THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document and/or the action you should take, you should immediately consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly 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.

If you have sold or otherwise transferred all of your Existing Shares, please immediately forward this document, together with the accompanying Form of Proxy, to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee. If you have sold only part of your holding of Existing Shares, please contact your stockbroker, bank or other agent through whom the sale or transfer was effected immediately.

The Directors, whose names appear on page 3 of this document, accept responsibility, collectively and individually, for the information contained in this document (other than the information concerning the Concert Party and its intentions). To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document for which they are responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Concert Party, whose names appear on page 5 of this document, accept responsibility, collectively and individually, for the information concerning the Concert Party in this document and its intentions. To the best of the knowledge and belief of the members of the Concert Party (who have taken all reasonable care to ensure that such is the case), the information contained in this document for which they are responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Existing Shares are admitted to trading on AIM. Application will be made to the London Stock Exchange for the Subscription Shares to be admitted to trading on AIM. It is expected that Admission and dealings in the Subscription Shares will commence on 30 January 2007.

Berkeley Scott Group plc

(Incorporated and registered in England and Wales under the Companies Act 1985 with registered number 02228050)

Subscription for 14,285,714 new Ordinary Shares at a price of 17.5p per share

by Anthony Reeves and John Bowmer

Approval for waiver of obligations under Rule 9 of the Takeover Code

Changes to Board

and

Notice of Extraordinary General Meeting

EXPECTED SHARE CAPITAL IMMEDIATELY FOLLOWING ADMISSION

Authorised			*Issued and fully paid*	
Number	*Amount (£)*		*Number*	*Amount (£)*
50,000,000	1,000,000	ordinary shares of 2p each	22,804,329	456,086.58

Your attention is drawn to the letter from the Chief Executive Officer of Berkeley Scott Group which is set out in Part 1 of this document and which recommends that you vote in favour of the Resolutions to be proposed at the Extraordinary General Meeting referred to below.

Evolution Securities, which is authorised and regulated in the UK by the Financial Services Authority, is acting as nominated and financial adviser to the Company in connection with the matters described in this document. Persons receiving this document should note that Evolution Securities will not be responsible to anyone other than the Company for providing the protections afforded to clients of Evolution Securities or for advising any other person on the arrangements described in this document. Evolution Securities has not authorised the contents of, or any part of, this document and no liability whatsoever is accepted by Evolution Securities for the accuracy of any information or opinions contained in this document or for the omission of any information.

This document does not constitute or comprise any offer of securities in the Company and no reliance may be placed by any person on the contents of this document (or any part thereof) in connection with the Subscription or any other acquisition of securities in the Company.

The Subscription Shares will not be registered under the United States Securities Act of 1933 (as amended) or under the securities laws of any state of the United States or qualify for distribution under any of the relevant securities laws of Canada, Australia or Japan, nor has any prospectus in relation to the Subscription Shares been lodged with or registered by the Australian Securities and Investments Commission or the Japanese Ministry of Finance. Accordingly, subject to certain exceptions, the Subscription Shares may not be, directly or indirectly, offered, sold, taken up, delivered or transferred in or into the United States, Canada, Australia or Japan. Overseas Shareholders and any person (including, without limitation, custodians, nominees and trustees) who have a contractual or other legal obligation to forward this document to a jurisdiction outside the UK should seek appropriate advice before taking any action.

Notice of an Extraordinary General Meeting of Berkeley Scott Group plc, to be held at the offices of the Company at Berkeley House, 11-13 Ockford Road, Godalming, Surrey GU7 1QU at 11.00 a.m. on 29 January 2007, is set out at the end of this document. To be valid the accompanying Form of Proxy for use in connection with the meeting should be completed, signed and returned as soon as possible and, in any event, so as to reach the Company's registrars, Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU by not later than 11.00 a.m. on 27 January 2007. Completion and return of Forms of Proxy will not preclude Shareholders from attending and voting at the Extraordinary General Meeting should they so wish.

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DIRECTORS, SECRETARY AND ADVISERS

Directors	Douglas Roderick (Roddy) Buell Watt (*Chief Executive Officer*) William (Will) Joseph Coker (*Chief Financial Officer*)
Proposed New Directors	Anthony (Tony) Henry Reeves (*Non-Executive Co-Chairman*) John Philip Bowmer (*Non-Executive Co-Chairman*) Michael Jackson (*Non-Executive Director*)
Company Secretary	IMCO Secretary Limited
Registered Office	Berkeley House 11-13 Ockford Road Godalming Surrey GU7 1QU
Nominated Adviser and Broker	Evolution Securities Limited 100 Wood Street London EC2V 7AN
Solicitors to the Company	Irwin Mitchell 21 Queen Street Leeds LS1 2TW
Solicitors to the Concert Party	Denton Wilde Sapte LLP One Fleet Place London EC4M 7WS
Auditors and Reporting Accountant to the Company	BDO Stoy Hayward LLP Connaught House Alexandra Terrace Guildford Surrey GU1 3DA
Registrars	Capita Registrars Northern House Woodsome Park Fenay Bridge Huddersfield West Yorkshire HD8 0LA

SUBSCRIPTION STATISTICS

Date of publication of this document	4 January 2007
Subscription Price	17.5p
Number of Subscription Shares to be issued	14,285,714
Proceeds receivable by the Company, net of expenses	£2,253,000
Number of Ordinary Shares in issue following Admission	22,804,329
Percentage of the enlarged issued share capital held by the Concert Party on Admission	62.645%

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Latest time and date for receipt of Forms of Proxy	11.00 a.m. on 27 January 2007
Extraordinary General Meeting	11.00 a.m. on 29 January 2007
Admission and dealings in the Subscription Shares expected to commence on AIM	8.00 a.m. on 30 January 2007

DEFINITIONS

The following definitions apply throughout this document unless the context otherwise requires:

"Act"	the Companies Act 1985 (as amended)
"Admission"	admission of the Subscription Shares to trading on AIM becoming effective in accordance with Rule 6 of the AIM Rules
"AIM"	the AIM market of the London Stock Exchange
"AIM Rules"	the rules governing the admission to, and the operation of, AIM as published by the London Stock Exchange from time to time
"certificated form" or "in certificated form"	refers to an Ordinary Share recorded on the Company's share register as being held in certificated form (that is, not in CREST)
"Concert Party"	Messrs Anthony Reeves and John Bowmer
"Company" or "Berkeley Scott"	Berkeley Scott Group plc, a public limited company incorporated and registered in England and Wales under the Act, with registered number 02228050
"CREST"	the relevant system (as defined in the Uncertificated Securities Regulations 2001) in respect of which CRESTCo is the operator (as defined in those regulations)
"CRESTCo"	CRESTCo Limited, the operator of CREST
"Dealing Day"	a day on which the London Stock Exchange is open for business in London
"Directors" or "Board"	the directors of the Company whose names are set out on page 7 of this document, or any duly authorised committee thereof
"EGM"	the extraordinary general meeting of the Company to be held at 11.00 a.m. on 29 January 2007
"EGM Notice"	the notice convening the EGM which is set out at the end of this document
"Evolution Securities"	Evolution Securities Limited, the Company's nominated adviser and broker
"Existing Shares"	the 8,518,615 Ordinary Shares in issue at the date of this document, all of which are admitted to trading on AIM
"Form of Proxy"	the form of proxy for use in connection with the EGM which accompanies this document
"Group"	the Company, its subsidiaries and its subsidiary undertakings
"London Stock Exchange"	London Stock Exchange plc
"Ordinary Shares"	ordinary shares of 2p each in the capital of the Company
"Panel"	the Panel on Takeovers and Mergers
"Proposal"	the subscription for the Subscription shares by the Concert Party, the grant of warrants to subscribe for 1,140,216 new Ordinary Shares to the Concert Party and the Waiver of the obligation on the Concert Party to make a general offer under Rule 9 of the Takeover Code

"Proposed New Directors"	Anthony Reeves, John Bowmer and Michael Jackson
"Resolutions"	the resolutions set out in the EGM Notice
"Shareholders"	holders of Existing Shares
"Subscription"	the subscription for the Subscription Shares by the Concert Party
"Subscription Agreement"	the agreement, conditional upon, *inter alia*, the Resolutions being passed and Admission entered into between the Company and the Concert Party dated 4 January 2007 effecting the Subscription
"Subscription Price"	17.5p per Subscription Share
"Subscription Shares"	the 14,285,714 new Ordinary Shares proposed to be issued pursuant to the Subscription
"subsidiary", "subsidiary undertaking", "associated undertaking" and "undertaking"	have the meanings respectively ascribed to them by the Act
"Takeover Code"	The City Code on Takeovers and Mergers
"UK"	the United Kingdom of Great Britain and Northern Ireland
"US" or "United States"	the United States of America, each State thereof, its territories and possessions (including the District of Columbia) and all other areas subject to its jurisdiction
"uncertificated form" or "in uncertificated form"	refers to an Ordinary Share recorded on a company's share register as being held in uncertificated form in CREST and title to which, by virtue of the Uncertificated Securities Regulations 2001, may be transferred by means of CREST
"Waiver"	the waiver (further details of which are set out on pages 9 to 10 of this document) of the obligation on the Concert Party to make a general offer under Rule 9 of the Takeover Code which may arise as a consequence of the issue of the Subscription Shares and grant of the Warrants, granted by the Panel conditional upon the approval of Shareholders by the passing of the Waiver Resolution
"Waiver Resolution"	Resolution 3 set out in the notice of EGM at the end of this document
"Warrants"	Warrants to subscribe for 1,140,216 new Ordinary Shares pursuant to warrant agreements entered into between the Company and the Concert Party on 4 January 2007
"Warrant Shares"	the 1,140,216 new Ordinary Shares to be issued upon exercise of the Warrants

PART 1

Letter from the Chief Executive Officer of Berkeley Scott Group plc

Berkeley Scott Group plc

(Incorporated and registered in England and Wales under the Companies Act 1985 with registered number 02228050)

Directors:
Douglas Roderick (Roddy) Buell Watt (*Chief Executive Officer*)
William (Will) Joseph Coker (*Chief Financial Officer*)

Registered Office:
Berkeley House
11-13 Ockford Road
Godalming
Surrey
GU7 1QU

4 January 2007

To Berkeley Scott Group plc Shareholders

Dear Shareholder,

Subscription for 14,285,714 new Ordinary Shares at a price of 17.5p per share
by Anthony Reeves and John Bowmer
Approval for waiver of obligations under Rule 9 of the Takeover Code
Changes to the Board
and
Notice of Extraordinary General Meeting

Introduction and summary

The Company proposes to raise approximately £2.5 million (before expenses) by way of a subscription by Anthony Reeves and John Bowmer for 14,285,714 Subscription Shares at a price of 17.5p per share. The Subscription is conditional, *inter alia*, upon the Company obtaining approval from its Shareholders for the Waiver by the Panel, to disapply statutory pre-emption rights and to grant the Board the necessary authority to allot the Subscription Shares and Admission.

The purpose of this document is to provide you with information about the background to and the reasons for the Subscription, to explain why the Board considers the Subscription to be in the best interests of the Company and Shareholders as a whole and to explain why the Directors recommend that you vote in favour of the Resolutions to be proposed at the EGM, notice of which is set out at the end of this document.

Background to and reasons for the Subscription

The Group's principal activity is providing people resourcing solutions to the hospitality and leisure industries.

Following its admission to AIM in December 2004, there followed a period of difficult trading coinciding with a time when the Group had begun to invest in its office and network infrastructure and growing the number of employees. These combined to cause funding pressures and the Board subsequently implemented a programme of rationalisation to alleviate these pressures.

Significant progress has been made in strengthening the senior management team and implementing a cost reduction programme. Trading has also stabilised. However, the Board is aware of the need to strengthen the Group's balance sheet, and also of the constraints and risks associated with the Company's small size. The Board has considered a number of options as to how best to maximise shareholder value over the foreseeable future. The Company does not currently have any independent non-executive directors, therefore the Board has consulted certain of its major Shareholders regarding the courses of action available to the Company. The

Board concluded following this consultation process that the transaction outlined and proposed in this document is the most likely to resolve these issues and to achieve the support of Shareholders. Accordingly, the Subscription is being recommended by the Board.

The future strategy of the Concert Party is outlined below under the heading "Intentions of the Concert Party". The Board notes that the Concert Party has stated that it intends, following completion of the Subscription, to use the Company as a vehicle for consolidation in the currently fragmented recruitment sector. The Concert Party believes that by pursuing such a growth strategy, which is intended to be achieved by strategic acquisitions and by expansion of the Company and the businesses being acquired, shareholder value can be enhanced over time.

Current trading, interim funding and prospects

On the 16 October 2006, the Company announced that it expected its results for the financial year ended 30 September 2006 to be broadly in line with expectations. Since the financial year end the Company has continued to trade in line with budget. However, the period from now until the end of February is traditionally the lowest point in the trading cycle and this results in the greatest funding requirements during the year. Whilst the Board remains confident that this seasonally low point in the trading and cash cycle will improve over the coming months, as has been the case over the last two years, the Group would have needed to exceed its current borrowing facilities during this period. This situation will be resolved with the increased capital base afforded by the Subscription but the Group requires some additional funding in the interim period.

This interim funding has been provided by the Concert Party on standard commercial terms and it is intended that the interim funding, amounting to a loan of £1.0 million, will be repaid out of the proceeds of the Subscription. The interim funding was only made available on condition that certain major shareholders, who together own 50.92 per cent. of the issued share capital, gave undertakings to vote in favour of the resolutions necessary to implement the Subscription, and, save for events of insolvency, repayment is not dependent on the performance of the business of Berkeley Scott.

The Board is encouraged by the recent trading performance and is hopeful that this can be continued into 2007.

The Subscription

In order to strengthen its balance sheet, the Company proposes to raise approximately £2.5 million (before expenses) through the issue of 14,285,714 Subscription Shares by way of the Subscription at 17.5p per share, the middle market price of an Existing Share when discussions with the Concert Party commenced. The Subscription Shares will represent 62.645 per cent. of the Company's issued share capital immediately following Admission.

The Subscription is conditional upon, *inter alia*, the Resolutions being duly passed at the EGM and Admission becoming effective on or before 8.00 a.m. on 30 January 2007 (or such later time and/or date as the Concert Party may agree.

Further details of the Subscription Agreement are set out in Part 4 of this document.

Under the terms of the Subscription Agreement, the Concert Party has conditionally agreed to subscribe for, in aggregate, 14,285,714 Subscription Shares. Details of the Subscriptions are as follows:

		Following the Subscription	
Name	*Number of Subscription Shares*	*Total number of Ordinary Shares*	*% of total issued share capital*
Anthony Reeves	7,142,857	7,142,857	31.322
John Bowmer	7,142,857	7,142,857	31.322

In addition, the Company has agreed to grant Messrs Reeves and Bowmer, conditionally on the Subscription taking place, Warrants over an aggregate of 1,140,216 new Ordinary Shares in aggregate at an exercise price of 17.5p per share exercisable for a period of five years beginning 6 months from Admission subject to Messrs Reeves and Bowmer still being a Director of the Company at the end of such six month period.

The Subscription Shares are not being offered to Shareholders due to the costs and additional regulatory requirements and consequently time implications associated with making a pre-emptive offering.

Completion of the Subscription will be conditional, *inter alia*, upon the passing of the Resolutions at the EGM and Admission.

Application will be made to the London Stock Exchange for the Subscription Shares to be admitted to trading on AIM. It is expected that Admission will occur on 30 January 2007.

The Subscription Shares will, when issued, rank *pari passu* in all respects with the Existing Shares, including the right to receive dividends and other distributions declared following Admission.

Financial effects of the Subscription

The continued ability of the Company to operate as a going concern is dependent on support from its bankers. The proposed Subscription will raise approximately £2,253 million, net of expenses, which will be used to strengthen the Company's balance sheet and provide the Group with additional working capital. The Directors believe that the proceeds realised from the Subscription will provide the Group with the resources it requires to secure its financial position and enable it to pursue the Concert Party's strategy referred to on page 10 of this document.

As outlined above, £1 million has already been advanced by the Concert Party by way of interim funding in order to assist with the immediate working capital requirements of the Company pending the Subscription. This loan is repayable out of the proceeds of the Subscription or the proceeds of any other funds raised by the Company (beyond the existing facilities available to it) by, at the latest, 28 February 2007.

Approval of Waiver granted by the Panel

The Concert Party comprises Anthony Reeves and John Bowmer, who are known to each other as they both served as senior executives at Adecco SA, the international staffing and recruitment company. The members of the Concert Party have no prior relationship with any of the Directors, Shareholders or Evolution Securities.

The issue of the Subscription Shares and the grant of the Warrants to the Concert Party gives rise to certain considerations under the Takeover Code. Brief details of the Takeover Code and the protections this affords Shareholders are described below.

The Takeover Code is issued and administered by the Panel. The Takeover Code applies to all takeovers and merger transactions, however effected, where the offeree company is, *inter alia*, a listed or unlisted public company with its registered office and place of central management control in the United Kingdom, the Channel Islands or the Isle of Man or falls within certain categories of private limited companies. Berkeley Scott is such a public company and accordingly its Shareholders are entitled to the protection afforded by the Takeover Code.

Under Rule 9 of the Takeover Code ("Rule 9"), where any person acquires, whether by a series of transactions over a period of time or by one specific transaction, an interest in shares which (taken together with shares in which persons acting in concert with him are interested) carry 30 per cent. or more of the voting rights of a company that is subject to the Takeover Code, that person is normally required by the Panel to make a general offer to all remaining shareholders of that company to acquire their shares.

Similarly, where any persons, together with persons acting in concert with him, is interested in shares which in aggregate carry not less than 30 per cent. of the voting rights of a company, but does not hold shares carrying more than 50 per cent., of the voting rights of such a company, a general offer will normally be required if any further interest in shares is acquired.

An offer under Rule 9 must be made in cash and at the highest price paid by the person required to make the offer, or any person acting in concert with him for any interest in shares of the Company during 12 months prior to the announcement of the offer.

Pursuant to the Subscription, the Concert Party will subscribe for 14,285,714 Subscription Shares and will additionally be granted Warrants to subscribe for a further 1,140,216 new Ordinary Shares. These Warrants, which will represent 5 per cent. of the enlarged issued share capital are the only warrants or options presently intended to be granted to the Concert Party members. They will only be exercisable with effect from six months following Admission, subject to Messrs Reeves and Bowmer being Directors of the Company at that time.

On Admission, and if the Warrants were to be exercised in full on that date, the Concert Party would hold 15,425,931 Ordinary Shares, representing 64.42 per cent. of the issued ordinary share capital of the Company. The issue of such new Ordinary Shares to the Concert Party would, absent the Waiver, give rise to an obligation on the Concert Party to make a general offer to all Shareholders under Rule 9 of the Takeover Code.

The Concert Party has no interest in the Company's share capital as at the date of this document.

The Directors believe that it is appropriate for the Company to effect the Subscription, and to issue the Subscription Shares to the Concert Party. However, the Board would not be prepared to recommend the Subscription in circumstances which would lead to the Concert Party becoming obliged to make a general offer to acquire all of the Ordinary Shares. The Concert Party is only prepared to enter into the Subscription Agreement on the basis that it will not be obliged to make such an offer. Accordingly the Board has decided to seek a Waiver from the Panel to dispense with the obligation on the Concert Party to make a general offer under Rule 9.

The Panel has agreed to waive the obligation to make a general offer that would otherwise arise as a result of the Subscription and the exercise of the Warrants, subject to approval of Shareholders. Accordingly Resolution 3 is being proposed at the EGM and will be taken on a poll.

Following completion of the Subscription and the issue of Warrants the members of the Concert Party will between them hold more than 50 per cent. of the Company's voting share capital and (for so long as they continue to be treated as acting in concert) may accordingly increase their aggregate share holding without incurring an obligation under Rule 9 to make a general offer, although individual members of the Concert Party will not be able to increase their percentage of shares through or between the Rule 9 threshold without Panel consent.

Intentions of the Concert Party

Following completion of the Subscription, the Concert Party intends to pursue a strategy of expansion organically and through the acquisition of complementary recruitment consultancy businesses with a view to delivering an enhancement to shareholder value.

It is intended that the proceeds of the Subscription will be used, initially, to refinance the existing debt in the Company, and to provide additional funding for the ongoing working capital requirements of the Company. It will also be applied in pursuing the acquisition strategy referred to above although it is anticipated that if meaningful acquisitions are to be made, they will involve the issue of further capital in the future.

Both Tony Reeves and John Bowmer have extensive experience in the recruitment sector and in growing companies by way of enhancements in operational efficiency and through strategic acquisitions. They believe that the Company provides a solid platform on which future acquisitions can be built, and will benefit from their combined industry expertise.

The Concert Party intends to actively pursue strategic acquisitions aimed at complementing the Company's existing offering or enabling it to penetrate new markets. Acquisition targets will be considered if they have strong brands, serve attractive niche recruitment sectors, have sustainable revenues and quality candidate databases. The strategy will be to acquire businesses in the staffing sector which will be synergistic and which will therefore be readily able to be incorporated into the Group's existing structure.

The Concert Party intends, where appropriate and applicable, to secure financial improvements from such acquisitions, through a combination of:

(a) strengthening management; and

(b) centralising back office infrastructure

The Concert Party believes that long term operational efficiencies will accrue to the Company as a result of cross selling and maximising the opportunities provided by the Company's CV database and candidate sourcing infrastructure. It is expected that this will be an ongoing process.

The ultimate goal will be to develop strong niche brands, which will deliver long term enhancement of shareholder value through improved operating performance of the business. In order to finance further acquisition opportunities, it may be necessary for the Company to seek further capital or funding in future.

As the Company continues to pursue these growth objectives, it is the intention of the Concert Party to strengthen the Board with the appointment of a new, suitably experienced full time chief executive officer. In the meantime, Anthony Reeves will fulfil this role. At present, the Concert Party has no intention to redeploy any of the Company's fixed assets.

Changes to the Board

It is proposed that following the Subscription three new directors will be appointed to the Board and that I will step down from the Board. Will Coker will remain as Chief Financial Officer. Details of the Proposed New Directors are set out below:

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

Anthony 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 Mr Reeves was chairman and chief executive officer of the Delphi Group Plc until 1998 until its acquisition by Adecco SA. He is also a private investor in various early stage companies. Before joining Delphi Group Plc, Mr Reeves was chairman, president and chief executive officer of Lifetime Corporation, a public company listed on the New York Stock Exchange.

The current address of Anthony Reeves is 142 Upper Richmond Road West, London SW14 8DS.

John Philip Bowmer, *Non-Executive Co-Chairman, age 62*

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 company, 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, Mr Bowmer held a range of management positions in marketing and finance at companies including MAI plc, a financial services and media organisation and Polaroid (UK) Ltd. 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.

The current address for John Bowmer is 97 Douglass Way, Atherton, California 94027 USA.

Michael Jackson, *Non-Executive Director, age 56*

Mr 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. He and Elderstreet VCT plc currently own 17.87 per cent. of the Existing Shares of the Company.

The Concert Party has confirmed that the existing employment rights, including pension rights (where relevant), of all employees of the Company would be safeguarded. In addition, the Concert Party has no present intention to make significant changes to the number of employees or their terms of employment in any material respects.

Extraordinary General Meeting

Set out on pages 48 and 49 of this document is a notice convening the EGM to be held on 29 January 2007 at the offices of the Company at Berkeley House, 11-13 Ockford Road, Godalming, Surrey GU7 1OU at 11.00 a.m., at which the Resolutions will be proposed for the purposes of implementing the proposals referred to in this document and approving the Waiver.

Resolution 1, which will be proposed as an ordinary resolution is to authorise the Directors to allot the Subscription Shares and grant the Warrants and further generally relevant securities up to £152,028.86 in nominal value provided that such authority shall expire on the date falling 15 months after the date of the resolution or the next annual general meeting of the Company, whichever is the earlier.

Resolution 2, which will be proposed as a special resolution and which is subject to the passing of Resolution 1, disapplies Shareholders' statutory pre-emption rights in relation to the issue of the Subscription Shares and the grant of the Warrants and grants further authority to allot equity securities for cash on a non-pre-emptive basis up to an aggregate nominal amount of £22,804.33 (representing 5 per cent. of the issued share capital following Admission) provided that such authority shall expire on the date falling 15 months after the date of the resolution or the next annual general meeting of the Company, whichever is the earlier.

Resolution 3, which will be proposed as an ordinary resolution and which may only be voted upon on a poll by Shareholders, approves the Waiver.

Action to be taken

A Form of Proxy for use at the EGM accompanies this document. Whether or not you intend to attend and vote at the EGM, you should complete and return the Form of Proxy in accordance with the instructions thereon and return it to the Company's registrars, Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU as soon as possible, but in any event so as to be received by no later than 11.00 a.m. on 27 January 2007. The completion and return of a Form of Proxy will not preclude Shareholders from attending the EGM and voting in person should they so wish.

Recommendation

The Directors, who have been so advised by Evolution Securities, consider the Proposal to be in the best interests of the Company and Shareholders as a whole. In giving its advice, Evolution Securities has taken into account the Directors' commercial assessments. The Board considers the obtaining of the Waiver to be fair and reasonable and accordingly unanimously recommend that Shareholders vote in favour of all of the Resolutions to be proposed at the EGM, as they have undertaken to do so in respect of their beneficial holdings amounting, in aggregate, to 925,050 Existing Shares, representing approximately 10.859 per cent. of the existing issued share capital of the Company.

In addition, certain other major Shareholders have undertaken to vote in favour of all of the resolutions to be proposed at the EGM in respect of their beneficial holdings of in aggregate 4,242,816 Existing Shares, representing approximately 49.806 per cent. of the existing issued share capital of the Company.

Yours sincerely

Roddy Watt
Chief Executive Officer

PART 2

Financial Information on Berkeley Scott

PART A: EXTRACTS FROM THE FINANCIAL STATEMENTS FOR THE THREE YEARS ENDED 30 SEPTEMBER 2005

The following financial information has been extracted, without material adjustment, from the audited consolidated published financial statements of Berkeley Scott for the financial years ended 30 September 2003, 30 September 2004 and 30 September 2005. The information set out in this part has been extracted from previously published sources and does not constitute statutory accounts within the meaning of section 240 of the Act.

Audited consolidated statutory accounts have been delivered to the Registrar of Companies for each of the three years. An audit report, in accordance with sections 235-237 of the Act, has been given on each of the three years by BDO Stoy Hayward LLP, Chartered Accountants and Registered Auditors, of Connaught House, Alexandra Terrace, Guildford, Surrey GU1 3DA. Such reports were unqualified and did not contain a statement under section 237(2) or (3) of the Act.

Part C of this Part 2 contains the full text of the unaudited interim results of Berkeley Scott for the six month period ended 31 March 2006, which were released on 30 June 2006.

PART B: HISTORICAL FINANCIAL INFORMATION FOR THE THREE YEARS ENDED 30 SEPTEMBER 2005

Consolidated profit and loss accounts

	Note	*2003* £	*2004* £	*2005* £
Turnover	2	14,451,259	16,611,136	17,063,791
Cost of sales		(10,643,334)	(12,254,859)	(12,982,587)
Gross profit		3,807,925	4,356,277	4,081,204
Operating expenses				
Operating expenditure before depreciation, amortisation and exceptional items		(3,252,778)	(3,472,941)	(4,030,452)
Exceptional item	4	(113,162)	(43,108)	(47,386)
Depreciation, amortisation and similar charges	4	(489,056)	(496,901)	(608,784)
		(3,854,996)	(4,012,950)	(4,686,622)
Operating (loss)/profit				
EBITDA*		441,985	840,228	3,366
Depreciation, amortisation and similar charges	4	(489,056)	(496,901)	(608,784)
		(47,071)	343,327	(605,418)
Interest receivable		1,331	624	513
Interest payable and similar charges	7	(337,861)	(347,666)	(291,825)
Loss on ordinary activities before taxation		(383,601)	(3,715)	(896,730)
Tax credit/(charge) on loss on ordinary activities	8	3,557	(68,485)	64,494
Loss on ordinary activities after taxation		(380,044)	(72,200)	(832,236)
Dividends payable (non equity)	9	(48,645)	(48,645)	(7,551)
Loss on ordinary activities transferred to reserves	18	(428,689)	(120,845)	(839,787)
Loss per share in pence (Basic and diluted)	10	(11.1)	(3.1)	(10.8)

* EBITDA is earnings before interest, taxation, depreciation and amortisation.

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

Consolidated balance sheets

	Note	*2003* £	*2004* £	*2005* £
Fixed assets				
Intangible assets	11	2,995,006	2,802,051	2,517,781
Tangible assets	12	564,161	775,311	749,749
		3,559,167	3,577,362	3,267,530
Current assets				
Debtors	14	2,277,133	3,350,647	3,624,019
Cash at bank and in hand		3,178	2,561	3,161
		2,280,311	3,353,208	3,627,180
Creditors: amounts falling due within one year	15	(3,032,279)	(4,307,717)	(4,194,952)
Net current liabilities		(751,968)	(954,509)	(567,772)
Total assets less current liabilities		2,807,199	2,622,853	2,699,758
Creditors: amounts falling due after more than one year	16	(1,670,928)	(1,603,733)	(343,346)
		1,136,271	1,019,120	2,356,412
Capital and reserves				
Called up share capital	17	76,960	80,654	170,372
Share premium account	18	1,484,377	1,484,377	3,571,738
Capital redemption reserve	18	1,834	1,834	1,834
Profit and loss account	18	(426,900)	(547,745)	(1,387,532)
Shareholders' funds	19	1,136,271	1,019,120	2,356,412

Included within shareholders' funds in 2003 and 2004 is an amount of £2 in respect of non-equity interests.

Consolidated cash flow statements

	Note	2003 £	2004 £	2005 £
Net cash inflow from operating activities	21	935,194	944,307	129,996
Returns on investments and servicing of finance				
Interest received		1,331	624	513
Interest paid		(327,275)	(338,374)	(280,992)
Interest element of finance lease rental payments		(10,586)	(9,292)	(10,833)
Special dividend – non equity		(44,594)	–	(109,451)
Net cash outflow from returns on investment and servicing of finance		(381,124)	(347,042)	(400,763)
Taxation				
UK corporation tax paid		(79,129)	(3,399)	(41,702)
Capital expenditure and financial investment				
Purchase of tangible fixed assets		(153,694)	(413,583)	(300,322)
Receipts from sale of fixed assets		–	–	13,964
Net cash outflow from capital expenditure and financial investment		(153,694)	(413,583)	(286,358)
Cash (outflow)/inflow before management of liquid resources and financing		321,247	180,283	(598,827)
Financing				
Capital element of finance lease rental payments		(54,113)	(68,939)	(55,571)
Repayment of loans		(351,884)	(190,000)	(1,908,333)
Share capital issued		–	3,694	3,071,500
Expenses paid in connection with share issue		–	–	(894,421)
New loans		–	–	500,000
Cash inflow/(outflow) from financing		(405,997)	(255,245)	713,175
Increase/(decrease) in cash in the year	22	(84,750)	(74,962)	114,348

Notes to the consolidated financial statements

1 Principal 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 made up to 30 September 2003, 2004 and 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.

1 Principal 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, 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:

	2003	*2004*	*2005*
	£	*£*	*£*
United Kingdom	14,438,882	16,497,023	16,940,389
Europe	6,421	25,163	31,873
Rest of the World	5,956	88,950	91,529
	14,451,259	16,611,136	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.

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

	Continuing operations £	*Discontinued operations* £	*2005* £
Turnover	16,662,277	401,514	17,063,791
Cost of sales	(12,698,187)	(284,400)	(12,982,587)
Gross profit	3,964,090	117,114	4,081,204
Operating expenses			
Operating expenditure before depreciation, amortisation and exceptional items	(3,853,017)	(177,435)	(4,030,452)
Exceptional item	–	(47,386)	(47,386)
Depreciation, amortisation and similar charges	(607,445)	(1,339)	(608,784)
	(4,460,462)	(226,160)	(4,686,622)
Operating loss	(496,372)	(109,046)	(605,418)

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.

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

Activities discontinued in the year ended 30 September 2005 are shown as discontinued operations. There were no activities discontinued in the year ended 30 September 2004.

	Continuing operations £	*Discontinued operations 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

3 Corresponding figures (continued)

The analysis between continuing and discontinued operations for year ending 30 September 2003 is shown below.

Activities discontinued in the year ended 30 September 2005 are shown as discontinued operations. There were no activities discontinued in the year ended 30 September 2003 or 30 September 2004.

	Continuing operations	*Discontinued operations 2005*	*2003*
	£	£	£
Turnover	13,657,689	793,570	14,451,259
Cost of sales	(10,103,999)	(539,335)	(10,643,334)
Gross profit	3,553,690	254,235	3,807,925
Operating expenses			
Operating expenditure before depreciation, amortisation and exceptional items	(3,044,786)	(207,992)	(3,252,778)
Exceptional item	(113,162)	–	(113,162)
Depreciation, amortisation and similar charges	(486,586)	(2,470)	(489,056)
	(3,644,534)	(210,462)	(3,854,996)
Operating profit/(loss)	(90,844)	43,773	(47,071)

4 Operating profit

	2003	*2004*	*2005*
	£	£	£
This is arrived at after charging			
Depreciation	296,099	303,946	324,514
Amortisation of goodwill	192,957	192,955	284,270
Operating leases – hire of plant & machinery	93,903	66,963	81,163
Operating leases – hire of other assets	445,800	394,268	345,182
Non-recurring costs	–	–	273,766
Exceptional item	113,162	43,108	47,386
Auditors' remuneration – audit services	24,125	29,765	44,443
Auditors' remuneration – non audit services	1,600	5,743	7,625

Depreciation includes £69,676 (2004 – £70,748, 2003 – £82,135) charged on assets held under finance leases and hire purchase contracts.

Included in the 30 September 2005 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, 2003 – £7,500) in respect of the Company.

	2003	*2004*	*2005*
	£	£	£
Non-recurring costs			
Restructuring costs	–	–	273,766
Exceptional item			
Redundancy costs	113,162	–	47,386
Aborted acquisition	–	43,108	–

5 Employees

Staff costs (including executive directors) consist of:

	2003	2004	2005
	£	£	£
Wages and salaries	10,236,889	11,305,175	12,497,323
Social security costs	776,395	900,563	978,477
Other pension costs	52,822	82,756	86,360
	11,066,106	12,288,494	13,562,160

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

	2003	2004	2005
	Number	Number	Number
	£	£	£
Recruitment	137	141	162
Advertising	7	6	6
Administrative staff	25	27	31
Temporary workers (whose costs are included in cost of sales and services charged within turnover)	849	945	1,116
	1,018	1,119	1,315

6 Directors' remuneration

	2003	2004	2005
	£	£	£
Directors' management emoluments	436,140	400,906	310,614
Compensation for loss of office	–	–	52,000
Company contributions to money purchase pension schemes	11,166	16,225	17,411
	447,306	417,131	380,025

There were 2 directors in defined contribution pension schemes during the year (2004 – 2, 2003 – 3).

The total amount payable to the highest paid director in respect of emoluments was £130,639 (2004 – £126,067, 2003 – £162,888)). Company pension contributions of £12,744 (2004 – £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 three years ended 30 September 2005.

7 Interest payable and similar charges

	2003	2004	2005
	£	£	£
Bank loans and overdrafts	178,385	135,478	116,847
Loan stock interest	58,500	58,500	–
Finance costs	6,000	6,000	1,500
Finance leases and hire purchase contracts	10,586	9,292	10,833
Other interest	6,734	22,579	23,116
Interest payable on invoice discounting	77,656	115,817	139,529
	337,861	347,666	291,825

8 Taxation on profit from ordinary activities

	2003	2004	2005
	£	£	£
Current tax			
UK corporation tax on results of the year	–	65,086	(41,110)
Adjustment in respect of previous periods	(3,557)	3,399	(23,384)
Total current tax	(3,557)	68,485	(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.

	2003	2004	2005
	£	£	£
Loss on ordinary activities before tax	(383,601)	(3,715)	(896,730)
Loss on ordinary activities at the standard rate of corporation tax in the UK of 30 per cent.	(115,080)	(1,115)	(269,019)
Effect of:			
Expenses not deductible for tax purposes	75,023	102,293	73,410
Capital allowances in advance of depreciation	(1,947)	(27,771)	51,763
Lower rate relief	(8,568)	(8.321)	–
Adjustment to tax charge of previous period	(3,557)	3,399	(23,384)
Losses carried forward	50,572	–	91,203
Losses carried back	–	–	10,891
Charges on income	–	–	642
Current tax charge for period	(3,557)	68.485	(64,494)

Deferred tax

There were unprovided deferred tax assets at 30 September 2003, 2004 and 2005 as set out below. The asset has not been included in the balance sheet as its recoverability is uncertain.

	2003	2004	2005
	£	£	£
Accelerated capital allowances	67,305	39,667	13,090
Provisions	3,628	3,015	10,071
	70,933	42,682	23,161

9 Dividends

	2003	2004	2005
	£	£	£
Non-equity shares			
Special shares	48,645	48,645	7,551

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

10 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, 2003 – 3,847,905) and the loss, being loss after tax and non equity dividends, was £839,787 (2004 – £120,845, 2003 – £428,689).

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 Intangible assets

	Purchased goodwill £	*Goodwill arising on consolidation* £	*Total* £
Cost			
At 1 October 2002 and 30 September 2003, 2004 and 2005	283,563	3,585,045	3,868,608
Amortisation			
At 1 October 2002	94,906	585,739	680,645
Provision for year	14,170	178,787	192,957
At 30 September 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
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 2003	174,487	2,820,519	2,995,006
At 30 September 2004	160,317	2,641,734	2,802,051
At 30 September 2005	146,147	2,371,634	2,517,781

12 Tangible fixed assets

	Motor vehicles £	*Short leasehold premises and improvements* £	*Computer and office equipment* £	*Total* £
Cost or valuation				
At 1 October 2002	10,930	273,495	1,287,540	1,571,965
Additions	–	53,783	167,854	221,637
Disposals	–	–	(71,019)	(71,019)
At 30 September 2003	10,930	327,278	1,384,375	1,722,583
Additions	–	97,463	417,633	515,096
Disposals	–	–	–	–
At 30 September 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 2002	9,901	146,115	777,326	933,342
Provisions for the year	1,029	49,033	246,037	296,099
Disposals	–	–	(71,019)	(71,019)
At 30 September 2003	10,930	195,148	952,344	1,158,422
Provisions for the year	–	57,989	245,957	303,946
Disposals	–	–	–	–
At 30 September 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 2003	–	132,130	432,031	564,161
At 30 September 2004	–	171,604	603,707	775,311
At 30 September 2005	–	211,953	537,796	749,749

The net book value of tangible fixed assets includes an amount of £100,292 (2004 – £167,402, 2003 – £142,272) in respect of assets held under finance lease and hire purchase contracts.

13 Subsidiary undertakings

The following were subsidiary undertakings at the beginning and end of the years 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 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

*Held indirectly.

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

	2003	*2004*	*2005*
	£	*£*	*£*
Trade debtors	1,938,178	2,385,803	2,717,327
Other debtors	78,116	73,898	160,101
Prepayments and accrued income	260,839	890,946	746,591
	2,277,133	3,350,647	3,624,019

All amounts fall due within one year.

15 Creditors: amounts falling due within one year

	2003	*2004*	*2005*
	£	*£*	*£*
Bank loans and overdrafts (secured)	540,254	514,599	210,851
Trade creditors	231,452	394,535	494,140
Corporation tax	–	65,086	–
Other taxation and social security	584,582	758,563	748,486
Obligations under finance leases and hire purchase contracts	45,628	55,396	47,729
Dividends payable	48,645	101,346	–
Other creditors	1,151,494	1,775,799	2,235,884
Accruals and deferred income	430,224	642,393	457,862
	3,032,279	4,307,717	4,194,952

The overdrafts of £110,851 (2004 – £224,599, 2003 – £150,254) and bank loans of £100,000 (2004 – £290,000, 2003 – £390,000), included in bank loans and overdrafts, and the invoice discounting facility of £2,071,216 (2004 – £1,497,681, 2003 – £1,024,368), included in other creditors, are secured by fixed and floating charges over certain assets.

Included in other creditors is an amount of £5,593 (2004 – £12,741, 2003 – £2,393) relating to outstanding pension contributions.

16 Creditors: amounts falling due after more than one year

	2003	*2004*	*2005*
	£	*£*	*£*
Bank loans	975,000	885,000	316,667
Obligations under finance leases and hire purchase contracts	45,928	68,733	26,679
Loan stock – Elderstreet Downing VCT Plc	390,000	390,000	–
Loan stock – Chrysalis A VCT Plc	260,000	260,000	–
	1,670,928	1,603,733	343,346

Maturity of debt:

	2003	*2004*	*2005*
	£	*£*	*£*
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	540,254	514,599	210,851
In more than one year but not more than two years	390,000	390,000	100,000
In more than two years but not more than five years	585,000	495,000	216,667
	1,515,254	1,399,599	527,518
Analysis of obligations under finance leases and hire purchase contracts:			
In one year or less, or on demand	45,628	55,396	47,729
In more than one year but not more than two years	31,537	45,495	26,679
In more than two years but not more than five years	14,391	23,238	–
	91,556	124,129	74,408

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.

17 Share capital

	2003	2004	2005
	£	£	£
Authorised			
Equity share capital			
9,999,980 Ordinary shares of 10p each	999,998	999,998	–
50,000,000 Ordinary shares of 2p each	–	–	1,000,000
Non-equity share capital			
2 Special shares of £1 each	2	2	–
	1,000,000	1,000,000	1,000,000

	2003	2004	2005
	£	£	£
Allotted, called up and fully paid			
Equity share capital			
769,581 Ordinary shares of 10p each	76,958		
806,527 Ordinary shares of 10p each		80,652	80,652
Non-equity share capital			
2 Special shares of £1 each	2	2	–
Converted to 20 10p shares	–	–	2
	76,960	80,654	80,654
Shares of 10p issued pre admission to AIM	–	–	4,450
	76,960	80,654	85,104
Subdivision of 10p shares to 4,255,235 2p shares	–	–	85,104
4,263,380 new shares issued post admission to AIM	–	–	85,268
8,518,615 Ordinary shares of 2p each	–	–	170,372

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.

18 Reserves

	Share premium account £	*Capital redemption reserve* £	*Profit & loss account* £
At 1 October 2002	1,484,377	1,834	1,789
Loss for the year	–	–	(428,689)
At 30 September 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)
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)

19 Reconciliation of movements in shareholders' funds

	2003 £	*2004* £	*2005* £
(Loss) for the year	(380,044)	(72,200)	(832,236)
Dividends	(48,645)	(48,645)	(7,551)
New share capital subscribed	–	3,694	2,177,079
Net addition to/(deduction from) shareholders' funds	(428,689)	(117,151)	1,337,292
Opening shareholders' funds	1,564,960	1,136,271	1,019,120
Closing shareholders' funds	1,136,271	1,019,120	2,356,412

20 Commitments under operating leases

The following are the annual commitments under non-cancellable operating leases:

	2003		*2004*		*2005*	
	Land and Buildings £	*Other* £	*Land and Buildings* £	*Other* £	*Land and Buildings* £	*Other* £
Operating leases which expire:						
Within one year	16,120	10,793	141,145	16,439	–	2,731
In two to five years	206,544	49,017	97,900	29,109	247,188	45,454
After five years	219,286	–	100,736	–	115,736	–
	441,950	59,810	339,781	45,548	362,924	48,185

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

	2003 £	*2004* £	*2005* £
Operating (loss)/profit on ordinary activities	(47,071)	343,327	(605,418)
Depreciation	296,099	303,946	324,514
Amortisation of goodwill	192,957	192,955	284,270
(Increase)/decrease in debtors	102,433	(1,073,514)	(232,262)
Increase in creditors	390,776	1,177,593	364,686
Profit on sale of fixed assets	–	–	(5,794)
Net cash inflow from operating activities	935,194	944,307	129,996

22 Reconciliation of net cash flow to movement in net debt

	2003	*2004*	*2005*
	£	*£*	*£*
Increase/(decrease) in cash in the year	(84,750)	(74,962)	114,348
Cash outflow from decrease in debt and lease financing	405,996	258,939	1,465,054
Change in net debt resulting from cash flows	321,246	183,977	1,579,402
New finance lease	(67,943)	(101,512)	(7,000)
Bank loan interest accrual	11,825	–	–
Movement in net debt in the year	265,128	82,465	1,572,402
Net debt at start of year	(2,518,760)	(2,253,632)	(2,171,167)
Net debt at end of year	(2,253,632)	(2,171,167)	(598,765)

23 Analysis of net debt

	At start of the year	*Cash flow*	*Other non-cash changes*	*At end of the year*
	£	*£*	*£*	*£*
Year ended 30 September 2003				
Cash at bank and in hand	148,099	(144,921)		3,178
Overdrafts	(210,425)	60,171		(150,254)
Net cash/(overdraft)	(62,326)	(84,750)		(147,076)
Debt due after one year:				
Finance leases	(34,907)	56,922	(67,943)	(45,928)
Bank loans	(1,365,000)	–	390,000	(975,000)
Loan notes	(650,000)	–	–	(650,000)
Debt due within one year:				
Finance leases	(42,818)	(2,810)	–	(45,628)
Bank loans	(363,709)	351,884	(378,175)	(390,000)
Financing	(2,456,434)	405,996	(56,118)	(2,106,556)
Total	(2,518,760)	321,246	(56,118)	(2,253,632)

	At start of the year	*Cash flow*	*Other non-cash changes*	*At end of the year*
	£	*£*	*£*	*£*
Year ended 30 September 2004				
Cash at bank and in hand	3,178	(617)		2,561
Overdrafts	(150,254)	(74,345)		(224,599)
Net cash/(overdraft)	(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)
Financing	(2,106,556)	258,939	(101,512)	(1,949,129)
Total	(2,253,632)	183,977	(101,512)	(2,171,167)

23 Analysis of net debt (continued)

	At start of the year £	Cash flow £	Other non-cash changes £	At end of the year £
Year ended 30 September 2005				
Cash at bank and in hand	2,561	600		3,161
Overdrafts	(224,599)	113,748		(110,851)
Net cash/(overdraft)	(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)

24 Ultimate controlling party

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

PART C: The Unaudited Interim Results of Berkeley Scott for the six month period ended 31 March 2006

CHAIRMAN'S STATEMENT

During the half year, we have concluded the operational re-structuring commenced in the last financial year, and in particular, have finalised the structure of the senior management team. We have also slimmed down the overall organisation from 200 people to 167. Much of this occurred towards the end of the period when we implemented a significant cost reduction programme.

Both our Temporary Recruitment and Search divisions have performed consistently ahead of last year.

The appointment of a new Operations Director for our Permanent division has already contributed to an improvement in fee earner productivity and, although this improvement came too late to recover shortfalls that arose in the early months of the year, we believe this should continue through the second half.

Trading Results

The total revenue of the business increased by 6 per cent. to £8,765,000 (2005: £8,291,000), whilst net fee income rose by 4 per cent. to £4,476,000 (2005: £4,307,000). Overhead costs were 12 per cent. higher at £4,722,000 (2005: £4,219,000) reflecting the higher staff numbers that we began the year with, but have recently reduced.

Before non-recurring costs of £40,000 (2005: £103,000) our EBITDA loss was £204,000 (2005: £197,000 profit).

The Company recorded a loss before taxation of £626,000 (2005: £335,000 loss), after charging goodwill amortisation of £95,000 (2005: £98,000) and non-recurring and exceptional items referred to above of £40,000. (2005: £103,000). Net borrowing (including invoice discounting) at the end of March was £3.0m (2005: £2.1m) being gearing of 172 per cent. (2005: 73 per cent.)

Following my statement on 21 February 2006, whilst it is obviously disappointing to be reporting a trading loss, I am nonetheless pleased to be able to tell shareholders that the actions taken since then have produced a tangible improvement and, indeed, that the trading in the ensuing period has bettered our expectations.

The Board is not recommending the payment of a dividend.

Operations Review

The Group has four operating divisions:- Permanent Recruitment, Temporary Recruitment, Executive Search and Resourcing Solutions.

Permanent Recruitment – Net Fee Income £2,521,000 (2005: £2,516,000)

Most of our core permanent recruitment markets remain relatively buoyant, with hotels in particular trading well. The restaurant sector has slowed down slightly, but the pubs, bars and other catering markets, whilst also having slowed a little, are still generally trading well. In this market, we continue to experience record levels of demand for our permanent recruitment services.

The half began with disappointing fee earner productivity due to continuing high turnover of consultants. However, we have now seen sustained consultant productivity improvements over recent months since the appointment of Simone Makepeace as Operations Director of this division. Whilst staff turnover remains high, this is in part as a result of planned changes in headcount. Our investment in training is now contributing to rising skill levels across the consulting teams, and will also help to reduce staff turnover.

Temporary Recruitment – Net Fee Income £1,371,000 (2005: £1,248,000)

The temporary business has performed strongly during the first half, with NFI up 10 per cent. (16 per cent. after excluding discontinued operations). There has been no erosion in margin, and the (continuing) cost base has only increased by 9 per cent. so the contribution from the division is well ahead of last year. This growth is particularly encouraging as we have also consolidated the business in this period, terminating operations in both Leeds and Southampton, which were under-performing.

Executive Search – Net Fee Income £231,000 (2005: £127,000)

Our executive search business, ISIS, has had an excellent start to the year which is continuing in the second half. We have not expanded our team as originally planned and so the contribution from this division has moved considerably ahead of last year.

Resourcing Solutions – Net Fee Income £332,000 (2005:£329,000)

Although net fee income is marginally ahead of 2005 this has been a frustrating half for our Solutions division. Despite a strong pipeline of prospects, many decisions have been delayed, or at least have taken considerably longer to conclude than predicted. This is true of Sourcerer, our ASP e-recruitment software tool, which whilst gaining acclaim, is taking longer to sell than envisaged. However, we have a strong qualified prospect list and hope, therefore, that the second half will see a greater conversion rate.

Staff

On behalf of the Board I would like to take this opportunity to thank our staff for their efforts and support during what has been a difficult period. We have a number of new staff from whom much is expected in the coming months.

I should also like to take this opportunity to thank Roger Taylor for his valued contribution to the Group over a number of years. Roger stepped down as a Non-Executive Director from the Board in May 2006. We are seeking a suitable replacement.

Outlook

Over the six months under review, we have taken decisive action to address the issues facing the Company. As a result, we have significantly reduced the Group's cost base, strengthened the senior management team and overseen improvement in trading in key areas. We have started the second half positively and enter the critical summer trading months with evidence that the continuing productivity gains required to deliver the revised market expectations are achievable.

Jeremy Hamer
Chairman

BERKELEY SCOTT GROUP PLC

GROUP PROFIT AND LOSS ACCOUNT

	Notes	*Unaudited 6 months ended 31 March 2006 £'000*	*Unaudited 6 months ended 31 March 2005 £'000*	*(Audited) year ended 30 September 2005 £'000*
Turnover		8,765	8,291	17,064
Cost of Sales		(6,966)	(6,527)	(12,983)
Gross Profit		1,799	1,764	4,081
Operating expenses	4	(2,285)	(1,933)	(4,686)
Operating (loss) / profit		(486)	(169)	(605)
Interest receivable		–	–	1
Interest payable		(140)	(166)	(300)
Loss on ordinary activities before taxation		(626)	(335)	(904)
Tax charge/(credit) on loss on ordinary activities	2	–	–	(64)
Loss on ordinary activities after taxation		(626)	(335)	(840)
Dividends Payable		–	–	–
Loss on ordinary activities transferred to reserves		(626)	(335)	(840)
Loss per share in pence (Basic and Diluted)	3	(7.4)	(4.8)	(10.8)

All recognised gains and losses are included in the profit and loss account. All amounts for the period ending 31March 2006 relate to continuing activities

GROUP BALANCE SHEET

	Notes	*Unaudited 31 March 2006 £'000*	*Unaudited 31 March 2005 £'000*	*Audited 30 September 2005 £'000*
FIXED ASSETS				
Intangible Assets		2,423	2,703	2,517
Tangible Assets		700	755	750
		3,123	3,458	3,267
CURRENT ASSETS				
Debtors	5	3,070	3,067	3,624
Cash at bank and in hand		3	137	3
		3,073	3,204	3,627
CURRENT LIABILITIES				
Creditors falling due within one year	6	(4,191)	(3,435)	(4,195)
NET CURRENT LIABILITIES		(1,118)	(231)	(568)
TOTAL ASSETS LESS CURRENT LIABILITIES		2,005	3,227	2,699
CREDITORS: amounts falling due after one year	6	(275)	(412)	(343)
NET ASSETS		1,730	2,815	2,356
CAPITAL AND RESERVES				
Called up share capital	7	170	170	170
Share Premium Account	7	3,572	3,526	3,572
Capital redemption reserve	7	2	2	2
Profit and Loss Account	7	(2,014)	(883)	(1,388)
EQUITY SHAREHOLDERS' FUNDS		1,730	2,815	2,356

GROUP CASH FLOW STATEMENT

	Notes	*Unaudited 6 months ended 31 March 2006 £'000*	*Unaudited 6 months ended 31 March 2005 £'000*	*(Audited) year ended 30 September 2005 £'000*
Net cash (outflow)/inflow from operating activities	8	(371)	(291)	130
Returns on investment and servicing of finance		(125)	(158)	(401)
Equity dividends paid		–	(110)	–
Taxation		42	–	(42)
Capital expenditure and financial investment		(97)	(149)	(286)
Cash (outflow)/inflow before management of liquid resources and financing		(551)	(708)	(599)
Cash inflow/(outflow) from financing	9	(93)	759	713
Increase/(Decrease) in cash in period		(644)	51	114

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	Notes	*Unaudited 6 months ended 31 March 2006 £'000*	*Unaudited 6 months ended 31 March 2005 £'000*	*(Audited) year ended 30 September 2005 £'000*
Increase/(Decrease) in cash in period		(644)	51	114
Cash outflow from decrease in debt and lease financing		79	1,373	1,465
Change in net debt resulting from cash flows		(565)	1,424	1,579
New Finance Lease		–	4	(7)
Movement in net debt in period		(565)	1,428	1,572
Net Debt at start of period		(599)	(2,171)	(2,171)
Net Debt at end of period		(1,164)	(743)	(599)

In addition, invoice discounting at 31 March 2006 amounted to £1,806k (31 March 2005: £1,338k)

NOTES TO THE INTERIM REPORT

For the 6 months ended 31 March 2006

1. Basis of Preparation

The financial information in this report for the 6 months ended 31 March 2006 represents the consolidated results of Berkeley Scott Group plc and its subsidiary undertakings. It has been prepared on a consistent basis using the same accounting policies as the audited financial statements for the year ended 30 September 2005.

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 2005 were extracted from the accounts filed with the Registrar of Companies, which carried an unqualified auditors' report.

The comparative figures for the 6 months to 31 March 2005 were unaudited. Dividends in that period paid re non-equity interests have been reclassified within interest payable as an expense. In addition, £124,000 of cost of sales has been reclassified as operating expenses to comply with treatment applied in the year end audited accounts.

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 2006 has been calculated by applying the projected effective tax rate for the full year ended 30 September 2006.

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 8,518,615 (2005 interim – 7,023,322: 2005 Full Year – 7,770,968) and the loss, being loss after tax and non equity dividends, was £(626,000) (2005 interim – £(335,000): 2005 Full Year – £(840,000))

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.

4. Operating Expenses

	Unaudited 6 months ended 31 March 2006 £'000	*Unaudited 6 months ended 31 March 2005 £'000*	*Audited year ended 30 September 2005 £'000*
Operating Profit on page 4 includes:	(486)	(169)	(605)
Depreciation	147	165	324
Amortisation of Goodwill	95	98	284
EBITDA	(244)	94	3
Non-recurring costs			
– Termination payments	40	103	274
– Exceptional item	–	–	47
Adjusted EBITDA	(204)	197	324

5. Debtors

	Unaudited 31 March 2006 £'000	*Unaudited 31 March 2005 £'000*	*Audited 30 September 2005 £'000*
Trade debtors	2,321	2,114	2,717
Other debtors	119	197	160
Prepayments and accrued income	630	756	747
Corporation tax	–	–	–
	3,070	3,067	3,624

6. Creditors

	Unaudited 31 March 2006 £'000	*Unaudited 31 March 2005 £'000*	*Audited 30 September 2005 £'000*
Amounts falling due within one year			
Bank Loans and overdrafts (secured)	856	409	211
Bank invoice discounting facility	1,806	1,338	2,071
Trade Creditors	280	439	494
Corporation tax	–	65	–
Other taxation and social security	627	565	748
Finance Leases and Hire Purchase	37	60	48
Proposed Dividend	–	–	–
Other creditors	134	24	165
Accruals and deferred income	451	535	458
	4,191	3,435	4,195
Amounts falling due after one year			
Bank Loans	267	367	317
Finance Leases and Hire Purchase	8	45	26
Loan Stock	–	–	–
	275	412	343

The loan falling due after one year of £266,667 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 £133,333 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*	*Total Shareholders Funds £'000*
At 30 Sep 2005	170	3,572	2	(1,388)	2,356
Shares issued in AIM listing	–	–	–	–	–
Loss attributable to shareholders	–	–	–	(626)	(626)
At 31 March 2006	170	3,572	2	(2,014)	1,730

8. Net cash flow from operating activities

	Unaudited 6 months ended 31 March 2006 £'000	*Unaudited 6 months ended 31 March 2005 £'000*	*Audited year ended 30 September 2005 £'000*
Operating profit / (loss)	(486)	(169)	(605)
Depreciation	147	165	324
Amortisation of Goodwill	95	98	284
(Increase)/Decrease in debtors	577	283	(232)
Increase/(Decrease) in creditors	(704)	(668)	365
Profit on sale of fixed assets	–	–	(6)
Net cash (outflow)/inflow from operating activities	(371)	(291)	130

9. Cash inflow/(outflow) from financing

	Unaudited 6 months ended 31 March 2006 £'000	*Unaudited 6 months ended 31 March 2005 £'000*	*Audited year ended 30 September 2005 £'000*
Issue of ordinary share capital	–	3,071	3,071
Repayment of loan notes	(50)	(1,858)	(1,908)
Capital element of finance lease payments	(29)	(15)	(56)
Expenses paid in connection with share issue	(14)	(939)	(894)
New Loans	–	500	500
Cash inflow / (outflow) from financing	(93)	759	713

PART 3

PROFIT ESTIMATE FOR THE GROUP FOR THE YEAR ENDED 30 SEPTEMBER 2006

Profit Estimate

On the basis set out below, the Directors, having made due and careful enquiry, have estimated that for the year ended 30 September 2006 turnover for the Group was not less than £17.5 million and that earnings before non-recurring items, depreciation, amortisation, interest and taxation for the same period were at least £450,000.

Basis of preparation

The Profit Estimate detailed above includes the unaudited results for the six month period ended 31 March 2006 (as published in the interim report) and the unaudited management accounts for the six month period ended 30 September 2006. The Profit Estimate has been prepared under the historical cost convention on a basis consistent with the accounting policies of the Group.

BDO Stoy Hayward
Chartered Accountants

BDO Stoy Hayward LLP
Emerald House East Street
Epsom Surrey
KT17 1HS

4 January 2007

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

The Directors
Evolution Securities Limited
100 Wood Street,
London
EC2V 7AN

Dear Sirs

Berkeley Scott Group plc

We report on the profit estimate comprising the estimate of turnover and earnings before non-recurring items, depreciation, amortisation, interest and taxation of Berkeley Scott Group plc (the "Company") and its subsidiaries (together the "Group") for the year ended 30 September 2006 (the "Profit Estimate"). The Profit Estimate and the basis on which it is prepared are set out on page 39 of the circular issued by the Company dated 4 January 2007 (the "Circular").

This report is required by Rule 28.3(b) of the City Code on Takeovers and Mergers (the "City Code") and is given for the purposes of complying with that rule and for no other purpose. Save for any responsibility arising under Rule 28.3(b) of the City Code 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 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 Rule 28.4 of the City Code consenting to its inclusion in the Circular.

Responsibilities

It is the responsibility of the directors of the Company (the "Directors") to prepare the Profit Estimate in accordance with the requirements of the guidance issued by the London Stock Exchange and the City Code. In preparing the Profit Estimate, the Directors are responsible for correcting errors that they have identified which may have arisen in unaudited financial results and unaudited management accounts used as the basis of preparation for the Profit Estimate.

It is our responsibility to form an opinion as required by the City Code as to the proper compilation of the Profit Estimate and to report that opinion to you.

Basis of Preparation of the Profit Estimate

The Profit Estimate has been prepared on the basis stated on page 39 of the Circular and is based on the unaudited interim results for the six months ended 31 March 2006 and the unaudited management accounts for the six months ended 30 September 2006. The Profit Estimate is required to be presented on a basis consistent with the accounting policies of the Group.

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. Our work included evaluating the basis on which the historical financial information included in the Profit Estimate has been prepared and considering whether the Profit Estimate has been accurately computed using that information and whether the basis of accounting used is consistent with the accounting policies of the Group.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the Profit Estimate has been properly compiled on the basis stated.

Since the Profit Estimate has not been audited, the actual results reported may be affected by revisions required to accounting estimates due to changes in circumstances, the impact of unforeseen events and the correction of errors in the interim financial results and management accounts. Consequently we can express no opinion as to whether the actual results reported will correspond to those shown in the Profit Estimate and differences may be material.

Opinion

In our opinion, the Profit Estimate has been properly compiled on the basis stated and the basis of accounting used is consistent with the accounting policies of the Group.

Yours faithfully

BDO Stoy Hayward LLP

Evolution Securities Limited
100 Wood Street London EC2V 7AN
▶ **t** +44 (0)20 7071 4300
▶ **f** +44 (0)20 7071 4450

Member of the Evolution Group plc

The Directors

Berkeley Scott Group plc
Berkeley House,
11-13 Ockford Road
Godalming
Surrey
GU7 1QU

4 January 2007

Dear Sirs,

We refer to the Interim Results issued by Berkeley Scott Group plc ("Brown") dated 30 June 2006, which contains a profit estimate for Brown and its subsidiary undertakings (together the "Group") for the year ended 30 September 2006 (the "Profit Estimate"). We have discussed the accounting policies and calculations for the Profit Estimate with you and BDO Stoy Hayward LLP and have considered the letter from BDO Stoy Hayward LLP to you dated 4 January 2007. We consider that the Profit Estimate, for which the Directors of Brown are solely responsible, has been made after due and careful enquiry.

Yours faithfully,
For and on behalf of Evolution Securities Limited

T J Worlledge
Director

PART 4

Additional Information on Berkeley Scott

1. Responsibility statement

The Directors, whose names are set out on page 3, accept responsibility both individually and collectively for the information contained in this document (other than the information concerning the Concert Party and its intentions for which the Concert Party alone takes responsibility). To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. Company Details

The Company was incorporated in England and Wales on 8 March 1988, was re-registered as a public limited company on 26 January 1998 and its shares were admitted to trading on AIM on 3 December 2004 under the Act with the registered number 002228050. The Company's registered office is at Berkeley House, 11-13 Ockford Road, Godalming, Surrey, GU7 1QU.

3. Business of the Company

The Company's principal activity is providing people resourcing solutions to the hospitality and leisure industries.

4. Directors' and others interests

4.1 *Directors' Interests*

4.1.1 The interests in the share capital of the Company as at 2 January 2007 (being the latest practicable date prior to publication of this document) which: (i) have been notified to the Company pursuant to section 324 or 328 of the Act; or which (ii) are required pursuant to section 325 of the Act to be entered in the register of directors' interests referred to in that section; or which (iii) are interests of a person connected with a Director within the meaning of section 346 of the Act, and which would, if the connected person were a Director, be required to be disclosed under (i) or (ii) above, and the existence of which is known to or could, with reasonable diligence be ascertained by the Director in question; and as they are expected to be following Admission, are as follows (all such interests being beneficial unless otherwise noted):

	Ordinary Shares before Admission		*Ordinary Shares following Admission**	
	No. of Ordinary Shares	*Percentage of existing issued share capital*	*No. of Ordinary Shares*	*Percentage of issued share capital***
DRB Watt	905,050	10.62%	905,050***	3.969%
WJ Coker	20,000	0.23%	20,000	0.087%

* Assuming Subscription in full under the Subscription Agreement.

** Following Admission and issue of Subscription Shares.

*** This figure includes the Ordinary Shares held by "DRB Watt and Family" and "DRB Watt and Mrs. B C B Smith (Trust)".

4.1.2 As at 2 January 2007 (being the latest practicable date prior to publication of this document) the options over Ordinary Shares that have been granted to the Directors are as follows:

	Ordinary Shares under option	*Exercise price*	*Exercise Period Earliest*	*Latest*
DRB Watt	27,690	£0.99	–	14/04/2009
WJ Coker	50,000	£0.325	09/09/2008	09/09/2015
WJ Coker	50,000	£0.255	15/12/2008	15/12/2015

4.2 *Advisers' and other interests*

As at the close of business on 2 January 2007 (being the latest practicable date prior to the publication of this document), Evolution Securities and/or persons controlling, controlled by or under the same control as Evolution Securities owned or controlled 288,060 Ordinary Shares.

Save as disclosed in this paragraph 4, no interests, rights to subscribe for or short positions in relevant securities are owned or controlled by or have been borrowed or lent by Berkeley Scott or by any company which is an "associate" of Berkeley Scott by virtue of paragraph (1) of the definition of "associate" in the Takeover Code ("Associate"), any concert party of Berkeley Scott, any pension fund of Berkeley Scott or of any Associate of Berkeley Scott, any employee benefit trust of Berkeley Scott or any Associate of Berkeley Scott, or any connected adviser of Berkeley Scott or any Associate of Berkeley Scott or any person controlling, controlled by or under the same control as any connected advisor as defined in the Takeover Code, nor any person whose investments are managed on a discretionary basis by a fund manager (other than an exempt fund manager) which is controlled by, controls or is under the same control as the Company or any Associate.

4.3 *Dealings for value*

Save as disclosed in this paragraph 4, the Directors do not hold any relevant securities, nor have there been any Directors' dealings for value of any interest in relevant securities in the period of twelve months prior to the date of the circular.

4.4 For the purposes of this paragraph 4, the term "interest" shall have the same meaning as the term "interests in securities" in the Takeover Code and the term "relevant securities" shall have the same meaning as the term "relevant securities" in the Takeover Code.

4.5 *No agreement relating to the Subscription*

Save as disclosed in Part 1 of this document, no agreement, arrangement or understanding exists between the Concert Party and any director, recent director, shareholder or recent shareholder of the Company or any person interested or recently interested in its shares having any connection with or dependence on the Subscription.

5. The Concert Party

There is no agreement, arrangement or understanding between the Concert Party and any person whereby any of the Subscription Shares or the Warrants are to be transferred to any other person.

No interests, rights to subscribe for or short positions in relevant securities are owned or controlled by or have been borrowed or lent by the Concert Party or by any company which is an "associate" of the Concert Party by virtue of paragraph (1) of the definition of "associate" in the Takeover Code ("Associate"), and any concert party of the Concert Party in the period of twelve months prior to the date of the publication of Circular.

6. Directors' Service Agreements

The following Directors have entered into service agreements or letters of engagement with the Company, to which there have been no changes in the previous six months, the details of which are as follows:

6.1 Roddy Watt entered into a service contract with the Company on 25 September 2001 with continuous employment since 3 January 1984. The service contract is terminable by either party on twelve months' notice. Mr Watt's annual basic salary is £110,250 to be reviewed annually or as otherwise determined by the remuneration committee of the Company. Mr Watt is entitled to participate in the Company's discretionary bonus scheme. Mr Watt is entitled to a car, contributions to a pension scheme and private medical insurance. The service agreement also contains certain restrictions on Mr Watt following the termination of his employment.

6.2 Will Coker entered into a service contract with the Company on 12 October 2005 with continuous employment since 9 March 2005. The service contract is terminable by either party on six months' notice. Mr Coker's annual basic salary is £100,000 to be reviewed annually by the remuneration committee of the Company. Mr Coker is entitled to participate in the Company's discretionary bonus scheme. Mr Coker is entitled to a car, contributions to a pension scheme and private medical insurance. The service agreement also contains certain restrictions on Mr Coker following the termination of his employment.

7. Material Contracts

Save as described below, there have been no contracts entered into by the Company other than in the ordinary course of business during the two years immediately preceding the date of this document which are or may be material:

7.1 The Company, Anthony Reeves and John Bowmer entered into a Subscription Agreement dated 4 January 2007, pursuant to which each of Anthony Reeves and John Bowmer have agreed to subscribe for 7,142,857 new Ordinary Shares each at the Subscription Price. The Subscription Agreement is conditional upon, *inter alia*, the Resolutions being passed at the EGM and Admission becoming effective by no later than 8.00 a.m. on 30 January (or such later date as Anthony Reeves and John Bowmer may agree).

The Subscription Agreement contains warranties given by the Company, *inter alia*, as to the accuracy of the information contained in this document and other matters relating to the Group and its businesses. Messrs Reeves and Bowmer are entitled to terminate the Subscription Agreement in certain circumstances at any time prior to Admission, including, amongst others, where the Company is in breach of its obligations under the Subscription Agreement or there is a breach of the warranties under the Subscription Agreement or if an adverse change in the financial, economic or market conditions occurs.

7.2 The Company has entered into warrant agreements dated 4 January 2007 with each of Anthony Henry Reeves and John Philip Bowmer. Under the warrant agreements each of them are granted Warrants (exercisable from the date six months from Admission for five years on condition that on such six month date Mr Reeves or Mr Bowmer (as the case may be) remains a director of the Company) to subscribe for 570,108 new Ordinary Shares each at an exercise price of 17.5p per share. The warrant agreements are conditional upon, inter alia, the Resolutions being passed at the EGM and Admission becoming effective.

7.3 The Company and Berkeley Scott Limited has entered into a facility agreement dated 11 December 2006 with Anthony Henry Reeves and John Philip Bowmer under which they have agreed to provide a facility of up to £1,000,000 to the Company to be used for working capital purposes at an interest rate of 2 per cent. above base rate. The facility, which has been drawn down in full, is immediately repayable upon the earlier of (i) the Company receiving the proceeds of an issue of new shares in the Company (other than as a result of the exercise of its share options in existence at the date of the facility) or the obtaining of additional borrowings from the Royal Bank of Scotland (beyond its current facilities) or another lender and (ii) 28 February 2007.

7.4 Anthony Henry Reeves, John Philip Bowner and Michael Jackson have entered into letters of appointment dated 4 January 2007 as non-executive directors of the Company conditional on the Subscription taking place. Anthony Henry Reeves and John Philip Bowmer will act as Co-chairmen of the Company at a fee of £20,000 per annum (plus expenses) each and Michael Jackson will receive a fee of £15,000 per annum (plus expenses). Each of the appointments are for a 12 month term but are terminable on six month's notice by either party.

8. Material Changes

Save as disclosed in Parts 1, 2 and 3 of this document, there has been no material change in the financial or trading position of the Company since 30 September 2005 (the date to which the latest published audited accounts of the Company were prepared).

9. Market Quotations

Set out below are the middle market quotations for an Ordinary Share as derived from the London Stock Exchange Daily Official List on the first business day of each month from 1 August 2006 to 2 January 2007 inclusive:

Date	*Price (p)*
1 August 2006	17.5
1 September 2006	17.5
2 October 2006	17.5
1 November 2006	17.5
1 December 2006	21
2 January 2007	27.5

10. Miscellaneous

10.1 Evolution Securities Limited has given and not withdrawn its written consent to the inclusion in this document of the references to its name in the form and context in which they appear.

10.2 BDO Stoy Hayward LLP has given and not withdrawn its written consent to the issue of this document containing its letter relating to the Profit Estimate for the year ended 30 September 2006 in the form and context in which it is included.

11. Voting undertakings

Details of the Shareholders who have undertaken to vote in favour of all of the Resolutions to be proposed at the EGM and their beneficial holdings are set out below:

Name	*No. of Ordinary Shares*	*Percentage of existing issued share capital*
Roddy Watt	905,050	10.62
Elderstreet VCT plc	888,679	10.43
Michael Jackson	633,803	7.44
David Newling Ward	611,745	7.18
Bluehone Investors LLP	492,957	5.79
Evolution Securities Limited	352,112	4.13
Universities Superannuation Scheme Ltd	347,535	4.08
Michael Katzler	342,370	4.02
Gary Katzler	293,615	3.45
G.D. Katzler Trust	280,000	3.29
Will Coker	20,000	0.23
Total	5,167,866	60.67

12. Documents available for inspection

Copies of the following documents will be available for inspection, during normal business hours, at the offices of Irwin Mitchell, 21 Queen Street, Leeds LS1 2TW and the registered office of Berkeley Scott, Berkeley House, 11-13 Ockford Road, Godalming, Surrey GU7 1QU, until the Extraordinary General Meeting and at the meeting itself:

(a) the memorandum and articles of association of Berkeley Scott;

(b) the audited consolidated accounts of Berkeley Scott for the last three financial years;

(c) the service contracts and letters of appointment referred to in paragraph 7 above;

(d) the letters of consent referred to in paragraph 10 above;

(e) the material contracts referred to in paragraph 7 above and in Part 1 of this document;

(f) this document; and

(g) undertakings from each of the Directors and certain other major shareholders referred to in paragraph 11 above to vote in favour of the Resolutions at the EGM.

Dated: 4 January 2007

NOTICE OF EXTRAORDINARY GENERAL MEETING

Berkeley Scott Group plc

(Incorporated and registered in England and Wales under the Companies Act 1985 with registered number 02228050)

NOTICE IS HEREBY GIVEN THAT an extraordinary general meeting of Berkeley Scott Group plc (the "**Company**") will be held at the offices of The Company, Berkeley House, 11-13 Ockford Road, Godalming, Surrey GU7 1QU, at 11.00 a.m. on 29 January 2007 to consider and, if thought fit, to pass the following resolutions of which resolutions 1 and 3 will be proposed as ordinary resolutions of the Company and resolution 2 will be proposed as a special resolution of the Company:

ORDINARY RESOLUTION

1. **THAT** the directors be and they are hereby generally and unconditionally authorised pursuant to section 80 of the Companies Act 1985 (the "**Act**") (in substitution for all such existing authorities) to exercise all powers of the Company to allot relevant securities (as defined in section 80(2) of the Act) provided that this authority shall be limited to:

   (a) the allotment of 14,285,714 new Ordinary Shares of 2p each in the capital of the Company in connection with the Subscription and the grant of Warrants to subscribe for 1,140,216 new Ordinary Shares (as such terms are defined in the circular to shareholders of the Company dated 4 January 2007 (the "**Circular**"));

   (b) the allotment (other than pursuant to paragraph (a) above) of relevant securities up to an aggregate nominal amount of £152,028.86,

   and unless previously renewed, revoked, varied or extended, this authority shall expire at the earlier of the date which is 15 months from the date of the passing of this resolution and the conclusion of the next annual general meeting of the Company except that the Company may at any time before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the directors may allot relevant securities in pursuance of such an offer or agreement as if this authority had not expired.

SPECIAL RESOLUTION

2. **THAT**, conditional upon the passing of Resolution 1, in substitution for any existing power given to the directors pursuant to section 95 of the Act, the directors be and they are empowered pursuant to section 95(1) of the Act to allot equity securities (as defined in section 94(2) of the Act) of the Company for cash pursuant to the authority of the directors under section 80 of the Act conferred by Resolution 1, and/or where such an allotment constitutes an allotment of equity securities by virtue of section 94(3A) of the Act, as if section 89(1) of the Act did not apply to such allotment provided that the power conferred by this resolution shall be limited to:

   (a) the allotment of 14,285,714 new Ordinary Shares of 2p each in the capital of the Company in connection with the Subscription (as such terms are defined in the Circular) and the grant of Warrants to subscribe for 1,140,216 new Ordinary Shares (as described in the Circular);

   (b) the allotment of equity securities in connection with an invitation or offer of equity securities to the holders of Ordinary Shares in the capital of the Company (excluding any shares held by the Company as treasury shares (as defined in section 162A(3) of the Act)) on a fixed record date in proportion (as nearly as practicable) to their respective holdings of such shares or in accordance with the rights attached to such shares (but subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to fractional entitlements or as a result of legal or practical problems under the laws of, or the requirements of any regulatory body or any stock exchange in any territory or otherwise howsoever); and

(c) the allotment (otherwise than pursuant to sub-paragraphs (a) and (b) above) of equity securities up to an aggregate nominal value equal to £22,804.33 (being 5 per cent. of the Company's issued share capital as increased by the Subscription (as defined in the Circular),

and unless previously renewed, revoked, varied or extended this power shall expire on the earlier of the conclusion of the next annual general meeting of the Company and the date falling 15 months after the date of the passing of this resolution except that the Company may before the expiry of this power make an offer or agreement which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities in pursuance of such offer or agreement as if this power had not expired.

ORDINARY RESOLUTION

3. **THAT**, conditional on the passing of Resolutions 1 and 2, the conditional waiver granted by the Panel on Takeovers and Mergers of any requirement under Rule 9 of The City Code on Takeovers and Mergers for the Concert Party to make a general offer to shareholders of the Company as a result of the Subscription by the Concert Party for 14,285,714 Ordinary Shares and the grant of the Warrants to the Concert Party to subscribe for a further 1,140,216 Ordinary Shares in each case, which together will represent a maximum of 64.42 per cent. of the enlarged issued share capital (as further described in the Circular) be and is hereby approved.

Registered Office:
Berkeley House
11-13 Ocford Road
Godalming
Surrey
GU7 1QU

By order of the Board:
IMCO Secretary Limited
Company Secretary
4 January 2007

Notes:

1. A member entitled to receive notice, attend and vote at the extraordinary general meeting is entitled to appoint a proxy or proxies to attend and, vote instead of him. Such proxy need not be a member of the Company. Completion of a form of proxy does not preclude your attendance at the meeting and voting in person if you so wish. To be valid, the instrument appointing a proxy, together, if appropriate, with a power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such authority, must be deposited at the offices of the Company's registrars, Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU not less than 48 hours before the time fixed for the holding of the meeting. A pre-paid form of proxy accompanies this notice.

2. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the time by which a person must be entered on the register of members of the Company in order to have the right to receive notice, attend and vote at the extraordinary general meeting (and for the purposes of the determination by the Company of the members of votes they may cast) is 11.00 a.m. on 27 January 2007 or 48 hours before the time of adjournment of the meeting. The rights of members to attend and vote at the meeting will be determined by references to entries on the register of members as at 5.00 p.m. on 27 January 2007. Changes to entries on the register of members of the Company after that time will be disregarded in determining the rights of any person to attend or vote at the meeting.

3. In the case of joint holders, the signature of only one of the joint holders is required on the form of proxy, but the vote of the first named on the register of members will be accepted to the exclusion of the other joint holders.

4. In order to comply with the City Code on Takeovers and Mergers, Resolution 3 will be taken on a poll.