due for repayment in less than one year is £100,000, the remaining £233,333 having already been repaid. Bank loans are secured on deeds of composite guarantees and mortgage debentures granted by the Berkeley Scott Group plc group companies.

Obligations under finance leases and hire purchase contracts are secured on the assets concerned.

7. Reserves and reconciliation of movements in shareholders' funds

	Share Capital £000	*Share Premium £000*	*Capital Redemption £000*	*Profit & Loss £000*	*Share Based Payment £000*	*Total Shareholder Funds £000*
At 30 September 2006	170	3,572	2	(1,775)	–	1,969
Shares issued – consideration	286	2,214	–	–	–	2,500
Shares issued – associated costs	–	(237)	–	–	–	(237)
Share based payment	–	–	–	–	69	69
Loss attributable to shareholders	–	–	–	(1,508)	–	(1,508)
At 31 March 2007	456	5,549	2	(3,283)	69	2,793

8. Net cash flow from operating activities

	Unaudited 6 months ended 31 March 2007 £000	*Unaudited 6 months ended 31 March 2006 £000*	*Audited year ended 30 September 2006 £000*
Operating (loss)	(1,390)	(486)	(80)
Share based payment charge	69	–	–
Depreciation	158	147	294
Amortisation of Goodwill	93	95	186
(Increase)/Decrease in debtors	273	577	281
Increase/(Decrease) in creditors	(681)	(704)	(354)
Loss on sale of fixed assets	58	–	3
Net cash (outflow)/inflow from operating activities	(1,420)	(371)	330

9. Cash inflow/(outflow) from financing

	Unaudited 6 months ended 31 March 2007 £000	*Unaudited 6 months ended 31 March 2006 £000*	*Audited year ended 30 September 2006 £000*
Issue of ordinary share capital	2,500	–	–
Repayment of loan notes	(50)	(50)	(100)
Capital element of finance lease payments	(18)	(29)	(48)
Expenses paid in connection with share issue	(237)	–	–
Cash inflow/(outflow) from financing	2,195	(79)	(148)"

PART VII

ACCOUNTANT'S REPORT AND FINANCIAL INFORMATION ON QUANTICA

KPMG Audit Plc
1 The Embankment
Neville Street
Leeds
LS1 4DW

Tel +44 (0) 113 231 3000
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Section A: Accountant's report on historical financial information

The Directors
Berkeley Scott Group Plc
Berkeley House
11-13 Ockford Road
Godalming
Surrey
GU7 1QU

24 August 2007

Dear Sirs

Quantica plc ("Quantica")

We report on the financial information for Quantica for the 12 month period ended 26 November 2004, the 12 month period ended 2 December 2005 and the 13 month period ended 31 December 2006 set out in Part VII of the AIM admission document/document equivalent to a prospectus dated 24 August 2007 of Berkeley Scott Group plc as set out on pages 110 to 140. This financial information has been prepared for inclusion in the AIM admission document/document equivalent to a prospectus on the basis of the accounting policies set out in paragraph 81. This report is required by paragraph 20.1 of Annex I of the Commission Regulation (EC) No 809/2004 (the "Prospectus Directive Regulation") and is given for the purpose of complying with that paragraph and for no other purpose.

Responsibilities

The Directors of Quantica are responsible for preparing the financial information on the basis of preparation set out in note 1 and in accordance with UK GAAP.

It is our responsibility to form an opinion as to whether the financial information gives a true and fair view, for the purposes of the AIM admission document/document equivalent to a prospectus dated 24 August 2007 of Berkeley Scott Group plc, and to report our opinion to you.

Save for any responsibility arising under Prospectus Rule 5.5.3R (2)(f) to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with paragraph 23.1 of Annex I of the Prospectus Directive Regulation, consenting to its inclusion in the AIM admission document/document equivalent to a prospectus.

Basis of opinion

We conducted our work in accordance with Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of the significant estimates and judgments made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work 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 information is free from material misstatement whether caused by fraud or other irregularity or error.

Opinion

In our opinion, the financial information contained within this Part VII gives, for the purposes of the AIM admission document/document equivalent to a prospectus dated 24 August 2007, a true and fair view of the state of affairs of Quantica contained in this Part VII, as at the dates stated and of its profits, cash flows and recognised gains and losses for the periods then ended in accordance with the basis of preparation set out in note 1 and in accordance with UK GAAP.

Declaration

For the purposes of Prospectus Rule 5.5.3R (2)(f) we are responsible for this report as part of the AIM admission document/document equivalent to a prospectus and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the AIM admission document/document equivalent to a prospectus in compliance with paragraph 1.2 of Annex I of the Prospectus Directive Regulation.

Yours faithfully

KPMG Audit Plc

Section B: Historical financial information on Quantica plc for the 12 month period ended 26 November 2004, the 12 month period ended 2 December 2005 and the 13 month period ended 31 December 2006.

The financial information set out below of Quantica plc ("Quantica", and together with its subsidiary undertakings, "the Quantica Group") for the 12 month period ended 26 November 2004, the 12 month period ended 2 December 2005 and the 13 month period ended 31 December 2006 has been prepared by the directors of Quantica on the basis set out in note 1.

Profit and Loss Accounts

for the 12 months ended 26 November 2004, the 12 months ended 2 December 2005 and the 13 months ended 31 December 2006

	Note	12 months ended 26 November 2004 £'000 (As restated)	12 months ended 2 December 2005 £'000	13 months ended 31 December 2006 £'000
Turnover	1			
– continuing operations		14,438	15,893	28,236
– discontinued operations		16,410	23,029	20,551
		30,848	38,922	48,787
Cost of sales				
Contractor costs		(17,032)	(22,423)	(24,298)
Net fee income	2	13,816	16,499	24,489
Other cost of sales		(5,513)	(6,624)	(10,974)
Gross profit		8,303	9,875	13,515
Administrative expenses		(5,893)	(6,902)	(11,151)
Operating profit before LTIP charges, exceptional items and amortisation of goodwill				
– continuing operations		390	1,456	1,822
– discontinued operations		2,420	2,656	1,869
		2,810	4,112	3,691
LTIP charges	17	–	(56)	(50)
Exceptional items	3	–	(550)	(315)
Goodwill amortisation	4	(400)	(533)	(962)
Operating profit	4	2,410	2,973	2,364
Profit on sale of businesses	11	–	50	5,549
Interest payable and similar charges	5	(453)	(463)	(455)
Profit on ordinary activities before taxation		1,957	2,560	7,458
Taxation	7	(607)	(687)	(701)
Profit for the financial year		1,350	1,873	6,757
Basic earnings per share before LTIP charges, exceptional items, goodwill amortisation and profit on sale of businesses	9	4.32p	6.25p	3.72p
Basic earnings per share after LTIP charges, exceptional items, goodwill amortisation and profit on sale of businesses	9	3.33p	4.16p	10.29p
Diluted earnings per share after LTIP charges, exceptional items, goodwill amortisation and profit on sale of businesses	9	3.32p	3.86p	10.29p

Consolidated Statements of Total Recognised Gains and Losses

for the 12 months ended 26 November 2004, the 12 months ended 2 December 2005 and the 13 months ended 31 December 2006

	12 months ended 26 November 2004 £'000 (As restated)	*12 months ended 2 December 2005 £'000*	*13 months ended 31 December 2006 £'000*
Profit for the financial year	1,350	1,873	6,757
Total recognised gains and losses relating to the financial period	1,350	1,873	6,757
Prior year adjustment (as explained in note 1)	404	–	–
Total recognised gains and losses relating to the financial year	1,754	1,873	6,757

Balance Sheets

At 26 November 2004, 2 December 2005 and 31 December 2006

	Note	*26 November 2004 £'000 (As restated)*	*2 December 2005 £'000*	*31 December 2006 £'000*
Fixed assets				
Intangible assets	10	2,975	17,706	12,562
Tangible assets	12	738	1,112	304
		3,713	18,818	12,866
Current assets				
Debtors	13	6,156	8,874	4,995
Cash in hand		–	1,103	9,142
		6,156	9,977	14,137
Creditors: amounts falling due within one year	14	(6,797)	(12,878)	(6,789)
Net current (liabilities)/assets		(641)	(2,901)	7,348
Total assets less current liabilities		3,072	15,917	20,214
Creditors: amounts falling due after more than one year	15	(4,615)	(3,175)	–
Net (liabilities)/assets		(1,543)	12,742	20,214
Capital and reserves				
Called up share capital	17	430	664	688
Share premium account	18	92	12,680	14,151
Merger reserve	18	694	694	694
Capital redemption reserve	18	2,346	2,346	2,346
Profit and loss account	18	(5,105)	(3,642)	2,335
Shareholders' (deficit)/funds		(1,543)	12,742	20,214
Shareholders' (deficit)/funds may be analysed as:				
Equity interests		2,034	12,717	20,189
Non-equity interests		25	25	25
Shareholders' (deficit)/funds		(1,543)	12,742	20,214

Consolidated Cash Flow Statements

for the 12 months ended 26 November 2004, the 12 months ended 2 December 2005 and the 13 months ended 31 December 2006

	Note	*12 months ended 26 November 2004 £'000*	*12 months ended 2 December 2005 £'000*	*13 months ended 31 December 2006 £'000*
Net cash inflow from operating activities (pre exceptional costs)	20	2,079	2,490	2,041
Cash flow relating to exceptional costs	20	–	–	(1,520)
Net cash inflow from operating activities		2,079	2,490	521
Returns on investments and servicing of finance	21	(453)	(463)	(455)
Taxation	21	(565)	(274)	(874)
Capital expenditure	21	(131)	(311)	(470)
Acquisitions and disposals	21	(344)	(7,859)	14,150
Dividends paid		(404)	(466)	(830)
Cash inflow/(outflow) before financing		182	(6,883)	12,042
Financing	21	(323)	9,713	(4,782)
Increase/(decrease) in cash in year		(141)	2,830	7,260

Reconciliation of net cash flow to movement in net debt

		12 months ended 26 November 2004 £'000	*12 months ended 2 December 2005 £'000*	*13 months ended 31 December 2006 £'000*
Increase/(decrease) in cash in the year		(141)	2,830	7,260
Cash (inflows)/outflow from net decrease in debt		354	(13)	6,278
Transfer of debt on disposal		–	–	589
Movement in net debt in the year		213	2,817	14,127
Loan notes issued in respect of acquisition of subsidiary undertakings		–	(1,150)	–
		213	1,667	14,127
Opening net (debt)		(6,865)	(6,652)	(4,985)
Closing net cash/(debt)		(6,652)	(4,985)	9,142
Movement in net debt	22	213	1,667	14,127

Notes

(forming part of the financial information)

1 Accounting policies

The principal accounting policies are summarised below.

Basis of consolidation and goodwill

The Quantica Group financial information consolidates the financial information of Quantica plc and its subsidiaries. The results of subsidiaries acquired or sold are consolidated for the periods from or to the date on which control passed, using the acquisition method of accounting.

Purchased goodwill arising on consolidation in respect of acquisitions before 27 November 1998, when FRS 10 "Goodwill and Intangible assets" was adopted, was written off to reserves in the year of acquisition. When a subsequent disposal occurs any related goodwill previously written off to reserves is written back through the profit and loss account as part of the profit and loss on disposal.

Purchased goodwill (representing the excess of the fair value of the consideration given and associated costs over the fair value of the separable net assets acquired) arising on consolidation in respect of acquisitions since 27 November 1998 is capitalised. Positive goodwill is amortised to nil by equal annual instalments over its estimated useful life, normally 20 years. The directors consider each acquisition separately for the purposes of determining the amortisation period.

Where the Quantica Group acquires start up businesses whose principal asset is the goodwill associated with the vendor's expertise in the sector, consideration payable to the vendor, including that related to the future performance of the business, is treated as a cost of investment as long as certain criteria are met, including the identification of separable intangible assets. The goodwill arising on the acquisition is capitalised and written off in line with the life of the underlying asset up to a maximum of three years.

On the subsequent disposal or termination of a business acquired since 27 November 1998, the profit or loss on disposal or termination is calculated after charging the unamortised amount of any related goodwill.

When the Quantica Group has acquired shares in other companies by the issue of shares and the requirement of Section 131 of the Companies Act 1985 have been satisfied, the Quantica Group has utilised the merger relief provisions available and the issue of shares is recorded at nominal value and any premium is credited to the merger reserve.

The directors consider annually whether a provision against the value of investments on an individual basis is required. Such provisions are charged in the profit and loss account in the year.

Prior period adjustment

Following the adoption of FRS 21 ('Events after the balance sheet date') in the financial statements for the 13 month period ended 31 December 2006 the Quantica Group recognises dividends when declared or paid in cash.

On adoption of this standard the figures included in the audited financial statements for the year ended 2 December 2005 were restated to make the recognition criteria consistent.

To comply with the requirements of FRS 21, the figures for the year ended 26 November 2004 have also been restated from those originally included in the audited financial statements of that year.

The impact of the restatements are as set out below:

	£'000
Balance sheet	
Net liabilities at 26 November 2004 (as originally restated)	(2,009)
Impact of FRS 21	466
Net liabilities as restated	(1,543)
Dividends	
As included in results for the 12 months ended 26 November 2004 (as originally stated)	466
Dividends recognised in the 12 months ended 26 November 2004 following adoption of FRS 21	404

Turnover

Turnover represents amounts receivable for services provided in the normal course of business, net of trade discounts, VAT and other related taxes. Turnover is recognised on the basis of the performance of contractual obligations and to the extent that the right to consideration has been earned. In the permanent recruitment business turnover is recognised on the candidate's employment start date. In the contracting and training business turnover is recognised on a time basis when the services have been performed.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost less the estimated residual value of each assets on a straight line basis over its expected useful life, as follows:

Office equipment – 3 to 10 years
Motor vehicles – 4 years

Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and leases, which result in the transfer to the company of substantially all the risks and rewards of ownership (finance leases), are capitalised as tangible fixed assets at the estimated present value of underlying lease payments and are depreciated in accordance with the above policy. Obligations under such agreements are included in creditors net of finance charges allocated to future periods. The finance element of the rental payments is charged to the profit and loss account over the period of the lease or hire purchase contract so as to produce a constant periodic rate of charge on the outstanding balance of the net obligation in each year.

Rentals paid under other leases (operating leases) are charged against income on a straight line basis over the lease term.

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19 "Deferred Tax".

Foreign currencies

Assets, liabilities, revenues and costs denominated in foreign currencies are recorded at the rates of exchange ruling at the dates of the transactions; monetary assets and liabilities at the balance sheet date are translated at the year end rates of exchange. All resulting exchange differences are dealt with in the profit and loss account in the period in which they arise.

On consolidation, differences on exchange arising from the translation of the opening net investments in subsidiary and associated companies at the year end exchange rates, together with the differences arising from the translation of the results at the average rate compared to the year end exchange rate, are taken directly to reserves.

Pension costs

Quantica contributions made to certain employees' personal pension plans are charged to the profit and loss account in the year in which they are payable.

Classification of financial instruments issued by Quantica

Following the adoption of FRS 25, financial instruments issued by Quantica are treated as equity (i.e. forming part of shareholders' funds) only to the extent that they meet the following two conditions:

(a) they include no contractual obligations upon Quantica to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to Quantica; and

(b) where the instrument will or may be settled in Quantica's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of Quantica's own equity instruments or is a derivative that will be settled by Quantica's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of Quantica's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Finance payments associated with financial instruments that are classified as part of shareholders' funds (see dividends policy), are dealt with as appropriations in the reconciliation of movements in shareholders' funds.

2 Segmental information

Turnover and operating profit are incurred materially within the United Kingdom.

Segmental analysis

Quantica Group's net fee income (turnover less contractor costs) and operating profit were generated from the different market sectors as shown below:

	Net fee income			*Operating profit*		
	12 months ended 26 November 2004 £'000	*12 months ended 2 December 2005 £'000*	*13 months ended 31 December 2006 £'000*	*12 months ended 26 November 2004 £'000*	*12 months ended 2 December 2005 £'000*	*13 months ended 31 December 2006 £'000*
Professional services	6,286	7,290	14,436	2,062	2,739	3,526
Discontinued businesses	7,530	9,209	10,053	2,105	2,656	1,869
Central costs	–	–	–	(1,357)	(1,283)	(1,704)
	13,816	16,499	24,489	2,810	4,112	3,691
LTIP charges	–	–	–	–	(56)	(50)
Exceptional items	–	–	–	–	(550)	(315)
Goodwill amortisation	–	–	–	(400)	(533)	(962)
	13,816	16,499	24,489	2,410	2,973	2,364

3 Exceptional items

In 2006 exceptional costs have been incurred to restructure the back office and administration system and in relation to certain management reorganisations following the disposal of the Healthcare and Training businesses. A specific provision has been made in respect of a large, disputed debt with an overseas client which has been deemed as exceptional given its size.

In 2005 exceptional costs were incurred to integrate the back office and administration systems of the newly acquired RK Group into Quantica's central platform and in relation to certain management reorganisations.

	12 months ended 26 November 2004 £'000	*12 months ended 2 December 2005 £'000*	*13 months ended 31 December 2006 £'000*
Management reorganisation and restructure of back office administration and systems	–	315	200
Integration of acquisitions	–	235	–
Specific doubtful debt provision	–	–	115
Total	–	550	315

These items reduce the tax charge by £94,500 (*2005: £165,000, 2004: £nil*).

4 Operating profit

	12 months ended 26 November 2004 £'000	*12 months ended 2 December 2005 £'000*	*13 months ended 31 December 2006 £'000*
Profit on ordinary activities before taxation is stated after charging:			
Depreciation and other amounts written off tangible fixed assets:			
Owned	189	272	415
Amortisation of goodwill	400	533	962
Operating lease rentals:			
Plant and machinery	91	122	133
Other	464	634	1,464
Auditors' remuneration:			
Audit of the financial statements	9	9	12
Amounts receivable by auditors and their associates in respect of:			
Audit of financial statements of subsidiaries pursuant to legislation	58	69	89
Other services relating to taxation	31	7	26
All other services	–	–	260

The other services provided by the auditors for which fees of £260,000 were received in 2006 are in connection with due diligence and taxation relating to the sale of subsidiary undertakings. These costs have been reflected in the profit on sale. In 2005, £155,000 of fees were paid in relation to due diligence and taxation costs relating to acquisitions. These were capitalised as part of the cost of investments.

All non-audit services are considered individually by the Board prior to their commencement. This includes consideration of the impact on auditor independence.

5 Interest payable and similar charges

	12 months ended 26 November 2004 £'000	*12 months ended 2 December 2005 £'000*	*13 months ended 31 December 2006 £'000*
Loans and overdrafts	453	463	455

6 Directors and employees

The average weekly number of persons (including directors) employed by the Quantica Group during the year was:

	12 months ended 26 November 2004 £'000	*12 months ended 2 December 2005 £'000*	*13 months ended 31 December 2006 £'000*
Administration and consulting	250	254	401

The aggregate remuneration comprised:

	12 months ended 26 November 2004 £'000	*12 months ended 2 December 2005 £'000*	*13 months ended 31 December 2006 £'000*
Wages and salaries	6,040	6,277	11,961
Social security costs	675	653	1,122
Other pension costs	103	108	154
	6,818	7,038	13,237

Remuneration of directors

	12 months ended 26 November 2004 £'000	*12 months ended 2 December 2005 £'000*	*13 months ended 31 December 2006 £'000*
Directors' emoluments	470	703	929
Company contributions to money purchase pension schemes	32	38	42
	502	741	971

The emoluments of the highest paid director was £350,000 (*2005: £368,000, 2004: £249,000*) and company pension contributions of £21,000 (*2005: £19,000, 2004: £19,000*) were made to a money purchase scheme on his behalf. During the year, the highest paid director did not exercise any share options neither did he receive shares under a long term incentive scheme.

6 Directors and employees (continued)

	26 November 2004	*2 December 2005*	*31 December 2006*
Retirement benefits are accruing to the following number of directors under money purchase schemes	2	2	2
Number of directors who exercised share options	–	–	–
Number of directors in respect of whose services shares were received or receivable under long term incentive schemes	2	2	–

The directors' beneficial interests in the shares of Quantica are set out below:

	Shares			*Share options*		
	At 26 November 2004	*At 2 December 2005*	*At 31 December 2006*	*At 26 November 2004*	*At 2 December 2005*	*At 31 December 2006*
LW Lawson	2,220,000	2,220,000	2,220,000	905,862	1,157,016	1,157,016
RE Turner	29,211	170,211	170,211	754,499	825,136	825,136
RI Robinson	–	3,007,900	3,007,900	–	–	–
JV Bowman	–	–	387,995	–	–	–
MT Waterhouse	–	2,400	2,400	–	–	–

The mid market price of Quantica's shares at 31 December 2006 was 30.5p and during the year it ranged from 30.5p to 73.0p.

The mid market price of Quantica's shares at 2 December 2005 was 54.0p and during the year ranged from 40.0p to 69.5p.

The mid market price of Quantica's shares at 26 November 2004 was 52.5p and during the year ranged from 42.5p to 62.5p.

Aggregate emoluments disclosed do not include any amounts for the value of options to subscribe for ordinary shares in Quantica granted to or held by the directors.

Details of the share options are as follows:

	28 November 2003	*Granted*	*Exercised*	*26 November 2004*	*Exercise price*	*Date of grant*	*Date from which exercisable*	*Expiry date*
RE Turner	434,783	–	–	434,783	£0.69	31.05.2001	31.05.2004	31.05.2011
	–	106,572	–	106,572	£0.56	14.04.2004	14.04.2007	14.04.2014
	–	213,144	–	213,144	£0.56	12.11.2004	12.11.2007	12.11.2014
Total	434,783	319,716	–	754,499				
LW Lawson	–	905,862	–	905,862	£0.56	14.04.2004	14.04.2007	14.04.2014

	26 November 2004	*Granted*	*Exercised*	*2 December 2005*	*Exercise price*	*Date of grant*	*Date from which exercisable*	*Expiry date*
RE Turner	434,783	–	–	434,783	£0.69	31.05.2001	31.05.2004	31.05.2011
	106,572	–	–	106,572	£0.56	14.04.2004	14.04.2007	14.04.2014
	213,144	–	–	213,144	£0.56	12.11.2004	12.11.2007	12.11.2014
	–	70,637	–	70,637	£0.61	04.03.2005	04.03.2008	04.03.2015
Total	754,499	70,637	–	825,136				
LW Lawson	905,862	–	–	905,862	£0.56	14.04.2004	14.04.2007	14.04.2014
	–	251,154	–	251,154	£0.61	04.03.2005	04.03.2008	04.03.2015
Total	905,862	251,154	–	1,157,016				

6 Directors and employees (continued)

	2 December 2005	*Granted*	*Exercised*	*31 December 2006*	*Exercise price*	*Date of grant*	*Date from which exercisable*	*Expiry date*
RE Turner	434,783	–	–	434,783	£0.69	31.05.2001	31.05.2004	31.05.2011
	106,572	–	–	106,572	£0.56	14.04.2004	14.04.2007	14.04.2014
	213,144	–	–	213,144	£0.56	12.11.2004	12.11.2007	12.11.2014
	70,637	–	–	70,637	£0.61	04.03.2005	04.03.2008	04.03.2015
Total	825,136	–	–	825,136				
LW Lawson	905,862	–	–	905,862	£0.56	14.04.2004	14.04.2007	14.04.2014
	251,154	–	–	251,154	£0.61	04.03.2005	04.03.2008	04.03.2015
Total	1,157,016	–	–	1,157,016				

Options are capable of being exercised after three years and within 10 years (for approved options) of date of grant. Exercise of the options is conditional upon the adjusted earnings per share (before exceptional costs and amortisation of goodwill) of Quantica exceeding the growth in the retail price index over the appropriate period by at least 9 per cent. The adjusted earnings per share before exceptional costs and amortisation of goodwill has been selected to accurately reflect the underlying performance of the group.

Long term incentive plan ("LTIP")

Quantica plc adopted a LTIP pursuant to the result of the Extraordinary General Meeting of 19 September 2005.

In accordance with the rules of the LTIP, the executive directors of the Quantica Group listed below were awarded LTIP options over ordinary shares of 1p on 31 October 2005 as detailed below:

	LTIP options awarded	*Market price at date of grant*	*Exercise period*
LW Lawson	1,522,327	£0.52	After 31.10.2008
RE Turner	1,014,885	£0.52	After 31.10.2008
RI Robinson	888,024	£0.52	After 31.10.2008

The key features of the LTIP were as follows:

- The exercise price is £1 in total per grant;
- Shares will be released dependant upon the TSR achieved by the Quantica Group over the three year period from the date of grant relative to the performance of a peer group of other listed companies in the same sector. TSR is defined as the growth in Quantica's share price over the period, together with the net dividends paid.
- None of the awards granted will vest for performance in the bottom 50 per cent. of the peer group, rising to 100 per cent. vesting for the performance in the top quartile of the peer group; and
- Share awards will be in the form of a deferred right over ordinary shares.

Details of the LTIP and relevant disclosures are set out in note 17.

7 Taxation

Analysis of charge in period

	12 months ended 26 November 2004 £'000	*12 months ended 2 December 2005 £'000*	*13 months ended 31 December 2006 £'000*
UK corporation tax			
Current tax on income for the period	707	899	951
Adjustments in respect of prior periods	(100)	(212)	(250)
Total current tax	607	687	701

Factors affecting the tax charge for the current period

The current tax charge for the period is lower (*2005: lower, 2004: higher*) than the standard rate of corporation tax in the UK (*30 per cent., 2005: 30 per cent., 2004: 30 per cent.*). The differences are explained below.

	12 months ended 26 November 2004 £'000	*12 months ended 2 December 2005 £'000*	*13 months ended 31 December 2006 £'000*
Current tax reconciliation			
Profit before tax	1,957	2,560	7,458
Current tax at 30 per cent. (*2005: 30%. 2004: 30%*)	587	768	2,237
Effects of:			
Expenses not deductible for tax purposes (LTIP charges, goodwill amortisation and impairment charges)	120	131	378
Non taxable income	–	–	(1,664)
Adjustments in respect of prior periods	(100)	(212)	(250)
Total current tax charge	607	687	701

There is no deferred tax asset or liability that requires disclosure under FRS 19 "Deferred Tax".

8 Dividends

	12 months ended 26 November 2004 £'000	*12 months ended 2 December 2005 £'000*	*13 months ended 31 December 2006 £'000*
Ordinary shares – final proposed 1.40p (*2005: 1.30p, 2004: 1.15p*)	404	466	830

9 Earnings per share

The calculation of basic earnings per share is based on a profit after tax of £6,757,000 (*2005: £1,873,000, 2004: £1,350,000*) divided by the weighted average number of ordinary shares in issue during the period of 65,643,725 (*2005: 45,027,870, 2004: 40,523,313*).

Diluted earnings per share is calculated by dividing the profit attributable to ordinary shareholders of £6,757,000 (*2005: £1,873,000, 2004: £1,350,000*) by the average number of shares in issue during the period of 65,643,725 (*2005: 45,027,870, 2004: 40,523,313*) plus dilutive shares of nil (*2005: 3,573,418, 2004: 84,680*) which totals 65,643,725 (*2005: 48,601,294, 2004: 40,607,993*).

The directors have presented an earnings per share figure based on the profit before LTIP charges, goodwill amortisation, exceptional items and profit on sale of businesses as they believe this presents the underlying performance of the Quantica Group. This is calculated based on the profit attributable to ordinary shareholders of £6,757,000 (*2005: £1,873,000, 2004: £1,350,000*) plus LTIP charges of £50,000 (*2005: £56,000, 2004: £nil*), plus goodwill amortisation of £962,000 (*2005: £533,000, 2004: £400,000*) and exceptional items of £315,000 (*2005: £550,000, £nil*) and less the profit on the sale of the Healthcare and Training businesses of £5,549,000 and the taxation effect of these items of £95,000 (*2005: £150,000, 2004: £nil*).

10 Intangible fixed assets

Quantica Group	*Goodwill* *£'000*
Cost	
At 28 November 2003	7,630
Acquisition of subsidiary undertakings	796
Deferred consideration adjustment	(40)
At 26 November 2004	8,386
Acquisition of subsidiary undertakings	15,754
Deferred consideration adjustment	(490)
At 2 December 2005	23,650
Disposal of subsidiary undertakings	(4,092)
Deferred consideration adjustment	(90)
At 31 December 2006	19,468
Amortisation	
At 28 November 2003	5,011
Charge for year	400
At 26 November 2004	5,411
Charge for year	533
At 2 December 2005	5,944
Charge for year	962
At 31 December 2006	6,906
Net book value	
At 31 December 2006	12,562
At 2 December 2005	17,706
At 26 November 2004	2,975
At 28 November 2003	2,619

11 Acquisitions and disposals

2006 Acquisitions and disposals

Disposals in period ended 31 December 2006 comprised of the Healthcare business on 6 November 2006 and the Training Division on 8 December 2006.

The value of the assets disposed, together with the consideration received, were as follows:

	Healthcare division £'000	*Training division £'000*	*Total £'000*
Tangible fixed assets	346	526	872
Intangible assets	–	4,092	4,092
Cash at bank and in hand	–	704	704
Trade debtors	2,808	5,758	8,566
Trade and other creditors	(385)	(1,730)	(2,115)
Value of assets disposed	2,769	9,350	12,119
Profit on disposal	1,731	3,818	5,549
Total disposal proceeds	4,500	13,168	17,668

Disposal proceeds consisted of:

	Healthcare division £'000	*Training division £'000*	*Total £'000*
Cash	3,832	13,168	17,000
Transfer of debt on disposal	589	–	589
Costs paid by purchaser	79	–	79
Total proceeds received	4,500	13,168	17,668

On 3 July 2006 Quantica completed the acquisition of Interactive Training Management for a total consideration of £0.4 million in cash and £0.2 million satisfied by the issue of 312,500 new ordinary shares in Quantica to the vendors. This business was subsequently disposed of as part of the Training Division disposal later in the year.

11 Acquisitions and disposals (continued)

2005 Acquisitions

Acquisitions in the year ended 2 December 2005 comprised RK Group on 22 September 2005 and Capital Learning Services on 29 September 2005. The acquisition method of accounting was used for both of these:

The fair value of the assets acquired, together with the consideration paid, were as follows:

	RK Group £'000	*Capital Learning £'000*	*Total £'000*
Tangible fixed assets	111	224	335
Debtors	2,065	106	2,171
Cash at bank and in hand	1,426	562	1,988
Trade and other creditors	(3,628)	(1,384)	(5,012)
Fair value of assets acquired	(26)	(492)	(518)
Cash	8,892	–	8,892
Loan notes	–	1,150	1,150
Shares	2,871	250	3,121
Deferred cash payable	750	75	825
Deferred shares payable	–	25	25
Fees paid and payable	1,096	127	1,223
Total consideration	13,609	1,627	15,236
Goodwill	13,635	2,119	15,754
Net cash flow			
Cash consideration paid	(8,892)	–	(8,892)
Fees paid	(912)	(56)	(968)
Net cash outflow	(9,804)	(56)	(9,860)

Fair value adjustments of £495,000 in respect of RK Group and £493,000 in respect of Capital Learning Services were made relating to unrecorded liabilities and onerous contracts.

Deferred consideration up to a maximum of £300,000 was payable in respect of RK Group and was dependent upon the crystallisation of future tax assets. Deferred consideration up to a maximum of £100,000 was payable in respect of Capital Learning Services subject to the satisfaction of certain performance criteria.

Goodwill arising on both acquisitions will be amortised over a period of 20 years.

RK Group made a loss before tax of £2.9 million from the beginning of its financial year to the date of acquisition. In its previous financial year the profit before tax was £1.7m.

Capital Learning Services made a loss before tax of £0.8 million from the beginning of its financial year to the date of acquisition. In its previous financial period (12 May 2004 to 31 March 2005) the profit before tax was £0.3m.

11 Acquisitions and disposals (continued)

The post acquisition cash flows of the acquisitions were as follows:

	RK Group £'000	*Capital Learning £'000*	*Total £'000*
Net cash inflow/(outflow) from operating activities	726	(241)	485
Taxation	–	(30)	(30)
Capital expenditure	–	–	–

2004 Acquisitions

Acquisitions in the year ended 26 November 2004 comprised the trade assets and liabilities of Mansel Training on 12 December 2003 and 100 per cent. of the ordinary share capital of Moorend Recruitment Limited on 17 September 2004. The acquisition method of accounting has been used for both of these.

The fair value of the assets acquired, together with the consideration paid, were as follows:

	Mansel Training £'000	*Moorend Recruitment Limited £'000*	*Total £'000*
Trade and other creditors	(107)	(15)	(122)
Fair value of assets acquired	(107)	(15)	(122)
Consideration			
Cash	295	10	305
Deferred consideration	–	330	330
Fees paid and payable	39	–	39
Total consideration	334	340	674
Goodwill	441	355	796
Net cash flow			
Cash consideration paid	295	10	305
Fees paid	39	–	39
Net cash outflow	334	10	344

Fair value adjustments of £107,000 in respect of the trade assets and liabilities of Mansel Training and £15,000 in respect of Moorend Recruitment Limited were made relating to unrecorded liabilities and onerous contracts.

Goodwill arising on the acquisition of the trade assets and liabilities of Mansel Training will be amortised over a period of 20 years. Goodwill arising on the acquisition of Moorend Recruitment Limited will be amortised over a period of three years.

11 Acquisitions and disposals (continued)

The post acquisition cash flows of the acquisition were as follows:

	Mansel Training £'000	*Moorend Recruitment Limited £'000*	*Total £'000*
Net cash inflow/(outflow) from operating activities	188	3	191
Taxation	–	(8)	(8)
Total	188	(5)	183

12 Tangible fixed assets

	Office equipment £'000	*Motor vehicles £'000*	*Total £'000*
Cost			
At 28 November 2003	2,520	126	2,646
Additions	156	13	169
Disposals	(98)	(22)	(120)
At 26 November 2004	2,578	117	2,695
Additions	299	12	311
Acquisition of subsidiary undertakings	335	–	335
Disposals	(22)	–	(22)
At 2 December 2005	3,190	129	3,319
Additions	479	–	479
Disposal of subsidiary undertakings	(1,859)	(129)	(1,988)
At 31 December 2006	1,810	–	1,810

	Office equipment £'000	*Motor vehicles £'000*	*Total £'000*
Depreciation			
At 28 November 2003	1,724	126	1,850
Charge for year	185	4	189
Disposals	(66)	(16)	(82)
At 26 November 2004	1,843	114	1,957
Charge for year	262	10	272
Disposals	(22)	–	(22)
At 2 December 2005	2,083	124	2,207
Charge for year	410	5	415
Disposals	(987)	(129)	(1,116)
At 31 December 2006	1,506	–	1,506
Net book value			
At 31 December 2006	304	–	304
At 2 December 2005	1,107	5	1,112
At 26 November 2004	735	3	738
At 28 November 2003	796	–	796

12 Tangible fixed assets (continued)

Quantica investments

The following companies are the trading subsidiary undertakings of Quantica at 31 December 2006, all of which are registered in England and Wales except for a branch operated through RK Group Limited which is registered in Canada.

The company also owns 40 non-trading companies all of which are registered in England and Wales. As permitted by Section 231(5) of the Companies Act 1985 a list of these subsidiary companies has not been presented.

	Class of holding	*Principal activity*	*Proportion held*
Quantica Holdings Limited*	Ordinary £1	Holding company	100%
Quantica Group Limited	Ordinary £1	Recruitment and training consultants	100%
Quantica Trading Limited	Ordinary £1	Recruitment consultants	100%
Recruitment Solutions Limited*	Ordinary £1	Recruitment consultants	100%
Moorend Recruitment Limited*	Ordinary £1	Recruitment consultants	100%
Quantica Solutions Limited*	Ordinary £1	Recruitment consultants	100%
RK Group Limited*	Ordinary £1	Recruitment consultants	100%

All the companies listed above are registered in England and Wales.

As part of a group re-organisation that occurred in previous years, the trade and assets of a number of the company's subsidiary undertakings were transferred to a fellow subsidiary undertaking at book value.

The carrying value of Quantica's investments in these subsidiary undertakings reflected the value paid for the underlying net assets and goodwill at the time of the acquisition. As a result of these transfers the value of the investments in these subsidiary undertakings fell below the amounts at which they were stated in the company's accounting records.

13 Debtors: amounts falling due within one year

	26 November 2004 £'000	*2 December 2005 £'000*	*31 December 2006 £'000*
Trade debtors	3,832	6,340	4,144
Other debtors	589	169	89
Prepayments and accrued income	1,735	2,365	762
	6,156	8,874	4,995

14 Creditors: amounts falling due within one year

	26 November 2004 £'000 (As restated)	*2 December 2005 £'000*	*31 December 2006 £'000*
Bank loans and overdrafts	2,527	1,067	–
Trade creditors	361	1,138	1,308
Corporation tax	872	1,153	563
Other taxes and social security costs	780	1,327	929
Other creditors	367	119	408
Deferred consideration	–	925	348
Loan notes	–	1,150	–
Confidential invoice discounting loan	–	746	–
Accruals and deferred income	1,890	5,253	3,233
	6,797	12,878	6,789

15 Creditors: amounts falling due after more than one year

	26 November 2004 £'000	*2 December 2005 £'000*	*31 December 2006 £'000*
Bank loans (note 16)	4,125	3,125	–
Other	490	50	–
	4,615	3,175	–

16 Borrowings and financial instruments

	26 November 2004 £'000	*2 December 2005 £'000*	*31 December 2006 £'000*
Quantica Group			
Cash at bank and in hand	–	1,103	9,142

	26 November 2004 £'000	*2 December 2005 £'000*	*31 December 2006 £'000*
Quantica Group			
Debt wholly repayable within five years:			
Bank overdraft	1,727	–	–
Confidential invoice discounting	–	746	–
By instalments – bank loans	4,925	4,192	–
Loan notes	–	1,150	–

The Quantica Group's financial instruments comprise cash, liquid resources, bank loans and various items such as trade debtors and trade creditors that arise directly from its operations. the main purpose of these financial instruments is to raise finance for the Quantica Group's operations and to provide funding for potential acquisitions.

During the period from 29 November 2003 to 31 December 2006 the Quantica Group had no derivative transactions.

It is, and has been throughout the 56 weeks to 31 December 2006, the Quantica Group's policy that no trading in financial instruments shall be undertaken.

16 Borrowings and financial instruments (continued)

The main risks arising from the Quantica Group's financial instruments are interest rate risk and liquidity risk. The board reviews and agrees the policies for managing each of these risks and they are summarised below. These policies have remained unchanged throughout the period from 29 November 2003 to 31 December 2006 and the financial position of the Quantica Group at that date is consistent with these policies.

Interest rate risk

The Quantica Group's credit facilities attract interest at rates dependent upon a margin above LIBOR. The directors regularly review the cost of these facilities and consider whether they remain appropriate to the Quantica Group's operations.

Liquidity risk

Short term flexibility is achieved by the use of the Quantica Group's overdraft facility and confidential invoice discounting facility. Longer term funding is provided by the revolving credit facility.

Foreign currency risk

The Quantica Group has one overseas trading business, Supply Chain Personnel, Canada.

All the group sales, assets and liabilities are materially denominated in Sterling, consequently the directors consider the Quantica Group's exposure to currency fluctuations to be limited.

Borrowings

The Quantica Group's revolving credit facility at 31 December 2006 was £nil (*2005: £9.5 million, 2004: £7.0 million*) and its overdraft facility was £nil (*2005: £0. 5 million, 2004: £5.0 million*). In addition to this, the Quantica Group may secure borrowings of up to 80 per cent. of its trade debtors through a confidential invoice discounting facility up to a maximum of £6.0 million (*2005: £6.0 million, 2004: £nil*). At 31 December 2006 the Quantica Group's utilisation of these facilities was £nil (*2005: £4.9 million, 2004: £6.7 million*). The bank facilities are secured on the assets of the Quantica Group.

All borrowings were repaid during the 13 month period ended 31 December 2006.

All of the borrowings at 2 December 2005 were denominated in Sterling and have floating interest rate terms ranging from 1.0 per cent. to 1.7 per cent. above LIBOR. A one off charge of £30,000 was paid to secure the confidential invoice discounting facility in 2005.

All of the borrowings at 26 November 2004 were denominated in sterling and had a floating interest rate of 1.6 per cent. above LIBOR.

Bank loans and overdrafts outstanding at each period end were payable as follows:

	26 November 2004 £'000	*2 December 2005 £'000*	*31 December 2006 £'000*
Quantica Group			
Amounts payable:			
On demand or within one year	2,527	2,963	–
Between one and two years	1,000	1,300	–
Between two and five years	3,125	1,825	–
	6,652	6,088	–

The fair values based on discounting future cash flows at market rates of the Quantica Group's financial liabilities at 31 December 2006, 2 December 2005 and 26 November 2004 are not significantly different from book values.

17 Share capital

	26 November 2004 Number '000	£'000	*2 December 2005* Number '000	£'000	*31 December 2006* Number '000	£'000
Authorised						
Ordinary shares of 1p each	237,600	2,376	237,600	2,376	237,600	2,376
Non-voting 'A' convertible redeemable deferred shares of 1p each	2,500	25	2,500	25	2,500	25
	240,100	2,401	240,100	2,401	240,100	2,401

	26 November 2004 Number '000	£'000	*2 December 2005* Number '000	£'000	*31 December 2006* Number '000	£'000
Allotted, called up and fully paid						
Ordinary shares of 1p each	40,458	405	63,867	639	66,292	663
Non-voting 'A' convertible redeemable deferred shares of 1p each	2,500	25	2,500	25	2,500	25
	43,048	430	66,367	664	68,792	688

On 21 February 2006, 2,027,300 shares were issued to satisfy institutional demand for the company's shares. These shares were issued at 65p giving rise to a share premium of £1,297,472.

On 7 July 2006, 312,500 shares were issued as part of the consideration following the completion of the acquisition of Interactive training Management Limited. These shares were issued at a price of 64p giving rise to a share premium of £196,875.

On 12 September 2006, 84,746 shares were issued as part of the consideration for Capital Learning Services Limited. These shares were issued at 59p giving rise to a share premium of £49,153.

On 22 September 2005, 4,706,557 shares were issued as part of the consideration for RK Group. These were issued at 61p giving rise to a share premium of £2,823,934.

On 22 September 2005, 18,181,819 shares were issued as part of a placing and open offer to raise approximately £10 million. These shares were issued at a price of 55p giving rise to a share premium of £9,818,182.

On 29 September 2005, 431,034 shares were issued as part of the consideration of Capital Learning Services. These shares were issued at 58p giving rise to a share premium of £245,689.

On 27 February 2004, 100,800 ordinary shares of 1p each were issued under the Crossley House share option scheme at 28.33p giving rise to a share premium of £27,549.

'A' deferred shares

The rights attaching to the non-voting 'A' deferred shares are:

(a) Voting

No entitlement to receive notice of or to attend and vote at general meetings.

(b) *Dividends*

No rights to any payment by way of dividend.

(c) *Distribution of assets on winding up*

Holders rank *pari passu* with the holders of the ordinary shares for the purposes of a distribution of assets on a winding up provided that each holder of ordinary shares has already received £100,000 per ordinary share pursuant to the distribution on winding up.

17 Share capital (continued)

(d) *Redemption*

Redeemable at the option of the company on giving 14 days' notice to the holders thereof at any time after the conversion date. The redemption price is 1p per share.

Share options

During 2005, share options at 61p were issued under the Unapproved Executive Option Scheme.

At 31 December 2006 the following options were outstanding under the Share Option Schemes.

Scheme	*Ordinary shares under option*	*Exercise price*	*Exercise period*
Unapproved Executive Option Scheme	222,222	£0.72	11.09.00 to 11.09.07
EMI Scheme	526,314	£0.57	06.04.04 to 06.04.11
Unapproved Executive Option Scheme	289,855	£0.69	31.05.04 to 31.05.11
EMI scheme	144,928	£0.69	31.05.04 to 31.05.11
EMI scheme	721,651	£0.48	12.11.06 to 21.11.13
EMI scheme	621,670	£0.56	14.04.07 to 14.04.14
Unapproved Executive Option Scheme	834,814	£0.56	14.04.07 to 14.04.14
Unapproved Executive Option Scheme	213,144	£0.56	12.11.07 to 12.11.14
Unapproved Executive Option Scheme	321,791	£0.61	04.03.08 to 04.03.15

Long Term Incentive Plan (LTIP)

Having made the decision in the period ended 31 December 2006, the Board of Quantica announced on 10 January 2007 its intention to cancel, with immediate effect, all of the LTIP options over ordinary shares awarded to the Executive Directors of the Company under the Quantica LTIP.

Due to the changing nature of the Quantica Group and its current strategy the Board believed that the LTIP no longer provided an appropriate mechanism to incentivise and retain key members to staff.

At 31 December 2006 the LTIP no longer existed. The disclosures below set out the terms and details of the LTIP as it existed at 2 December 2005. There are no LTIP awards outstanding at 31 December 2006.

In any year, other than for the initial award, awards cannot normally be granted to an individual over shares with a value greater than twice basic salary (excluding bonuses, benefits in kind or pension contributions).

The level to which LTIP award can vest is dependent upon the extent to which the performance target has been satisfied. In respect of the awards made in 2005 (noted below) the extent to which an award will vest following the end of the measurement period will depend upon the Total Shareholder Return (TSR) achieved by the company over the measurement period, as compared to the TSR achieved by other companies in a comparator group of companies selected by the Remuneration Committee before the award was made.

The Remuneration Committee has decided that for initial awards the comparator group should consist of those companies in the FTSE Support Services Index that are members of the Index at the beginning of the measurement period and are still quoted at the end of the measurement period.

If Quantica is ranked in the top 25 per cent. of the list of TSR achieved by Quantica and the companies in the comparator group, all of the shares over which the award has been made will vest.

If Quantica is ranked in the top 50 per cent. of the list of TSR achieved by Quantica and the Companies in the comparator group, but is it not in the top 25 per cent. of companies, then a number of the shares over which the award has been made will vest. The number of shares that vest will be calculated on a *pro rata* straight line basis.

17 Share capital (continued)

If the TSR of Quantica is ranked in the bottom half of the list then none of the shares over which the award has been made will vest and the relevant participant would not be entitled to any of the shares.

In accordance with the rules of the LTIP, the Executive Directors of the group listed below were awarded LTIP options over ordinary shares of 1p on 31 October 2005 as detailed below:

	LTIP options awarded	*Market price at date of grant*	*Exercise period*
LW Lawson	1,522,327	£0.52	After 31.10.08
RE Turner	1,014,885	£0.52	After 31.10.08
RI Robinson	888,024	£0.52	After 31.10.08
JV Bowman	664,894	£0.56	After 07.02.09

The key features of the LTIP were as follows:

- The exercise price is £1 in total per grant;
- Shares will be released dependent upon the TSR achieved by the Quantica Group over the three year period from the date of grant relative to the performance of a peer group of other listed companies in the same sector. TSR is defined as the growth in Quantica's share price over the period, together with the net dividends paid.
- None of the awards granted will vest for performance in the bottom 50 per cent. of the peer group, rising to 100 per cent. vesting for the performance in the top quartile of the peer group; and
- Share awards will being the form of a deferred right over ordinary shares.

In 2005 the directors were of the opinion that based upon the TSR to that date, the maximum number of shares would be acquired by participants on the respective vesting dates in respect of the LTIP awards made. This generated a profit and loss charge of £56,280 in 2005. A charge of £50,000 arose on cancellation of the plan in 2006.

18 Reserves

	Share premium £'000	*Merger reserve £'000*	*Capital redemption reserve £'000*	*Profit and loss account £'000*
At 28 November 2003 as originally restated	65	694	2,346	(6,455)
Prior year adjustment (see note 1)	–	–	–	404
At 28 November 2003 as restated	65	694	2,346	(6,051)
Profit for the year	–	–	–	1,350
Dividends	27	–	–	(404)
At 26 November 2004	92	694	2,346	(5,105)
Profit for the year	–	–	–	1,873
Dividends	–	–	–	(466)
LTIP charge	–	–	–	56
Share issues (net of issue costs)	12,888	–	–	–
Associated cost of share issue	(300)	–	–	–
At 2 December 2005	12,680	694	2,346	(3,642)
Profit for the year	–	–	–	6,757
Dividends paid	–	–	–	(830)
LTIP charge	–	–	–	50
Share issues (net of issue costs)	1,471	–	–	–
At 31 December 2006	14,151	694	2,346	2,335

19 Reconciliation of movements in shareholders' funds

	12 months ended 26 November 2004 £'000	*12 months ended 2 December 2005 £'000*	*13 months ended 31 December 2006 £'000*
Quantica Group			
Profit for the period	1,350	1,873	6,757
Dividends	(404)	(466)	(830)
Retained profit for the period	946	1,407	5,927
Share issues	1	234	24
Share premium (net of issue costs)	27	12,588	1,471
LTIP charge	–	56	50
Net addition to shareholders' funds	974	14,285	7,472
Opening shareholders; funds/(deficit) as originally stated	(2,921)	–	–
Prior period adjustment (see note 1)	404	–	–
Opening shareholders' funds/(deficit) restated	(2,517)	(1,543)	12,742
Closing shareholders' funds	(1,543)	12,742	20,214

20 Reconciliation of operating profit to operating cash flows

	12 months ended 26 November 2004 £'000	*12 months ended 2 December 2005 £'000*	*13 months ended 31 December 2006 £'000*
Operating profit	2,410	2,973	2,364
Depreciation	189	272	415
Loss on sale of fixed assets	27	–	–
LTIP charge	–	56	50
Amortisation and impairment of goodwill	400	533	962
Increase in debtors	(873)	(1,034)	(1,381)
Decrease in creditors	(74)	(310)	(369)
Net cash inflow from operating activities	2,079	2,490	2,041

The £1,520,000 of exceptional cashflows relate to the settlement of exceptional pre-acquisition liabilities arising out of the acquisition of RK Group in September 2005 and restructuring costs recorded as exceptional provisions in Quantica plc in 2005.

21 Analysis of cash flows

	12 months ended 26 November 2004 £'000	*12 months ended 2 December 2005 £'000*	*13 months ended 31 December 2006 £'000*
Returns on investments and servicing of finance			
Interest paid	(453)	(463)	(455)
Net cash outflow from returns on investments and servicing of finance	(453)	(463)	(455)
Taxation			
Taxation paid	(565)	(274)	(874)
Net cash outflow for taxation	(565)	(274)	(874)
Capital expenditure			
Purchase of tangible fixed assets	(131)	(311)	(470)
Net cash outflow from capital expenditure	(131)	(311)	(470)
Acquisitions and disposals			
Acquisition of subsidiary undertakings	(305)	(8,892)	(409)
Disposal of subsidiary undertakings	–	13	17,000
Expenses of disposal/acquisition	(39)	(968)	(727)
Cash acquired/(disposed) with subsidiary undertakings	–	1,988	(1,134)
Deferred consideration paid	–	–	(580)
Net cash inflow/(outflow) from acquisitions and disposals	(344)	(7,859)	14,150
Financing			
New bank loans	249	–	–
Repayment of bank loans	(600)	(733)	(4,190)
Repayment of other loans	–	–	(1,150)
Confidential invoice discounting	–	746	(938)
Issue of shares	28	10,000	1,568
Associated cost of share issue	–	(300)	(72)
Net cash (outflow)/inflow from financing	(323)	9,713	(4,782)

22 Analysis and reconciliation of net debt

	At 28 November 2003 £'000	*Cashflow £'000*	*At 26 November 2004 £'000*
Debt due within and after one year	(5,276)	351	(4,925)
Finance leases	(3)	3	–
Debt	(5,279)	354	(4,925)
Cash at bank and in hand	(1,586)	(141)	(1,727)
Total net debt	(6,865)	213	(6,652)

22 Analysis and reconciliation of net debt (continued)

	At 26 November 2004 £'000	Cash flow £'000	On acquisition £'000	Other non-cash items £'000	At 2 December 2005 £'000
Debt due within and after one year	(4,925)	733	–	–	(4,192)
Confidential invoice discounting	–	(746)	–	–	(746)
Loan notes	–	–	–	(1,150)	(1,150)
Debt	(4,925)	(13)	–	(1,150)	(6,088)
Cash at bank and in hand	(1,727)	842	1,988	–	1,103
Total net debt	(6,652)	829	1,988	(1,150)	(4,985)

	At 2 December 2005 £'000	Cash flow £'000	On disposal £'000	At 31 December 2006 £'000
Cash at bank and in hand	1,103	7,258	–	8,361
Debt due within and after one year	(4,192)	4,192	–	–
Confidential invoice discounting	(746)	938	589	781
Loan notes	(1,150)	1,150	–	–
Debt	(6,088)	6,280	589	781
Total net debt	(4,985)	13,538	589	9,142

23 Financial commitments

Annual commitments under non-cancellable operating leases are as follows:

	26 November 2004		2 December 2005		31 December 2006	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000	Land and Buildings £'000	Other £'000
Group						
Expiry date						
– within one year	88	31	642	62	33	15
– between two and five years	170	46	509	51	247	32
– after five years	143	–	117	–	160	–
	401	77	1,268	113	440	47

Leases of land and buildings are typically subject to rent reviews at specified intervals and provide for the lessee to pay all insurance, maintenance and repair costs.

There were no capital commitments outstanding at 31 December 2006 (2005: £nil, 2004: £nil).

24 Pension arrangements

The Quantica Group contributes to certain employees' personal pension plans. The assets of these schemes are held separately from those of the Quantica Group. The net cost of these contributions in the year is £154,476 (*2005: £112,789, 2004: £103,000*).

25 Contingent liabilities

The company is party to a cross guarantee arrangement with certain fellow group undertakings in relation to certain group borrowings.

26 Related party transactions

At 28 November 2003 GWB plc was the holder of 17,885,483 shares which represented 44.28 per cent. of the issued ordinary share capital of the company. Gartland Whalley and Barker Corporate Finance Limited (a wholly owned subsidiary of GWB plc) entered into an agreement with Quantica plc to provide acquisition services. The agreement was non-exclusive and fees were negotiated on an arm's length basis. Fees charged by Gartland Whalley and Barker Corporate Finance Limited in 2003 were £73,603. At 28 November 2003, the amount owed in respect of these fees was £18,965.

On 30 March 2004 GWB plc disposed of their shareholding in the company and therefore ceased to be a related party. Prior to the disposal GWB plc and its subsidiaries did not provide any services to the group during 2004.

RK Group was acquired from RI Robinson who had since the acquisition been appointed onto the Board of Directors of Quantica. The company holds £0.7 million of deferred consideration in the books which will become payable dependent on the crystallisation of future tax assets.

27 Post balance sheet events

On 19 June 2007 Quantica plc received notification of a warranty claim for £1.3 million in respect of its disposal of the Quantica Healthcare business which was sold on 10 October 2006. Quantica Plc is vigorously defending this claim and does not expect to make any settlement. Quantica submitted a detailed response letter dated 6 July 2007 and to date has received no subsequent correspondence.

On 11 January 2007 Quantica plc repurchased 6,629,181 ordinary shares of 29 pence per share which represents a total consideration of approximately £2 million. No adjustment has been made in respect of this event.

PART VIII

UNAUDITED PRO FORMA STATEMENT ON THE ENLARGED GROUP

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The Directors
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24 August 2007

Daniel Stewart & Company Plc
Becket House
36 Old Jewry
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EC2R 8DD

Dear Sirs

Berkeley Scott Group plc (the "Company")

Pro forma financial information

We report on the pro forma statement of net assets (the "Pro Forma Financial Information") set out in Part VIII of the AIM admission document/document equivalent to a prospectus dated 24 August 2007 of the Company which has been prepared on the basis described in the notes to the Pro Forma Financial Information, for illustrative purposes only, to provide information about how the acquisition of Quantica, placing and re-admission to AIM might have affected the financial information presented on the basis of accounting policies adopted by the Company in preparing the financial statements for the year ended 30 September 2006.

This report is required by item 20.2 of Annex I of the Commission Regulation (EC) No. 809/2004 (the "PD Regulation") and is given for the purpose of complying with that item and for no other purpose.

Responsibilities

It is the responsibility of the directors of the Company (the "Directors") to prepare the Pro Forma Financial Information in accordance with item 20.2 of Annex I of the PD Regulation.

It is our responsibility to form an opinion, as required by item 7 of Annex II of the PD Regulation as to the proper compilation of the Pro Forma Financial Information and to report that opinion to you.

Save for any responsibility arising under Prospectus Rule 5.5.3R(2)(f) to any person as and to the extent there provided, to the fullest extent permitted by the law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with item 23.1 of Annex I of the PD Regulation, consenting to its inclusion in the prospectus.

In providing this opinion we are not updating or refreshing any reports or opinions previously made by us on any financial information used in the compilation of the Pro Forma Financial Information, nor do we accept responsibility for such reports or opinions beyond that owed to those to whom those reports or opinions were addressed by us at the dates of their issue.

Basis of opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. The work that we performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the Pro Forma Financial Information with the Directors.

We planned and performed our work so as to obtain the information and explanations which we considered necessary in order to provide us with reasonable assurance that the Pro Forma Financial Information has been properly compiled on the basis stated and that such basis is consistent with the accounting policies of the Company.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in the United States of America or other jurisdictions and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Opinion

In our opinion:

(a) the Pro Forma Financial Information has been properly compiled on the basis stated; and

(b) such basis is consistent with the accounting policies of the Company.

Declaration

For the purposes of Prospectus Rule 5.5.3R(2)(f) we are responsible for this report as part of the AIM admission document/document equivalent to a prospectus and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the AIM admission document/document equivalent to a prospectus in compliance with item 1.2 of Annex I of the PD Regulation.

Yours faithfully

BDO Stoy Hayward LLP

The following unaudited pro forma statement of net assets of the Enlarged Group (the "pro forma financial information") is based on the consolidated net assets of the Group as at 31 March 2007, set out in the unaudited consolidated interim financial statements of the Group for the period ended on that date, and has been prepared to illustrate the effect on the consolidated net assets of the Group as if the Acquisition and the Placing was completed on 31 March 2007.

The pro forma financial information has been prepared for illustrative purposes only and, because of its nature, addresses a hypothetical situation and does not, therefore, represent the Group's actual financial position or results.

The pro forma financial information has been prepared under UK GAAP and on the basis set out in the notes set out below. The pro forma financial information is stated on the basis of the accounting policies adopted in the last consolidated financial statements of the Company.

			Adjustments			
	The Group as at 31 March 2007 (note 1) £'000	*Quantica as at 31 December 2006 (note 2) £'000*	*Quantica share buy back (note 3) £'000*	*Accounting policy alignment (note 4) £'000*	*The Offer and the Placing (note 5, 6, 7, 8) £'000*	*Pro forma net assets of the Enlarged Group £'000*
Fixed assets						
Intangible assets	2,240	12,562	–	–	–	14,802
Goodwill	–	–	–	–	5,609	5,609
Tangible assets	709	304	–	–	–	1,013
	2,949	12,866	–	–	5,609	21,424
Current assets						
Debtors	3,070	4,995	–	796	–	8,861
Cash at bank and in hand	3	9,142	(1,922)	–	1,455	8,678
	3,073	14,137	(1,922)	796	1,455	17,539
Creditors: amounts falling due within one year						
Bank loans	(152)	–	–	–	(5,678)	(5,830)
Other creditors	(2,910)	(6,789)	–	(126)	–	(9,825)
	(3,062)	(6,789)	–	(126)	(5,678)	(15,655)
Net current assets	11	7,348	(1,922)	670	(4,223)	1,884
Total assets less current liabilities	2,960	20,214	(1,922)	670	1,386	23,308
Creditors: amounts falling due after one year						
Bank loans	(167)	–	–	–	(3,403)	(3,570)
Net assets	2,793	20,214	(1,922)	670	(2,017)	19,738

Notes:

1. The consolidated net assets of the Group at 31 March 2007 have been extracted without material adjustment from the unaudited interim financial statements of the Group for the period ended 31 March 2007 set out in Section B of Part VI of this document.

Adjustments:

2. The consolidated net assets of Quantica have been extracted without material adjustment from the financial information on Quantica and its subsidiaries for the year ended 31 December 2006 set out in Section B of Part VII of this document.
3. An adjustment has been made to reflect Quantica's purchase on 11 January 2007, for cancellation, of 6,629,184 ordinary shares at 29p per ordinary share. Following this purchase Quantica has 59,662,664 ordinary shares in issue.
4. The accounting policy adopted by the Group in connection with income generated from permanent placements differs from that applied by Quantica. The Group recognises income on permanent placements when the offer of employment has been accepted by the candidate. Quantica recognises permanent income on the candidate's employment start date. An adjustment has been made to reflect the alignment of Quantica's accounting policy with that of the Group.
5. An adjustment has been made to reflect:
   (i) the estimated goodwill arising on the acquisition of Quantica; and
   (ii) the Group's transaction expenses.

For the purposes of this pro forma information, no adjustment has been made to the separate assets and liabilities of Quantica to reflect their fair value. The gross difference between the net assets of Quantica as stated at their book value at 31 December 2006 and the aggregate of the estimated consideration and the Group's transaction expenses has therefore been presented as a single value in goodwill.

The net assets of Quantica will be subject to a fair value restatement as at the effective date of the Acquisition and the Placing. Also, in accordance with FRS 7 – "Fair Values in Acquisition Accounting", the Company will assess the need for an impairment of goodwill at the next reporting date, unless there is an indication of the need for an impairment at an earlier point. Actual goodwill included in the Group's next published financial statements may therefore be materially different from that included in the pro forma statement of net assets.

6. Assuming acceptance of the Equity Alternative by Quantica Shareholders holding 48.2 per cent. of Quantica's fully diluted share capital, the estimated cash consideration for Quantica is approximately £14.7 million based on the recommended cash offer for each Quantica share of 47.5 pence in cash. The estimated transaction expenses are based on the Directors' latest estimate of the Company's transaction expenses that may be capitalised as part of the total expenses of the transaction, as referred to in paragraph 22.6 of Part IX of this document.

	£'000
Consideration payable in cash	14,677
Consideration payable in New Berkeley Scott Shares	13,663
Estimated consideration	28,340
Estimated transaction costs of the Company that may be capitalised	(2,517)
	25,823
Book value of Quantica net assets as at 31 December 2006	(20,214)
Estimated goodwill arising on the Acquisition	5,609

7. The increase in bank loans comprises:

	£'000	*£'000*
Due within one year		
– Term loan	630	
– Bridging loan	5,200	
		5,830
Due after more than one year		
– Term loan		3,570
		9,400

An adjustment has been made to reflect the repayment of the Group's existing Royal Bank of Scotland Plc term loan amounting to £319,000.

8. The Placing is estimated to raise net proceeds of £7.051 million (£9.568 million gross proceeds less estimated expenses of £2.517 million).

9. For the purpose of the pro forma financial information the adjusted cash balance has been calculated as follows:

	£'000	*£'000*
Cash in the Group		3
Cash in Quantica		9,142
		9,145
Net Placing proceeds	7,051	
Increase in bank loans	9,400	
Less applied in settling cash consideration	(14,677)	
Less repayment of Royal Bank of Scotland Plc term loan (note 7)	(319)	
		1,455
Quantica share buy-back (note 3)		(1,922)
Estimated adjusted cash balance		8,678

10. No account has been taken of the financial or trading performance of the Group since 31 March 2007, the financial or trading performance of Quantica since 31 December 2006, nor of any other event save as disclosed above.

PART IX

ADDITIONAL INFORMATION

1. Responsibility Statement

1.1 The Company, whose name and registered office appear on page 19 of this document and the Directors whose names appear on page 19 of this document, accept responsibility for the information contained in this document. To the best of the knowledge of the Company and the Directors (having taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and contains no omission likely to affect its import.

2. The Company

2.1 The Company was incorporated under the Act in England and Wales where it remains domiciled on 8 March 1988 as a private unlimited company having a share capital with the name Chescham and with registration number 2228050. On 1 June 1990, the Company re-registered under the Act as a private company limited by shares and was consequently re-named Chescham Limited. On 7 June 1990, the name of the Company was changed to Berkeley Scott Limited. On 26 January 1998, the Company re-registered under the Act as a public limited company and changed its name to Berkeley Scott Group plc.

2.2 The executive search division of the Company trades under the name "ISIS".

2.3 The liability of the members of the Company is limited.

2.4 The principal legislation under which the Company operates is the Act and the regulations made thereunder.

2.5 The Company's registered and head office is at Berkeley House, 11/13 Ockford Road, Godalming, Surrey GU7 1QU, its telephone number is +44 (0)1483 414 141. The Company conducts its business via a network of offices, details of which can be found at paragraph 19.1 below.

2.6 The accounting reference date of the Company is 30 September.

3. The Group

3.1 The Company has 10 subsidiaries the details of which are as follows:

Company	*Activity*	*Country of Incorporation*	*Proportion of ownership interest*	*Proportion of voting power*
Berkeley Scott Limited	Provision of recruitment and advertising services	England and Wales	100%	100%
Number One Bureau Limited	Dormant	England and Wales	100%	100%
Berkeley Scott Sherwoods Limited	Dormant	England and Wales	100%	100%
Berkeley Scott (Chefs) Limited	Dormant	England and Wales	100%	100%
International Service Industry Search Limited	Dormant	England and Wales	100%	100%
Gold Helm Roche Limited*	Dormant	England and Wales	100%	100%
Roche Recruitment Limited*	Dormant	England and Wales	100%	100%
Roche Personnel Limited*	Dormant	England and Wales	100%	100%
Roche Personnel (London) Limited*	Dormant	England and Wales	100%	100%
Roche Personnel (UK) Limited*	Dormant	England and Wales	100%	100%

* Shareholding held indirectly.

3.2 The Company is the holding company of the Group.

4. Share Capital

4.1 At the date of incorporation, the authorised share capital of the Company was £100 divided into 100 ordinary shares of £1 each.

4.2 Changes in the amount of the Company's authorised and issued share capital during the period covered by the financial information set out in Part VI of this document is as follows:

(a) on 12 July 2004, 36,946 ordinary shares of 10 pence each were issued;

(b) in connection with the admission of the Company to trading on AIM on 3 December 2004, on 15 November 2004 the 2 issued special shares of £1 each in the capital of the Company were converted and redesignated as 20 ordinary shares of 10 pence and each of the then existing issued and unissued ordinary shares of 10 pence each in the capital of the Company were subdivided into 5 ordinary shares of 2 pence each;

(c) on 30 November 2004, 222,500 Ordinary Shares were issued;

(d) on 6 December 2004, 4,263,380 Ordinary Shares were issued to a group of investors upon admission of the Company to trading on AIM on 3 December 2004; and

(e) on 30 January 2007, 7,142,857 Ordinary Shares were issued to each of John Bowmer and Anthony Henry Reeves.

4.3 The Company's authorised and issued fully paid share capital, at the date of this document is, and immediately following the Offer (assuming full acceptance of the Equity Alternative) and the Placing (assuming subscription in full) will be as follows:

	At the date of this document		*Following the Offer and Placing*	
	Amount	*Number of Ordinary Shares*	*Amount*	*Number of Ordinary Shares of £0.02 each*
Authorised	£1,000,000	50,000,000	£2,895,388.26	144,769,413
Issued and fully paid	£456,086.58	22,804,329	£2,351,474.84	117,572,742

4.4 At the EGM, the Resolutions will be proposed:

(a) to increase the authorised share capital of the Company by £1,895,388.26 to £2,351,474.84 by the creation of 94,769,413 new Ordinary Shares.

(b) in addition to any and all existing such authorities to the extent unused, to generally and unconditionally authorise the Berkeley Scott Directors pursuant to section 80 of the Act to exercise all powers of the Company to allot relevant securities (within the meaning of that section) up to an aggregate nominal amount of £1,895,388.26, such authority:

(i) to be applied to allot the Placing Shares in connection with the Placing and the New Offer Berkeley Scott Shares in connection with the Offer; and

(ii) unless previously revoked or varied by the Company in general meeting, to expire at the conclusion of the next annual general meeting of the Company, save 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 Berkeley Scott Directors may allot relevant securities in pursuance of that offer or agreement as if such authority had not expired.

(c) in addition to any and all such existing powers and authorities to the extent unused, to empower the Berkeley Scott Directors pursuant to section 95 of the Act to allot equity securities (within the meaning of section 94(2) of the Act) for cash pursuant to the authority referred to in resolution (b) above as if section 89(1) of the Act did not apply to such allotment, provided that this power shall:

(i) expire at the conclusion of the next annual general meeting of the Company, but the Company may make an offer or agreement, which would or may require equity securities to be allotted after expiry of such authority and the Berkeley Scott Directors may allot equity securities in pursuance of that offer or agreement as if the power conferred by such authority had not expired; and

(ii) be limited to the allotment of equity securities in connection with the Placing.

4.5 The provisions of section 89(1) of the Act (which, to the extent not disapplied pursuant to section 95 of the Act (as referred to in paragraph 4.4(c) above) confer on shareholders rights of pre-emption in respect of the allotment of equity securities which are, or are to be, paid up in cash) apply to the authorised but unissued share capital of the Company.

4.6 The Company had 8,518,615 Ordinary Shares in issue on 1 October 2005 and 8,518,615 Ordinary Shares in issue on 30 September 2006. Not more than 10 per cent. of the issued share capital has been paid for with assets other than cash during the period covered by the financial information contained in Part VI of this document.

4.7 The Company does not have in issue any securities not representing share capital.

4.8 There are no shares in the Company which are held by, or on behalf of, the Company and none of the Company's subsidiaries holds any shares in the Company.

4.9 Other than set out in paragraphs 8, 12, 13.5 and 13.6 of this Part IX, no person has any rights to purchase the authorised but unissued capital of the Company and no person has been given an undertaking by the Company to increase its authorised capital.

4.10 The International Security Identification Number for the Ordinary Shares is GB00B03W5P29.

4.11 No person has any rights over the capital of any of the subsidiaries of the Company and the Company has not agreed conditionally or unconditionally to grant any option over the capital of any of the subsidiaries.

4.12 The New Berkeley Scott Shares will be issued free from all liens, charges, encumbrances and other third party rights and will rank *pari passu* in all respects, including the right to receive all dividends and other distributions declared, made or paid on the New Berkeley Scott Shares from the date of issue of the New Berkeley Scott Shares.

4.13 On completion of the Offer (assuming full acceptance of the Equity Alternative) and the Placing (assuming subscription in full), the issued share capital of the Company shall be increased by 415.6 per cent. resulting in an immediate dilution of the Existing Berkeley Scott Shares to 19.4 per cent. of the Enlarged Issued Share Capital.

4.14 The Ordinary Shares will be in registered from and may be held either in certificated form or in uncertificated form through CREST.

5. Warrants/Convertible Securities

Other than set out in paragraphs 13.5 and 13.6 of this Part IX, the Company has not granted any warrants and there are no outstanding convertible or exchangeable securities.

6. Quantica

6.1 Quantica was incorporated under the Act in England and Wales on 18 May 1995 as a private company limited by shares with the name Myralink Limited and with registration number 03058194. On 28 May 1997, the name of Myralink was changed to Quantica Limited. On 26 May 1998, Quantica re-registered under the Act as a public limited company and changed its name to Quantica plc.

6.2 The business of Quantica is the provision of permanent and contract recruitment services within the professional markets.

6.3 Quantica's directors are: John Vincent Bowman, Daniel Crawford Laughlan, Leslie William Lawson, Robert Edward Turner and Michael Thomas Waterhouse.

6.4 Quantica has an issued share capital of 59,662,664 ordinary shares of 1 pence each.

6.5 Quantica has three wholly owned principal trading subsidiary companies, particulars of which are set out below:

(a) Quantica Group Limited, a company incorporated under the Act in England and Wales on 2 January 1990 with registration number 02456712, which has in issue 100 ordinary shares of £1 each;

(b) Quantica Solutions Limited, a company incorporated under the Act in England and Wales on 20 September 2004 with registration number 5235505, which has in issue 1 ordinary share of £1; and

(c) RK Group Limited, a company incorporated under the Act in England and Wales on 25 March 1993 with registration number 2803672, which has in issue 58,217 ordinary shares of £1 each, 28,677 A ordinary shares of £1 each and 10,700 B ordinary shares of £1 each.

7. Memorandum and Articles of Association

Memorandum of Association

7.1 The Memorandum of Association of the Company provides that the Company's principal object is to carry on the business of co-ordinating the administration of a group of companies or undertakings. The objects of the Company are set out in full in clause 3 of the Memorandum of Association of the Company.

Articles of Association

7.2 The Articles which were adopted pursuant to a special resolution of the Company passed on 15 November 2004 contain provisions, *inter alia*, to the following effect:

(a) *Voting rights*

Subject to any terms as to voting upon which any shares may have been issued or may for the time being be held and to any disenfranchisement in the event of non-compliance with a statutory notice requiring disclosure of interests in shares in the Company, at a general meeting of the Company:

(i) every member who (being an individual) is present in person or (being a corporation) is present by a duly authorised representative, not being himself a member, shall, on a show of hands, have one vote; and

(ii) every member present in person or by representative (in the case of a corporate member) or by proxy shall, on a poll, have one vote for every share of which he is the holder.

Unless the Board otherwise determines, a member of the Company shall not be entitled to vote unless all calls or other sums due from him in respect of shares in the Company have been paid.

(b) *Transfer of Ordinary Shares*

Every transfer of shares which are in certificated form must be in the usual form or in any form approved by the Board and shall be executed by or on behalf of the transferor and (in the case of a transfer of a share which is not fully paid up) by or on behalf of the transferee.

Every transfer of shares which are in uncertifcated form must be made by means of a relevant system (as defined in the Regulations). The directors may refuse to register a transfer of an uncertificated share where permitted by the Regulations.

The Board may, in its absolute discretion and without giving any reason, refuse to register any transfer of certificated shares if: (a) it is in respect of a share which is not fully paid up; (b) it is in respect of more than one class of share; (c) it is not duly stamped (if so required); (d) it is in favour of more than four transferees; or (e) it is not lodged with the Company's registrars or such other place as the Board may from time to time determine, accompanied (except in the case of a transfer by a person to whom no certificate was issued in respect of the shares in question) by the relevant share certificate and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer and, if the transfer is executed by some other person on behalf of the transferor, the authority of that person so to do.

If the Board refuses to register a transfer of shares held in certificated form, it shall within two months after the date on which the transfer was lodged with the Company send to the transferee notice of the refusal.

Subject to the provisions of the Act, the registration of transfers of shares or of tranfers of any class of shares may be suspeneded and the register of members closed at such times and for such periods (not exceeding 30 days in any calendar year) as the Board may determine.

(c) *Dividends*

Subject to the provisions of the Act, the Company may by ordinary resolution declare a dividend to be paid to the members according to their respective rights, but no dividend shall exceed the amount recommended by the Board. Subject to the provisions of the Act, the Board may pay such interim dividends (including any dividend payable at a fixed rate) as appear to the Board to be justified by the profits of the Company available for distribution.

Except as otherwise provided by the rights attached to shares, all dividends shall be declared and paid according to the amounts paid up (other than amounts paid in advance of calls) on the shares in respect of which the dividend is paid and shall be apportioned and paid proportionately to the amounts paid up on such shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date, that share shall rank for dividend accordingly. All dividends unclaimed for a period of 12 years after becoming due for payment shall be forfeited and cease to remain owing by the Company.

The Board of the Company may, with the authority of an ordinary resolution of the Company:

(i) offer holders of shares the right to elect to receive shares, credited as fully paid, instead of cash in respect of the whole (or some part, to be determined by the Board) of any dividend or dividends specified by the ordinary resolution; or

(ii) direct that payment of all or part of any dividend declared may be satisfied by the distribution of specific assets.

(d) *Distribution of assets on a winding up*

On a winding-up any surplus assets will be divided amongst the holders of shares according to the respective number of shares held by them and in accordance with the provisions of the Act, subject to the rights of any shares which may be iussed with special rights or privileges. The Articles provide that the liquidator may, with the sanction of an extraordinary resolution and any other sanction required by the Act, divide amongst the members *in specie* the whole or any part of the assets of the Company in such manner as he may determine.

(e) *Variation of class rights and alteration of capital*

Subject to the provisions of the Act, all or any of the rights or privileges attached to any class of shares in the Company may be varied or abrogated in such manner (if any) as may be provided by such rights, or, in the absence of any such provision, either with the consent in writing of the holders of at least three-fourths of the nominal amount of the issued shares of that class (excluding any shares of that class held as treasury shares) or with the sanction of an extraordinary resolution passed at a separate meeting of such holders of shares of that class, but not otherwise. The quorum at any such meeting is two persons holding or representing by proxy at least one third in nominal amount of the issued shares of the class in question (excluding any shares held as treasury shares) or, at any adjourned meeting of such holders, the holder or holders of shares of the class who are present in person or by proxy, whatever his or their holdings. Any holder of shares of the class in question present or by proxy may demand a poll. Holders of shares of the class in question shall, on a poll, have one vote for every share of that class held by them.

The special rights attached to any class of shares shall, unless otherwise expressly provided in the rights attaching to such shares, be deemed to be varied by a reduction of capital paid up on those shares but shall be deemed not to be varied by the creation or issue of further shares ranking *pari passu* with or subsequent to them.

Subject to the provisions of the Act and the articles of association, the power of the Company to allot and issue shares shall be exercised by the Board at such times and on such terms and conditions as the Board may determine.

Subject to the provisions of the Act and to any rights attached to any existing shares: (a) any share may be issued with such rights or restrictions as the Company may from time to time determine by ordinary resolution; and (b) the Company may issue redeemable shares.

The Company may, by ordinary resolution: (a) increase its share capital; (b) consolidate, or consolidate and then divide, all or any of its shares into shares of a larger amount; (c) sub-divide its shares or any of them into shares of a smaller amount and as a part of such sub-division determine that any of such shares may have any preference or other advantage or deferred or qualified rights or be subject to any restriction as compared with the others; and (d) cancel or reduce the nominal value any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled;

Subject to the provisions of the Act, the Company may by special resolution reduce its share capital, any capital redemption reserve and any share premium account in any way.

Subject to the provisions of the Act, the Company may purchase all or any of its shares of any class (including redeemable shares) and shares to be so purchased (subject to any resolution by the Company in a general meeting) be selected by the Board in any manner.

(f) *Directors*

Unless otherwise determined by ordinary resolution, the number of directors (other than alternate directors) shall not be subject to any maximum but shall not be less than two.

Subject to the provisions of the Act and provided that he has disclosed to the directors the nature and extent of any interest, a director:

(i) may enter into or otherwise be interested in any transaction or arrangement with the Company or in which the Company is otherwise interested;

(ii) may hold any other office or place of profit under the Company (except that of auditor or auditor of a subsidiary of the Company) in conjunction with the office of director and may act by himself or through his firm in a professional capacity to the Company, and be remunerated accordingly;

(iii) may be a director or other officer, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate promoted by the Company or in which the Company is otherwise interested; and

(iv) shall not be liable to account to the Company for any benefit realised by any such office, employment, contract, arrangement, transaction or proposal and no such transactions or arrangement shall be liable to be avoided on the grounds of any such interest or benefit.

Save as otherwise provided by the articles of association, a director shall not vote on, or be counted in the quorum in relation to, any resolution of the Board or of a committee of the Board concerning any contract, arrangement, transaction or proposal to which the Company is or is to be a party and in which he (together with any person connected with him) is to his knowledge materially interested, directly or indirectly (otherwise than by virtue of his interests in shares or debentures or other securities of, or otherwise in or through, the Company); provided that a director shall be entitled to vote and be counted in the quorum in circumstances where the resolution relates:

(i) to the giving of any guarantee, security or indemnity in respect of (i) money lent or obligations incurred by him or by any other person at the request of or for the benefit of the Company or any of its subsidiary undertakings or (ii) a debt or obligation of the Company or any of its subsidiary undertakings for which the director himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;

(ii) to an offer of securities of the Company or any of its subsidiary undertakings in which offer he is or may be entitled to participate as a holder of securities or in the underwriting or sub-underwriting of which he is to participate;

(iii) to another company in which he and any persons connected with him has a direct or indirect interest of any kind, provided that he and any persons connected with him do not to his knowledge hold an interest in shares representing 1 per cent. or more of either any class of equity share capital, or the voting rights, in such company (excluding any shares of that class held as treasury shares);

(iv) to any arrangement for the benefit of employees of the Company or of any of its subsidiary undertakings which does not award the director any privilege or benefit not generally awarded to the employees to whom such arrangement relates; or

(v) any proposal concerning the purchase or maintenance of any insurance policy under which he may benefit.

A director shall not vote or be counted in the quorum on any resolution of the Board or any committee of the Board concerning his own appointment (including fixing or varying the terms of his appointment or its termination) as the holder of any office or place of profit with the Company or any company in which the Company is interested.

Unless otherwise determined by the Company by ordinary resolution, the directors (other than alternate directors) who do not hold executive office shall be paid for their services as directors such aggregate fees (not exceeding £250,000 per annum) as the Board may decide, to be divided among the directors in such proportion and manner as it may determine. A director holding office for part only of a year shall be entitled to a proportionate part of a full year's remuneration.

Each director shall be entitled to be repaid all reasonable travelling, hotel and other expenses properly incurred by him in the performance of his duties as director, including any expenses incurred in attending meetings of the Board or of any committees of the Board or general meetings or separate meetings of the holders of any class of shares or debentures of the Company. Any director who serves on any committee or the Board or, by request of the Board performs special services for the Company or goes or resides abroad for any purposes of the Company may be paid such extra remuneration by way of additional fees, salary, percentage of profits or otherwise as the Board may determine.

At each annual general meeting of the Company any director who at an annual general meeting shall have been a director at each of the preceding two annual general meetings of the Company shall retire from office and be eligible for re-appointment. If the Company does not fill the vacancy the retiring director shall, if willing to act, be deemed to have been re-appointed unless at the meeting it is resolved not to fill the vacancy or unless a resolution for the re-appointment of the director is put to the meeting and lost. A director not re-appointed shall remain in office until the meeting appoints somone in his place, or, if it does not do so, until the end of the meeting or of any adjournment thereof. No person other than a director retiring at the meeting shall be appointed or re-appointed unless he is recommended by the Board or not less than 7 nor more than 21 clear days before the date appointed for the meeting, notice is given to the Company by a member qualified to vote at the meeting of his intention to propose a director to be appointed. The company may by ordinary resolution appoint a person who is willing to act to be a director, either to fill a vacancy or as an additional director. Any director appointed by the Board shall hold office only until the next annual general meeting, when he shall be eligible for re-appointment.

No person shall be or become incapable of being appointed a director by reason of his having attained the age of 70 or any other age and no special notice shall be required in connection with the appointment or the approval of the appointment of any such person, nor shall a director be required to retire by reason of his having attained that or any other age.

Directors shall not be required to hold any shares in the Company.

(g) *Borrowing powers*

The Board may exercise all the powers of the Company to borrow money, to mortgage and charge its undertaking, property, assets and uncalled capital and to issue debentures and other securities. The Board shall restrict the borrowings of the Company and, insofar as it is able, of its subsidiary undertakings, so as to procure that the aggregate principal amount outstanding in respect of borrowings by the Company and its subsidiary undertakings shall not, without an ordinary resolution of the Company, exceed a sum equal to three times the aggregate of the amount paid up or credited as paid up on the Company's allotted or issued share capital and the total amount standing to the credit of the consolidated capital and revenue reserves of the Company as shown in the latest audited consolidated balance sheet of the Company and its subsidiary undertakings.

(h) *Pensions and benefits*

The Board may exercise all the powers of the Company to provide pensions or other retirement or superannuation benefits, death or disability benefits or other allowances or gratuities, by insurance or otherwise, for any person who is, or has at any time been, a director of or employed by or in the service of the Company or of any company which is a subsidiary company of the Company, or is allied to or associated with the Company or any such subsidiary, or any predecessor in business of the Company or any such subsidiary, and for any member of his family (including a spouse or former spouse) or any person who is, or was, dependent on him.

(i) *Untraced shareholders*

The Company may sell at the best price reasonably obtainable the shares of a member or the shares to which a person is entitled by virtue of transmission on the death or bankruptcy of a member or otherwise by operation of law if: (i) all dividends, warrants and cheques sent, or funds transferred, to such member or person have remained uncashed or been returned to the Company, respectively, for a period of 12 years; (ii) the Company has paid at least three cash dividends in respect of those shares during such period; (iii) the Company has, on the expiration of such period given notice of its intention to sell such shares in a national newspaper and an appropriate local newspaper; and (iv) during the period of three months following the publication of the said advertisements the Company has received no communiction in respect of such share from such member or person entitled.

The Company shall account to the member or other person entitled to such shares for the net proceeds of such sale.

(j) *General meetings*

The Company shall hold an annual general meeting once every year, in addition to any other general meetings which are held in the year. The period between one annual general meeting and the next shall not be more than 15 months. All general meetings of the Company other than annual general meetings shall be called extraordinary general meetings. The Board may convene an extraordinary general meeting of the Company whenever it thinks fit.

Immediately on receipt of a requisition from members in accordance with the Act, the Board must convene an extraordinary general meeting of the Company and, in default, such meeting may be convened by requisitionists, as provided in the Act. At any extraordinary general meeting convened on any such requisition or by such requisitionists, the only business which shall be transacted is that stated by the requisition or proposed by the Board.

An annual general meeting and an extraordinary general meeting called for the passing of a special resolution shall be called by not less than 21 clear days' notice. All other extraordinary general meetings of the Company shall be called by not less than 14 clear days' notice.

Subject to the provisions of the Act, a general meeting may be called by shorter notice if it is so agreed in the case of an annual general meeting, by all the members entitled to attend and vote at the meeting; and in the case of any other meeting, by a majority in number of the members having a right to attend and vote at the meeting, being a majority together holding not less than 95 per cent, in nominal value of the shares giving that right.

The notice shall specify whether the meeting is an annual general meeting or an extraordinary general meeting; the date, the time and the place of the meeting; in the case of special business, the general nature of that business; if the meeting is convened to consider a special or any extraordinary resolution, the intention to propose the resolution as such, and with reasonable prominence, that a member entitled to attend and vote is entitled to appoint one or more proxies to attend and, on a poll, vote instead of him and that a proxy need not also be a member.

Notice of every general meeting shall be given to the members (other than any who, under the provisions of these articles or of any restrictions imposed on any shares, are not entitled to receive notice from the Company), to the directors and to the auditors.

A member may appoint a proxy or proxies to attend and, on a poll, vote at general meetings of the Company. A proxy need not be a member of the Company. The appointment of a proxy shall not preclude a member from attending and voting in person at the meeting or any adjournment of it or on any poll.

A member of the Company which is a corporation may, by resolution of its directors or other governing body, authorise such person as it thinks fit to act as its representative at any meeting of the Company or at any separate meeting of the holders of any class of shares.

If any member or other person appearing to be interested in shares of the Company is in default in supplying within fourteen days after the date of service of a disclosure notice requiring such member or other person to supply to the Company in writing all or any such information as is referred to in section 212 of the Act, the Board may, for such period as the default shall continue, impose sanctions upon the relevant shares. The sanctions available are the suspension of voting or other rights conferred by membership in relation to meetings of the Company in respect of the relevant shares and, additionally, in the case of a shareholding representing at least 0.25 per cent. by nominal value of any class of shares of the Company then in issue, the withholding of payment of any dividends on, and the restriction of transfers of, the relevant shares.

Unless the Board otherwise determines, no member shall be entitled (in respect of any share held by him) to be present or to vote, either in person or by proxy, at any general meeting or at any separate meeting of the holders of any class of shares or on any poll, or to exercise any other rights conferred by membership in relation to any such meeting or poll, if any calls or other monies due and payable in respect of such share remain unpaid. Such restrictions shall cease to apply on payment of the amount outstanding and all costs, charges and expenses incurred by the Company by reason of such non-payment.

8. Directors' and Other Interests

8.1 The interests of the Directors and Senior Managers, (all of which are beneficial unless otherwise stated) and persons connected with them in the issued share capital of the Company as at 23 August 2007 (being the latest practicable business day prior to the date of this document) and immediately following completion of the Offer (assuming full acceptance of the Equity Alternative) and the Placing (assuming full subscription thereunder) such interests being those which could, with reasonable diligence, be ascertained by that Director or Senior Manager whether or not held through another party, were as follows (assuming no dealing by any such persons between the date of this document and completion of the Offer and the Placing):

	Prior to the Offer and Placing Ordinary Shares		*Following completion of the Offer and the Placing Ordinary Shares*	
	Number	*%*	*Number*	*%*
Directors and Senior Managers				
John Phillip Bowmer**	7,142,857	31.32%	8,392,857	7.14%
William Joseph Coker	20,000	0.09%	45,000	0.04%
Michael Edward Wilson Jackson*	1,522,482	6.68%	2,117,482	1.85%
Anthony Henry Reeves**	7,142,857	31.32%	8,392,857	7.14%
Kathryn Davies	11,066	0.05%	11,066	0.01%

* Includes 888,679 shares held by Elderstreet VCT Plc of which, Michael Jackson is the chairman.

** John Rose also has an option to acquire 5 per cent. of each of the total number of Berkeley Scott Shares held by Anthony Reeves and John Bowmer at an exercise price of 17.5 pence per Berkeley Scott Share, which, in total, represent 714,286 Berkeley Scott Shares in total.

8.2 The Directors and Senior Managers and persons connected with them are also interested in share options held by them as follows:

Director	*Date of Grant*	*Exercise Price*	*Number of Ordinary Shares subject to option*	*Exercise Period*
William Joseph Coker	9 September 2005	32.5 pence	50,000	9 September 2008 to 9 September 2015
William Joseph Coker	15 December 2005	25.5 pence	50,000	15 December 2008 to 15 September 2015
John Ian Rose	2 May 2007	56 pence	1,140,216	2 May 2010 to 2 May 2017*
Kathryn Davies	5 August 2004	20 pence	8,125	5 August 2007 to 5 August 2014
Kathryn Davies	15 December 2005	25.5 pence	26,666	15 December 2008 to 15 December 2015
Kathryn Davies	15 March 1999	99.4 pence	10,500	15 March 2002 to 15 March 2009
Kathryn Davies	8 March 2001	99.4 pence	3,500	8 March 2004 to 8 March 2011
Mark Darby	15 December 2005	25.5 pence	44,166	15 December 2008 to 15 December 2015
Lisa Blood	15 December 2005	25.5 pence	15,000	15 December 2008 to 15 December 2015

Director	*Date of Grant*	*Exercise Price*	*Number of Ordinary Shares subject to option*	*Exercise Period*
Simon Tucker-Brown	15 December 2005	25.5 pence	15,000	15 December 2008 to 15 December 2015

* of which 228,043 Ordinary Shares have an exercise period of 2 May 2008 to 2 May 2017; 228,043 Ordinary Shares have an exercise period of 2 May 2009 to 2 May 2017; 49,472 Ordinary Shares have an exercise period of 2 May 2010 to 2 May 2017; 228,043 Ordinary Shares have an exercise period of 2 May 2011 to 2 May 2017 and 228,044 Ordinary Shares have an exercise period of 2 May 2012 to 2 May 2017.

8.3 Except as disclosed in paragraphs 8.1 and 8.2 above, none of the Directors nor any member of their respective immediate families, nor any person connected with them, hold any related financial product referenced to the Ordinary Shares.

9. Substantial Shareholders

9.1 The Company is aware that the following persons have at the date of this document an interest in, or will be following Admission interested in, 3 per cent or more of the issued Ordinary Share capital of the Company:

Name	*Number of Ordinary Shares*	*% of issued Ordinary Share Capital*
John Phillip Bowmer	7,142,857	31.32%
Anthony Henry Reeves	7,142,857	31.32%
DRB Watt	905,050	3.97%
Elderstreet VCT Plc	888,679	3.90%

9.2 Save as disclosed in this paragraph 9 and paragraph 8, and in so far as the Company has the information, the Company is not aware of any person or persons who either alone or, if connected, jointly following the completion of the Offer and the Placing, will (directly or indirectly) exercise or could exercise control over the Company. There are no contractual measures in place to ensure that control is not abused.

9.3 The Company's shareholders listed in paragraph 8 and this paragraph 9, do not have different voting rights to other holders of Ordinary Shares.

9.4 The Directors are not aware of any arrangements in place or under negotiation which may, at a subsequent date, result in a change of control of the Company.

10. Additional Information on the Directors and Senior Managers

10.1 Other than directorships of the Enlarged Group companies, the Directors and Senior Managers have held the following directorships or been partners in the following partnerships within the five years prior to the date of this document:

Director	*Current*	*Past*
John Phillip Bowmer	–	Adecco NA Inc Adecco SA Adecco UK IT Holdings Adecco Alfred Marks Limited Adecco Holdings (U.K.) Limited Adecco Holdings plc Ajilon Finance Limited Finnoel AG Hapog-Lloyd (Canada) Inc (formerly known as CP Ships Limited) Jon and Associates (UK) Limited* Jonathan Wren & Co. Limited
William Joseph Coker	–	Philips Medical Systems Australia Pty. Limited Philips Medical Systems Australasia Pty. Limited
Michael Edward Wilson Jackson	Apertio Limited Burra Burra Distribution Ltd Computer Software Group Limited Concorde Solutions Ltd Elderstreet Ballater Limited Elderstreet Capital Partners Nominees Limited Elderstreet General Partners (Kinetique) Limited Elderstreet Investments Limited Elderstreet Private Equity Limited Elderstreet VCT Plc Forsyth Whitehead & Associates Limited Lupus Capital Plc Mediasurface Europe Limited Mediasurface Plc Netstore Plc Royal Albert Hall Developments Limited Select Software Tools Plc Sky High Plc Snacktime Limited Syncissue Limited The Web Factory Birmingham Limited Young Enterprise London Ltd	Interbizz Financial Systems Limited Medialoom Limited Pinco 1421 Limited Planit Employee Incentive Trustees Limited Steve Dudman Plant Limited Travelstore.com Group Plc

Director	*Current*	*Past*
Anthony Henry Reeves	Brighter Prospects (Recruitment Services) Limited Chid and Family Services Limited City & General Services Limited Paystream Holdings Ltd Spur Lodge Limited The Chelsea Past Players' Trust	Audio Secretaries Agency Limited Brighter Prospects (Recruitment Services) Limited Buzztempz Limited Courseleader Plc Courseleader UK Limited Fitness & Health (Holdings) Limited Gimmejobs Limited Gisajob Limited Hot Exchange Limited Hotcourses Ltd Hotonline Limited Hotrecruit Limited HR Information Limited International Teachers Network Limited Job Search Limited Jobsfinancial Limited Lifeways Community Care Limited Mark Education Limited Net Recruit UK Limited Oselli Limited Parkside Recruitment Limited Planet Recruitment Limited Planetrecruit Limited Profiles Resource Management Limited Quixa Limited Supplynet Recruitment Limited T P P Newman Limited The Buzz Recruitment Consultancy Limited The Hotgroup Limited Time Management Global Limited Tuthsure Limited Workthing Limited
John Ian Rose	–	Apex Computer Recruitment (West) Limited Apex Computer Recruitment Limited Excel Resources International Limited Highland Partners Group Limited Highland Partners Holdings Limited Highland Partners Uk Limited Hudson Global Resources Group Limited Hudson Global Resources Holdings Limited Hudson Global Resources Scotland Limited Hudson Global Resources UK Limited Hudson Global Resources Zone 1 Limited Hudson Global Resources Zone 3 Limited Hudson Highland Group Limited

Director	*Current*	*Past*
John Ian Rose (continued)	–	Hudson Highland Holdings Limited Hudson Payroll Services Limited Hw Daniels Bates Legal Limited Hw Hall Alexander Limited HW Harrison Willis Limited Hw Herst Austin Rowley Search & Selection Partnership Limited Hw Martina Keane Associates Limited Hw Technology Limited Hw Trustees Limited Kudos Recruitment Limited Morgan & Banks Limited Morgan & Banks Payroll Services Ltd The Definitive Group Limited The Kudos Partnership Limited

* Dissolved companies

10.2 Save as disclosed in this document, none of the Directors or Senior Managers has:

10.2.1 any unspent convictions in relation to indictable offences or convictions in relation to fraudulent offences;

10.2.2 had any bankruptcy order made against him or entered into any voluntary arrangements;

10.2.3 been a director of a company which has been placed in receivership, compulsory liquidation, creditors' voluntary liquidation, administration, been subject to a voluntary arrangement or any composition or arrangement with its creditors generally or any class of its creditors, whilst he was a director of that company or within the 12 months after he had ceased to be a director of that company;

10.2.4 been a partner in any partnership with has been placed in compulsory liquidation, administration or been the subject of a partnership voluntary arrangement, whilst he was a partner in that partnership or within the 12 months after he ceased to be a partner in that partnership;

10.2.5 been the owner of any asset which has been placed in receivership or a partner in any partnership which has been placed in receivership whilst he was a partner in that partnership or within the 12 months after he ceased to be a partner in that partnership;

10.2.6 been subject to any official public incrimination or sanctions or publicly criticised by any statutory or regulatory authority (including recognised professional bodies); or

10.2.7 been disqualified by a court from acting as a director of any company or from acting in the management or conduct of the affairs of a company.

10.3 Save as disclosed in this document, no Director has or has had any interest in any transaction which is or was significant in relation to the business of the Group and which was effected during the current or immediately proceeding financial period or which was effected during an earlier financial period and remains outstanding or unperformed.

10.4 As at 23 August 2007 (being the latest practicable date prior the publication of this document) no Director or Senior Manager has any potential conflict of interest between his duties to the Company and his private interest or other duties, and there are no arrangements or understandings with major shareholders, customers, suppliers or others pursuant to which any person was selected as a member of the administrative, management or supervisory bodies or as a member of senior management.

10.5 There are no outstanding loans granted by a member of the Enlarged Group to any Director, nor has any guarantee been provided by any member of the Enlarged Group for their benefit.

10.6 There are no family relationships between the Directors and the Senior Managers.

11. Directors' Service Contracts and Remuneration

11.1 On 1 May 2007 John Rose entered into a service agreement with the Company to serve as Chief Executive Officer. The service agreement can be terminated by either party giving six months' notice in writing. The service agreement contains provisions for early termination, *inter alia*, in the event of a breach by Mr. Rose. The service agreement makes no provision for any termination benefits. Mr. Rose is entitled to a basic salary of £180,000 per annum (to be reviewed and determined by the remuneration committee as appropriate), a car allowance of £9,000 per annum and reimbursement of all expenses reasonably and properly incurred. He is eligible to participate in the Company's personal pension scheme and to be granted options pursuant to the 2004 Plan. He is also entitled to private medical insurance and permanent health insurance. The service agreement contains restrictive covenants for a period of 6 months following termination of his employment.

11.2 On 12 October 2005 William Coker entered into a service agreement with the Company to serve as Chief Financial Officer (for statutory purposes his continuous employment commenced on 9 March 2005). The service agreement can be terminated by either party giving six months' notice in writing. The service agreement contains provisions for early termination, *inter alia*, in the event of a breach by Mr. Coker. The service agreement makes no provision for any termination benefits. Mr. Coker is entitled to a basic salary of £100,000 per annum (to be reviewed and determined by the remuneration committee as appropriate) and reimbursement of all expenses reasonably and properly incurred. He is eligible to participate in the Company's personal pension scheme, any executive bonus scheme operated by the Company and to be granted options pursuant to the 2004 Plan. He is also entitled to a company car, private medical insurance and permanent health insurance. The service agreement contains restrictive covenants for a period of six months following termination of his employment.

11.3 On 4 January 2007 Anthony Reeves entered into a letter of appointment with the Company to serve as Non-Executive Co-Chairman. The letter of appointment is for an initial period of 12 months, and thereafter may be terminated on not less than six months notice given by either party to the other at any time. Upon expiry the appointment may be extended by agreement for further terms of 12 months. The letter of appointment contains provisions for early termination, *inter alia*, in the event of a breach by Mr. Reeves. The letter of appointment makes no provision for any termination benefits. The basic fee payable to Mr. Reeves is £20,000 per annum (to be reviewed annually by the Board) and he will also be reimbursed all reasonable expenses properly and necessarily incurred.

11.4 On 4 January 2007 John Bowmer entered into a letter of appointment with the Company to serve as Non-Executive Co-Chairman. The letter of appointment is for an initial period of 12 months, and thereafter may be terminated on not less than six months notice given by either party to the other at any time. Upon expiry the appointment may be extended by agreement for further terms of 12 months. The letter of appointment contains provisions for early termination, *inter alia*, in the event of a breach by Mr. Bowmer. The letter of appointment makes no provision for any termination benefits. The basic fee payable to Mr. Bowmer is £20,000 per annum (to be reviewed annually by the Board) and reimbursement of all expenses reasonably and properly incurred.

11.5 On 4 January 2007 Michael Jackson entered into a letter of appointment with the Company to serve as Non-Executive Director. The letter of appointment is for an initial period of 12 months, and thereafter may be terminated on not less than six months notice given by either party to the other at any time. Upon expiry the appointment may be extended by agreement for further terms of 12 months. The letter of appointment contains provisions for early termination, *inter alia*, in the event of a breach by Mr. Jackson. The letter of appointment makes no provision for any termination benefits. The basic fee payable to Mr. Jackson is £15,000 per annum to be reviewed annually by the Board and reimbursement of all expenses reasonably and properly incurred.

11.6 In the period ended 30 September 2006 the total aggregate remuneration paid and benefits-in-kind granted to the Directors and the Senior Managers was £519,627. The amounts payable to the Directors by the Group under the arrangements in force at the date of this document in respect of the year ending 30 September 2007 are estimated to be £826,513 (excluding any discretionary payments which may be made under these arrangements).

11.7 Except as set out above, there are no liquidated damages or other compensation or benefits payable by the Company upon termination of the Directors' contracts.

11.8 Details of the service contracts entered into between Quantica and the Quantica Directors are set out below:

(a) The following Quantica Directors (referred to together as the "**Executive Directors**") have service contracts with Quantica, particulars of which are set out below:

Director	*Date of contract*	*Notice period*	*Annual remuneration*	*Employing company*
Leslie Lawson	12 January 2007	12 months' written notice	£300,000	Quantica
John Bowman	22 September 2005	6 months' written notice	£125,000	Quantica
Robert Turner	12 January 2007	12 months' written notice	£200,000	Quantica

(b) Quantica does not operate a company pension scheme. However, in relation to Robert Turner and Leslie Lawson, Quantica pays an annual sum of £19,000 into a registered personal pension scheme nominated by each of them. John Bowman has access to a stakeholder pension provider.

(c) Each of Michael Waterhouse and Daniel Crawford Laughlin (referred to together as the "**Non-Executive Directors**") were appointed as non-executive directors of Quantica pursuant to appointment letters dated 27 May 1998.

(d) The Non-Executive Directors are currently entitled to receive the following annual fees:

Name	*Fee*
Daniel Crawford Laughlin	£25,000
Michael Waterhouse	£25,000

(e) Each Non-Executive Director has agreed to resign upon the Offer becoming or being declared wholly unconditional.

(f) The Executive Directors have agreed to the termination of their employment and to resign as directors of Quantica upon the Offer becoming or being declared unconditional in all respects. Leslie Lawson and Robert Turner will resign as directors and their employment will terminate with immediate effect. John Bowman will resign immediately as a director but will complete a short handover period, and his employment will terminate a month after the offer becomes unconditional. Leslie Lawson and Robert Turner will receive payments in lieu of notice and change of control bonuses in accordance with the terms of their service agreements. The total to be paid to Mr Lawson is £656,942, and for Mr Turner is £435,900. John Bowman will receive a payment in lieu of notice and bonus entitlement and an *ex gratia* severance payment totalling, in aggregate, £124,416.

(g) Save for salary and contractual benefits payable during the notice periods set out above, there are no other provisions for compensation payable upon early termination of the service contracts of the Executive Directors or the appointment letters of the Non-Executive Directors. Other than as specified below, there are no commission or profit-sharing arrangements in respect of the Quantica Directors.

(h) The Executive Directors receive certain non-pensionable benefits including life insurance cover equivalent to four times their annual salaries and private medial insurance for wife and children under the age of 18.

(i) Leslie Lawson is provided with an executive company car and Robert Turner receives a car allowance of £15,000 per annum.

(j) In addition to their basic salary as set out above, the Executive Directors are eligible for a performance-related bonus. The maximum bonus payable to each will not exceed 100 per cent. of the Executive Director's salary. In the event of a change of control of Quantica, the entitlement to a bonus in respect of the relevant bonus scheme year immediately crystallises in full, entitling the Executive Directors other than John Bowman to an immediate bonus equal to 100 per cent. of their salary.

(k) The following performance-related bonuses were paid to the Executive Directors in the financial year ended 2006:

Leslie Lawson	£50,000
John Bowman	nil
Robert Turner	£50,000

(l) Save as disclosed herein:

(i) there are no service agreements in force between any Quantica Director and Quantica or any of its subsidiaries; and

(ii) there are no service agreements with any of the Quantica Directors which were entered into within six months of the date of this document nor have any amendments been made to any of the Quantica Director's service agreements during that period.

12. Share Option Plan

Summary of Principal Features of Share Option Plan

The Company has granted options over its Ordinary Shares pursuant to the terms of the 2004 Plan, the Approved 1999 Scheme, the Unapproved 1999 Scheme and the 1996 Share Option Scheme.

The 2004 Plan

12.1 The Company adopted the 2004 Plan in May 2004. The 2004 Plan is intended to supercede all of the other Share Option Schemes. The principal terms of the 2004 Plan for which any employee of the Company is eligible are summarised below:

(a) *Eligibility*

Participants in the schemes must be an employee of the Company or any company which is for the time being a subsidiary of the Company. The remuneration committee of the Directors or such other committee compromising a majority of non-executive directors of the Company to which the Directors delegate responsibility for the operation of the shares) (the **Committee**) have an absolute discretion as to the selection of persons to whom options may be granted.

(b) *Grant of Options*

Options may be granted at any time within 42 days of the announcement of the Company's results for any financial period or within 42 days following Admission. Options may, also, be granted within a period of 28 days from an employee joining the Company, or at other times if in the opinion of the remuneration committee, the circumstances are exceptional.

Under the 2004 Plan, the Board may also grant options which will be Enterprise Management Incentive Options. All options granted under the 2004 Plan are personal to the holder.

An option shall immediately cease to be exercisable if:

(i) it is transferred or assigned (other than to the personal representatives of the option holder), mortgaged, charged or otherwise disposed of;

(ii) the option holder is adjudged bankrupt;

(iii) the option holder makes or proposes a voluntary arrangement; or

(iv) the option holder is not, or ceases for any other reason (except his death) to be the sole legal or beneficial owner of the option free from encumbrances or would not, upon the exercise of the option, be the sole beneficial owner of the shares thereby acquired, free from encumbrances.

The number of shares in respect of which options may be granted on any date when added to the number of shares issued or issuable pursuant to rights to subscribe for shares granted in the period of 10 years ending on that date pursuant to the scheme or any other employee's share scheme, shall not exceed 10 per cent. of the other issued ordinary share capital of the Company.

(c) *Exercise of Options*

Options granted under this scheme will generally become exercisable on the third anniversary of the date of grant subject to the satisfaction of any performance conditions imposed and may remain exercisable until ten years after the date of the grant.

Exercise is also permitted if an option holder dies or his employment ends by reason of injury or disability, redundancy, retirement or as a result of the sale of the business or subsidiary by which the option holder is employed. The number of Ordinary Shares in respect of which an option may be exercised may be adjusted to reflect the proportion of the period of time that has elapsed since the date of grant in all cases except for death. If an option holder leaves for any other reasons than those stated above, the option may only be exercised to the extent that the Committee shall determine and notify to him.

The price per option share payable upon exercise of an option (the **Exercise Price**) shall be determined by the Committee at the time of grant. The Exercise Price shall be not less than the Market Value of an ordinary share.

If as a result of:

- a general offer to acquire the whole of the ordinary share capital which is made on a condition such that if it is satisfied the person making the offer will have control of the Company; or
- a general offer to acquire all the shares in the Company of the same class as the shares,

the Company shall come under the control of another person or persons (a **Change of Control**), options may be exercised (notwithstanding that any performance target is not then satisfied):

(a) within the period of one month (or such longer period, not exceeding six months, as the Committee may determine and notify to option holder) beginning with the Change of Control;

(b) in respect of a proportion of the option shares provided that no such determination shall be made by the Committee in relation to a performance option unless and insofar as the Committee is then satisfied that such increase in the proportion of the Option Shares in respect of which any option may be exercised is justified by the performance of the Company since the date of grant.

Options shall, to the extent not then exercised, lapse and cease to be exercisable at the end of such period as is mentioned in sub-paragraph (a) above.

If the Company's shareholders are notified of a resolution for the voluntary winding up of the Company, options may be exercised (notwithstanding that any performance target is not then satisfied) over such number and proportion of the Option Shares as the Committee may determine and notify to option holders, at any time before the winding-up commences, or within such other period as the Committee may notify to option holders.

All options shall immediately lapse and cease to be exercisable on the commencement of the Company's winding-up.

If:

- the Committee so determines in relation to any option granted before Admission; or
- in relation to any option granted after Admission,

the exercise of such option shall be conditional upon the performance of the Company, and (if the Committee so determines) upon the performance of any member of the Group and/or the option holder, measured against such objective criteria and over such period as the Committee shall specify in the performance option criteria.

12.2 *The Approved 1999 Share Option Scheme and the Unapproved 1999 Share Option Scheme*

(a) *Eligibility*

Participants in these schemes must be employees or full time directors of the Group. Participation was at the discretion of the Board, which may from time to time offered options to qualifying persons. The schemes were administered by the directors of the Company.

(b) *Option Price*

Options were granted over ordinary shares in the capital of the Company. The price per share at which participants in the Approved 1999 Share Option Scheme may subscribe for the Ordinary Shares pursuant to options granted to them was the market value of the ordinary shares as agreed with the Inland Revenue on the date of invitation to apply for the grant of an option. "Market Value" was different under the Unapproved 1999 Share Option Scheme, being the market value as determined by the Company.

(c) *Grant of Options*

All options granted under these schemes are now exercisable and will lapse if not exercised within 10 years of grant. No options may be granted later than 10 years after the date on which the scheme is adopted.

(d) *Exercise of Options*

(i) An option may normally be exercised only at some time between the third and tenth anniversary of the date on which it is granted.

(ii) The right to exercise options may be conditional on the satisfaction of performance criteria that may be introduced from time to time by the Board.

(iii) In the event that an employee ceases to be in employment by reason of injury, disability, sickness, redundancy, retirement or as a result of the sale of the business or a subsidiary by which the employee is employed, options will be exercisable for a period of 6 months following the termination of employment or, if later, the expiry of 3 years and 6 months from the date of the grant of the options. In the event that an option holder dies before exercising the option they will remain capable of exercise by his personal representatives for the period of 6 months from the date of the option holder's death. If an employee leaves for any other reason other than those stated above the directors may determine in their absolute discretion whether or not the option is exercisable.

(iv) Special rules apply to the exercise of options in the event of a takeover, scheme of reconstruction or amalgamation which may result in an option being exercised earlier than the third anniversary of the date on which it was granted.

(v) The schemes permit an exchange of options on a takeover, merger or reconstruction where the replacement options are broadly on the same terms as the old options, which may prevent the need for premature exercise of the option in these circumstances.

(vi) A participant may partially exercise his rights covered by his option within certain limits.

(e) *Limits on the Scheme*

No individual may receive options under the Approved 1999 Share Option Scheme exceeding £30,000. There is no financial limit on an employee's entitlement under the Unapproved 1999 Share Option Scheme.

(f) *Variations of Capital*

In the event of any variation or increase of the Company's share capital the number of shares subject to the option and purchase price payable on exercise of the option shall be adjusted by the Board in such way as the auditors of the Company certify to be fair and reasonable.

(g) *Termination*

These schemes may be terminated at any time by resolution of the Board or by the Company in general meeting. Termination will not affect the outstanding right of any participants.

12.3 ***The 1996 Share Option Scheme***

(a) *Eligibility*

Participants in this scheme were either a director (executive or non executive) or an employee of the Group. Participation was at the discretion of the Board. The scheme is administered by the Board whose decision on any disputes is final. The Board has reserved the right to amend the scheme rules from time to time.

(b) *Option Price*

The option price on options granted under this Scheme taking into account the bonus issue of the Company that took place in 1997 and the Capital Reorganisation has to be the higher of £0.61 per share or the market value of the ordinary shares at the date of the Company's next annual general meeting following the date of grant.

(c) *Grant of Options*

Options were in 1996 and 1997 granted over the ordinary shares of £1 each in the capital of the Company at that time. Once granted, no option may be transferred, assigned or charged and any purported transfer, assignment or charge shall cause the option to lapse immediately. No options are to be granted if such grant results in the aggregate of the total number of shares over which options have been granted and shares which have been acquired on the exercise of options exceeds 12.5 per cent. of the total paid up share capital of the Company including shares over which there are subsisting options.

(d) *Exercise of Options*

Under the Scheme rules, options may be exercised in the months of March and April in the five years following the date of the annual general meeting relevant to the options being exercised. Any options not being exercised in this five year period lapse.

At an annual general meeting of the Company on 27 April 2001, the exercise period of these options was extended from five to ten years. An option may now be exercised in the ten year period following the Company's annual general meeting to which the option is relevant to.

Options may also be exercised in the six month period following the sale of the entire share capital of the Company, or immediately prior to the Company liquidation. All options lapse on the appointment of a liquidator.

(e) *Variations of Capital*

In the event of any variation in the share capital of the Company by way of capitalisation or rights issue, consolidation, subdivision or reduction of capital or otherwise, the number of shares subject to the option and option price for each of those shares shall be adjusted in such a manner as the auditors of the Company for the time being confirmed in writing to be fair and reasonable provided that the aggregate amount payable on the exercise of an option in full is not increased and, the option price for a share is not reduced below its normal value.

13. Material Contracts of the Group

The following material contracts, not being contracts entered into in the ordinary course of business, have been entered into by the Company or one of its subsidiary undertakings within the two years immediately preceding the date of this document or are other contracts that contain certain provisions under which the Company or one of its subsidiary undertakings has an obligation or entitlement which is material to the Company or one of its subsidiary undertakings as at the date of this document:

13.1 The Placing Agreement between (1) Daniel Stewart, (2) the Directors and (3) the Company pursuant to which and conditional upon, *inter alia*, the Offer becoming unconditional and Admission taking place on or before the tenth business day after the Offer is declared unconditional in all respects Daniel Stewart has agreed to use its reasonable endeavours to procure subscribers for the Placing Shares proposed to be issued by the Company at 40 pence per Share. The Placing Agreement contains indemnities by the Company and warranties from the Company and the Directors in favour of Daniel Stewart. Under the Placing Agreement (and engagement letter dated 26 July 2007 from Daniel Stewart to the Company) the Company has agreed to pay to Daniel Stewart, conditionally upon Admission, a corporate finance fee of £390,000;

13.2 A nominated adviser and broker agreement dated 14 February 2007 made between (1) the Company and (2) Daniel Stewart pursuant to which the Company has appointed Daniel Stewart to act as nominated adviser and broker to the Company for the purposes of the AIM Rules. The agreement contains certain undertakings and indemnities given by the Company and in respect of, *inter alia*, compliance with applicable laws and regulations. The agreement is for a fixed term of 12 months and subject to termination on 3 months notice by either party thereafter provided that such notice of termination shall not be given prior to 14 February 2007;

13.3 Lock Up Agreements dated 24 August 2007 between Daniel Stewart, the Company and each of the Berkeley Scott Directors pursuant to which each of the Directors have agreed with Daniel Stewart and the Company not to dispose of any Ordinary Shares held by them for a period of 9 months from the date of Admission except in certain limited circumstances permitted by the AIM Rules. The agreements also contain certain orderly market provisions which apply for a further 12 months after expiry of the lock-up period.

13.4 A subscription agreement dated 4 January 2007 made between (1) the Company; (2) Anthony Reeves; and (3) John Bowmer pursuant to which each of Anthony Reeves and John Bowmer agreed to subscribe for 7,142,857 Ordinary Shares each at a subscription price of 17.5 pence.

13.5 A warrant agreement dated 4 January 2007 made between (1) the Company; and (2) Anthony Reeves pursuant to which the Company granted Anthony Reeves warrants (exercisable from the date six months from 30 January 2007 for five years on the condition that on such six month date Anthony Reeves remains a director of the Company) to subscribe for 570,108 new Ordinary Shares each at an exercise price of 17.5 pence per share.

13.6 A warrant agreement dated 4 January 2007 made between (1) the Company; and (2) John Bowmer pursuant to which the Company granted John Bowmer warrants (exercisable from the date six months from 30 January 2007 for five years on the condition that on such six month date John Bowmer remains a director of the Company) to subscribe for 570,108 new Ordinary Shares each at an exercise price of 17.5 pence per share.

13.7 In relation to the sale of the Solutions business division by the Company, a commission agreement dated 12 April 2007 made between TRG Advantage Limited and the Company; a deed of mutual release and assignment dated 12 April 2007 made between TRG Advantage Limited and the Company and a novation agreement dated 12 April 2007 made between TRG Advantage Limited, the Company and Ceridian UK Limited.

13.8 A facilities agreement dated 24 August 2007 between (1) the Company as original borrower (2) Berkeley Scott Limited as original guarantor and (3) Barclays Bank PLC as original lender under which Barclays Bank plc agrees to make available facilities totalling £9,400,000, in two tranches; the first of £4,200,000 to be amortised over a period of five years and the second to be repaid no later than the date falling 69 days after the date on which the Offer becomes unconditional. The facilities agreement is to be secured by debentures granting fixed and floating charges over all the assets of the Company and Berkeley Scott Limited. Certain material Quantica companies are to accede as guarantors to the facilities.

13.9 An inter-company loan agreement will be entered into after the Offer becoming unconditional under which Berkeley Scott Limited will agree, if required, to on-lend to the Company an amount of approximately £11.3 million for the purposes of allowing the Company to repay the facilities referred to in paragraph 13.8 of this Part IX.

13.10 A confidential invoice discounting agreement dated 24 August 2007 between the Company and Berkeley Scott Limited and Barclays Bank PLC up to a limit of £5,000,000 which is to be cross-guaranteed by the Company and Berkeley Scott Limited.

13.11 A composite accounting system agreement dated 24 August 2007 between the Company and Berkeley Scott Limited and Barclays Bank PLC, which provides for balances on sterling accounts held at Barclays Bank PLC to be determined on a net basis and which gives Barclays Bank PLC the right to set-off credit balances against debit balances on participant company accounts and which is supported by cross-guarantees in favour of Barclays Bank PLC from each of the Company and Berkeley Scott Limited.

13.12 The inducement fee agreement referred to at paragraph 14.9 of this Part IX.

14. Material Contracts of the Quantica Group

The following material contracts, not being contracts entered into in the ordinary course of business, have been entered into by Quantica or one of its subsidiary undertakings within the two years immediately preceding the date of this document or are other contracts that contain certain provisions under which Quantica or one of its subsidiary undertakings has an obligation or entitlement which is material to Quantica or one of its subsidiary undertakings as at the date of this document:

14.1 A fourth amendment and restatement agreement dated 23 August 2005 relating to a facilities agreement dated 13 June 2000 and amendment and restatement agreements dated 16 August 2000, 13 November 2002 and 28 March 2004 with Barclays Bank plc.

14.2 A sale and purchase agreement dated 25 August 2005 made between (1) Richard Robinson and others and (2) Quantica relating to the sale and purchase of the entire issued share capital of RK Group Limited, for a consideration of £12,350,000. Pursuant to the terms of the agreement, Mr Robinson (and others) gave certain warranties to Quantica. The time period for making any warranty claims (except in respect of taxation) has expired. The time period for making claims under the tax warranties and the tax covenant expires on 22 September 2012.

14.3 A placing agreement dated 25 August 2005 made between (1) Quantica and (2) Robert W Baird Limited ("**Baird**") as sponsor and underwriter, under which Baird conditionally agreed to underwrite the placing of 10,072,241 shares in the capital of Quantica and to make an open offer of up to 8,109, 578 shares in the capital of Quantica to existing shareholders. Quantica provided an indemnity to Baird in relation to any claims which may be made against Baird resulting from the acquisition, placing, open offer and admission to the Official List.

14.4 A sale and purchase agreement dated 23 September 2005 made between (1) Victor John Peter Farlie and (2) Quantica relating to the sale and purchase of the whole of the issued share capital of Capital Learning Services Limited, for a total consideration of £1,500,000. The consideration payable includes deferred consideration of consideration shares in the capital of Quantica and a deferred payment of up to £50,000. The payment of the deferred consideration was conditional on the renewal of the contract with the Learning Skills Council. Pursuant to the terms of the agreement, Mr Farlie gave certain warranties to Quantica. The time period for making any warranty claims (except in relation to taxation) expires on 23 September 2007. The time period for making claims in respect of taxation expires on 23 September 2012.

14.5 A sale and purchase agreement dated 4 November 2005 made between (1) Construction People Recruitment Solutions Limited, (2) Trades Hire Limited (3) Timothy Allan Moncaster relating to the sale and purchase of the business and certain assets of Construction People Recruitment Solutions Limited. The business was sold for a total sum of £50,000 which has been paid. Certain warranties were given by the vendors and the time period for making any claims against the warranties will expire on 4 November 2007.

14.6 A sale and purchase agreement dated 30 June 2006 made between (1) Marjorie Hardy and others and (2) Quantica relating to the sale and purchase of the whole of the issued share capital of Jobmatch Training Agency Limited, for a consideration of £609,859. Pursuant to the terms of the agreement Ms Hardy (and others) gave certain warranties to Quantica. The time period for making any warranty claims (except in relation to taxation) expires on 30 June 2008. The time period for making claims in respect of taxation expires on 30 June 2013. The vendors also entered into indemnities in relation to any claims made by Liz Kirby in respect of her termination of employment and any claims made by Jobcentre Plus and/or the Learning and Skills Council prior to completion.

14.7 A sale and purchase agreement dated 10 October 2006 made between (1) Quantica and (2) Advantage Healthcare Group Limited relating to the sale and purchase of the whole of the issued share capital of Quantica HNE Limited for a total consideration of £4,500,000 subject to adjustments (if applicable) in respect of either debt or cash in accordance with the completion accounts. Certain warranties were given by Quantica and the time limit for making any claims (except in relation to taxation) expires on 29 February 2008. The time limit for making claims in respect of taxation expires on 1 December 2013.

14.8 A sale and purchase agreement dated 9 December 2006 made between (1) Quantica and (2) Carter & Carter Group plc relating to the sale and purchase of the entire issued share capital of various companies (previously subsidiaries of Quantica), which comprised Quantica's training division, namely DDI (Training) Limited, Jobmatch Training Agency Limited, James Kimber Holdings Limited, Freight Train (UK) Limited, Quantica Training Limited, G.M.C. Consultants Limited, Capital Learning Services Limited and Quantica Selection Training Limited. The training division was sold for a sum of £10,210,312.79, which was payable at completion and Carter & Carter agreed to procure the repayment of the intra-group indebtedness amount of £2,955,160 within two business days of completion. Certain warranties were given by Quantica and the time limit for making any claims (except in relation to taxation) expires on 31 July 2008. The time limit for making claims in respect of taxation expires on 9 December 2013.

14.9 An inducement fee agreement between Quantica and Berkeley Scott dated 6 July 2007 (subsequently amended on 17 August 2007). Pursuant to this agreement, a fee of one per cent. of the value of the equity share capital of Quantica by reference to the value of the Offer (inclusive of all taxes such as VAT) is payable by Quantica if, after the formal announcement of the Offer, an independent competing offer for Quantica is made by a third party offeror, which is not acting in concert with Berkeley Scott, at any time after 24 August 2007, and such independent competing offer becomes, or is declared, wholly unconditional and the directors of Quantica refuse to give, or withdraw or modify, their unanimous approval or unanimous recommendation of the Offer.

14.10 Quantica and each of Quantica Group Limited, Quantica Group Limited, Quantica Crossley House Limited, Quantica Executive Search Limited, Quantica SWP Limited, RK Group Limited and Quantica Holdings Limited (the "Material Quantica Companies") are to accede to the facilities agreement referred to at paragraph 13.8 above as additional guarantors within 64 days of the Unconditional Date . Quantica and each other Material Quantica Companies will also be granting debentures in favour of Barclays Bank plc containing fixed and floating charges over all their respective assets which will, amongst others, secure all their liabilities as guarantor under the facilities agreement to Barclays Bank plc.

14.11 Quantica and the Material Quantica Companies will also accede to the confidential invoice discounting agreement dated 24 August 2007 between Berkeley Scott Limited and Barclays Bank plc with an aggregate limit of £5,000,000 no later than 64 days after the Unconditional Date.

14.12 Quantica and the Material Quantica Companies will become participants in a composite accounting system agreement dated 24 August 2007 between the Company, Berkeley Scott Limited and Barclays Bank plc, which provides for balances on sterling accounts held at Barclays Bank plc to be determined on a net basis and which gives Barclays Bank plc the right to set-off credit balances against debit balances on participant company accounts and which is supported by cross-guarantees in favour of Barclays Bank plc from each of the participant companies.

14.13 Quantica and Material Quantica Companies will accede to the inter-company loan agreement referred to at paragraph 13.9 of this Part IX under which Quantica and Material Quantica Companies will agree to on-lend to the Company, an amount of up to £5,200,000 forthwith from surplus cash in the Quantica Group, to enable the Company to repay the second tranche of the Banking Facilities.

15. Related Party Transactions

Save for the warrant agreements made between the Company and each of Anthony Reeves and John Bowmer (as disclosed at paragraphs 13.5 and 13.6 above), the Company has not entered into any related party transactions during the period covered by the financial information set out in Part VI of this document.

16. Working Capital

The statement below has been included for the purposes of the Prospectus Rules:

Berkeley Scott is of the opinion that, taking account of available facilities and the net proceeds of the Placing, the working capital available to the Berkeley Scott Group is sufficient for its present requirements, that is, for at least the next twelve months from the date of publication of the document.

The statement below has been included for the purposes of the AIM Rules:

The Directors are of the opinion having made due and careful enquiry that, the Enlarged Group will have sufficient working capital for its present requirements, that is at least twelve months from the date of Admission.

17. United Kingdom Taxation

The following paragraphs are intended as a general guide to the position under current UK tax law and HM Revenue & Customs published practice and relate only to certain aspects of the taxation position of Berkeley Scott Shareholders who are resident or ordinarily resident in the United Kingdom for tax purposes, who hold their Berkeley Scott Shares as a capital investment (other than under a personal equity plan or an individual savings account) and who are beneficial owners of their Berkeley Scott Shares and any dividends paid in respect of them. They do not deal with the position of certain classes of shareholders, such as dealers in securities.

Each Berkeley Scott Shareholder's liability to taxation will depend upon his or its circumstances. Any Berkeley Scott Shareholder who is in any doubt about his or its own tax position or who is subject to tax in any jurisdiction other than the United Kingdom should consult an appropriate professional adviser about the tax consequences for him or it of acceptance of the Offer.

Taxation of dividends

Berkeley Scott is not required to withhold tax at source from dividends paid in respect of its shares.

An individual Berkeley Scott Shareholder who is resident or ordinarily resident in the United Kingdom for taxation purposes is generally liable to income tax on the aggregate amount of any dividend received and a tax credit equal to one-ninth of the dividend received. For example, on a dividend of £90 the tax credit would be £10, and an individual would be liable to income tax in respect of the gross dividend of £100. The gross dividend will be treated as the top slice of the individual Berkeley Scott Shareholder's income.

An individual Berkeley Scott Shareholder who is liable to income tax at a rate less than the higher rate will be charged to tax on the gross dividend at the dividend ordinary rate (currently 10 per cent.). Accordingly, the tax credit is treated as satisfying the shareholder's income tax liability in respect of the dividend and no further income tax should be payable in respect of the dividend.

A Berkeley Scott Shareholder who is an individual liable to income tax at the higher rate will be charged to tax on the gross dividend at the dividend upper rate (currently 32.5 per cent.) but are entitled to offset the 10 per cent. tax credit against such liability. After taking into account the 10 per cent. tax credit, such an individual will be liable to pay additional income tax at the rate of 22.5 per cent. of the gross dividend (which is equivalent to 25 per cent. of the dividend received). For example, on a dividend received of £90 such a taxpayer would have to pay additional tax of £22.50 (representing 32.5 per cent. of the gross dividend less the 10 per cent. credit).

A Berkeley Scott Shareholder within the charge to UK corporation tax (other than dealers in securities and certain insurance companies) is not liable to tax in respect of dividends paid by Berkeley Scott.

If you are in any doubt as to your tax position, or if you require more detailed information than that mentioned above, you should consult an appropriate professional adviser immediately.

18. Legal and arbitration proceedings

18.1 ***The Group***

There are no governmental, legal or arbitration proceedings in which any Group company is involved or of which any Group company is aware, pending or threatened by or against any Group company which may have or have had in the twelve months preceding the date of this document a significant effect on the Group's financial position or profitability.

18.2 ***The Quantica Group***

18.2.1 Subject as set out below in paragraph 20.2.2 there are no governmental, legal or arbitration proceedings in which any Quantica Group company is involved or of which the Company is aware, pending, threatened by or against any Quantica Group company which may have or have had in the twelve months preceding the date of this document a significant effect on the Quantica Group's financial position or profitability.

18.2.2 Quantica has received a letter before action dated 19 June 2007 on behalf of Advantage Healthcare Group Limited (**Advantage**) relating to claims for breach of certain warranties contained in the sale and purchase agreement referred to at paragraph 14.7 of this Part IX. It is alleged that Quantica:

(a) failed to ensure all agency workers had been checked by the Criminal Records Bureau, as required by law;

(b) failed to ensure all agency workers had been provided with mandatory training, as required by law; and

(c) failed to disclose the existence of an IT contract which would require Advantage incurring capital expenditure of more than £10,000.

The loss claimed by Advantage is £1,307,479. The Quantica Board consider these claims to be without merit and has responded to this letter before action refuting all these allegations.

19. Premises

19.1 ***The Group***

The following table provides summary information about the property leased by the Group and any major encumbrances or charges on that property. The Group does not own any freehold property.

Address of the Property	*Tenant*	*Term*
11-13 Ockford Road, Godalming, Surrey GU7 1QU	Berkeley Scott Limited	30 November 2004 to 29 November 2014
Second Floor, 17 London Road, Southampton SO15 2AE	Berkeley Scott Limited	9 June 2004 to 31 May 2009
42-43 High Street, Bristol BS1 2AT	Berkeley Scott Limited	3 March 2003 to 13 January 2015
Sutherland House, 5/6 Argyll Street, London W1F 7TE	Berkeley Scott	25 December 1998 to 24 December 2008
First Floor, 6 Churchill Way, Cardiff CF10 2DW	Berkeley Scott Limited	5 January 2005 to 29 September 2008
64 Charlotte Street, London, W1T 4QD	Berkeley Scott	14 September 2001 to 13 September 2011
65 Princess Street, Manchester M2 4EG	Berkeley Scott Limited	20 January 2004 to 19 January 2014
First Floor, 69 St Vincent Street, Glasgow GL2 5TF	Berkeley Scott Limited	5 July 2004 to 1 December 2012
Third Floor, 44 Hanover Street, Edinburgh EH2 2DR	Berkeley Scott Limited	25 June 2002 to 24 June 2012
Caldew House, 92-94 Kings Street, Hammersmith, London W6 0QW	Berkeley Scott Limited	1 December 2006 to 30 September 2012
Second Floor, 53-54 Sidney Street, Cambridge CB2 3HX	Berkeley Scott Limited	21 February 2006 to 7 May 2008
First Floor, Burlington Court, New Street, Birmingham, B2 4JD	Berkeley Scott Limited	9 May 2006 to 8 May 2016
First Floor, 58-60 Briggate, Leeds LS1 6AS	Berkeley Scott Limited	20 June 2005 to 19 June 2011

All the assets of Berkeley Scott Limited are subject to debentures granting fixed and floating charges by way of security for the facilities agreement described in paragraph 13.8 of Part IX.

19.2 ***Head Office of Enlarged Group***

It is the intention of the Berkeley Scott Board that the head office of the Enlarged Group will be at the Company's offices at Berkeley House, 11/13 Ockford Road, Godalming, Surrey GU7 1QU.

20. Employees

20.1 The Company currently has three non-executive directors and two executive directors and the Group has 168 employees, analysed as follows:

Resourcing	135
ISIS	6
Other (central and support staff)	27
Total	168

20.2 Quantica has 2 non-executive directors and 3 executive directors. As of 31 July 2007 the Quantica Group had 217 employees.

21. Closing Middle Market Quotations

The Closing Price of the Ordinary Shares for the first dealing day of each of the six months prior to issue of this document and on 23 August 2007, being the last business day prior to the date of this document, were as follows:

Date	*Price (pence)*
1 March 2007	66.5
2 April 2007	56
1 May 2007	56
1 June 2007	50.5
2 July 2007	50.5
1 August 2007	57.5
23 August 2007	48.5

22. Consents and other information

22.1 Daniel Stewart has given and not withdrawn its written consent to the inclusion in this document of its name and the references thereto in the form and context in which they appear.

22.2 Strand Partners has given and not withdrawn its written consent to the inclusion in this document of its name and the references thereto in the form and context in which they appear.

22.3 The auditors and reporting accountants of the Company are BDO Stoy Hayward LLP, whose address is Connaught House, Alexandra Terrace, Guildford, Surrey GU1 3DA. BDO Stoy Hayward LLP has given and has not withdrawn its written consent to the inclusion in this document of its report in Part VIII of this document in the form and context in which it appears, and has authorised the contents of that report for the purposes of paragraph 5.5.3R(2)(f) of the Prospectus Rules.

22.4 The auditors and reporting accountants of Quantica are KPMG Audit plc, whose address is 1 The Embankment, Neville Street, Leeds LS1 4DW. KPMG Audit plc has given and has not withdrawn its written consent to the inclusion in this document of its report in Part VII of this document in the form and context in which it appears, and has authorised the contents of that report for the purposes of paragraph 5.5.3R(2)(f) of the Prospectus Rules.

22.5 The financial information set out in this document relating to the Group and the Quantica Group does not constitute statutory accounts within the meaning of section 240 of the Act. The information contained in Section A of Part VI has been audited by BDO Stoy Hayward LLP of Connaught House, Alexandra Terrace, Guildford, Surrey GU1 3DA.

22.6 It is estimated that the total expenses payable by the Company in connection with the Offer and the Placing (including those fees and commissions referred to in paragraph 22.11) payable by the Company are estimated to amount to approximately £2.5 million (excluding VAT). The net proceeds of the Placing (assuming subscription in full) will be £7.1 million.

22.7 Save as set out in this document, neither the Group nor the Quantica Group is dependent on patents or licences or industrial, commercial or financial contracts or new manufacturing processes which are material to its business or profitability.

22.8 Save as set out in this document, as far as the Directors are aware there are no environmental issues that may affect the Company's utilisation of its tangible fixed assets.

22.9 Save as disclosed in this document, the Company has no principal investments for each financial year covered by the financial information set out in Part V of this document and there are no principal investments in progress and there are no principal future investments on which the board has made a firm commitment.

22.10 The Company is not aware of the existence of any takeover bid pursuant to the rules of the Code, or any circumstances which may give rise to any takeover bid, and the Company is not aware of any public takeover bid by third parties for the Ordinary Shares.

22.11 The sums raised pursuant to the Offer and the Placing (assuming subscription in full) is £19.0 million which will be applied in the following order of priority:

(i) cash consideration payable under the Offer £14.7 million

(ii) commissions and expenses payable under the Offer and the Placing £2.5 million

(iii) working capital £1.8 million

The proceeds of the Offer and the Placing are sufficient to fund all of the proposed uses stated above.

22.12 Save as disclosed in this document no person (excluding professional advisers otherwise disclosed in this document and trade suppliers) has:

(a) received, directly or indirectly from the Group within the 12 months preceding the date of this document; or

(b) entered into contractual arrangements (not otherwise disclosed in this document) to receive, directly or indirectly, from the Group on or after Admission any of the following:

(i) fees totalling £10,000 or more;

(ii) securities of the Company where these have a value of £10,000 or more calculated by reference to the Placing Price; or

(iii) any other benefit with the value of £10,000 or more at the date of this document.

22.13 Ordinary Shares are issued and allotted in registered form under the laws of England and Wales and their currency is pounds sterling. No admission to listing or trading of the New Berkeley Scott Ordinary Shares is being sought on any stock exchange other then AIM.

22.14 It is expected that CREST accounts will be credited as applicable on the date of Admission of the New Offer Berkeley Scott Shares, the VCT Placing Shares and the Non-VCT Placing Shares (as the case may be).

22.15 Temporary documents of title will not be issued in relation to New Ordinary Shares.

22.16 There are no arrangements in existence under which future dividends are to be waived or agreed to be waived.

22.17 Pursuant to Chapter 5 of the United Kingdom Listing Authority Disclosure and Transparency Rules (the **Disclosure and Transparency Rules**) a person must notify the Company of the percentage of its voting rights he holds as a shareholder or through his direct or indirect holding of certain financial instruments (or a combination of such holdings) if the percentage of those voting rights (a) reaches, exceeds or falls below 3 per cent., 4 per cent., 5 per cent., 6 per cent., 7 per cent., 8 per cent., 9 per cent., 10 per cent. and each 1 per cent. threshold thereafter up to 100 per cent. as result of an acquisition or disposal of shares or such financial instruments; or (b) reaches, exceeds or falls below an applicable threshold in (a) as a result of events changing the breakdown of voting rights and on the basis of information disclosed by the Company in accordance with the Disclosure and Transparency Rules. Certain voting rights held by investment managers, unit trusts, OEICS and market makers can be disregarded except at the thresholds of 5 per cent. and 10 per cent. and above.

22.18 Provisions of sections 979 to 991 of the Companies Act 2006 contain provisions, which apply in certain circumstances, to require and entitle persons making a takeover offer for the shares in the Company and who (i) acquire 90 per cent. or more of the shares to which such offer relates and (ii) acquire not less than 90 per cent. of the voting rights carried by these shares (if all other conditions to that offer have been satisfied or waived) to acquire and for the holders of shares in the Company to be entitled and required to sell the shares held by the shareholder that have not accepted the offer, in each case on a mandatory basis and on the same terms as the takeover offer.

23. Significant statements

23.1 There has been no significant change in the financial or trading position of the Berkeley Scott Group since 31 March 2007, the date of the last unaudited interim accounts of the Company.

23.2 There has been no significant change in the financial or trading position of the Quantica Group since 31 December 2006, the date of the last consolidated audited annual accounts of Quantica.

24. Documents available for inspection

Copies of the following documents will be available for inspection during normal business hours on any weekday (except Saturdays and Sundays and public holidays) at the offices of Daniel Stewart (Becket House, 36 Old Jewry, London EC2R 8DD) while the Offer remains open for acceptance:

(a) the memorandum and articles of association of the Company and Quantica;

(b) the financial information on each of the Group and the Quantica Group set out in Parts VI and VII of this document;

(c) the service agreements and letters of appointment referred to in paragraph 11 above;

(d) the material contracts referred to in paragraphs 13 and 14 above;

(e) the written consents of Daniel Stewart, Strand Partners, BDO Stoy Hayward LLP and KPMG LLP referred to in paragraphs 22.1, 22.2, 22.3 and 22.4 above;

(f) the report from BDO Stoy Hayward LLP on the pro forma financial information of the Group set out in Part VIII of this document;

(g) the letter from KPMG Audit plc on the financial information of the Quantica Group set out in Part VII of this document;

(h) this document;

(i) the Offer Document;

(j) the Form of Acceptance; and

(k) the form of proxy.

PART X

CONDITIONS AND FURTHER TERMS OF THE OFFER

PART A: Conditions of the Offer

1 Conditions of the Offer

The Offer is subject to the following conditions and will comply with the applicable rules and regulations of the Code:

(a) valid acceptances of the Offer being received (and not, where permitted, withdrawn) by not later than 1.00 p.m. (London time) on 14 September 2007 (or such later time(s) and/or date(s) as Berkeley Scott may, with the consent of the Panel or in accordance with the Code, decide) in respect of not less than 90 per cent (or such lower percentage as Berkeley Scott may decide) (i) in nominal value of Quantica Shares to which the Offer relates and (ii) of the voting rights attached to those shares, provided that this condition shall not be satisfied unless Berkeley Scott and/or any of its associates shall have acquired or agreed to acquire, directly or indirectly, whether pursuant to the Offer or otherwise, Quantica Shares carrying in aggregate more than 50 per cent of the voting rights then normally exercisable at general meetings of Quantica. For the purposes of this condition:

(i) shares which have been unconditionally allotted but not issued before the Offer becomes or is declared unconditional as to acceptances, whether pursuant to the exercise of any outstanding subscription or conversion rights or otherwise, shall be deemed to carry the voting rights they will carry on being entered into the register of members of Quantica; and

(ii) the expressions **Quantica Shares to which the Offer relates** and **associates** shall be construed in accordance with sections 974 to 991 of the Companies Act 2006; and

(iii) valid acceptances shall be deemed to have been received in respect of any Quantica Shares which Berkeley Scott shall, pursuant to section 979(8) of the Companies Act 2006, be treated as having acquired or contracted to acquire by virtue of acceptances of the Offer.

(b) the re-admission to trading on AIM of the Existing Berkeley Scott Shares and the admission to trading on AIM of the New Offer Berkeley Scott Shares (or such of them as are due to be allotted at the time the Offer becomes or is declared unconditional in all other respects) and the Placing Shares in accordance with the AIM Rules or (if determined by Berkeley Scott and subject to the consent of the Panel) the London Stock Exchange agreeing to admit the Existing Berkeley Scott Shares and the New Offer Berkeley Scott Shares and the Placing Shares to trading on AIM subject only to the allotment of the New Offer Berkeley Scott Shares and the Placing Shares;

(c) the passing at an extraordinary general meeting (or any adjournment thereof) of Berkeley Scott of the Resolutions;

(d) save as disclosed in any public announcement by Quantica and in each case delivered to a Regulatory Information Service or otherwise fairly disclosed to Berkeley Scott by Quantica in writing (**Disclosed**) prior to 24 August 2007 (being the date of the announcement of the Offer), there being no provision of any agreement, arrangement, licence, permit or other instrument to which any member of the Wider Quantica Group is a party or by or to which any such member or any of its assets may be bound, entitled or subject, which in consequence of the Offer or the proposed acquisition of any shares or other securities in Quantica or because of a change in the control or management of Quantica or otherwise, would or might reasonably be expected to result in:

(i) any moneys borrowed by, or any other indebtedness (actual or contingent) of, or grant available to any such member, being or becoming repayable or capable of being declared repayable immediately or earlier than their or its stated maturity date or repayment date or the ability of any such member to borrow moneys or incur any indebtedness being withdrawn or inhibited or being capable of becoming or being withdrawn or inhibited;

(ii) any such agreement, arrangement, licence, permit or instrument or the rights, liabilities, obligations or interests of any such member thereunder being terminated or modified or affected or any obligation or liability arising or any action being taken thereunder;

(iii) any assets or interests of any such member being or falling to be disposed of or charged or any right arising under which any such asset or interest could be required to be disposed of or charged otherwise than in each case in the ordinary course of business;

(iv) the creation or enforcement of any mortgage, charge or other security interest over the whole or any part of the business, property or assets of any such member;

(v) the rights, liabilities, obligations or interests of any such member in, or the business of any such member with, any person, firm or body (or any arrangement or arrangements relating to any such interest or business) being terminated or adversely modified or affected;

(vi) the financial or trading position or prospects of any such member being prejudiced or affected;

(vii) any such member ceasing to be able to carry on business under any name under which it presently does so; or

(viii) the creation of any liability, actual or contingent, by any such member otherwise than in the ordinary course of business;

which, in any of the above cases, is material and adverse in the context of the Quantica Group as a whole.

(e) no event having occurred which, under any provision of any agreement, arrangement, licence, permit or other instrument to which any member of the Wider Quantica Group is a party or by or to which any such member or any of its assets may be bound, entitled or subject, is likely to result in any of the events or circumstances as are referred to in sub-paragraphs (d)(i) to (d)(viii) of paragraph (d) which is material and adverse in the context of the Quantica Group as a whole;

(f) no government or governmental, quasi-governmental, supra-national, statutory, regulatory, environmental or investigative body, court, trade agency, association, institution or any statutory body or person whatsoever in any jurisdiction (each a **Third Party**) having decided to take, institute, implement or threaten (and there not continuing to be outstanding) any action, proceeding, suit, investigation, enquiry or reference, or enacted, made or proposed any statute, regulation, decision or order, or having taken any other steps which would or might reasonably forseeably:

(i) require, prevent or delay the divestiture, or alter the terms envisaged for any proposed divestiture by any member of the Wider Berkeley Scott Group or any member of the Wider Quantica Group of all or any portion of their respective businesses, assets or property or impose any limitation on the ability of any of them to conduct their respective businesses (or any of them) or to own any of their respective assets or properties or any part thereof which materially affects the Quantica Group as a whole;

(ii) require, prevent or delay the divestiture by any member of the Wider Berkeley Scott Group of any Quantica Shares or other securities in Quantica in a manner which materially affects the Quantica Group as a whole;

(iii) impose any limitation on, or result in a delay in, the ability of any member of the Wider Berkeley Scott Group directly or indirectly to acquire or to hold or to exercise effectively any rights of ownership in respect of shares or loans or securities convertible into shares or any other securities (or the equivalent) in any member of the Wider Quantica Group or the Wider Berkeley Scott Group or to exercise management control over any such member which materially affects the Quantica Group as a whole;

(iv) otherwise materially or adversely affect the business, assets, profits or prospects of any member of the Wider Berkeley Scott Group or of any member of the Wider Quantica Group;

(v) make the Offer or its implementation or the acquisition or proposed acquisition by Berkeley Scott or any member of the Wider Berkeley Scott Group of any shares or other securities in, or control of Quantica void, illegal, and/or unenforceable under the laws of any jurisdiction, or otherwise, directly or indirectly, restrain, restrict, prohibit, delay or otherwise interfere with the same, or impose additional conditions or obligations with respect thereto, or otherwise challenge, hinder or interfere therewith in a manner which materially affects the Quantica Group as a whole;

(vi) require any member of the Wider Berkeley Scott Group or the Wider Quantica Group to offer to acquire any shares or other securities (or the equivalent) or interest in any member of the Wider Quantica Group or the Wider Berkeley Scott Group owned by any Third Party so as to materially affect the Quantica Group as a whole;

(vii) impose any material limitation on the ability of any member of the Wider Quantica Group to co-ordinate its business, or any part of it, with the businesses of any other members; or

(viii) result in any member of the Wider Quantica Group ceasing to be able to carry on business under any name under which it presently does so as to materially affect the Quantica Group as a whole,

and all applicable waiting and other time periods (including any extension thereof) during which any such Third Party could decide to take, institute, implement or threaten any such action, proceeding, suit, investigation, enquiry or reference or any other step under the laws of any jurisdiction having expired, lapsed or been terminated;

(g) all material necessary notifications, filings or applications having been made in connection with the Offer and all applicable waiting and other time periods (including any extensions thereof) under any applicable legislation and regulations in any jurisdiction having expired, lapsed or been terminated (as appropriate) and all material statutory or regulatory obligations in any jurisdiction having been complied with in connection with the Offer or the acquisition by any member of the Wider Berkeley Scott Group of any shares or other securities in, or control of, Quantica and all necessary material authorisations, orders, recognitions, grants, consents, licences, confirmations, clearances, permissions and approvals for the proposed acquisition of any shares or other securities in, or control of, Quantica by any member of the Wider Berkeley Scott Group having been obtained in terms and in a form reasonably satisfactory to Berkeley Scott from all appropriate Third Parties or persons with whom any member of the Wider Quantica Group has entered into contractual arrangements and all such authorisations, orders, recognitions, grants, consents, licences, confirmations, clearances, permissions and approvals necessary or appropriate to carry on the business of any member of the Wider Quantica Group being material in the context of the Quantica Group taken as a whole remaining in full force and effect and all filings necessary for such purpose having been made and there being no notice or intimation of any intention to revoke or nor to renew any of the same at the time at which the Offer becomes otherwise unconditional and all necessary statutory or regulatory obligations in any jurisdiction having been complied with;

(h) save as Disclosed and except as publicly announced by Quantica prior to 24 August 2007 no member of the Wider Quantica Group having, since 31 December 2006:

(i) issued, authorised or proposed the issue of additional shares of any class;

(ii) issued or agreed to issue, authorised or proposed the issue of securities convertible into shares of any class or rights, warrants or options to subscribe for, or acquire, any such shares or convertible securities;

(iii) recommended, declared, paid or made or proposed to recommend, declare, pay or make any bonus, dividend or other distribution whether payable in cash or otherwise;

(iv) save for transactions in the ordinary course of business, merged or demerged with any body corporate or acquired or disposed of or transferred, mortgaged or charged or created any security interest over any assets or any right, title or interest in any asset (including shares and trade investments) or authorised or proposed or announced any intention to propose any such merger, demerger, acquisition or disposal, transfer, mortgage, charge or security interest which materially affects the Quantica Group as a whole;

(v) made or authorised or proposed or announced an intention to authorise or to propose any material change in its loan capital;

(vi) materially issued, authorised or proposed the issue of any debentures or incurred or increased any indebtedness or become subject to any contingent liability;

(vii) purchased, redeemed or repaid or announced any proposal to purchase, redeem or repay any of its own shares or other securities or reduced or, save in respect to the matters mentioned in sub-paragraph (i) above made, any other change to any part of its share capital save pursuant to the matters consequent on the Offer;

(viii) implemented, effected, authorised, proposed or announced its intention to implement, effect, authorise or propose any reconstruction, amalgamation, scheme, commitment or other transaction or arrangement otherwise than in the ordinary course of business;

(ix) entered into or varied or made any offer (which remains open for acceptance) to enter into or vary the terms of any contract with any director or senior executive of Quantica;

(x) entered into, varied, authorised, proposed or announced its intention to enter into or vary any contract, transaction or commitment (whether in respect of capital expenditure or otherwise) which is of a long term, onerous or unusual nature or magnitude (or could reasonably be expected to involve an obligation of such nature or magnitude) which is material in the context of the Quantica Group as a whole or otherwise than in the ordinary course of business or which is or could be materially restrictive on the businesses of any member of the Wider Quantica Group or the Wider Berkeley Scott Group;

(xi) proposed any voluntary winding-up of a subsidiary of Quantica;

(xii) taken any corporate action or had any legal proceedings started or threatened against it for its winding-up, dissolution or reorganisation or for the appointment of a receiver, administrative receiver, administrator, trustee or similar officer of all or any of its assets or revenues or any analogous proceedings in any jurisdiction or had any such person appointed;

(xiii) been unable, or admitted in writing that it is unable, to pay its debts or having stopped or suspended (or threatened to stop or suspend) payment of its debts generally or ceased or threatened to cease carrying on all or a substantial part of its business;

(xiv) waived or compromised any material claim other than in the ordinary course of business;

(xv) proposed or entered into any contract, commitment, arrangement or agreement otherwise than in the ordinary course of business or passed any resolution or made any offer (which remains open for acceptance) which is material in the context of the Quantica Group as a whole with respect to or announced any intention to, effect or propose any of the transactions, matters or events referred to in this condition; or

(xvi) made any material alteration to its memorandum or articles of association or other constitutional documents which is material in the context of the Offer;

and, for the purposes of this condition, the term **Quantica Group** shall mean Quantica and its wholly-owned subsidiaries;

(i) save as Disclosed since 31 December 2006 and save as publicly announced by Quantica through a Regulatory Information Service prior to 24 August 2007:

(i) no adverse change or deterioration having occurred in the business, assets, profits, financial or trading position or prospects of any member of the Wider Quantica Group which is material in the context of the Quantica Group as a whole;

(ii) no litigation, arbitration proceedings, prosecution or other legal proceedings to which any member of the Wider Quantica Group is or may become a party (whether as a plaintiff, defendant or otherwise) and no investigation by any Third Party against or in respect of any member of the Wider Quantica Group having been instituted, announced or threatened by or against or remaining outstanding in respect of any member of the Wider Quantica Group which in any case might be reasonably expected to materially and adversely affect any member of the Wider Quantica Group;

(iii) no contingent or other liability having arisen or become apparent to Berkeley Scott which would or could be reasonably expected to materially adversely affect the Wider Quantica Group;

(iv) no steps having been taken which are likely to result in the withdrawal, cancellation, termination or modification of any licence held by any member of the Wider Quantica Group which is necessary for the proper carrying on of its business and which is material in the context of the Quantica Group as a whole; and

(v) no receiver, administrative receiver or other encumbrancer having been appointed over any part of the assets of any member of the Wider Quantica Group;

(j) save as Disclosed Berkeley Scott not having discovered:

(i) that any financial, business or other information concerning the Wider Quantica Group as contained in the information publicly disclosed at any time by or on behalf of any member of the Wider Quantica Group is materially misleading, contains a material misrepresentation of fact or omits to state a fact necessary to make that information not materially misleading;

(ii) that any member of the Wider Quantica Group or any partnership, company or other entity in which any member of the Wider Quantica Group has a significant economic interest and which is not a subsidiary undertaking of Quantica is subject to any liability (contingent or otherwise) which is not disclosed in the annual report and accounts of Quantica for the year ended 31 December 2006 and which is material in the context of the Quantica Group as a whole; or

(iii) any information which materially affects the import of any information disclosed at any time by or on behalf of any member of the Wider Quantica Group;

(k) no receiver, administrative receiver or other encumbrancer having been appointed over any of the assets of any member of the Wider Quantica Group; and

(l) save as Disclosed Berkeley Scott not having discovered that:

(i) any past or present member of the Wider Quantica Group has failed to comply with any and/or all applicable legislation or regulation of any jurisdiction with regard to the disposal, spillage, release, discharge, leak or emission of any waste or hazardous substance or any substance likely to impair the environment or harm human health or animal health or otherwise relating to environmental matters, or that there has otherwise been any such disposal, spillage, release, discharge, leak or emission (whether or not the same constituted a non-compliance by any person with any such legislation or regulations, and wherever the same may have taken place) any of which disposal, spillage, release, discharge, leak or emission would be likely to give rise to any liability (actual or contingent) on the part of any member of the Wider Quantica Group and which liability is material in the context of the Quantica Group as a whole; or

(ii) there is, or is likely to be, for that or any reason whatsoever, any liability (actual or contingent) of any past or present member of the Wider Quantica Group to make good, repair, reinstate or clean up any property or any controlled waters now or previously owned, occupied, operated or made use of or controlled by any such past or present member of the Wider Quantica Group, under any environmental legislation, regulation, notice, circular or order of any government, governmental, quasi-governmental, state or local government, supranational, statutory or other regulatory body, agency, court, association or any other person or body in any jurisdiction which is material in the context of the Wider Quantica Group.

For the purposes of these conditions, the **Wider Quantica Group** means Quantica and its subsidiary undertakings, associated undertakings and any other undertaking in which Quantica and/or such undertakings (aggregating their interests) have a significant interest, the **Wider Berkeley Scott Group** means Berkeley Scott and its subsidiary undertakings, associated undertakings and any other undertaking in which Berkeley Scott and/or such undertakings (aggregating their interests) have a significant interest (and for these purposes **subsidiary undertaking**, **associated undertaking** and **undertaking** have the meanings given by the Act, other than paragraph 20(1)(b) of Schedule 4A to the Act which shall be excluded for this purpose, and **significant interest** means a direct or indirect interest in 20 per cent or more of the equity share capital (as defined in the Act)) and **Offer Announcement** means the announcement by Berkeley Scott and Quantica made on 24 August 2007 of the terms of the Offer.

Berkeley Scott reserves the right to waive, in whole or in part, all or any of the above conditions, except conditions (a) and (b).

Conditions (b) to (l) (inclusive) must be fulfilled or (if capable of waiver) waived, or where appropriate, have been determined by Berkeley Scott to be or to remain satisfied, by midnight on the 21st day after the later of 14 September 2007 and the date on which the Offer becomes or is declared unconditional as to acceptances (or such later date as the Panel may agree). Berkeley Scott shall be under no obligation to waive or treat as satisfied any of the conditions (b) to (l) (inclusive) by a date earlier than the latest date specified above for the satisfaction thereof, notwithstanding that the other conditions of the Offer may at such earlier date have been waived or fulfilled and that there are at such earlier date no circumstances indicating that any of such conditions may not be capable of fulfilment.

If Berkeley Scott is required by the Panel to make an offer for Quantica Shares under the provisions of Rule 9 of the Code, Berkeley Scott may make such alterations to any of the above conditions as are necessary to comply with the provisions of that Rule.

The Offer will lapse if the Acquisition is referred to the Competition Commission or the European Commission in connection with the Acquisition initiates proceedings under Article 6(1)(c) of Council Regulation (EC) 139/04 (the **Regulation**) or, following a referral by the European Commission under Article 9(1) of the Regulation to a competent authority in the United Kingdom, the Acquisition is referred to the Competition Commission, before 1.00 p.m. on 14 September 2007 or the date on which the Offer becomes or is declared unconditional as to acceptances, whichever is the later. If the Offer lapses it will cease to be capable of further acceptance and accepting Quantica Shareholders and Berkeley Scott shall cease to be bound by any Forms of Acceptance delivered on or before the date on which the Offer so lapses.

The Offer and all contracts arising under it will be governed by English law.

PART B: Certain further terms of the Offer

The conditions in Part A of Part X of this document and the following further terms set out in Parts B and C of Part X of this document and the Form of Acceptance apply to the Offer.

Unless the context otherwise requires, any reference in this document and in the Form of Acceptance to acceptances of the Offer shall include deemed acceptances of the Offer.

Unless the context otherwise requires, any reference in Parts B and C of this Part X and in the Form of Acceptance:

(a) to the **Offer** includes any revision, variation, renewal or extension thereof and also (where the context requires) any election or alternative available in connection with the Offer or any revision, variation, renewal or extension thereof;

(b) to the Offer being, becoming or being declared **unconditional** is to the acceptance condition being, becoming or being declared satisfied, whether or not any other condition of the Offer remains to be fulfilled;

(c) to the **acceptance condition** is to the condition as to the acceptances in paragraph 1 of Part A of this Part X and any reference to the Offer becoming unconditional as to acceptances is to be construed accordingly;

(d) to the **Offer Document** is to the Offer Document and any other document containing the Offer; and

(e) to an **extension of the Offer** shall include an extension of the date by which the acceptance condition is or was to be satisfied.

1 Acceptance period

1.1 The Offer is initially open for acceptance until 1.00 p.m. on 14 September 2007.

1.2 Although no revision is currently envisaged, if the Offer is revised it will remain open for acceptance for a period of at least 14 days (or such other period as may be permitted by the Panel) after the date on which the revised offer document is posted to Quantica Shareholders. Except with the consent of the Panel, no revision of the Offer may be made and no revised offer document may be posted after 9 October 2007, or, if later, the date which is 14 days before the last date on which the Offer can become unconditional as to acceptances.

1.3 The Offer, whether revised or not, is not (except with the consent of the Panel) capable of becoming unconditional as to acceptances after midnight on 23 October 2007 (or any other time or date beyond which Berkeley Scott has stated that the Offer will not be extended and has not withdrawn that statement), nor of being kept open for acceptance after that time and/or date unless it has previously become unconditional as to acceptances. Berkeley Scott reserves the right, with the permission of the Panel, to extend the time for the Offer to become unconditional as to acceptances to a later time(s) and/or date(s).

1.4 If the Offer becomes unconditional as to acceptances, the Offer will remain open for acceptance for not less than 14 days from the date on which it would otherwise have expired. If the Offer becomes unconditional as to acceptances and Berkeley Scott or its agent states that it will remain open until further notice, Berkeley Scott will give not less than 14 days' notice in writing to Quantica Shareholders who have not accepted the Offer that the Offer will remain open for such period before closing it.

1.5 If a competing offer or other competitive situation arises after Berkeley Scott makes a "no increase" and/or "no extension" statement in relation to the Offer, Berkeley Scott may, if it has specifically reserved the right to do so at the time the statement was made or otherwise with the consent of the Panel, withdraw the statement provided it complies with the requirements of the Code and in particular that:

(a) it announces the withdrawal as soon as possible and in any event within four business days after the date of the announcement of the competing offer or other competitive situation;

(b) it notifies Quantica Shareholders in writing of the withdrawal (or, in the case of Quantica Shareholders with registered addresses outside the United Kingdom, or whom Berkeley Scott knows to be nominees, custodians or trustees holding Quantica Shares for such persons, by announcement in the United Kingdom) at the earliest opportunity; and

(c) any Quantica Shareholders who accept the Offer after the "no increase" and/or "no extension" statement are given a right of withdrawal as described in paragraph 4.4 of this Part B of Part X.

Berkeley Scott may, if it specifically reserves the right to do so at the time the statement is made, choose not to be bound by the terms of a "no increase" and/or "no extension" statement and may post an increased or improved offer if it is recommended for acceptance by the Board or any duly appointed committee thereof, or in other circumstances permitted by the Panel.

1.6 If a competitive situation arises and is continuing on 23 October 2007, Berkeley Scott will enable holders of Quantica Shares in uncertificated form who have not already validly accepted the Offer but who have previously accepted the competing offer to accept the Offer by special form of acceptance to take effect on 23 October 2007. It shall be a condition of such special form of acceptance being a valid acceptance of the Offer that: (a) it is received by the Receiving Agent on or before 23 October 2007; (b) the relevant Quantica Shareholder shall have applied to withdraw his acceptance of the competing offer but that the Quantica Shares to which such withdrawal relates shall not have been released from escrow before 23 October 2007 by the escrow agent to the competing offer; and (c) in accordance with the procedure for acceptance set out in the letter contained in Part 2 of the Offer Document on or before 23 October 2007, but an undertaking is given that they will be so transferred as soon as possible thereafter.

Quantica Shareholders wishing to use such Forms of Acceptance should apply to the Receiving Agent on 0870 162 3121 (or if calling from outside the UK on +44 20 8639 3399) between 9.00 a.m. and 5.30 p.m. on the business day preceding 23 October 2007 in order that such forms can be dispatched. Notwithstanding the right to use such special form of acceptance, holders of Quantica Shares in uncertificated form may not use a Form of Acceptance (or any other purported acceptance form) for the purpose of accepting the Offer in respect of such shares.

2 Acceptance condition

2.1 Except with the consent of the Panel, for the purpose of determining whether the acceptance condition is satisfied, Berkeley Scott may only take into account acceptances received or purchases of Quantica Shares made in respect of which all relevant documents are received by the Receiving Agent:

(a) by 1.00 p.m. on 23 October 2007 (or any other time and/or date beyond which Berkeley Scott has stated that the Offer will not be extended and has not withdrawn that statement); or

(b) if the Offer is extended with the consent of the Panel, by such later time(s) and/or date(s) as the Panel may agree.

If the latest time at which the Offer may become unconditional as to acceptances is extended beyond midnight on 23 October 2007, acceptances received and purchases made in respect of which the relevant documents are received by the Receiving Agent after 1.00p.m. on that date may only be taken into account with the agreement of the Panel except where the Code permits otherwise.

2.2 Except as otherwise agreed by the Panel and notwithstanding the right reserved by Berkeley Scott to treat an acceptance of the Offer as valid even though in the case of Quantica Shares held in certificated form, the relevant Form of Acceptance is not entirely in order or not accompanied by relevant share certificate(s) and/or other document(s) of title or not accompanied by the relevant TTE instruction:

(a) an acceptance of the Offer will only be treated as valid for the purposes of the acceptance condition if the requirements of Note 4 and, if applicable, Note 6 on Rule 10 of the Code are satisfied in respect of it;

(b) a purchase of Quantica Shares by Berkeley Scott or its nominee, or (if Berkeley Scott is required by the Panel to make an offer for Quantica Shares under Rule 9 of the Code) by a person acting in concert with Berkeley Scott or its nominee, will only be treated as valid for the purposes of the acceptance condition if the requirements of Note 5 and, if applicable, Note 6 on Rule 10 of the Code are satisfied in respect of it; and

(c) the Offer will not become unconditional unless the Receiving Agent has issued a certificate to Berkeley Scott or Strand Partners (or their respective agents) which states the number of Quantica Shares in respect of which acceptances have been received and the number of Quantica Shares otherwise acquired, whether before or during the Offer Period, which comply with the provisions of this paragraph 2. Copies of such certificate will be sent to the Panel as soon as possible after it is issued.

2.3 For the purpose of determining whether the acceptance condition is satisfied, Berkeley Scott shall not be bound (unless required by the Panel) to take into account any Quantica Shares which have been unconditionally allotted or issued or which arise as a result of the exercise of subscription or conversion rights before the determination takes place unless Quantica or its agent has given written notice to the Receiving Agent, containing relevant details of the allotment, issue, subscription or conversion prior thereto. Notification by telex or e-mail or facsimile transmission or copies does not constitute written notice for this purpose.

3 Announcements

3.1 By 8.00 a.m. on the business day (the **relevant day**) following the day on which the Offer expires, becomes unconditional as to acceptances, is revised or is extended (or such later time and/or date as the Panel may agree), Berkeley Scott will make an appropriate announcement and simultaneously inform the Regulatory Information Service of the position. In the announcement, Berkeley Scott will state (unless otherwise permitted by the Panel) the total number of Quantica Shares and rights over Quantica Shares (as nearly as practicable):

(a) for which acceptances of the Offer have been received (showing the extent, if any, to which acceptances have been received from persons acting in concert with the Berkeley Scott);

(b) held by or on behalf of Berkeley Scott or any person acting or deemed to be acting in concert with Berkeley Scott before the Offer Period;

(c) acquired or agreed to be acquired by or on behalf of Berkeley Scott or any person acting or deemed to be acting in concert with Berkeley Scott for the purposes of the Offer during the Offer Period; and

(d) for which acceptances of the Offer have been received from any person acting or deemed to be acting in concert with Berkeley Scott for the purposes of the Offer,

and the announcement will specify the percentages of the issued ordinary share capital of Quantica represented by each of these figures.

3.2 Any decision to extend the time and/or date by which the acceptance condition has to be fulfilled may be made at any time up to, and will be announced by 8.00 a.m. on the relevant day or such later time and/or date as the Panel may agree. The announcement will state the next expiry time and date (unless the Offer is then unconditional in all respects in which case a statement may be made that the Offer will remain open until further notice).

3.3 In calculating the number of Quantica Shares represented by acceptances and purchases, Berkeley Scott may only include acceptances and purchases if they could be counted towards fulfilling the acceptance condition under Notes 4 and 5 on Rule 10 of the Code unless the Panel agrees otherwise.

Subject to this, Berkeley Scott may include or exclude, for announcement purposes, acceptances and purchases not in all respects in order or which are subject to verification.

3.4 In this Part X, a reference to the making of an announcement or the giving of notice by Berkeley Scott includes the release of an announcement by Berkeley Scott's public relations consultants or by Strand Partners, in each case on behalf of Berkeley Scott, to the press and the delivery or telephone, telex or facsimile or other electronic transmission of an announcement to the London Stock Exchange. An announcement made otherwise than to the London Stock Exchange will be notified simultaneously to the London Stock Exchange (unless otherwise agreed by the Panel).

4 Rights of Withdrawal

4.1 Except as provided by this paragraph 4 and paragraph 6.1 of this Part B of Part X, acceptances shall be irrevocable.

4.2 If Berkeley Scott announces the Offer to be unconditional and then fails to comply by 1.00 p.m. on the relevant day (or such later time and/or date as the Panel may agree) with any of the other requirements specified in paragraph 3.1 of this Part B of Part X, a person may withdraw his acceptance by written notice given by post or, during normal business hours, by hand to Capita Registrars, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU. Alternatively, in the case of Quantica Shares in uncertificated form, withdrawals can also be effected in the manner set out in paragraph 4.6 of this Part B of Part X. Subject to paragraph 1.3 of this Part B of Part X, this right of withdrawal may be terminated not less than eight days after the relevant day by Berkeley Scott confirming, if such is the case, that the Offer is still unconditional as to acceptances and complying with the other requirements specified in paragraph 3.1 of this Part B of Part X. If such confirmation is given, the first period of 14 days referred to in paragraph 1.4 of this Part B of Part X will start on the date of that confirmation and compliance.

4.3 If by 1.00 p.m. on 5 October 2007 (or such later time and/or date as the Panel may agree) the Offer has not become unconditional as to acceptances, a person may withdraw his acceptance by written notice or, during normal business hours, by hand to Capita Registrars, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU or, in the case of Quantica Shares held in uncertificated form, in the manner set out in paragraph 4.6 of this Part B of Part X, at any time before the earlier of (a) the time that the Offer becomes unconditional and (b) the final time for the lodging of acceptances which can be taken into account in accordance with paragraph 2.1 of this Part B of Part X.

4.4 If a "no increase" and/or "no extension" statement is withdrawn in accordance with paragraph 1.5 of this Part B of Part X, a person who accepts the Offer after the date of the statement may withdraw his acceptance by written notice given by post or, during normal business hours, by hand to the Capita Registrars, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU (or in the case of Quantica Shares held in uncertificated form, in the manner set out in paragraph 4.6 of this Part B of Part X for a period of eight days after the date Berkeley Scott posts the notice of the withdrawal of that statement to Quantica Shareholders.

4.5 In this paragraph 4, **written notice** (including any letter of appointment, direction or authority) means notice in writing signed by the relevant person(s) accepting the Offer (or his/their agent(s) duly appointed in writing, evidence of whose appointment satisfactory to Berkeley Scott is produced with the notice). Telex, facsimile transmission, e-mail, or other electronic transmission or copies will not be sufficient to constitute written notice. A notice which is postmarked in, or otherwise appears to Berkeley Scott or its agents to have been sent from, the United States, Canada, Australia or Japan will not be valid.

4.6 In the case of Quantica Shares held in uncertificated form, if withdrawals are permitted pursuant to paragraphs 4.2, 4.3 or 4.4 of this Part B of Part X, an accepting Quantica Shareholder may withdraw his acceptance through CREST by sending (or, if a CREST sponsored member, procuring that his CREST sponsor sends) an ESA instruction to settle in CREST in relation to each Electronic

Acceptance to be withdrawn. Each ESA instruction must, in order for it to be valid and settle, include the following details:

- the number of Quantica Shares to be withdrawn;
- together with their ISIN number. This is GB0002854544;
- the member account ID of the accepting shareholder, together with his participant ID;
- the member account ID of the Escrow Agent included in the relevant Electronic Acceptance. This is BERQUA01 in the Offer and BERQUA02 for the Equity Alternative;
- together with the Escrow Agent's participant ID. This is RA10;
- the transaction reference number of the Electronic Acceptance to be withdrawn inserted at the beginning of the share notes field;
- the intended settlement date for the withdrawal;
- the corporate action number for the Offer;
- the standard TTE delivery instructions with a priority of 80; and
- the contact name and telephone number of the accepting shareholder inserted in the shared notes field.

Any such withdrawal will be conditional upon the Receiving Agent verifying that the withdrawal request is validly made. Accordingly, the Receiving Agent will on behalf of Berkeley Scott reject or accept the withdrawal by transmitting in CREST a receiving agent reject (AEAD) or receiving agent accept (AEAN) message.

5 The Equity Alternative

5.1 The Equity Alternative is conditional on the Offer becoming or being declared unconditional in all respects.

5.2 As an alternative to receiving their consideration in the form of cash, Quantica Shareholders who validly accept the Offer may elect to receive consideration in respect of all or any part of their holding of Quantica Shares on the basis of 19 New Offer Berkeley Scott Shares for every 16 Quantica Shares in respect of which a valid election is made.

5.3 Under the Equity Alternative, Berkeley Scott will issue and allot to each holder of Quantica Shares who validly accepts the Offer and makes a valid election for New Berkeley Scott Shares under the Equity Alternative 19 New Berkeley Scott Shares for every 16 Quantica Shares, free of all expenses. Fractions of New Offer Berkeley Scott Shares will not be allotted or issued pursuant to the Equity Alternative but will be aggregated and sold in the market for the benefit of Berkeley Scott.

5.4 No election for the Equity Alternative will be valid unless a valid acceptance of the Offer duly completed in all respects and accompanied by all relevant share certificate(s) and/or other document(s) of title, where the Quantica Shares are in certificated form, are duly received by the Receiving Agent and, where the Quantica Shares are in uncertificated form, settlement of a TTE instruction in favour of the Escrow Agent in relation to those Quantica Shares has occurred, in each case by the time and date on which the Equity Alternative closes.

5.5 If any acceptance of the Offer which includes an election under the Equity Alternative is either received after the Equity Alternative has closed or is received before such time but is not, and is not deemed to be, valid and complete in all respects at such time, such election shall for all purposes be void and the Quantica Shareholder(s) purporting to make such election shall not, for any purpose, be entitled to receive the Equity Alternative, but any such acceptance which is otherwise valid shall be deemed to be an acceptance of the basic terms of the Offer (without an election under the Equity

Alternative) in respect of the number of Quantica Shares which are the subject of the acceptance and the relevant Quantica Shareholder will, on the Offer becoming unconditional in all respects, be entitled to receive the cash consideration due under the basic terms of the Offer.

5.6 The Equity Alternative will remain open until 1.00 p.m. on the 14 September 2007 provided that, if the Offer is then unconditional as to acceptances (or is then capable of being declared unconditional as to acceptances and is extended), the Equity Alternative will be extended for at least 14 days thereafter. If the Offer is not then unconditional as to acceptances (or capable of being so declared) and is extended beyond that date, the Equity Alternative will also be extended for at least 14 days, although the right is reserved (subject to the Code) to lapse or to close the Equity Alternative thereafter. If the Equity Alternative lapses or closes, the right is also reserved to re-introduce a further equity alternative as long as the Offer is still conditional as to acceptances. The provisions of paragraphs 1.3 and 1.5 of this Part B of Part X shall apply mutatis mutandis in respect of any "no extension" or "no increase" statement in relation to the Equity Alternative.

5.7 References to the time to which the Equity Alternative remains open, or at which it closes, are references to the time by which an acceptance complete in all respects and accompanied by all relevant share certificate(s) and/or other document(s) of title must be received by the Receiving Agent and, where appropriate, settlement of a TTE instruction must have occurred in order for any election for the Equity Alternative to be valid.

6 Revised offer

6.1 Although no revised offer is envisaged, if the Offer is revised, the benefit of the revised offer will be made available to any Quantica Shareholder who has accepted the Offer (in its original or any revised form(s)) (a **Previous Acceptor**) if the revised offer represents, on the date on which it is announced (on such basis as Strand Partners may consider appropriate) an improvement or no diminution in the value of the consideration offered compared with the consideration previously offered. The acceptance by a Previous Acceptor of the Offer (in its original or any revised form(s)) will, subject as provided in paragraphs 6.2 and 8 of this Part B of Part X, be deemed an acceptance of the revised offer and will constitute the appointment of any director of, or person authorised by, Berkeley Scott and/or Strand Partners as his attorney and/or agent with authority:

(a) to accept the revised or new offer on his behalf;

(b) if the revised offer includes alternative forms of consideration, to make elections or accept the alternative forms of consideration on behalf of such Previous Acceptor in the proportions the attorney and/or agent in his absolute discretion thinks fit; and

(c) to execute on behalf of such Previous Acceptor in his name any further documents required to give effect to those elections or acceptances.

In making any election or acceptance, the attorney and/or agent will take into account the nature of any previous acceptance or election made by the Previous Acceptor and other facts or matters he may consider relevant.

6.2 The deemed acceptance and election referred to in paragraph 6.1 of this Part B of Part X will not apply and the power of attorney and authorities conferred by that paragraph will not be exercised if the Previous Acceptor would (on such basis as Strand Partners may consider appropriate) receive less in aggregate in consideration under the revised offer than be would have received in aggregate in consideration as a result of his acceptance of the Offer in the form originally accepted by him or on his behalf. The authorities conferred by paragraph 6.1 above shall not be exercised in respect of any election available under the revised offer save in accordance with this paragraph.

6.3 The deemed acceptance or election referred to paragraph 6.1 of this Part B of Part X will not apply and the power of attorney and authorities conferred by that paragraph will be ineffective to the extent that the Previous Acceptor: (a) in respect of Quantica Shares in certificated form lodges with the Receiving Agent, within 14 days of the posting of the document containing the revised offer, a form of acceptance (or any other form issued on behalf of Berkeley Scott) in which he validly elects to receive consideration under the revised offer in some other manner than that set out in his original acceptance; or (b) in respect of Quantica Shares in uncertificated form, sends (or, if a CREST sponsored member, procures that his CREST sponsor sends) an ESA instruction to settle in CREST in relation to each Electronic Acceptance in respect of which an election is to be varied.

Each ESA instruction must, in order for it to be valid and settle, include the following details:

- the number of Quantica Shares in respect of which the changed election is made, together with their ISIN number GB0002854544;
- the member account ID of the Previous Acceptor, together with his participant ID;
- the member account ID of the Escrow Agent included in the relevant Electronic Acceptance, this is BERQUA01 in respect of the Offer and BERQUA02 for the Equity Alternative, together with the Escrow Agent's participant ID, RA10;
- the transaction reference number of the Electronic Acceptance in respect of which the election is to be changed inserted at the beginning of the shared notes field;
- the intended settlement date for the changed election;
- the corporate action number for the Offer;

and, in order that the desired change of election can be effected, must include:

- the member account ID of the Escrow Agent relevant to the new election; and
- input with standard delivery instruction priority of 80.

Any such change of election will be conditional upon the Receiving Agent verifying that the request is validly made. Accordingly, the Receiving Agent will on behalf of Berkeley Scott reject or accept the requested change of election by transmitting in CREST a receiving agent reject (AEAD) or receiving agent accept (AEAN) message.

6.4 The authorities and powers of attorney conferred by this paragraph 6 and any acceptance of a revised offer and any election in relation to it will be irrevocable unless and until the Previous Acceptor withdraws his acceptance having become entitled to do so under paragraph 4 of this Part B of Part X.

6.5 Berkeley Scott and Strand Partners reserve the right to treat an executed Form of Acceptance or TTE instruction relating to the Offer which is received after the announcement of any revised offer as a valid acceptance of the revised offer (and, where applicable, a valid election for the alternative form(s) of consideration). Such acceptance will constitute an authority in the terms of paragraph 6.1 of this Part B of Part X mutatis mutandis on behalf of the relevant Quantica Shareholder.

7 General

7.1 Except with the consent of the Panel, the Offer will lapse unless all the conditions relating to the Offer have been fulfilled or, where appropriate, have been determined by Berkeley Scott in its opinion to be and continue to be satisfied or have been waived by midnight on 13 November 2007 or within 21 days after the date on which the Offer becomes unconditional as to acceptances, or such later date as Berkeley Scott, with the consent of the Panel, may decide, whichever is the later. Berkeley Scott shall be under no obligation to waive, to determine, or treat as fulfilled any condition by a date earlier than the latest date specified above for the fulfilment thereof notwithstanding that the other conditions of the Offer may at such earlier date have been waived or fulfilled and that there are at such earlier date no circumstances indicating that any of such conditions may not be capable of fulfilment.

7.2 If the Offer lapses for any reason:

(a) it will not be capable of further acceptance;

(b) accepting Quantica Shareholders and Berkeley Scott will not be bound by Forms of Acceptance submitted before the time the Offer lapses;

(c) Forms of Acceptance and documents of title will be returned by post (or by such other method as the Panel may approve) within 14 days of the Offer lapsing to the person or agent whose name is set out in the relevant Box on page 2 of the Form of Acceptance or otherwise to the first-named holder at his registered address; no such document will be sent to an address in the United States, Canada, Australia or Japan; and

(d) the Receiving Agent will immediately after the Offer lapses (or within such longer period as the Panel may permit, not exceeding 14 days of the Offer lapsing) instruct Euroclear to transfer all Quantica Shares held in escrow balances and in relation to which it is the Escrow Agent for the purposes of the Offer to the original available balances of the relevant Quantica Shareholders concerned.

7.3 The expression **Offer Period** when used in this document means the period beginning on 23 July 2007 and ending on the latest of:

(a) 1.00 p.m. on 14 September 2007; and

(b) the earlier of (i) the time the Offer becomes unconditional and (ii) the time the Offer lapses.

7.4 Except with the consent of the Panel:

(a) settlement of the consideration to which any Quantica Shareholder is entitled under the Offer will be fully implemented in accordance with the terms of the Offer without regard to any lien, right of set-off, counterclaim or other analogous right to which Berkeley Scott or Strand Partners may otherwise be, or claim to be, entitled against that Quantica Shareholder; and

(b) settlement of the consideration will be effected in the manner prescribed in paragraph 18 of the letter contained in Part 2 of the Offer Document not later than 14 days of the later of: 14 September 2007, the date on which the Offer becomes or is declared unconditional in all respects and the receipt of a valid and complete acceptance.

7.5 The terms, provisions, instructions and authorities contained in the Form of Acceptance also constitute part of the terms of the Offer. A word or expression defined in the Offer Document has the same meaning when used in the Form of Acceptance unless the context requires otherwise. The provisions of this Part X shall be deemed to be incorporated in and form part of the Form of Acceptance.

7.6 If the expiry date of the Offer is extended, a reference in the Offer Document and in the Form of Acceptance to 14 September 2007 or first closing date 2007 will (except in paragraphs 1.1 and 7.4 of this Part B of Part X and except where the context requires otherwise) be deemed to refer to the expiry date of the Offer as so extended.

7.7 Any accidental omission to despatch the Offer Document, the Form of Acceptance or any notice required to be despatched under the terms of the Offer to, or any failure to receive the same by, any person to whom the Offer is, or should be, made will not invalidate the Offer in any way or create any implication that the Offer has not been made to any such person. Subject to the provisions of paragraph 8 of this Part B of Part X, the Offer is made to any Quantica Shareholder to whom the Offer Document and the Form of Acceptance or any related document may not have been despatched, and any such person may collect the relevant documents from the Receiving Agent and/or Strand Partners at their respective addresses set out in paragraph 7.13 of this Part B of Part X.

7.8 Berkeley Scott and Strand Partners reserve the right to treat acceptances of the Offer as valid if received by the Receiving Agent or otherwise on behalf of Berkeley Scott at any place or in any manner determined by them otherwise than as set out in the Offer Document or in the Form of Acceptance.

7.9 If sufficient acceptances are received and/or sufficient Quantica Shares are otherwise acquired, Berkeley Scott intends to apply the provisions of sections 974-991 (inclusive) of the Companies Act 2006 to acquire compulsorily any outstanding Quantica Shares to which the Offer relates.

7.10 All powers of attorney, appointments of agents and authorities on the terms conferred by or referred to in this Part X or in the Form of Acceptance are given by way of security for the performance of the obligations of the Quantica Shareholder and are irrevocable in accordance with section 4 of the Powers of Attorney Act 1971 except in the circumstances where the donor of the power of attorney or authority validly withdraws his acceptance in accordance with paragraph 4 of this Part B of Part X.

7.11 No acknowledgement of receipt of any Form of Acceptance, transfer by means of CREST, share certificate(s) or document(s) of title will be given. All communications, notices, certificates, documents of title and remittances to be delivered by, or sent to or from, Quantica Shareholders (or their designated agents) will be delivered or sent at their own risk.

7.12 Berkeley Scott and Strand Partners reserve the right to notify any matter, including the making of the Offer, to a Quantica Shareholder:

(a) with a registered address outside the UK; or

(b) whom Berkeley Scott knows to be a custodian, trustee or nominee holding Quantica Shares for persons who are citizens, residents or nationals of jurisdictions outside the UK,

by announcement or by paid advertisement in a daily newspaper published and circulated in the UK and/or in the London Gazette as referred to in section 978 of the Companies Act 2006. The notice will be deemed to have been sufficiently given, despite any failure by a Quantica Shareholder to receive or see that notice. A reference in the Offer Document to a notice or the provision of information in writing by or on behalf of Berkeley Scott is to be construed accordingly.

7.13 The Offer is made on 24 August 2007 and is capable of acceptance from and after that date. The Form of Acceptance and copies of the Offer Document may be collected from Capita Registrars, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU or Strand Partners at 26 Mount Row London W1K 3SQ from that date. The Offer is made by means of the Offer Document and by means of an advertisement to be inserted in the London Gazette under section 978 of the Companies Act 2006.

7.14 The Offer, the Form of Acceptance and all acceptances in respect of the Offer are governed by and will be construed in accordance with English law. Execution by or on behalf of a Quantica Shareholder of a Form of Acceptance constitutes his irrevocable submission to the jurisdiction of the courts of England in relation to all matters arising in connection with the Offer and his agreement that nothing shall limit the right of Berkeley Scott or Strand Partners to bring any action, suit or proceeding arising out of or in connection with the Offer in any other manner permitted by law or in any court of competent jurisdiction.

7.15 Quantica Shares will be acquired by Berkeley Scott fully paid, free from all liens, charges, equitable interests and encumbrances and other third party interests together with all rights attaching thereto on or after 24 August 2007, including the right to receive and retain all dividends and other distributions (if any) declared, made or paid thereafter.

7.16 In relation to any acceptances of the Offer in respect of a holding of Quantica Shares which is in uncertificated form, Berkeley Scott reserves the right to make such alterations, additions or modifications to the terms of the Offer as may be necessary or desirable to give effect to any purported acceptance of the Offer, whether in order to comply with the facilities or requirements of CREST or otherwise, provided such alterations, additions or modifications are consistent with the requirements of the Code or are otherwise made with the consent of the Panel.

7.17 All references in this Part X to any statute or statutory provision shall include a statute or statutory provision which amends, consolidates or replaces the same (whether before or after the date hereof).

8 Overseas Shareholders

8.1 The making of the Offer in, or to certain persons resident in, or nationals or citizens of, jurisdictions outside the UK (**Overseas Shareholders**) or to persons who are nominees of, or custodians, trustees or guardians for, citizens, residents or nationals of such jurisdictions may be affected by the laws of the relevant jurisdiction. Overseas Shareholders should inform themselves about and observe any applicable legal requirements. It is the responsibility of Overseas Shareholders wishing to accept the Offer to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection with the Offer. This includes the obtaining of any governmental, exchange control or other consents which may be required, compliance with other necessary formalities needing to be observed and the payment of any issue, transfer or other taxes due in that jurisdiction. Berkeley Scott and Strand Partners (and any person acting on behalf of them) shall be fully indemnified by Overseas Shareholders for any such issue, transfer or other taxes which Berkeley Scott or Strand Partners (or any person acting on behalf of them) may be required to pay. If you are an Overseas Shareholder and you are in doubt about your position you should consult your own professional adviser in the relevant jurisdiction.

8.2 In particular, the Offer is not being made, directly or indirectly, in or into the United States, Canada, Australia or Japan or to any Restricted Overseas Person (as defined in paragraph 8.8) of this Part B of Part X). This includes, but is not limited to, facsimile transmission, electronic mail, telex and telephone.

Accordingly, copies of the Offer Document, the Form of Acceptance and any other documents related to the Offer are not being, and must not be, mailed or otherwise distributed or sent in or into the United States, Canada, Australia or Japan including to Quantica Shareholders or Quantica Share Option Holders with registered addresses in the United States, Canada, Australia or Japan or to persons whom Berkeley Scott knows to be custodians, trustees or nominees holding Quantica Shares for persons with addresses in the United States, Canada, Australia or Japan. Persons receiving such documents (including custodians, nominees and trustees) must not distribute, mail or send them in, into or from the United States, Canada, Australia or Japan, or use the United States, Canadian, Australian, or Japanese mails or any means or instrumentality (including, without limitation, facsimile transmission, electronic mail, telex or telephone) of interstate or foreign commerce, or of any facility of a national securities exchange, of the United States, Canada, Australia or Japan in connection with the Offer, and so doing will invalidate any related purported acceptance of the Offer. Persons wishing to accept the Offer must not use the United States, Canadian, Australian or Japanese mails or any means or instrumentality or facility for any purpose directly or indirectly relating to acceptance of the Offer. Envelopes containing a Form of Acceptance in respect of the Offer must not be postmarked in the United States, Canada, Australia or Japan or otherwise despatched from those jurisdictions. All acceptors must provide addresses outside the United States, Canada, Australia and Japan for the receipt of the consideration to which they are entitled under the Offer or for the return of the Form of Acceptance or documents of title.

8.3 Subject as provided below, a Quantica Shareholder will be deemed not to have accepted the Offer and not to have made a valid election thereunder if:

(a) he puts “NO” in Box 5 on page 3 of the Form of Acceptance and therefore does not give the representations and warranties set out in paragraph (c) of Part C of this Part X;

(b) he completes Box 4 on page 3 of the Form of Acceptance with an address in the United States, Canada, Australia or Japan or has a registered address in the United States, Canada, Australia or Japan and in either case he does not insert in Box 6 on page 3 of the Form of Acceptance the name and address of a person or agent outside the United States, Canada, Australia and Japan to whom he wishes the consideration to which he is entitled under the Offer to be sent;

(c) he inserts in Box 6 on page 3 of the Form of Acceptance the name and address of a person or agent in the United States, Canada, Australia or Japan to whom he wishes the consideration to which he is entitled under the Offer to be sent;

(d) the Form of Acceptance is received from him in an envelope postmarked in, or which otherwise appears to Berkeley Scott or its agents to have been sent from, the United States, Canada, Australia or Japan; or

(e) he makes a Restricted Escrow Transfer pursuant to paragraph 8.5 below unless he also makes a Restricted ESA instruction which is accepted by the Receiving Agent.

8.4 Berkeley Scott reserves the right, in its sole discretion, to investigate, in relation to any acceptance, whether the representations and warranties set out in paragraph (c) of Part C of this Part X have been truthfully given by the relevant Quantica Shareholder and, if such investigation is made and, as a result, Berkeley Scott cannot satisfy itself that such representations and warranties are true and correct, such acceptance shall not be valid.

If any person, despite the restrictions referred to in paragraph 8.2 of this Part B of Part X and whether pursuant to a contractual or legal obligation or otherwise, forwards the Offer Document, the Form of Acceptance or any other document relating to the Offer in, into or from the United States, Canada, Australia or Japan such person should:

(a) inform the recipient of that fact;

(b) explain to the recipient that such action may invalidate any purported acceptance by the recipient; and

(c) draw the attention of the recipient to this paragraph 8.

Notwithstanding the above, Berkeley Scott may in its sole and absolute discretion provide cash consideration to a Restricted Overseas Person (as described in paragraph 8.8 of this Part B of Part X) if required to do so by or on behalf of that person if Berkeley Scott is satisfied, in that particular case, that to do so would not constitute a breach of any securities or other relevant legislation of the United States, Canada, Australia or Japan, as appropriate.

8.5 If a Quantica Shareholder holding Quantica Shares in uncertificated form is unable to give the warranty set out in paragraph (c) of Part D of this Part X, but nevertheless can provide evidence satisfactory to Berkeley Scott that he is able to accept the Offer in compliance with all relevant legal and regulatory requirements, he may only purport to accept the Offer by sending (or if a CREST sponsored member, procuring that his CREST sponsor sends) both: (a) a Transfer to Escrow instruction to a designated escrow balance detailed below (a **Restricted Escrow Transfer**); and (b) one or more valid ESA instructions (a **Restricted ESA instruction**) which specify the form of consideration which he wishes to receive (consistent with the alternatives offered under the Offer). Such purported acceptance will not be treated as a valid acceptance unless both the Restricted Escrow Transfer and the Restricted ESA instruction(s) settle in CREST and Berkeley Scott decides, in its absolute discretion, to exercise its right described in paragraph 7.16 of this Part B of Part X to waive, vary or modify the terms of the Offer relating to Overseas Shareholders, to the extent required to permit such acceptance to be made, in each case during the acceptance period set out in paragraph 1 of this Part B of Part X. If Berkeley Scott accordingly decides to permit such acceptance to be made, the Receiving Agent will on behalf of Berkeley Scott accept the purported acceptance as an Electronic Acceptance on the terms of the Offer Document (as so waived, varied or modified) by transmitting in CREST a the Receiving Agent accept (AEAN) message. Otherwise, a receiving agent will on behalf of Berkeley Scott reject the purported acceptance by transmitting in CREST a receiving agent reject (AEAD) message. Each Restricted Escrow Transfer must, in order for it to be valid and settle, include the following details:

- the ISIN number for the Quantica Shares, this is GB0002854544;
- the number of Quantica Shares in respect of which the Offer is to be accepted;
- the member account ID and participant ID of the Quantica Shareholder;
- the participant ID of the Escrow Agent (this is RA10) and its member account ID specific to a Restricted Escrow Transfer (this is RESTRICT);

- the corporate action number of the Offer which is allocated by Euroclear and can be found by viewing the relevant corporate action details in CREST;
- input with a standard delivery instruction priority of 80; and
- the contact number and telephone number inserted intot the shared note field.

Each Restricted ESA instruction must, in order for it to be valid and settle, include the following details:

- the ISIN number for the Quantica Shares, this is GB0002854544;
- the number of Quantica Shares relevant to that Restricted ESA instruction;
- the member account ID and participant ID of the accepting Quantica Shareholder;
- the member account ID and participant ID of the Escrow Agent set out in the Restricted Escrow Transfer;
- the participant ID and the member account ID of the Escrow Agent relevant to the form of consideration required, this is BERQUA01 in respect of the Offer and BERQUA02 for the Equity Alternative;
- the CREST transaction reference number of the Restricted Escrow Transfer to which the Restricted ESA instruction relates (inserted at the beginning of the shared notes field);
- the intended settlement date;
- input with standard delivery instruction of 80; and
- the corporate action number for the Offer allocated by Euroclear.

8.6 If any written notice from a Quantica Shareholder withdrawing his acceptance in accordance with paragraph 4 of this Part B of Part X is received in an envelope postmarked in, or which otherwise appears to Berkeley Scott or its agents to have been sent from the United States, Canada, Australia or Japan, Berkeley Scott reserves the right, in its absolute discretion, to treat that notice as invalid.

8.7 The provisions of this paragraph 8 and any other terms of the Offer relating to Overseas Shareholders may be waived, varied or modified as regards specific Quantica Shareholders or on a general basis by Berkeley Scott in its sole discretion. Subject to this discretion, the provisions of this paragraph 8 supersede any terms of the Offer inconsistent with them. A reference in this paragraph 8 to a Quantica Shareholder includes the person or persons executing a Form of Acceptance and, in the event of more than one person executing the Form of Acceptance, the provisions of this paragraph 8 apply to them jointly and severally.

8.8 As used in the Offer Document and in the Form of Acceptance, the **United States** means the United States of America, its possessions and territories, all areas subject to its jurisdiction or any political subdivision thereof, any state of the United States and the District of Columbia; Australia means the Commonwealth of **Australia**, its states, territories and possessions; **Canada** means Canada, its provinces and territories; Japan means Japan, its cities, prefectures, territories and possessions; and **Restricted Overseas Person** means either a person (including an individual, partnership, unincorporated syndicate, unincorporated organisation, trust, trustee, executor, administrator, or other legal representative) in, or resident in the United States, Canada, Australia or Japan.

PART C: Form of Acceptance

Each Quantica Shareholder by whom, or on whose behalf, a Form of Acceptance is executed and lodged with the Receiving Agent irrevocably undertakes, represents, warrants and agrees to and with Berkeley Scott, Strand Partners and the Receiving Agent (so as to bind him, his personal representatives, heirs, successors and assigns to the following effect) that:

(a) the execution of a Form of Acceptance shall constitute (whether or not any other Boxes are completed):

  (i) an acceptance of the Offer in respect of the Quantica Shares in certificated form inserted or deemed to be inserted in Box 1 of the Form of Acceptance (or such lesser number as may have been inserted in Box l of the Form of Acceptance), provided that if a number is inserted in Box 1 which exceeds such Shareholder's holding of Quantica Shares, the acceptance will be deemed to have been made in respect of that Shareholder's entire holding of Quantica Shares;

  (ii) an election for the Equity Alternative in respect of such amount of cash as would fall to be paid pursuant to the Offer in respect of the number of Quantica Shares in certificated form inserted or deemed to be inserted in Box 2 of the Form of Acceptance;

  on and subject to the terms and conditions set out or referred to in the Offer Document and that, subject only to the rights of withdrawal set out in paragraph 4 of Part B of this Part X, each such acceptance shall be irrevocable;

(b) the Quantica Shares in certificated form in respect of which the Offer is accepted or deemed to be accepted are sold free from all liens, charges, equitable interests, encumbrances and other interests together with all rights attaching thereto on or after 24 August 2007, including the right to receive and retain any dividends and other distributions, if any, declared, made or paid thereafter;

(c) unless such Quantica Shareholder has written "No" in Box 5 on page 3 of the Form of Acceptance:

  (i) he has not received or sent copies or originals of the Offer Document, the Form of Acceptance or any other document relating to the Offer in, into or from the United States, Canada, Australia or Japan;

  (ii) he has not used in connection with the Offer or the execution or delivery of the Form of Acceptance, directly or indirectly, the mails of, or any means or instrumentality (including, without limitation, facsimile transmission, electronic mail, telex and/or telephone) of interstate or foreign commerce, or of any facility of a national securities exchange of the United States, Canada, Australia or Japan;

  (iii) was outside the United States when the Form of Acceptance was delivered and at the time of accepting the Offer;

  (iv) he is not a Restricted Overseas Person (as described in paragraph 8.8 of Part B of this Part X);

  (v) he is not an agent or fiduciary acting on a non-discretionary basis for a principal who has given instructions with respect to the Offer from within the United States, Canada, Australia or Japan and is not acquiring the new Offeror Shares for purposes of resale directly or indirectly to a person within the United States; and

  (vi) the Form of Acceptance has not been mailed or otherwise sent in, into or from the United States, Canada, Australia or Japan or signed in the United States, Canada, Australia or Japan and such shareholder is accepting the Offer from outside the United States, Canada, Australia and Japan;

(d) the execution of the Form of Acceptance constitutes the irrevocable appointment of Berkeley Scott or Strand Partners as such shareholder's agent and/or attorney (subject to the Offer becoming unconditional in all respects in accordance with its terms and such Quantica Shareholder not having validly withdrawn his acceptance) with an irrevocable instruction and authorisation to:

(i) complete and execute any form(s) of transfer, renunciation or other documents) in relation to the Quantica Shares comprised or deemed to be comprised in such acceptance in favour of Berkeley Scott or as it may direct;

(ii) deliver any form(s) of transfer, renunciation or other document(s) with any certificate or other document of title for registration within six months of the Offer becoming unconditional in all respects; and

(iii) take any other action and/or execute all such other documents as the agent and/or attorney may think necessary or expedient in connection with his acceptance of the Offer and to vest in Berkeley Scott (or as it may direct) the Quantica Shares comprised or deemed to be comprised in such acceptance;

(e) in relation to Quantica Shares in certificated form, the execution of the Form of Acceptance and its delivery to the Receiving Agent constitutes an irrevocable authority and request (subject to the Offer becoming unconditional in all respects in accordance with its terms and such Quantica Shareholder not having validly withdrawn his acceptance):

(i) to Quantica or its agents to procure the registration of the transfer of those Quantica Shares pursuant to the Offer and the delivery of the share certificate(s) and other document(s) of title in respect of the Quantica Shares to Berkeley Scott or as it may direct;

(ii) to Berkeley Scott or its agents to procure the despatch by post (or by such other method as may be approved by the Panel) of a cheque drawn on a branch of a UK clearing bank in respect of the consideration to which he is entitled under the Offer at such Quantica Shareholder's risk to the person or agent whose name and address outside the United States, Canada, Australia and Japan is set out in Box 6 of the Form of Acceptance or, if no person or agent's name and address is set out in Box 6, to the first-named holder at his registered address outside the United States, Canada, Australia and Japan and, in the case of the New Offer Berkeley Scott Shares, the United States;

(iii) subject to the provisions of paragraph 8 of Part B of this Part X, to Berkeley Scott or its agents to procure that the name(s) of such Quantica Shareholder(s) is/are entered on the register of members of Berkeley Scott in respect of any New Offer Berkeley Scott Shares to which such shareholder(s) may become entitled pursuant to an election under the Equity Alternative, subject to the terms of the Memorandum and Articles of Association of Berkeley Scott and to procure the issue of a definite certificate(s) of title for such New Offer Berkeley Scott Shares;

(iv) if applicable to Berkeley Scott or its agents, to record and act on any instructions with regard to notices or dividend mandates which have been recorded in the records of Quantica in respect of such Quantica Shareholder's holding(s) of Quantica Shares as if such mandates had been given in respect of its holding of New Offer Berkeley Scott Shares;

(f) the execution of the Form of Acceptance and its delivery to the Receiving Agent constitutes a giving of authority to any director of, or person authorised by, Berkeley Scott or Strand Partners within the terms of paragraph 6 of Part B of this Part X and paragraph (e) above;

(g) subject to the Offer becoming or being declared unconditional in all respects and such Quantica Shareholder not having validly withdrawn his acceptance (or if the Offer will become unconditional in all respects or lapse on the outcome of the resolution in question or if the Panel gives its consent and pending registration) in relation to Quantica Shares comprised or deemed to be comprised in such acceptance:

(i) Berkeley Scott or its agents shall be entitled to direct the exercise of any votes and any or all other rights and privileges (including the right to requisition the convening of a general meeting of Quantica or of any class of its shareholders attaching to such Quantica Shares;

(ii) the execution of a Form of Acceptance by a Quantica Shareholder in respect of the Quantica Shares comprised in such acceptance and in respect of which such acceptance has not been validly withdrawn:

(aa) constitutes an authority to Quantica from such Quantica Shareholder to send any notice, warrant, document or other communication which may be required to be sent to him/her as a member of Quantica to Berkeley Scott at its registered office;

(bb) constitutes an authority to Berkeley Scott or any director of Berkeley Scott to sign any consent to short notice on his behalf and/or attend and/or execute a form of proxy in respect of such Quantica Shares appointing any person nominated by Berkeley Scott to attend general meetings and separate class meetings of Quantica or its members (or any of them) (and any adjournments thereof) and to exercise the votes attaching to such shares on his behalf, where relevant, such votes to be cast so far as possible to satisfy any outstanding condition of the Offer; and

(cc) will also constitute the agreement of such Quantica Shareholder not to exercise any of such rights without the consent of Berkeley Scott and the irrevocable undertaking of such Quantica Shareholder not to appoint a proxy to attend any such general meeting or separate class meeting;

(h) he will deliver to Capita Registrars, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU or procure the delivery to the Receiving Agent of, his certificate(s) or other document(s) of title in respect of those Quantica Shares in certificated form in respect of which the Offer has been accepted or is deemed to have been accepted and not validly withdrawn held by him or an indemnity acceptable to Quantica in lieu thereof, as soon as possible and in any event within six months of the Offer becoming unconditional in all respects;

(i) he will do all such acts and things as shall be necessary or expedient to vest the aforesaid Quantica Shares in Berkeley Scott or its nominee(s) or such other persons as it may decide;

(j) he agrees to ratify each and every act or thing which may be done or effected by Offeror or Strand Partners or the Receiving Agent or any director of Berkeley Scott or any director of Strand Partners or any director of the Receiving Agent or their respective agents or Quantica or its agents, as the case may be, in the exercise of any of his powers and/or authorities hereunder;

(k) the execution of the Form of Acceptance constitutes his submission, in relation to all matters arising out of the Offer and the Form of Acceptance, to the jurisdiction of the courts of England;

(l) on execution the Form of Acceptance shall take effect as a deed;

(m) if any provision of Part B of this Part X or this Part C shall be unenforceable or invalid or shall not operate so as to afford Offeror or Strand Partners or the Receiving Agent or any director of any of them the benefit or authority expressed to be given therein, he shall with all practicable speed do all such acts and things and execute all such documents that may be required to enable Berkeley Scott/or Strand Partners and/or the Receiving Agent and/or any director of either of them to secure the full benefits of Part B and this Part C of this Part X;

(n) the terms and conditions of the Offer are deemed to be incorporated in, and form part of, the Form of Acceptance, which shall be read and construed accordingly; and

(o) if he elects for the Equity Alternative (in whole or in part), he is not a US Person and is not acquiring, and will not be holding, New Offer Berkeley Scott Shares for the account or benefit of a US Person or the view to the offer, sale or delivery, directly or indirectly, of such New Offer Berkeley Scott Shares in the United States, or for, the account or benefit of any US Person or any other person whom such transferee has reason to believe is purchasing for the purpose of such offer, sale or delivery.

A reference in this Part C to a holder of Quantica Shares or Quantica Shareholder includes a reference to the person or persons executing the Form of Acceptance and in the event of more than one person executing a Form of Acceptance the provisions of this Part C will apply to them jointly and to each of them. References to the masculine gender shall include the feminine.

PART D: Electronic Acceptance

Each Quantica Shareholder by whom, or on whose behalf, an Electronic Acceptance is made irrevocably undertakes, represents, warrants and agrees to and with Berkeley Scott, Strand Partners and the Receiving Agent (so as to bind him/her, his/her personal representatives, heirs, successors and assigns) that:

(a) the Electronic Acceptance shall constitute:

(i) an acceptance of the Offer in respect of the number of Quantica Shares in uncertificated form to which a Basic Offer TTE instruction relates; and

(ii) an acceptance of the Equity Alternative in respect of the number of Quantica Shares in uncertificated form to which an Alternative TTE instruction relates to the extent necessary to give effect thereto;

on and subject to the terms and conditions set out or referred to in the Offer Document and that, subject to the rights of withdrawal set out in paragraph 4 of Part B of this Part X, each such acceptance shall be irrevocable;

(b) the Quantica Shares in uncertificated form in respect of which the Offer is accepted or deemed to be accepted are sold free from all liens, equities, charges, encumbrances and other interests and together with all rights attaching thereto on or after 24 August 2007, including the right to receive all dividends and other distributions, if any, declared, made or paid after the date hereof;

(c) such Quantica Shareholder:

(i) has not received or sent copies of the Offer Document, the Form of Acceptance or any related offer documents, in, into or from the United States, Canada, Australia or Japan;

(ii) has not utilised in connection with the Offer, directly or indirectly, the use of the mails of or any means or instrumentality (including, without limitation, facsimile transmission, telex and telephone) of interstate or foreign commerce of, or any facilities of a national securities exchange of, the United States, Canada, Australia or Japan;

(iii) was outside the United States at the time of the input and settlement of the relevant TTE instruction(s);

(iv) he is not a Restricted Overseas Person (as described in paragraph 8.8 of Part B of this Part X);

(v) in respect of the Quantica Shares to which an Electronic Acceptance relates, he is not an agent or fiduciary acting on a non-discretionary basis for a principal who has given any instructions with respect to the Offer from within the United States, Canada, Australia or Japan and is not acquiring the New Offer Berkeley Scott Shares for purposes of resale directly or indirectly to a person within the United States; and

(vi) no TTE instruction has been sent from the United States, Canada, Australia or Japan and such shareholder is accepting the Offer from outside the United States, Canada, Australia and Japan;

(d) the Electronic Acceptance constitutes the irrevocable appointment of Berkeley Scott and/or Strand Partners as such shareholder's attorney agent and/or and an irrevocable instruction and authorisation to:

(i) do all such acts and things as may in the opinion of such attorney be necessary or expedient for the purpose of, or in connection with, the acceptance of the Offer and/or the Equity Alternative; and

(ii) vest in Berkeley Scott or its nominee the Quantica Shares as aforesaid or in Strand Partners or such person(s) as it may direct the New Offer Berkeley Scott Shares in respect of which the Equity Alternative is accepted or deemed to be accepted;

(e) the Electronic Acceptance constitutes the irrevocable appointment of the Receiving Agent as such shareholder's attorney and an irrevocable instruction and authority to the attorney:

(i) subject to the Offer becoming unconditional in all respects in accordance with its terms and to an accepting Quantica Shareholder not having validly withdrawn his acceptance, to transfer to itself (or to such other person or persons as Berkeley Scott or its agents may direct) by means of CREST all or any of the Quantica Shares in uncertificated form (but not exceeding the number of Quantica Shares in uncertificated form in respect of which the Offer is accepted or deemed to be accepted); and

(ii) if the Offer does not become unconditional in all respects, to give instructions to CRESTCo, immediately after the lapsing of the Offer (or within such longer period as the Panel may permit, not exceeding 14 days of the lapsing of the Offer), to transfer all such Quantica Shares to the original available balance of the accepting Quantica Shareholder;

(f) the Electronic Acceptance constitutes, subject to the Offer becoming unconditional in all respects and to an accepting Quantica Shareholder not having validly withdrawn his acceptance, irrevocable authorities and requests:

(i) to Berkeley Scott or its agents to procure the making of a CREST payment obligation in favour of the Quantica Shareholder's payment bank in accordance with the CREST payment arrangements in respect of any cash consideration to which such shareholder is entitled and to issue any New Offer Berkeley Scott Shares to which such shareholder is entitled in uncertificated form, provided that:

(aa) Berkeley Scott may (if, for any reason, it wishes to do so) determine that all or any part of any such cash consideration shall be paid by cheque despatched by post and/or that all or any of such New Offer Berkeley Scott Shares shall be issued in certificated form; and

(bb) if the Quantica Shareholder concerned is a CREST member whose registered address is in the United States, Canada, Australia or Japan, any cash consideration to which such shareholder is entitled shall be paid by cheque despatched by post and any New Offer Berkeley Scott Shares to which such shareholder is entitled shall be issued in certificated form, and in either of such cases, at the risk of such shareholder, such cheques and/or any relevant share certificate(s) shall be despatched to the first-named holder at an address outside the United States, Canada, Australia or Japan stipulated by such holder or as otherwise determined by Berkeley Scott;

(ii) to Berkeley Scott or its agents to procure that the name(s) of such Quantica Shareholder(s) is/are entered on the register of members of Berkeley Scott in respect of any New Offer Berkeley Scott Shares to which such Quantica Shareholder(s) may become entitled by way of election for the Equity Alternative, subject to the terms of the Memorandum and Articles of Association of Berkeley Scott;

(iii) to Berkeley Scott or its agents, to record and act upon any instructions with regard to notices or dividend mandates which have been recorded in the records of Quantica in respect of such Quantica Shareholder's holding(s) of Quantica Shares as if such mandates had been given in respect of its holding of New Offer Berkeley Scott Shares;

(g) the Electronic Acceptance and its delivery to the Receiving Agent constitutes a giving of authority to any director of Berkeley Scott or person authorised by Strand Partners within the terms of sub-paragraphs (f)(i), (ii) and (iii) above;

(h) subject to the Offer becoming or being declared unconditional in all respects (or if the Offer shall become unconditional in all respects or lapse immediately upon the outcome of the resolution in question) in relation to Quantica Shares comprised or deemed to be comprised in such acceptance and pending registration:

(i) Berkeley Scott shall be entitled to direct the exercise of any votes and any or all other rights and privileges (including the right to requisition the convening of a general meeting of Quantica or of any class of its shareholders) attaching to any Quantica Shares in uncertificated form in respect of which the Offer has been accepted or is deemed to have been accepted and not validly withdrawn; and

(ii) an Electronic Acceptance by a Quantica Shareholder in respect of the Quantica Shares comprised in such acceptance and in respect of which such acceptance has not been validly withdrawn:

(aa) constitutes an authority to Quantica from such Quantica Shareholder to send any notice, warrant, document or other communication which may be required to be sent to him/her as a member of Quantica (including any share certificate(s) or other document(s) of title issued as a result of a conversion of such Quantica Shares into certificated form) to Berkeley Scott at its registered office;

(bb) constitutes an authority to Berkeley Scott or any director of Berkeley Scott to sign any consent to short notice on his behalf and/or attend and/or execute a form of proxy in respect of such Quantica Shares appointing any person nominated by Berkeley Scott to attend general meetings and separate class meetings of Quantica or its members (or any of them) (and any adjournments thereof) and to exercise the votes attaching to such shares on his behalf, where relevant, such votes to be cast so far as possible to satisfy any outstanding condition of the Offer; and

(cc) will also constitute the agreement of such Quantica Shareholder not to exercise any of such rights without the consent of Berkeley Scott and the irrevocable undertaking of such Quantica Shareholder not to appoint a proxy to attend any such general meeting or separate class meeting;

(i) if, for any reason, any Quantica Shares in respect of which a TTE instruction has been effected in accordance with paragraph 18(b) of the letter contained in Part 2 of the Offer Document are converted to certificated form, he will (without prejudice to sub-paragraph h(ii)(aa) of this Part D) immediately deliver or procure the immediate delivery of the share certificate(s) or other document(s) of title in respect of all such Quantica Shares as so converted to the Receiving Agent at either of the addresses referred to in paragraph 4.2 of Part B of this Part X or to Berkeley Scott at its registered office or as Berkeley Scott or its agents may direct; and he shall be deemed upon conversion to undertake, represent, warrant and agree in the terms set out in Part C of this Part X in relation to such Quantica Shares without prejudice to the application of this Part D so far as the Offeror deems appropriate;

(j) the creation of a CREST payment obligation in favour of his payment bank in accordance with the CREST payment arrangements referred to in sub-paragraph f(i) of this Part D shall, to the extent of the obligation so created, discharge in full any obligation of Berkeley Scott and/or Strand Partners to pay to him the cash consideration to which he is entitled pursuant to the Offer;

(k) if he accepts the Offer, he will do all such acts and things as shall be necessary or expedient to vest in Berkeley Scott or its nominee(s) or such other persons as it may decide the Quantica Shares and all such acts and things as may be necessary or expedient to enable the Receiving Agent to perform its functions as Escrow Agent for the purposes of the Offer;

(l) he agrees to ratify each and every act or thing which may be done or effected by Berkeley Scott or Strand Partners or the Receiving Agent or any director of Berkeley Scott or any director of Strand Partners or any director of the Receiving Agent or their respective agents or Quantica or its agents, as the case may be, in the exercise of any of his powers and/or authorities hereunder;

(m) the making of an Electronic Acceptance constitutes his submission, in relation to all matters arising out of the Offer and the Electronic Acceptance, to the jurisdiction of the courts of England;

(n) by virtue of the Regulations, the making of an Electronic Acceptance constitutes an irrevocable power of attorney by the relevant holder of Quantica Shares in the terms of all the powers and authorities expressed to be given by Part B of this Part X, this Part D and (where applicable by virtue of paragraph (i) above) Part C of this Part X to Berkeley Scott, the Receiving Agent and Strand Partners and any of their respective agents;

(o) if any provision of Part B of this Part X or this Part D shall be unenforceable or invalid or shall not operate so as to afford Berkeley Scott or Strand Partners or the Receiving Agent or any director of any of them the benefit or authority expressed to be given therein, he shall with all practicable speed do all such acts and things and execute all such documents that may be required to enable Berkeley Scott and/or Strand Partners and/or the Receiving Agent and/or any director of either of them to secure the full benefits of Part B of this Part X and this Part D;

(p) if he elects for the Equity Alternative (in whole or in part), he is not a US Person and is not acquiring, and will not be holding, New Offer Berkeley Scott Shares for the account or benefit of a US Person or the view to the Offer, sale or delivery, directly or indirectly, of such New Offer Berkeley Scott Shares in the United States, or for, the account or benefit of any US Person or any other person whom such transferee has reason to believe is purchasing for the purpose of such offer, sale or delivery.

References in this Part D to a Quantica Shareholder shall include references to the person or persons making an Electronic Acceptance and in the event of more than one person making an Electronic Acceptance the provisions of this Part D will apply to them jointly and to each of them. References to the masculine gender will include the feminine.

DEFINITIONS

The following definitions and glossary terms apply throughout this document, unless the context otherwise requires:

"1996 Stock Option Plan"	the Berkeley Scott Limited Share Option Scheme (1996)
"2004 Plan"	the Berkeley Scott Company Share Option Plan 2004
"Admission"	the effective admission of the Enlarged Issued Share Capital to trading on AIM in accordance with Rule 6 of the AIM Rules
"Acquisition"	the proposed acquisition of the entire issued and to be issued ordinary share capital of Quantica by Berkeley Scott pursuant to the Offer
"Act" or "Companies Act"	the Companies Act 1985 (as amended)
"AIM"	the AIM market, operated by the London Stock Exchange
"AIM Rules"	the rules published by the London Stock Exchange entitled "AIM Rules for Companies" as amended from time to time
"Alternative TTE instruction"	a Transfer to Escrow instruction (as described in the CREST manual issued by Euroclear) in relation to Quantica Shares in uncertificated form meeting the requirements set out in paragraph 18(b)(2) of the letter contained in Part 2 of the Offer Document
"Approved 1999 Share Option Scheme"	the Berkeley Scott Group plc Approved Share Option Scheme (1999)
"Articles"	the articles of association of the Company
"Australia"	the commonwealth of Australia, its states, territories and possessions
"Banking Facilities"	the new banking facilities to be provided to Berkeley Scott under the Facilities Agreement
"Basic Offer TTE instruction"	a Transfer to Escrow instruction (as described in the CREST manual issued by Euroclear) in relation to Quantica Shares in uncertificated form meeting the requirements set out in paragraph 18(b)(1) of the letter contained in Part 2 of the Offer Document
"Berkeley Scott Board"	the board of directors of Berkeley Scott
"Berkeley Scott Shareholder(s)"	the registered holder(s) of Ordinary Shares from time to time
"Berkeley Scott Shares" or "Ordinary Shares"	ordinary shares of £0.02 each in the capital of the Company
"Board"	the board of directors of the Company from time to time
"Canada"	Canada, its provinces and territories and all areas subject to its jurisdiction and any political sub-division thereof
"Capita Registrars"	a trading name of Capita IRG Plc
"Circular"	the circular dated 24 August 2007 addressed to Berkeley Scott Shareholders

"Closing Price"	the closing middle market price of a Quantica Share or Berkeley Scott Share, as the case may be, as derived from the Daily Official List of the London Stock Exchange
"Code"	the City Code on Takeovers and Mergers
"Company" or "Berkeley Scott"	Berkeley Scott Group plc, a public limited company incorporated and registered in England and Wales with registered number 2228050
"CREST"	the relevant system (as defined in the CREST Regulations) operated by Euroclear in accordance with which securities may be held or transferred in uncertificated form
"CREST Regulations"	the Uncertified Securities Regulations 2001 (SI 2001 No. 3755) as amended
"Daniel Stewart"	Daniel Stewart and Company Plc, the Company's nominated adviser and broker for the purposes of the AIM Rules, a member of the London Stock Exchange and regulated in the UK by the FSA
"Directors"	means the existing directors of the Company whose names are set out on page 19 of this document
"EBITDA"	operating profit before interest, taxation, depreciaiton and amortisation
"EEA State"	has the meaning given by FSMA
"EGM"	means the extraordinary general meeting of the Company convened for 11.00 a.m. on 18 September 2007 (or any adjournment, to vote on the Resolutions) notice of which is set out at the end of the Circular
"Electronic Acceptance"	the inputting and settling of a TTE instruction which constitutes or is deemed to constitute an acceptance of the Offer and/or the Equity Alternative on the terms set out in the Offer Document
"Enlarged Group"	the Berkeley Scott Group following completion of the Acquisition
"Enlarged Issued Share Capital"	the Existing Berkeley Scott Shares as enlarged by the issue of the New Berkeley Scott Shares and Placing Shares
"Equity Alternative"	the alternative under which Quantica Shareholders who validly accept the Offer are entitled to elect to receive New Offer Berkeley Scott Shares instead of all or part of the cash consideration to which they would otherwise be entitled under the Offer
"ERP"	enterprise resource planning, systems that integrate all data and processes of an organisation into a unified system
"ESA instruction"	an Escrow Account Adjustment Input (AESN), transaction type "ESA" (as described in the CREST manual issued by Euroclear)
"Escrow Agent"	Capita Registrars (in its capacity as an Escrow Agent as described in the CREST manual issued by Euroclear)
"Euroclear"	Euroclear UK & Ireland Limited
"Existing Berkeley Scott Shares"	the 22,804,329 Ordinary Shares of £0.02 pence each in the capital of Berkeley Scott in issue as at the date of this document

"Executive Directors"	the executive directors of the Company whose names are set out in the paragraph headed "Directors and Employees" in Part III of this document
"Existing Shareholders"	shareholders holding Existing Berkeley Scott Shares
"FMCG"	fast moving consumer goods
"FSA"	The Financial Services Authority
"FSMA"	the Financial Services and Markets Act 2000, as amended
"Facilities Agreement"	the agreement entered into, *inter alia*, by Berkeley Scott and Barclays Bank PLC on 24 August 2007 relating to the Banking Facilities to be provided to Berkeley Scott
"Form of Acceptance"	the form of acceptance relating to the Offer, accompanying the Offer Document
"FSMA"	the Financial Services and Markets Act 2000
"Group" or "Berkeley Scott Group"	the Company, its subsidiaries and its subsidiary undertakings
"HMRC"	Her Majesty's Revenue and Customs
"ISIN"	International Securities Identification Number
"Japan"	Japan, its cities, prefectures, territories and possessions
"Landsbanki"	Landsbanki Securities (UK) Limited, financial adviser and broker to Quantica
"London Stock Exchange"	London Stock Exchange plc
"Lock-In Agreements"	the lock-in agreements dated 24 August 2007 between the Company, Daniel Stewart and each of Tony Reeves and John Bowmer, further details of which are set out in paragraph 13.3 of Part IX of this document
"LTIP"	the Quantica long-term incentive plan approved by Quantica Shareholders in September 2005
"Memorandum of Association"	the memorandum of association of the Company
"New Berkeley Scott Shares"	the Ordinary Shares to be issued pursuant to the Offer and the Placing
"New Offer Berkeley Scott Shares"	the new Berkeley Scott shares to be issued pursuant to elections for the Equity Alternative under the Offer
"Non-VCT Placing Shares"	the 19,795,000 new Ordinary Shares to be allotted pursuant to the Placing which do not qualify for VCT tax relief
"Offer"	means the recommended offer by the Company to acquire the entire issued and to be issued share capital of Quantica
"Offer Document"	the document addressed to Quantica Shareholders dated 24 August 2007 which contains the Offer
"Offer Period"	the period commencing 23 July 2007 (the date of the announcement by Berkeley Scott that it was in advanced discussions concerning a possible offer for Quantica) until whichever of the following shall

	be the latest (i) 1.00 p.m. on 11 September 2007; (ii) the date on which the Offer lapses; and (iii) the date on which the Offer becomes or is declared unconditional as to acceptances
"Official List"	the Official List of the UK Listing Authority
"Ordinary Shares"	ordinary shares of £0.02 each in the capital of the Company
"p" or "pence"	one hundredth part of one pound sterling
"Panel"	the Panel on Takeovers and Mergers
"Placees"	subscribers for the Placing Shares procured by Daniel Stewart (as agent for the Company) pursuant to and on the terms of the Placing Agreement
"Placing"	the conditional placing of the Placing Shares at the Placing Price by Daniel Stewart as agent on behalf of the Company pursuant to the terms of the Placing Agreement
"Placing Agreement"	the conditional agreement dated 24 August 2007 between the Company, the Directors and Daniel Stewart relating to the Placing, further details of which are set out in paragraph 10.1 of Part IV of this document
"Placing Price"	40 pence, being the price at which each new Ordinary Share is to be issued under the Placing
"Placing Shares"	the 23,920,000 new Ordinary Shares to be issued pursuant to the Placing (comprising of the VCT Placing Shares and the Non-VCT Placing Shares)
"Prospectus Rules"	the prospectus rules published by the Financial Services Authority
"QCA Guidelines"	the corporate governance guidelines for AIM companies devised by the Quoted Companies Alliance
"Quantica"	Quantica plc, a public limited company incorporated and registered in England and Wales with registered number 3058194
"Quantica Board"	the board of directors of Quantica.
"Quantica Directors"	Leslie Lawson, John Bowmer, Robert Turner, Daniel Crawford Laughlin and Michael Waterhouse
"Quantica Group"	Quantica, its subsidiaries and subsidiary undertakings.
"Quantica Healthcare"	together Quantica Health Services Limited, Quantica HNE Limited and Quantica HLS Limited
"Quantica Shareholder(s)"	the registered holder(s) of Quantica shares from time to time
"Quantica Shares"	ordinary shares of £0.01 each in the capital of the Quantica
"Quantica Share Option Holders"	holders of options granted by Quantica over Quantica Shares pursuant to the terms of certain share option deeds
"Receiving Agent"	Capita Registrars at Corporate Actions, PO Box 166, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TH.
"Regulations"	the Uncertificated Securities Regulations 2001 (SI 2001/No.3755)

"Regulatory Information Service"	channel recognised by the FSA from time to time as a channel for the dissemination of regulatory information by AIM
"Resolutions"	the resolutions to be proposed at the EGM, as described in paragraph 4.4 of Part IX of this document
"RK Group"	RK Group Limited, a company incorporated in England and Wales with registered number 2803672 whose registered office is at Quantica House, Lowfields Business Park, Elland, Halifax, West Yorkshire HX5 9DF
"Senior Managers"	means Mark Darby, Kathryn Davies, Simon Tucker-Brown, Lisa Blood and Alistair Rennie
"Share Option Schemes"	the 2004 Plan, the Approved 1999 Share Option Scheme, the Unapproved 1999 Share Option Scheme and the 1996 Share Option Scheme being the arrangements approved by the Company for the grant of options over Ordinary Shares and referred to in more detail in paragraph 12 of Part IX of this document
"South Africa"	South Africa, its provinces, territories and possessions
"Strand Partners"	Strand Partners Limited, financial adviser to Berkeley Scott.
"Subsidiary" or "subsidiary undertaking"	have the meanings given to them by the Act
"TTE instruction"	a Basic Offer TTE instruction or an Alternative TTE instruction (as the context requires).
"United Kingdom" or "UK"	the United Kingdom of Great Britain and Northern Ireland
"UK Listing Authority" or "UKLA"	The Financial Services Authority acting in its capacity as the competent authority for the purposes of Part VI of FSMA
"Unapproved 1999 Share Option Scheme"	the Berkeley Scott Group plc Unapproved Share Option Scheme (1999)
"uncertificated" or "in uncertificated form"	recorded on the register of holders of Ordinary Shares as being held in uncertificated form in CREST, entitlement to which by virtue of the CREST Regulations, may be transferred by means of CREST
"UK GAAP"	means accounting practice generally accepted in the United Kingdom by comanies preparing Companies Act accounts (as defined in section 262(1) of the Act).
"US" or "United States"	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia and all other areas subject to its jurisdiction
"United States Securities Act"	the United States Securities Act of 1933 as amended
"VCT"	venture capital trust
"VCT Placing Shares"	the 4,125,000 new Ordinary Shares to be allotted pursuant to the Placing intended to qualify for VCT tax relief
"£" or "sterling"	United Kingdom pounds sterling

In this document, all references to times and dates are in reference to those observed in London, England.