THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document you should consult your stockbroker, bank manager, solicitor or other independent financial adviser authorised under the Financial Services and Markets Act 2000 who specialises in advising on the acquisition of shares and other securities immediately.

Application has been made for the Ordinary Shares of Pentagon to be admitted to trading on the AIM market of the London Stock Exchange ("AIM"). AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the official list of the United Kingdom Listing Authority. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and if appropriate, consultation with an independent financial adviser. London Stock Exchange plc has not itself examined or approved the contents of this document.

A copy of this document, which comprises a prospectus drawn up in accordance with the Public Offers of Securities Regulations 1995 as amended (the "Regulations") has been issued in connection with the application for admission to trading of the Ordinary Shares on AIM and has been delivered to the Registrar of Companies in England and Wales for registration in accordance with Regulation 4(2) of the Regulations.

Pentagon Protection Plc

(Incorporated and registered in England and Wales with Registered No. 4488281)

Placing of 25,000,000 Ordinary Shares at 3p per share
Admission to trading on AIM

Nominated Adviser	Broker
Seymour Pierce Limited	Seymour Pierce Ellis Limited

SHARE CAPITAL IMMEDIATELY FOLLOWING THE PLACING

Authorised			Issued and fully paid	
Amount	Number	Ordinary Shares	Amount	Number
£150,000	150,000,000	of 0.1p each	£79,166.86	79,166,860

The Directors, whose names appear on page 3 of this document, accept responsibility for the information contained in this document including individual and collective responsibility for compliance with the AIM Rules of the London Stock Exchange ("AIM Rules"). 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 is in accordance with the facts, and this document makes no omission likely to affect the import of such information. In connection with this document and/or the invitation contained in it, no person is authorised to give any information or make any representation other than as contained in this document.

Seymour Pierce Limited and Seymour Pierce Ellis Limited, which are regulated by The Financial Services Authority, are acting as Nominated Adviser and Broker exclusively for the Company in connection with the proposed admission of the Ordinary Shares to trading on AIM and are not acting for any other person and will not be responsible to any other person for providing the protections afforded to customers of Seymour Pierce Limited and Seymour Pierce Ellis Limited, or for advising any other person in connection with the Placing. The responsibilities of Seymour Pierce Limited, as Nominated Adviser, are owed solely to the London Stock Exchange.

CONTENTS

DIRECTORS, SECRETARY AND ADVISERS

Directors:	David Aram Thomas	*Chairman*
	Geoffrey Phillip Russell	*Managing Director*
	Danielle Caroline Stewart FCA, FCCA	*Non-Executive Director*
	Ronald Bambra	*Non-Executive Director*
	all of: Pentagon House 4 Acton Park Estate The Vale London W3 7QE	
Company Secretary:	Danielle Caroline Stewart FCA, FCCA	
Registered Office:	Pentagon House 4 Acton Park Estate The Vale London W3 7QE	
Nominated Adviser:	Seymour Pierce Limited 29/30 Cornhill London EC3V 3NF	
Broker:	Seymour Pierce Ellis Limited Talisman House Jubilee Walk Three Bridges Crawley West Sussex RH10 1LQ	
Solicitors to the Company:	Mundays Cedar House 78 Portsmouth Road Cobham Surrey KT11 1AN	
Auditors and Reporting Accountants:	BDO Stoy Hayward Emerald House East Street Epsom Surrey KT17 1HS	
Solicitors to the Placing:	Denton Wilde Sapte 1 Fleet Place London EC4M 7WS	
Registrars:	Northern Registrars Limited Northern House Woodsome Park Fenay Bridge Huddersfield HD8 0LA	

DEFINITIONS

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

"Act"	the Companies Act 1985 (as amended)
"Admission"	admission of the Ordinary Shares (including the Placing Shares) to trading on AIM becoming effective in accordance with the AIM Rules
"AIM"	the AIM Market of the London Stock Exchange
"AIM Rules"	the rules for AIM companies and their nominated advisers published by the London Stock Exchange
"Board" or "Directors"	the directors of the Company whose names are set out on page 3 of this document
"Company" or "Pentagon"	Pentagon Protection plc
"CREST"	the computerised settlement system to facilitate the transfer of title to or interests in securities in uncertificated form, operated by CRESTCo Limited
"Group" or "Pentagon Group"	Pentagon and its subsidiaries at the date of this document
"London Stock Exchange"	London Stock Exchange Plc
"OEM"	original equipment manufacturer
"Official List"	the official list of the UKLA and "Officially Listed" shall be construed accordingly
"Ordinary Shares"	ordinary shares of 0.1p each in the Company
"Pentagon Glass Tech"	Pentagon Glass Tech Limited, a subsidiary of the Company
"Pentagon Franchising"	Pentagon Glass Tech (Franchising) Limited, a subsidiary of the Company
"Placing"	the conditional placing by Seymour Pierce Ellis of the Placing Shares at the Placing Price pursuant to the Placing Agreement as described in this document
"Placing Agreement"	the conditional agreement dated 28 March 2003 between the Company (1), the Directors (2), Seymour Pierce Ellis (3) and Seymour Pierce (4) relating to the Placing, details of which are set out in paragraph 8.1 of Part III of this document
"Placing Price"	3p per Placing Share
"Placing Shares"	the 25,000,000 new Ordinary Shares to be issued in connection with the Placing
"Seymour Pierce"	Seymour Pierce Limited
"Seymour Pierce Ellis"	Seymour Pierce Ellis Limited
"Shareholders"	holders of Ordinary Shares

"Share Option Schemes"	the employee share benefit trust and Enterprise Management Incentive schemes adopted by the Company referred to in paragraph 9 of Part III of this document
"SupaGlass"	Pentagon SupaGlass™, the Group's branded and proprietary vehicle window glazing reinforcement system
"Thatcham"	the Motor Insurance Repair Research Centre, which was established by the British insurance industry in 1969
"UK"	the United Kingdom of Great Britain and Northern Ireland
"UKLA"	United Kingdom Listing Authority, being the Financial Services Authority acting in its capacity as the competent authority for the purposes of Part VI of the Financial Services and Markets Act 2000
"VCT"	venture capital trust

PLACING STATISTICS

Placing Price	3p
Number of new Ordinary Shares being issued pursuant to the Placing	25,000,000
Percentage of enlarged issued share capital being placed	31.6%
Estimated net proceeds of the Placing to be received by the Company	£500,000
Market capitalisation at the Placing Price on Admission	£2,375,000

EXPECTED TIMETABLE

Admission and dealings commence in the Ordinary Shares on AIM	2 April 2003
CREST accounts credited on	2 April 2003
Despatch of definitive share certificates by	9 April 2003

KEY INFORMATION

The following information has been derived from, and should be read in conjunction with, the full text of this document. Investors should read the whole document and not just rely on the key information set out below. In particular, your attention is drawn to the section entitled risk factors in Part I of this document.

- The Group develops and supplies innovative glass related products to the automotive sector and other industries.
- The Group, which has been operating in its sector since 1992, has an established reputation as high quality applicators of vehicle window film.
- The Group's domestic and international franchise networks include operations in the United States, France, the Republic of Ireland, the Channel Islands and 15 domestic outlets.
- The Group's proprietary vehicle window glazing reinforcement system, SupaGlass, is the only vehicle security film system of its type to have attained the combined recognition of a Thatcham Q Vehicle Security listing, a prEN 12600 Class 1 anti-bomb blast and impact resistance certification and a number of security and safety awards, including the 'Fleet World' Security Award.
- The Group has strong relationships within the car industry and has completed commissions for Aston Martin, Rolls Royce and Bentley, amongst others.
- The Group's growth strategy encompasses three key areas: Retail, Business to Business and Domestic and International Franchising.
- Competition in the UK market is fragmented.
- In the year ended 30 September 2002 the Group reported a 48 per cent. year on year rise in turnover to £1,498,390 and pre-tax profits of £135,942.

PART I

INFORMATION ON THE COMPANY

INTRODUCTION

The Pentagon Group is engaged in the business of developing and supplying innovative glass related products to the automotive sector and other industries. The original business, co-founded by Geoffrey Russell and Peter Mukherjee in 1992, involved the application of solar-protective films (tints) onto car windows. By pursuing a strategy of providing superior quality products and services, Pentagon has established itself as a leading business of its kind in Europe. In 1998, SupaGlass, the Group's branded and proprietary vehicle window glazing reinforcement system, was introduced to the market. The Directors believe there is an opportunity for the Group to secure its position in the branded UK and International automotive safety and security film market by focusing on developing the Pentagon SupaGlass name on a worldwide basis. The Pentagon Group is a member of the Glass and Glazing Federation and is a British Standards (BSI) ISO 9002 company. The Group has also won recognition from a number of its clients, including a Supplier Quality Award from Land Rover.

SupaGlass provides significant safety and security benefits, which can further develop the Group's established reputation as a high quality applicator of vehicle window film. The target market for SupaGlass is significant and the security and safety advantages should open up important new markets, with a number of motor manufacturers in the UK currently expressing interest in the product. SupaGlass has also been the primary reason for the recent growth of the Group's domestic and international franchise networks, which now include operations in the United States, France, the Republic of Ireland, the Channel Islands and 15 domestic outlets. The net proceeds of the Placing will be applied by the Company in the development of both the fleet provider/user segments of its business and the scale and operational effectiveness of its domestic and international franchise networks. In addition, the Company plans to capitalise on its expertise in glass related technology to develop other products in the automotive and other fields.

PENTAGON'S PRODUCTS

SupaGlass

SupaGlass is a strong, polyester-based membrane that is bonded to the inside of and strengthens vehicular window glass. The product was specifically developed to reduce the risk of vehicle invasion and to maintain glazing integrity in the face of violent impact, both accidental car crashes and deliberate attacks.

Even when the impact on a SupaGlass protected window is particularly violent, leading to the window glass itself breaking or shattering, SupaGlass is designed to hold the glass firmly in place to maintain the window's integrity. This results in a significant reduction of flying glass fragments in an accident and extra resistance to forced entry by a thief or carjacker.

The Directors believe that SupaGlass is unique as an entry-level security product. It is the only vehicle security film system of its type to have attained the combined recognition of a Thatcham Q Vehicle Security listing, BS6206 Class A and prEN 12600 Class 1 certifications for bomb blast and impact resistance and a number of security and safety awards, including the award of 2002 Honours for Security by the UK's Fleet World magazine. A report undertaken by Thatcham stated that SupaGlass *"significantly improves the resistance of toughened glass to common methods of attack."*

Alongside its security aspects, SupaGlass also makes vehicle glass safer, especially in the event of an accident that causes the windows to shatter. By helping to keep the shattered glass in place and acting as a shield between the vehicle's occupants and the shattered glass fragments, SupaGlass is designed to reduce dramatically the incidence of injuries caused by glass shards. This is of particular relevance for not only private cars but also company-owned vehicles, which are the subject of impending Government legislation on health and safety at work. SupaGlass is also designed so that a vehicle's occupants can escape from a damaged car by pushing out shattered windows.

SupaGlass's safety benefits have resulted in Pentagon Glass Tech being recognised with the Award of 'Vehicle Safety Company of the Year 2001' by the Institute of Transport Management. The product has also been endorsed by the UK's Motor Sports Association for its contribution to driver safety.

The Directors believe there are three key aspects to SupaGlass's success. Firstly, the special construction and quality of the film, which is at least 300 microns (millionths of a metre) thick, compared to the typical thickness of competitive products of up to 150 microns. Pentagon Glass Tech was a key partner in the formulation of the film and Pentagon Glass Tech has been granted in-principle rights to market it worldwide for vehicle applications. The second essential element is the application solution, created by Geoffrey Russell and owned by the Group, which remains a closely guarded secret. Thirdly, the application process employed by the Company avoids many of the usual problems inherent in film application, including air bubbles and lack of adhesion to the glass.

Solar Protective Tints

The Group's original business was the provision of high quality automotive tints. The Group's marketing strategy has historically targeted owners of luxury vehicles, emphasising the benefits of tinting, which include greater privacy, security, temperature control, UV ray elimination and glare reduction.

Tints have remained a consistently strong source of revenue for the Group, comprising approximately 60 per cent. of the Group's turnover in the year ended 30 September 2002. The Directors expect this proportion to decrease as SupaGlass sales rise through both the Group and its franchisees. However, cosmetic considerations are expected to continue to be a major factor in retail demand for Pentagon's products. The Group's strategy will continue to be to persuade clients not only to have their car windows tinted but also to benefit from the extra protection offered by SupaGlass.

Other products

In addition to tints and SupaGlass, Pentagon is developing further products to supplement its portfolio, ranging from scratch resistant films for use in public transport to proprietary films for improved heat rejection without tinting and new glass etching processes for enhanced security.

The Group also has a niche business in treating glass for use in TV. Most notably it provided the two-way and solar protective glass used in the television series "Big Brother", "The Salon" and "Fame Academy".

PENTAGON'S BUSINESS

Core Business

The Group's headquarters are based in leasehold premises in Acton, West London, where the Group employs 17 staff. Of these, approximately 10 are engaged in the application of SupaGlass and tints to cars with a current capacity of approximately 25 SupaGlass or tint applications per day. Other than the franchises, this is the Group's only UK outlet, and houses all of the Group's research and development, franchise network management, finance and sales functions. The Acton headquarters serve both retail and B2B customers.

Franchise Network

The Group has recently focussed on the expansion of its franchise network, both domestically and overseas. Since 2000, the UK franchise network has grown from 5 to 11 outlets in England with further outlets in Scotland, Northern Ireland and the Channel Islands. The Group has also begun to expand its network internationally, with the establishment of a franchise operation in the Republic of Ireland and the grant of master licences in the United States and France. It is the Board's priority to continue this expansion and to devote significant resources to supporting current and newly recruited franchisees.

The Group recruits franchisees through a combination of trade marketing, consultants and word of mouth. Pentagon franchisees need to provide high quality workshop premises of 250-350 square metres with a minimum of six parking spaces. The initial investment, including the franchise fee, is currently £35,000, which includes training costs of £15,000.

Pentagon provides all new franchise partners with comprehensive training in the technical, practical and financial aspects of running a Pentagon outlet. This training lasts for approximately two months and is usually carried out in Pentagon's Acton headquarters. Thereafter, Pentagon provides ongoing support to the franchisee. The Directors acknowledge that this is a key development area for the future, with a focus on regular communication, the establishment of a technical centre hotline and improved local sales and marketing and PR support.

MARKET OVERVIEW

While the market for vehicle window tinting is mature in areas of the world such as Australia and parts of North America, in the UK it is significantly less developed and demand has historically been driven by the cosmetic preferences of buyers of top-of-the-range vehicles. The UK market is also extremely fragmented.

The Directors believe that the UK market has great potential to grow, especially if stimulated by effective marketing to increase product awareness. The Directors anticipate that an important contributor to the market's growth will be Government sponsored initiatives in the areas of vehicle crime and employee related road safety.

Vehicle Crime

According to the Crime in England & Wales 2001/2 Report (July 2002) 18 per cent. of all police recorded crime was accounted for by thefts of or from vehicles. The British Crime Survey estimates that there were 1,560,000 thefts from vehicles in 2001/2, or one every 21 seconds. These offences tend to be opportunistic in nature and half of the thefts from vehicles are through a broken window. In addition, recent reports of "carjacking" have created a new concern for motorists, particularly those driving luxury vehicles. By increasing the time and effort required to break through a window, thus protecting the people inside the car and dissuading most would-be thieves from persisting in trying to break through, SupaGlass addresses both of these threats.

In order to tackle the problem of rising vehicle crime, a Government committee called VCRAT (Vehicle Crime Reduction Action Team) was established in September 1998. This team is charged with reducing vehicle crime by 30% over a five-year period. It has published recommendations to achieve this goal, including one regarding the improvement of vehicle perimeter security (door locks and glazing).

In February 2002, the RAC Foundation issued a press release advising motorists fearful of becoming victims of carjacking to consider having protective film applied to their car windows. According to the Foundation's executive director Edmund King: "using a good quality protective film professionally applied to a window will also help motorists avoid smash and grab attacks."

Vehicle Safety

The UK's Health and Safety Executive is considering extending the definition of the 'workplace', with all its associated safety regulations, to include vehicles used for work. A Government-appointed task group on work related road safety has concluded that employers must take responsibility for ensuring the safety of their employees while on the road on business. In a recent Health and Safety Commission discussion document, the task group took the view that: *"Employers should manage the risks associated with at work road journeys and other on-the-road* *work activities within the framework they have in place for managing health and safety within their firms."*

Alongside this impending change in legislation, the law on "corporate killing" relating to fatal accidents in the workplace is due to change and is expected to increase the responsibility of companies for accidents that injure or kill its employees or third parties.

The Directors believe that the safety benefits of SupaGlass will assist employers in complying with the requirements of this expected new environment.

SupaGlass has already been applied to hundreds of employee vehicles, including those belonging to the police, utility companies and transporters. Whilst SupaGlass is a highly effective means of reducing theft by 'smash & grab' thieves, for corporate clients its added benefit lies in the extra safety it provides for employees involved in an incident that could smash a vehicle's glass, whether through vandalism or an accident.

CLIENTS

The Group has established strong relationships within the car industry and has a particularly strong presence in London, where it provides services to approximately 50 Mercedes dealerships, Ferrari dealership Maranello, HR Owen, Jack Barclay, Stratstone, Sytner, AFN, Jemca and the Lancaster Group. In addition, the Pentagon Group has completed commissions for Aston Martin, BMW, Daimler Chrysler, Mitsubishi, Rolls Royce and Bentley.

The Group has for over six years prepared cars with either tints or SupaGlass for Land Rover. This has involved product testing and the Group has attained approved supplier status with the company, which now offers SupaGlass and tints as a Land Rover product to its customer base worldwide. Recently, the launch of the new Range Rover has included a specialist accessory option programme known as "Autobiography", in which SupaGlass is featured as a factory option.

Currently, Pentagon is collaborating with Land Rover on certain key projects for which it is intended to include SupaGlass as part of a mainstream, entry-level security product offering for the Range Rover. Pentagon recently received an "Outstanding Supplier" award from Land Rover, reflecting the strength of the relationship between the two companies.

The Group has also entered into an agreement with Citroën to apply dark tints to a special edition of its Xsara "Enterprise" estate car, and it is hoped that this will lead to further business with Citroën.

Other customers for whom vehicles have been fitted with Pentagon products include the Cabinet and Home Office, various police forces, the Post Office, BBC TV, Sony, Transco, Lucas and various foreign embassies.

In addition to its corporate clients, Pentagon has also supplied and fitted tints and/or SupaGlass for a number of private customers, including many high-profile individuals and celebrities.

GROWTH STRATEGY

Retail

The Group's strategy is to utilise the strength of SupaGlass's performance benefits to drive high margin, London-based retail business into Pentagon's London headquarters. The Directors plan to devote significant marketing resources to attract and retain both trade and retail customers.

Business to Business

The Directors intend to develop national account demand for SupaGlass amongst fleet provider and user clients, based on the product's health & safety and security benefits. Key target customers will fall into three broad categories, namely:

- public sector organisations, such as the police, and government departments;

- private company fleets, such as BT and Transco; and

- OEMs such as Land Rover, Aston Martin, Mitsubishi, Citroën and Peugeot.

Whilst these target groups may want to deliver individual vehicles for SupaGlass treatment, the Directors expect a growing demand for 'glass only' application, whereby clients supply vehicle glass only for processing. In other cases, customers such as Citroën will require application on-site, which will be served by outsourcing to mobile teams in partnership with existing franchisees.

Domestic and International Franchising

The Board intends to expand the number of franchises to generate national coverage of the Pentagon brand. The Group's target is to establish a minimum of 30 core regional franchises in largely metropolitan areas and up to an additional 20 mobile franchises to cover less populated areas.

The Group also plans to form international alliances and master franchising agreements as opportunities present themselves, whilst ensuring that the focus on successful implementation of the strategy in the UK is maintained.

COMPETITION

The Group competes in a fragmented market comprising a large number of predominantly small operators. In the tinting market, the competition consists principally of smaller, cost competitive companies, which provide a lower price service at the expense of performance quality. These small businesses do not offer the quality of product and service as Pentagon, and neither do they offer SupaGlass. The Directors believe that Pentagon also has an advantage over such competitors in terms of its size and reputation. The Group has established a high level of awareness among automotive retailers and vehicle manufacturers and benefits from an experienced management team.

As the emphasis of Pentagon's business shifts from tints to SupaGlass, the Directors believe that competition from small operators will become less of a threat. The Directors believe that the most significant threat of competition is the possibility of a national vehicle glass company entering the market for film-based security and safety enhanced glazing. The Directors, however, do not view this potential competition as a significant problem since:

- such a move would further legitimise SupaGlass and help grow awareness of the concept;

- Pentagon's leadership in terms of market knowledge, concept and application expertise should ensure it would continue to benefit from first mover advantage; and

- Pentagon is already exploring ways to collaborate with a leading vehicle glass replacement company to develop the market for SupaGlass.

Another potential competitor to SupaGlass is factory-produced laminated glass, sometimes offered on top-of-the-range vehicles. The Directors are confident that SupaGlass will emerge as preferable to laminated glazing due to the advantages it offers in terms of safety. Factory produced laminated glass has been reported to present significant safety issues from the risk of laceration whereas SupaGlass has been shown to reduce the likelihood of any injury from broken vehicle glass. When broken, laminated glass tends to break into sharp shards that can point into the vehicle, endangering the safety of its occupants. Government commissioned tests on laminated glass have illustrated the potential for a severe degree of lacerative injury from breakage of laminated glass. Broken windows protected by SupaGlass, however, are designed to remain bonded to the film on the inner side of the glass and if necessary can then be pushed out of the window frame without risk of injury. The Directors therefore believe that SupaGlass will become the preferred vehicle glass security and safety enhancement, as evidenced already by the growing interest from groups such as the Metropolitan Police.

David Thomas, aged 46, *Chairman*

David spent 20 years working in global, European and Asian businesses for Procter & Gamble. From mid 1997 to early 2001, he was worldwide vice president for strategy and new business development for the company's $6 billion global haircare business. Prior to that he was vice president South Asia, responsible for Procter & Gamble's entire operations across India, Bangladesh and Sri Lanka, a position that he occupied for five years. He was Managing Director of Pentagon from the end of 2000 until the begining of 2002, having been earlier engaged with the Group as a Non-Executive Director and investor.

Geoffrey Russell, aged 49, *Managing Director*

One of the co-founders of the Group, Geoff has 25 years' experience in window film applications for automotive use. He has developed window film businesses and trained related franchisees in New Zealand, Spain, Germany and Holland and was a founder of Australia's market leading window film franchise operation. Geoff leads franchise development and training and overall operations. In addition, as head of Pentagon's R&D, he led the three year development of SupaGlass from initial concept to market.

Danielle Stewart FCA, FCCA, aged 41, *Non-Executive Director*

Danielle is a partner in Warrener Stewart, a five-partner audit firm based in Fulham. She is Chairman of the Technical Committee of the London Society of Chartered Accountants, Vice Chair of the Auditing Practices Board's small company Committee and a member of the Accounting Standards Board's Committee for Accounting for smaller entities. Danielle advises the Department of Trade and Industry, most recently as a member of the Company Law Review team. Danielle was awarded Young Accountant of the Year in 1994 and is an Industrial Fellow of the University of Kingston.

Ronald Bambra, aged 58, *Non-Executive Director*

Ron has extensive experience in the automotive industry, most recently as group managing director of Kwik-Fit Fleet, responsible for the company's European company car business. Ron originally spearheaded the formation of Kwik-Fit Fleet in 1987 and until 2002 oversaw the company's international expansion and achievement of market leadership. Prior to joining Kwik-Fit, Ron had established a fleet dedicated business at Pirelli UK before moving to Mercantile Credit at Barclays Bank.

KEY MANAGEMENT

Peter Mukherjee, aged 47, *Consultant*

The other co-founder of the Group, Peter was managing director of the Group until the end of 2000. He chairs the Automotive Film Group of the Glass and Glazing Federation and is also a founding member and negotiator for the European Window Film Association based in Brussels.

DETAILS OF THE PLACING AND ADMISSION

The Company is proposing to raise approximately £500,000 (net of estimated expenses) by the placing of 25,000,000 Placing Shares with investors, representing 31.6 per cent. of the issued share capital of the Company at Admission.

Seymour Pierce Ellis has agreed, pursuant to the Placing Agreement and conditional, *inter alia*, on Admission to use its reasonable endeavours to place the Placing Shares, failing which it will itself subscribe for any Placing Shares not taken up under the Placing.

Ronald Bambra is participating in the placing, following which he will hold 3.56 per cent. of the Company's issued share capital.

Application has been made for the Ordinary Shares to be traded on AIM. Dealings are expected to commence on 2 April 2003.

The Placing Shares will be placed free of expenses and will rank *pari passu* in all respects with the existing Ordinary Shares including the right to receive all dividends and other distributions declared, paid or made after the date of issue.

The Directors, Peter Mukherjee and their connected persons have agreed, subject to certain limited exceptions, not to dispose of any interest in Ordinary Shares for the period of one year following Admission.

Further details of the Placing Agreement are set out in paragraph 8.1 of Part III of this document.

FURTHER CONSIDERATION

The terms of the agreements under which the Company acquired Pentagon Glass Tech and Pentagon Franchising provide that the shareholders of those subsidiaries are entitled to be issued additional Ordinary Shares, depending on the audited results of the Group for the two years ending 30 September 2004.

If the aggregate Profit Before Tax (as defined in the share exchange agreements described in paragraph 8.7 of Part III of this document) of the Group for the two years ending 30 September 2004 is between £625,000 and £750,000, the said shareholders will be issued, on a pro rata basis, with up to 12,500,000 new Ordinary Shares, representing up to a maximum of 13.64 per cent. of the enlarged issued share capital of the Company allowing for the issue of these shares.

Assuming the maximum level of £750,000 aggregate Proft Before Tax is achieved, the 12,500,000 new Ordinary Shares, valued at the Placing Price, represent further £375,000 further consideration.

REASONS FOR THE PLACING AND USE OF FUNDS

The proceeds of the Placing will be primarily used to fund the development of Pentagon's services to the motor vehicle fleet providers, the purchase of additional machinery and equipment to enhance the Group's capacity at its headquarters in London and to improve the operational effectiveness of both the domestic and international franchise networks. The net proceeds will also be applied to finance the Group's working capital requirements and a repayment of £120,000 plus accrued interest of outstanding loans provided by David Thomas.

The Directors believe that the opportunity to motivate the Group's employees through equity participation will enhance the Group's ability to attract and retain high quality committed staff.

CORPORATE GOVERNANCE

The Directors intend, in so far as is practicable given the Group's size and the constitution of the Board, to comply with the main provisions of the Combined Code: Principles of Corporate Governance and Code of Best Practice derived from the final report published by the committee on Corporate Governance chaired by Sir Ronald Hampel, consistent with the recommendations on Corporate Governance of the Quoted Companies Alliance.

The Directors have established an audit committee and a remuneration committee. The remuneration committee, consisting of Ronald Bambra as chairman and Danielle Stewart, will determine the terms and conditions of service of the executive Directors, including their remuneration and grant of options under the Share Option Schemes. The audit committee, consisting of David Thomas as chairman and Danielle Stewart, has primary responsibility for monitoring the quality of internal control and ensuring that the financial performance of the Company is properly measured and reported on and for reviewing reports from the Company's auditors relating to the Company's accounting and internal controls, in all cases having due regard to the interests of Shareholders.

The Directors intend to comply with Rule 19 of the AIM Rules relating to directors' dealings as applicable to AIM companies and will also take all reasonable steps to ensure compliance by the Company's applicable employees.

SHARE OPTION SCHEMES

The Company has set up an employee share benefit trust and intends to grant options to employees under the Enterprise Management Incentive Scheme, details of which are set out in paragraph 9 of Part III of this document.

Under the Scheme, Geoffrey Russell will be granted options over 3,166,674 shares, exercisable at a price of 0.1p. The options will be exercisable between 3 and 5 years after the date of grant and will be subject to performance criteria to be set by the remuneration committee.

ENTERPRISE INVESTMENT SCHEME AND VENTURE CAPITAL TRUSTS

The Company has received provisional approval from the Inland Revenue that the Ordinary Shares to be issued by the Company in the Placing will be a "qualifying holding" for the purposes of investment by venture capital trusts ("VCTs") and will rank as "eligible shares" for the purposes of the Enterprise Investment Scheme ("EIS").

The availability of EIS reliefs will be dependent, *inter alia*, on the personal circumstances of the individual investor and the Company continuing to satisfy the requirements for a qualifying company throughout a qualifying period from the date of issue of the Ordinary Shares. Tax reliefs for investments through VCTs should be available as long as the ordinary Shares represent a "qualifying holding" for VCT purposes. The Company does not make any representations as to whether any such investment will be or will continue to be one in respect of which relief under the EIS or VCT legislation will be available.

EIS allows the following tax reliefs for qualifying individual investors provided investments are held for the qualifying period in respect of investments of up to their annual subscription limit, which in the tax year 2002/2003 is £150,000 per individual. On the basis that neither the Company nor the investor breaches any of the conditions during the three-year period, the reliefs are:

- initial income tax relief of 20 per cent. of the amount subscribed limited to the income tax liability of the investor for the year of subscription; and
- exemption from capital gains tax ("CGT") on a disposal, provided income tax relief was given in respect of the cash subscription and not withdrawn.

The EIS allows CGT payable on any chargeable gains realised by individuals and certain trustees to be deferred until the EIS investment comes to an end. To qualify for CGT deferral, a sum up to the amount of the chargeable gain must be subscribed (not more than one year before nor more than three years after the date on which the chargeable gain arises) in new "eligible shares in a qualifying company" for the purposes of the EIS. For this purpose a qualifying company includes an unquoted company which is the parent of a qualifying trading group. For this purpose, shares admitted to AIM are regarded as unquoted.

A claim for CGT deferral relief is made by the individual investors and/or trustees claiming the relief. There is no maximum investment limit for CGT deferral purposes.

Investors considering taking advantage of any of the reliefs under the EIS or available to VCTs should seek their own professional advice in order that they may fully understand how the rules apply in their individual circumstances.

DIVIDEND POLICY

It is the current intention of the Directors to aim for capital growth and therefore it is inappropriate to give an indication of the likely level of any future dividends.

TAXATION

Information regarding taxation in relation to the Placing and Admission is set out in paragraph 12 of Part III of this document. If you are in any doubt as to your tax position you should consult your own independent financial adviser immediately.

CREST

Application has been made for the Ordinary Shares to be admitted to CREST on Admission. CREST is a voluntary system and Shareholders who wish to receive and retain share certificates will be able to do so.

RISK FACTORS

The Directors consider the following risk factors to be the most significant for potential investors, but the risks listed do not necessarily comprise all those associated with an investment in the Company.

- The Directors are aware of other companies that offer similar services to those offered by the Company. There is a risk that such companies' services will more successfully penetrate the markets chosen by the Company.
- The value of an investment in the Company is dependent upon the Company achieving the aims set out in this document. There can be no guarantee that the Company will achieve the level of success that the Directors expect.
- It may be difficult for an investor to sell his or her Ordinary Shares and he or she may receive less than the amount paid for them. The Ordinary Shares may not be suitable for short-term investment. The Ordinary Shares will not be quoted on the Official List. Investments in securities traded on AIM carry a higher degree of risk than investments in securities quoted on the Official List. There is no present intention that the Ordinary Shares be admitted to the Official List.
- If the market acceptance of Pentagon's increased capacity falls below expectations, margins and profitability may suffer. This could happen as a result of the uncertainty in the automotive retail market, which is currently impacted by the prevailing adverse economic conditions.

The investment described in this document may not be suitable for all those who receive it. Before making a final decision, investors in any doubt are advised to consult an investment adviser authorised under the Financial Services and Markets Act 2000 who specialises in advising on the acquisition of shares and other securities.

ACCOUNTANTS' REPORTS ON THE COMPANY AND ON PENTAGON GLASS TECH AND PENTAGON FRANCHISING

BDO

BDO Stoy Hayward
Chartered Accountants

Emerald House
East Street
Epsom
Surrey
KT17 1HS

PART A: ACCOUNTANTS' REPORT ON THE COMPANY

The Directors

28 March 2003

Pentagon Protection Plc
Pentagon House
4 Acton Park Estate
The Vale
London
W3 7QE

and

The Directors
Seymour Pierce Limited
29/ 30 Cornhill
London
EC3V 3NF

Dear Sirs

Pentagon Protection Plc ("Pentagon" or the "Company")

Introduction

We report on the financial information set out below. This financial information has been prepared for inclusion in the admission to AIM and placing document dated 28 March 2003 of Pentagon Protection Plc.

The Company was incorporated as Amulethoney Public Limited Company on 17 July 2002 and changed its name to Pentagon Protection Plc on 3 February 2003. Since incorporation, the Company has not traded, nor has it received any income, incurred any expenses or paid any dividends. Consequently no profit and loss account is presented. No financial statements have been drawn up.

Basis of preparation

The financial information set out below is based on the balance sheet of the Company as at 28 February 2003 ("the Balance Sheet") to which no adjustments were considered necessary.

Responsibility

The Balance Sheet is the responsibility of the Directors and has been approved by them.

The Directors are responsible for the contents of the admission to AIM and placing document dated 28 March 2003 in which this report is included.

It is our responsibility to compile the financial information set out in our report from the Balance Sheet, to form an opinion on the financial information and to report our opinion to you.

Basis of opinion

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

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement whether caused by fraud or other irregularity or error.

Opinion

In our opinion, the financial information gives, for the purposes of the admission to AIM and placing document dated 28 March 2003, a true and fair view of the state of affairs of the Company as at 28 February 2003.

Consent

We consent to the inclusion in the prospectus dated 28 March 2003 of this report and accept responsibility for this report for the purposes of paragraphs 45(8)(b) of Schedule 1 to the Public Offers of Securities Regulations 1995.

Accounting policies

The financial information has been prepared under the historical cost convention and in accordance with applicable accounting standards.

Balance sheet as at 28 February 2003

	As at 28 February 2003 *£000*
Current assets	
Debtors – unpaid share capital	2
Net assets	2
Share capital and reserves	
Called up share capital	2
Shareholders' funds – equity	2

Share capital

The Company was incorporated with authorised share capital of £100,000 divided into 100,000 ordinary shares of £1 each. On incorporation, 2 ordinary shares of £1 each were issued at par.

On 25 March 2003 each ordinary share of £1 each was subdivided into 1,000 ordinary shares of 0.1p each.

On 25 March 2003 the authorised share capital of the Company was increased from £100,000 to £150,000 by the creation of an additional 50,000,000 ordinary shares of 0.1p each.

Yours faithfully

BDO Stoy Hayward
Chartered Accountants

BDO Stoy Hayward
Chartered Accountants

Emerald House
East Street
Epsom
Surrey
KT17 1HS

28 March 2003

The Directors
Pentagon Protection Plc
Pentagon House
4 Acton Park Estate
The Vale
London
W3 7QE

and

The Directors
Seymour Pierce Limited
29/ 30 Cornhill
London
EC3V 3NF

Dear Sirs

Pentagon Glass Tech Limited ("PGT") and Pentagon Glass Tech (Franchising) Limited ("PGTF" and together the "Companies")

Introduction

We report on the financial information set out below. This financial information has been prepared for inclusion in the AIM admission document dated 28 March 2003 of Pentagon Protection Plc ("Pentagon").

PGT and PGTF are all companies under common control and ownership.

PGT was incorporated as Pentagon Auto-Tint Limited on 17 November 1995 and adopted its present name on 18 October 2001. PGTF was incorporated as Pentagon Auto-Tint (Franchising) Limited on 16 July 1999 and adopted its present name on 18 October 2001.

Basis of preparation

The financial information set out below is an aggregation based on the audited financial statements of PGT for the three years ended 30 September 2002 and PGTF for the 15 month period ended 30 September 2000 and the two years ended 30 September 2002 after making such adjustments as we considered necessary (together, the "Relevant Period").

Morgan Brown & Spofforth, of 82 St John Street, London EC1M 4JN were the auditors to the Companies for the periods up to and including the year ended 30 September 2001.

Warrener Stewart, of Harwood House, 43 Harwood Road, London SW6 4QP were the auditors to the Companies for the year ended 30 September 2002.

Each of the audit reports available in the Relevant Period was unqualified.

Responsibility

The financial statements of each of the Companies are the responsibility of their respective directors, who approved their issue.

The directors of Pentagon are responsible for the contents of the AIM admission document dated 28 March 2003 in which this report is included.

It is our responsibility to compile the financial information set out in our report from the financial statements, to form an opinion on the financial information and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with the Statements of Investment Circular Reporting Standards issued by the Auditing Practices Board. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. The evidence included that recorded by the auditors who audited the financial statements underlying the financial information. It also included an assessment of significant estimates and judgements made by those responsible for the preparation of the financial statements underlying the financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement whether caused by fraud or other irregularity or error.

Opinion

In our opinion, the financial information gives, for the purposes of the AIM admission document dated 28 March 2003, a true and fair view of the state of affairs of the Companies as at the dates stated and of their results, and cash flows for the period then ended.

Consent

We consent to the inclusion of this report in the AIM admission document dated 28 March 2003 and accept responsibility for the purposes of paragraphs 45(1)(b)(iii) of Schedule 1 to the Public Offers of Securities Regulations 1995.

FINANCIAL INFORMATION

Accounting policies

The financial information has been prepared under the historical cost convention, and is in accordance with applicable accounting standards.

In preparing this financial information, the Companies have adopted Financial Reporting Standard 18 "Accounting Policies" for the first time. The adoption of FRS 18 has had no impact on the results of the Companies.

The principal accounting policies are:

Turnover

Turnover comprises the invoiced value of goods and services supplied by the Companies, exclusive of Value Added Tax and trade discounts.

Depreciation

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Short-term leasehold land and buildings	– over the period of the lease
Plant and machinery	– 15%-25% reducing balance
Motor vehicles	– 25% reducing balance
Fixtures and equipment	– 25% reducing balance

Leased assets

Where assets are financed by leasing or hire purchase agreements, the assets are treated as if they had been purchased. The present value of the minimum lease payments payable during the lease term is capitalised as a tangible asset and the corresponding leasing commitment is included as a liability. Rentals payable are apportioned between interest which is charged to the profit and loss account, and capital which reduces the outstanding commitment.

All other leases are treated as operating leases. Their annual rentals are charged to the profit and loss account on a payable basis.

Stock

Stock is valued at the lower of cost and net realisable value after making due allowance for obsolete and slow moving stock.

Deferred taxation

Provision is made in full for all taxation deferred in respect of timing differences that have originated but not reversed by the balance sheet date, except for the timing differences arising on revaluations of fixed assets which are not intended to be sold and gains on disposals of fixed assets which will be rolled over into replacement assets. No provision is made for taxation on permanent differences.

Deferred tax assets are recognised to the extent that it is more than likely than not that they will be recovered.

Pension Contributions

The company operates a defined contribution scheme for its employees.

The funds of this scheme are administered by trustees and are separate from the company. All payments are charged to the profit and loss account as and when they arise.

Research and development

Development expenditure is capitalised on clearly defined projects whose outcome can be assessed with reasonable certainty. Amortisation is commenced in the year when significant revenues from the development occur and is charged at 33% of net book value. All other research and development expenditure is written off in the year in which it is incurred.

Foreign currency

Foreign currency transactions are translated 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.

Financial instruments

Short term debtors or creditors are not treated as financial assets or financial liabilities. With the exception of cash at bank, the company does not hold any other financial instruments within the meaning of Financial Reporting Standard 13.

Liquid resources

For the purposes of the cash flow statement, liquid resources are defined as short term deposits.

Profit and loss accounts

	Note	Year to 30 September 2000 £	Year to 30 September 2001 £	Year to 30 September 2002 £
Turnover	(a)	961,063	1,013,588	1,498,390
Cost of sales		(318,715)	(288,326)	(316,948)
Gross profit		642,348	725,262	1,181,442
Administrative expenses		(847,498)	(864,555)	(990,533)
Exceptional administrative expenses	(b)	–	–	(20,000)
Other operating income	(f)	22,389	25,568	25,585
Operating (loss)/profit		(182,761)	(113,725)	196,494
Interest receivable	(g)	1,414	2,263	268
Interest payable and other similar charges	(h)	(43,516)	(29,939)	(60,820)
(Loss)/profit on ordinary activities before taxation		(224,863)	(141,401)	135,942
Tax on (loss)/profit on ordinary activities	(i)	–	–	88,646
(Loss)/Profit for the financial year after taxation		(224,863)	(141,401)	224,588
Deficit brought forward		(166,026)	(390,889)	(532,290)
Deficit carried forward		(390,889)	(532,290)	(307,702)
(Loss)/earnings per share – basic	(j)	(0.4)p	(0.3)p	0.4p
(Loss)/earnings per share – diluted	(j)	(0.4)p	(0.3)p	0.4p

All amounts relate to continuing activities.

There are no other recognised gains and losses for the years other than those reported above.

Balance sheets

	Note	*As at 30 September 2000* £	*As at 30 September 2001* £	*As at 30 September 2002* £
Fixed assets				
Tangible fixed assets	(k)	171,562	159,730	176,560
Current assets				
Stocks	(l)	22,982	27,021	26,074
Debtors	(m)	260,737	265,247	368,595
Deferred tax asset	(i)	–	–	118,000
Cash at bank and in hand		5,874	34,184	20,148
		289,593	326,452	532,817
Creditors: Amounts falling due within one year	(n)	(492,814)	(458,963)	(487,399)
Net current (liabilities)/assets		(203,221)	(132,511)	45,418
Total assets less current liabilities		(31,659)	27,219	221,978
Creditors: Amounts falling due after more than one year	(n)	(259,191)	(313,392)	(283,563)
Net Liabilities		(290,850)	(286,173)	(61,585)
Capital and reserves				
Called up share capital	(o)	44	198	198
Share premium	(p)	99,995	245,919	245,919
Profit and loss account	(p)	(390,889)	(532,290)	(307,702)
Equity shareholders' funds – in deficit		(290,850)	(286,173)	(61,585)

Cash flow statements

	Note	Year to 30 September 2000 £	Year to 30 September 2001 £	Year to 30 September 2002 £
Operating (loss)/profit		(182,761)	(113,725)	196,494
Depreciation	(k)	35,138	28,937	26,856
Decrease/(increase) in stock		537	(4,039)	947
Decrease/(increase) in debtors		29,356	8,743	(114,927)
Increase/(decrease) in creditors		18,095	(25,854)	(37,788)
Loss on disposal of tangible fixed assets		-	1,341	3,620
Net cash (outflow)/inflow from operating activities		(99,635)	(104,597)	75,202
Returns on investments and servicing of finance				
Interest received	(g)	1,414	2,263	268
Interest paid		(43,516)	(29,939)	(24,731)
		(42,102)	(27,676)	(24,463)
Capital expenditure				
Payments to acquire tangible fixed assets		(7,345)	(42,102)	(5,111)
Receipts from disposal of tangible fixed assets		110	52,067	4,499
		(7,235)	9,965	(612)
Net cash (outflow)/inflow before financing		(148,972)	(122,308)	50,127
Financing				
Issue of ordinary share capital		-	146,078	-
Increase/(decrease) in directors loans		151,000	76,091	(20,001)
Repayment of bank loans		(20,551)	(18,913)	(18,461)
Capital element of finance lease rental payments		(16,781)	(51,446)	(32,166)
		113,690	151,810	(70,628)
(Decrease)/increase in cash	(r),(s)	(35,304)	29,502	(20,501)

(a) Turnover, profit and net assets

Analysis by class of business:

	Turnover			*Pre-tax profit*			*Net assets*		
	Year to 30 September 2000	*Year to 30 September 2001*	*Year to 30 September 2002*	*Year to 30 September 2000*	*Year to 30 September 2001*	*Year to 30 September 2002*	*As at 30 September 2000*	*As at 30 September 2001*	*As at 30 September 2002*
	£	£	£	£	£	£	£	£	£
Application of tint/									
SupaGlass	769,859	909,422	935,307	(219,946)	(154,216)	(37,140)	(253,506)	(261,743)	(180,883)
Franchising	191,204	104,166	563,083	(4,917)	12,815	173,082	(37,344)	(24,430)	119,298
	961,063	1,013,588	1,498,390	(224,863)	(141,401)	135,942	(290,850)	(286,173)	(61,585)

(b) Exceptional administrative expense

Compensation for loss of office of £20,000 has been accrued for an ex-employee who ceased working for PGT during the year ended 30 September 2002.

(c) Operating (loss)/profit

The operating (loss)/profit is stated after charging:

	Year to 30 September 2000	*Year to 30 September 2001*	*Year to 30 September 2002*
	£	£	£
Aggregate directors emoluments	82,207	79,211	34,373
Employee pension contributions	2,640	2,640	2,420
Depreciation of tangible fixed assets			
– owned assets	14,220	17,706	19,697
– leased assets	20,918	11,231	7,159
Hire of plant and machinery – operating leases	8,320	859	1,862
Auditors' remuneration – audit	7,000	7,000	12,000
Auditors' remuneration – non-audit	15,222	21,964	26,059

(d) Employees

The average number of employees of the Companies during the Relevant Period, including directors were as follows:

	Year to 30 September 2000 Number	*Year to 30 September 2001 Number*	*Year to 30 September 2002 Number*
Administration	4	6	7
Sales	3	4	4
Operational	10	8	8
	17	18	19

Staff costs for all employees, including directors, consist of:

	Year to 30 September 2000 £	*Year to 30 September 2001 £*	*Year to 30 September 2002 £*
Wages and salaries	371,261	427,673	479,696
Social security costs	38,727	36,363	41,302
Pension costs	2,640	2,640	2,420
	412,628	466,676	523,418

(e) Directors

The emoluments of the individual directors were as follows:

	Basic salary £	*Bonus £*	*Benefits in kind £*	*Fees £*	*Total emoluments £*
For the year ended 30 September 2000					
D A Thomas	–	–	–	–	–
G P Russell	20,273	–	–	–	20,273
P Mukherjee	48,620	–	13,314	–	61,934
	68,893	–	13,314	–	82,207
For the year ended 30 September 2001					
D A Thomas	–	–	–	–	–
G P Russell	34,536	–	–	–	34,536
P Mukherjee	14,475	–	10,225	19,975	44,675
	49,011	–	10,225	19,975	79,211
For the year ended 30 September 2002					
D A Thomas	–	–	–	–	–
G P Russell	7,866	21,107	5,400	–	34,373
P Mukherjee	–	–	–	–	–
	7,866	21,107	5,400	–	34,373

P Mukherjee resigned as a director on 14 August 2001

Benefits in kind includes the private use of company vehicles and private medical insurance.

The directors' do not have interests under long term incentive schemes.

(f) Other operating income

	Year to 30 September 2000 £	*Year to 30 September 2001* £	*Year to 30 September 2002* £
Rental income	22,389	14,758	14,795
License fees receivable	–	10,810	10,790
	22,389	25,568	25,585

(g) Interest receivable

	Year to 30 September 2000 £	*Year to 30 September 2001* £	*Year to 30 September 2002* £
Bank interest	1,414	2,263	268

(h) Interest payable and similar charges

	Year to 30 September 2000 £	*Year to 30 September 2001* £	*Year to 30 September 2002* £
Interest on finance lease	15,297	1,539	2,164
Bank overdraft interest	15,081	12,192	8,906
Other loan interest	4,655	11,306	36,089
Interest charged on factored debts	–	–	8,676
Other interest	8,483	4,902	4,985
	43,516	29,939	60,820

	Year to 30 September 2000 £	*Year to 30 September 2001* £	*Year to 30 September 2002* £
Analysis of charge in period			
Current Tax			
UK corporation tax in respect of current year	–	-	29,354
Deferred taxation			
Origination of timing differences	–	–	(118,000)
Tax charge/(credit) on results for the year	–	–	(88,646)
Factors affecting tax charge for year			
Profit before tax	(224,863)	(141,401)	135,942
At UK standard rate of 30%	(67,459)	(42,420)	40,783
Effects of:			
Expenses disallowable for tax	5,642	3,038	13,843
Capital allowances in excess of depreciation	617	(11,209)	(1,087)
Losses arising in the year not recognised as a deferred tax asset	61,200	54,588	–
Utilisation of brought forward tax losses	–	(3,997)	(8,441)
Marginal relief	–	–	(15,744)
UK corporation tax in respect of current period	–	–	29,354

	As at 30 September 2000 £	*As at 30 September 2001* £	*As at 30 September 2002* £
Deferred tax asset			
Accelerated capital allowances	8,957	20,748	23,147
Tax losses carried forward at 27.8%	(103,265)	(111,487)	(141,147)
	(94,308)	(90,739)	(118,000)

Movement in the year then ended			
Balance brought forward	–	-	-
Deferred tax credit in the profit and loss account for the year	–	–	(118,000)
Balanced carried forward	–	–	(118,000)

A deferred tax asset has been recognised at 30 September 2002 in accordance with Financial Reporting Standard 19. At this date, on the basis of all available evidence, it can be regarded as more likely than not that there will be sufficient taxable profits against which to offset the tax losses. A deferred tax asset was not recognised at 30 September 2000 or 2001 because, at these dates there was less certainty regarding the future level of profitability that would be achieved.

(j) **(Loss)/earnings per share**

(Loss)/earnings per ordinary share have been calculated using the weighted average number of shares in Pentagon Protection Plc to be issued to the existing shareholders of the Companies. The number of shares to be issued is 54,166,860. The (loss)/earnings, being the (loss)/profit after tax was £(224,863) for the year ended 30 September 2000, £(141,401) for the year ended 20 September 2001 and £224,588 for the year ended 30 September 2002.

(k) **Tangible fixed assets**

	Short-term leasehold land and buildings	*Plant and machinery*	*Motor vehile*	*Fixtures and equipment*	*Total*
	£	£	£	£	£
Cost					
At 1 October 1999	81,838	34,426	104,458	11,571	232,293
Additions	–	1,017	–	6,328	7,345
Disposals	–	–	–	(110)	(110)
At 30 September 2000	81,838	35,443	104,458	17,789	239,528
Additions	–	25,919	28,410	16,184	70,513
Disposals	–	–	(89,559)	–	(89,559)
At 30 September 2001	81,838	61,362	43,309	33,973	220,482
Additions	–	3,980	46,695	1,131	51,806
	–	–	(14,900)	–	(14,900)
At 30 September 2002	81,838	65,342	75,104	35,104	257,388
Depreciation					
At 1 October 1999	4,936	5,306	19,710	2,876	32,828
Charge for the period	5,493	4,730	21,187	3,728	35,138
Released upon disposal	–	–	–	–	–
At 30 September 2000	10,429	10,036	40,897	6,604	67,966
Charge for the year	5,845	9,691	9,641	3,760	28,937
Released upon disposal	–	–	(36,151)	–	(36,151)
At 30 September 2001	16,274	19,727	14,387	10,364	60,752
Charge for the year	5,195	8,578	7,159	5,924	26,856
Released upon disposal	–	–	(6,780)	–	(6,780)
At 30 September 2002	21,469	28,305	14,766	16,288	80,828
Net book value					
At 30 September 2000	71,409	25,407	63,561	11,185	171,562
At 30 September 2001	65,564	41,635	28,922	23,609	159,730
At 30 September 2002	60,369	37,037	60,338	18,816	176,560

Tangible fixed assets costs incurred in the Relevant Period were wholly attributable to Pentagon Glass Tech Limited.

The net book value of tangible fixed assets includes £60,338 (2001: £34,758; 2000: £82,498) in respect of assets held under finance leases.

(l) Stocks

	As at 30 September 2000 £	As at 30 September 2001 £	As at 30 September 2002 £
Raw materials	22,982	27,021	26,074

(m) Debtors

	As at 30 September 2000 £	As at 30 September 2001 £	As at 30 September 2002 £
Trade debtors	143,698	129,679	193,665
Other debtors	80,297	82,931	71,748
Prepayments and accrued income	36,742	52,637	103,182
	260,737	265,247	368,595

All amounts fall due for payment within one year.

(n) Creditors

Amounts falling due within one year:

	As at 30 September 2000 £	As at 30 September 2001 £	As at 30 September 2002 £
Bank loans and overdrafts	59,177	57,985	44,449
Obligations under finance leases and hire purchase contracts	35,900	15,841	24,978
Trade creditors	181,745	196,349	162,728
Other taxes and social security	107,781	122,730	91,461
Other creditors	78,239	52,993	77,318
Corporation tax	–	–	29,354
Accruals and deferred income	29,972	13,065	57,111
	492,814	458,963	487,399

Amounts falling due after more than one year:

	As at 30 September 2000 £	As at 30 September 2001 £	As at 30 September 2002 £
Bank loans	75,836	56,923	38,462
Obligations under finance leases and hire purchase contracts	32,355	29,378	34,770
David Thomas loan	151,000	227,091	210,331
	259,191	313,392	283,563

The bank loans and overdraft are secured by a fixed and floating charge over the assets of Pentagon. £20,000 of the overdraft was secured on a £20,000 deposit included in the cash at bank and in hand balance at 30 September 2001 and 30 September 2002, no such security was provided at 30 September 2000.

Other creditors include an advance of £64,772 at 30 September 2000, £52,793 at 30 September 2001 and £44,420 at 30 September 2002 from a factoring company secured by a fixed and floating charge over the assets of Pentagon Glass Tech Limited.

Net obligations under finance leases and hire purchase contracts totalling £68,255 at 30 September 2000, £45,219 at 30 September 2001 and £59,748 at 30 September 2002 are secured on their related fixed assets.

(o) Share capital

	As at 30 September 2000		*As at 30 September 2001*		*As at 30 September 2002*	
	Number	*£*	*Number*	*£*	*Number*	*£*
Authorised						
PGT Ordinary shares of 10p each	1,000	100	1,000	100	1,000	100
PGTF Ordinary shares of 10p each	1,000	100	1,000	100	1,000	100
	2,000	200	2,000	200	2,000	200
Allotted, called up and fully paid						
PGT Ordinary shares of 10p each	223	22	990	99	990	99
PGTF Ordinary shares of 10p each	223	22	990	99	990	99
	446	44	1,980	198	1,980	198

During the year ended 30 September 2000 no PGT or PGTF ordinary shares were issued.

During the year ended 30 September 2001, 767 PGT ordinary shares of 10p each were issued for a total consideration of £146,000. During the same year, 767 PGTF ordinary shares of 10p each were issued at par.

During the year ended 30 September 2002 no PGT or PGTF ordinary shares were issued

(p) Reserves

	Share premium	*Profit and loss account*	*September Total*
	£	*£*	*£*
At 1 October 1999	99,995	(166,026)	(66,031)
Issues of ordinary shares		–	–
Retained loss for the year	–	(224,863)	(224,863)
At 30 September 2000	99,995	(390,889)	(290,894)
Issues of ordinary shares	145,924	-	145,924
Retained loss for the year	-	(141,401)	(141,401)
At 30 September 2001	245,919	(532,290)	(286,371)
Issues of ordinary shares	–	–	–
Retained profit for the year	–	224,588	224,588
At 30 September 2002	245,919	(307,702)	(61,783)

(q) Commitments under operating leases

The Companies had annual commitments under non-cancellable operating leases as set out below:

	As at 30 September 2000		*As at 30 September 2001*		*As at 30 September 2002*	
	Land and buildings	*Other*	*Land and buildings*	*Other*	*Land and buildings*	*Other*
	£	*£*	*£*	*£*	*£*	*£*
Operating leases which expire:						
In the next year	–	8,317	–	–	–	1,811
In the second to fifth years	–	2,106	–	11,760	–	17,135
Over five years	136,000	–	141,000	–	141,000	–
	136,000	10,423	141,000	11,760	141,000	18,946

(r) Reconciliation of net cash inflow to net debt

	Year to 30 September 2000	*Year to 30 September 2001*	*Year to 30 September 2002*
	£	*£*	*£*
Decrease in cash	(35,303)	29,502	(20,500)
Cash inflow/(outflow) in shareholders loan	(151,000)	(76,091)	20,001
Decrease in debt and lease financing	37,331	70,359	50,627
Change in net debt from cash flows	(148,972)	23,770	50,128
New finance leases	–	(28,410)	(46,695)
Shareholder loan interest	–	–	(36,089)
Movement in net debt	(148,972)	(4,640)	(32,656)
Net debt brought forward	(199,422)	(348,394)	(353,034)
Net debt carried forward	(348,394)	(353,034)	(385,690)

(s) Analysis of net debt

	Cash at Bank £	Over-drafts £	Share-holder's loan £	Bank loans due within one year £	Bank loans due after more than one year £	Finance leases £	Total £
At 30 September 1999	7,592	(4,528)	–	(21,063)	(96,387)	(85,036)	(199,422)
Cash flows	(1,718)	(33,585)	(151,000)	20,550	–	16,781	(148,972)
Non-cash flows	–	–	–	(20,551)	20,551	–	–
At 30 September 2000	5,874	(38,113)	(151,000)	(21,064)	(75,836)	(68,255)	(348,394)
Cash flows	28,310	1,192	(76,091)	18,913	–	51,446	23,770
Non-cash flows	–	–	–	(18,913)	18,913	(28,410)	(28,410)
At 30 September 2001	34,184	(36,921)	(227,091)	(21,064)	(56,923)	(45,219)	(353,034)
Cash flows	(14,036)	(6,464)	20,001	18,461	–	32,166	50,128
Non-cash flows	–	–	(36,089)	(18,461)	18,461	(46,695)	(82,784)
At 30 September 2002	20,148	(43,385)	(243,179)	(21,064)	(38,462)	(59,748)	(385,690)

(t) Financial instruments

(i) *Interest rate and currency cash balances*
There are no fixed rate financial assets. All cash balances are denoted in Sterling.

(ii) *Currency exposure*
As at the balance sheet dates there were no foreign currency balances.

(iii) *Fair value of financial instruments*
There is no material difference between the fair value and book value of the Companies' financial instruments.

(u) Related party transactions

Material balances and transactions with related parties arising during the Relevant Period were as follows:

	As at 30 September 2000	*As at 30 September 2001*	*As at 30 September 2002*
	£	£	£
Balances with related parties			
Debtor balances			
Peter Mukherjee – directors loan account	5,248	14,501	–
Creditor balances			
David Thomas – directors loan account	151,000	227,091	210,331
David Thomas – unpaid loan interest	–	–	32,848
Geoffrey Rusell – directors loan account	13,461	19,971	–
Peter Mukherje	–	5,932	–
Transactions with related parties			
Peter Mukherjee consultancy services	–	19,975	–

Nature of relationships and control

David Thomas and Geoffrey Russell are directors and controlling shareholders of the Companies.

Peter Mukherjee is a minority shareholder in Pentagon and was a former director, having resigned on 14 August 2001. Accordingly, no disclosures are given in relation to him for the year ended 30 September 2002.

(v) Going concern

The Companies are reliant upon the continued support of the principal shareholder, D A Thomas. The directors believe this support to be ongoing.

PART III

ADDITIONAL INFORMATION

1 Responsibility of the Company

The Directors, whose names appear on page 3 of this document, accept responsibility for the information contained in this document including individual and collective responsibility for compliance with the AIM Rules. To the best of the knowledge of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and there is no omission likely to affect the import of such information.

2 Incorporation and Status of the Company

2.1 The Company was incorporated and registered in England and Wales on 17 July 2002 with the name Amulethoney Public Limited Company as a public company limited by shares under the Act with registered number 4488281. The Company changed its name to Pentagon Protection plc on 3 February 2003.

2.2 The principal legislation the Company operates under is the Act and regulations made thereunder. The liability of the members of the Company is limited.

2.3 The Company's registered office in the United Kingdom is Pentagon House, 4 Acton Park Estate, The Vale, London W3 7QE.

2.4 The Company is a member of a Group whose main activity is that of holding company of that Group. The Company currently has the following wholly owned subsidiaries:

Name:	*Nature of Business:*	*Date of Incorporation:*	*Issued Share Capital*
Pentagon Glass Tech Limited	Development and supply of innovative glass related products	7 November 1995	£99
Pentagon Glass Technologies Limited	Non-trading	12 April 1999	£99
Pentagon Glass Tech (Franchising) Limited	Domestic and international franchising of the supply of innovative glass related products	15 July 1999	£99
Pentagon Auto-Tint Limited	Non-trading	24 June 1999	£99

The capital of the above companies' shares is credited as fully paid. The registered office of the above companies is at Pentagon House, 4 Acton Park Estate, The Vale, London W3 7QE.

2.5 The Company has no further shareholdings in any company.

3 Share capital of the Company

3.1 The Company was incorporated with an authorised share capital of £100,000 divided into 100,000 ordinary shares of £1 each of which two were issued.

3.2 The following is the summary of changes in the authorised and issued share capital of the Company since incorporation:

3.2.1 On 10 July 2002, two ordinary shares of £1 were allotted at a subscription price of £1 each;

3.2.2 On 25 March 2003 the Company sub-divided each £1 ordinary share into 1,000 Ordinary Shares;

3.2.3 On 25 March 2003 the authorised share capital of the Company was increased from £100,000 to £150,000 by the creation of an additional 50,000,000 Ordinary Shares.

3.3 The authorised and issued share capital of the Company as at the date of this document and following the Placing and Admission is as follows:

	Existing		*Following the Placing and Admission*	
	Number of Ordinary Shares	*Nominal Value* £	*Number of Ordinary Shares*	*Nominal Value* £
Authorised share capital	150,000,000	150,000	150,000,000	150,000
Issued and fully paid up share capital	54,166,860	54,166.86	79,166,860	79,166.86

3.4 The Directors have power to allot Ordinary Shares as follows:

3.4.1 In the period ending at the conclusion of the Company's next Annual General Meeting, or, if earlier, 25 June 2004, general authority pursuant to section 80 of the Act to allot up to the entire aggregate nominal amount of the authorised but unissued share capital of the Company; and

3.4.2 In the period ending at the conclusion of the Company's next Annual General Meeting or, if earlier, 25 June 2004, authority pursuant to section 95 of the Act to allot equity securities (as defined in section 94(2) of the Act) for cash, otherwise than pro rata to existing shareholdings, provided that this power shall be limited to:

3.4.2.1 the allotment of equity securities up to an aggregate nominal amount of £25,000 in connection with the Placing;

3.4.2.2 the allotment of equity securities in connection with any rights issue in favour of shareholders where the equity securities respectively attributable to the interests of all ordinary shareholders are proportionate (as nearly as may be) to the respective numbers of Ordinary Shares held by them, but subject to such exclusions as the directors of the Company may consider appropriate to deal with fractional entitlements or holders of shares outside the United Kingdom;

3.4.2.3 the allotment of equity securities (otherwise than pursuant to paragraphs 3.4.2.1 or 3.4.2.2 above) up to an aggregate nominal value equal to £50,000 (50,000,000 Ordinary Shares).

3.5 The Company does not have in issue any securities not representing share capital and there are no outstanding convertible securities issued by the Company.

3.6 No share or loan capital of the Company is under option or agreed, conditionally or unconditionally, to be put under option.

3.7 Save as referred to in this paragraph 3, the Company has no present intention to issue any of the authorised but unissued share capital of the Company.

4 Memorandum and Articles of Association

4.1 Memorandum of Association

The objects of the Company are set out in full in clause 4.1 of the Company's memorandum of association and its principal object is to carry on business as a general commercial company. The liability of the members of the Company is limited.

4.2 Articles of Association

The articles of association of the Company (the "Articles") which were adopted by a special resolution passed on 25 March 2003 contain, inter alia, provisions to the following effect;

4.2.1 Voting Rights

4.2.1.1 Subject to any special terms as to voting upon which any shares may have been issued, or may for the time being be held, every member present in person shall upon a show of hands have one vote and every member present in person or by proxy shall upon a poll have one vote for every share of which he is the holder.

4.2.1.2 If two or more persons are jointly entitled to shares for the time being conferring a right to vote, any one of such persons may vote at any meeting, either personally or by proxy, in respect thereof as if he were solely entitled thereto, and if more than one of such joint holders be present at any meeting, either personally or by proxy, the member whose name stands first on the register of members as one of the holders of such shares, and no other, shall be entitled to vote in respect of the same.

4.2.2 Alteration of Capital

4.2.2.1 The Company may by special resolution create and sanction the issue of shares which are redeemable, or at the option of the Company are to be liable to be redeemed, subject to and in accordance with the provisions of any relevant legislation. The special resolution sanctioning any such issue shall also make such alterations to the Articles as may be necessary to specify the terms on which and the manner in which any such shares shall be redeemed.

4.2.2.2 The Company may by ordinary resolution consolidate and divide into shares, or any of them into shares of a larger amount or smaller amount.

4.2.2.3 The Company may by ordinary resolution sub-divide its shares, or any of them, into shares of a smaller amount and may by such resolution determine that, as between the holders of the shares resulting from such sub-division, one or more of such shares shall have some preferred or other advantage as regards dividend, capital, voting or otherwise over or shall have deferred rights or be subject to such restrictions as compared with the other or others as the Company has power to attach to shares upon the allotment thereof.

4.2.2.4 Subject to the provisions of the Act and the Articles, all unissued shares of the Company are at the disposal of the Directors.

4.2.2.5 Subject to the provisions of the Act, any share may be issued on terms that they are redeemed or liable to be redeemed at the option of the Company or the shareholders on the terms and in the manner provided for by the Articles.

4.2.2.6 The Company may from time to time by ordinary resolution convert all or any fully paid up shares into stock of the same class of shares which shall be so converted, and may from time to time, in like manner, reconvert such stock into fully paid up shares of the same class and of any denomination.

4.2.2.7 Subject to the provisions of any relevant legislation, any new shares in the capital of the Company may be allotted with such a preferential right to dividend and such priority in the distribution of assets, or subject to limited or qualified rights of voting at general meetings as the Company may from time to time by ordinary resolution determine, or, if no such determination be made, as the Directors shall determine, but so that the rights attached to any issued shares as a class shall not be varied except with the consent of the holders thereof duly given under the provisions of the Articles. Subject as aforesaid, any preference shares may be issued on terms that they are redeemable, or, at the option of the Company, are to be liable to be redeemed.

4.2.2.8 The Company may from time to time by special resolution reduce its share capital and any capital redemption reserve and any share premium account in any manner authorised, and with and subject to any incident prescribed or allowed by the relevant legislation. The Company may also by ordinary resolution cancel any shares not taken or agreed to be taken by any person and diminish the amount of its share capital by the nominal value of the shares so cancelled.

4.2.3 Variation of Rights

4.2.3.1 Subject to the provisions of the Act, if at any time the capital of the Company is divided into different classes of shares all or any of the rights or privileges attached to any class may be varied either in such manner (if any) as may be provided by such rights or in the absence of any such provision either with the consent in writing of the holders of at least three-fourths of the nominal amount of the issued shares of that class or with the sanction of an extraordinary resolution passed at a separate meeting (convened and conducted pursuant to the provisions of the Articles) of the holders of the issued shares of that class, but not otherwise. The creation or issue of shares ranking pari passu with or subsequent to the shares of any class shall not (unless otherwise expressly provided by the Articles or the rights attached to such last mentioned shares as a class) be deemed to be a variation of the rights of such shares.

4.2.4 Purchase of Own Shares

4.2.3.1 The Company may purchase its own shares (including any redeemable shares) but so that no such purchase shall take place save in accordance with the Act and on the basis that such purchase is sanctioned by an extraordinary resolution passed at a separate class meeting of the holders (if any) of any class of shares which are convertible into shares of another class where such shares would, if so converted, entitle the holders thereof to attend and vote at general meetings of the Company.

4.2.5 Transfer of Shares

4.2.4.1 A shareholder may transfer any of his shares by an instrument of transfer in writing in any usual form or in another form approved by the Directors or, without a written instrument (subject to the call of shares becoming a participating security for the purposes of the Regulations), through CREST in accordance with the Regulations. The transferor will remain the holder of the share transferred until the name of the transferee is entered in the Company's register of members in respect of it.

4.2.4.2 The Directors may refuse to register a transfer of a certificated share which is in respect of a partly paid share, is in favour of more than four transferees, is not duly stamped (if required) or is not delivered for registration with the appropriate evidence of the transferor's title to the Company's registered office or such other place as the Directors may decide.

4.2.4.3 The Directors are required to register a transfer of an uncertificated share (a share in CREST) in accordance with the Regulations, except that the Board may refuse (subject to any relevant requirements of the London Stock Exchange) to register any such transfer which is in favour of more than four persons jointly or in any other circumstance permitted by the Regulations.

4.2.4.4 If the Directors refuse to register a share transfer, the Board must send notice of the refusal to the transferee within two months following the delivery of the transfer to the Company (except in the cause of fraud). No fee is chargeable by the Company for the registration of a share transfer. The registration of share transfers may be suspended at such times and for such periods (not exceeding 30 days in any year) as the Directors may decide.

4.2.6 Dividends and other distributions

4.2.5.1 The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Directors. Subject to any priority, preference or special rights, all dividends shall be declared and paid according to the amounts paid up on the shares and shall be apportioned and paid proportionately to the amounts paid up on the shares during any portion of the period in respect of which the dividend is paid.

4.2.5.2 The Directors may pay such interim dividends as they think fit and may pay the fixed dividends payable on any shares of the Company half-yearly or otherwise on fixed dates.

4.2.5.3 No dividend or interim dividend shall be paid otherwise than in accordance with the provisions of the Statutes.

4.2.5.4 On a liquidation, the liquidator may, with the sanction of an extraordinary resolution of the Company and any other sanction required by the Statutes, divide amongst the members in specie or in kind the whole or any part of the assets of the Company and may, for such purpose, set such value as he deems fair upon any property to be divided and may determine how such division shall be carried out.

4.2.5.5 The Directors may, with the sanction of an ordinary resolution of the Company in general meeting, offer the holders of Ordinary Shares the right to elect to receive new Ordinary Shares credited as fully paid instead of cash in respect of the whole or part of any dividend.

4.2.5.6 Any dividend unclaimed for a period of 12 years after it became due for payment shall be forfeited and shall revert to the Company.

4.2.7 Restrictions on Shares

4.2.6.1 No member shall, unless the Directors otherwise determine, be entitled to be present or to vote, either in person or by proxy, at any general meeting or upon any poll or to exercise any privilege as a member in relation to meetings of the Company in respect of any shares held by him unless all calls or other sums presently payable by him in respect of those shares in the Company have been paid in full.

4.2.6.2 If any member holding shares comprised in the relevant share capital of the Company, or any other person appearing to be interested in shares held by such member, has been duly served with a notice under Section 212 of the Act and is, in the opinion of the Board, in default in supplying to the Company the information required by the notice, then the Board may in its absolute discretion at any time thereafter direct that:

4.2.6.2.1 in respect of shares in relation to which the default occurred ("the Default Shares"), the member shall not be entitled to be present or to vote at a general meeting or separate general meeting of any class of shares either personally or by representative or by proxy or to exercise any other right conferred by membership in relation to any such meetings; and

4.2.6.2.2 where the Default Shares represent one quarter of one per cent or more of the issued amount of the class of shares concerned any dividend or other money which would otherwise be payable on the Default Shares shall be retained by the Company without any liability to pay interest thereon when such money is finally paid to the member and that where an offer of the right to elect to receive Ordinary Shares instead of cash in respect of any dividend is or has been made, any election made thereunder by such member in respect of the Default Shares shall not be effective; and/or

4.2.6.2.3 no transfer of any of the Default Shares shall be registered unless the member is not himself in default as regard supplying the information requested and the transfer is of part only of the member's holding and when presented for registration is accompanied by a certificate by the member in a form satisfactory to the Board to the effect that, after due and careful enquiry the member is satisfied that no person in default as regards supplying such information is interested in any of the shares which are the subject of the transfer.

4.2.7 Directors

4.2.7.1 The business of the Company shall be managed by the Directors, who may exercise all such powers of the Company as are not, by the Act or by the Articles, required to be exercised by the Company in general meeting, subject nevertheless to the provisions of the Articles or of the Act, and to such directions, being not inconsistent with any provisions of the Articles or of the Act, as may be given by the Company in general meeting.

4.2.7.2 Unless and until the Company in general meeting shall otherwise determine, the number of Directors shall not be more than ten nor less than two. A Director shall not be required to hold any shares in the capital of the Company.

4.2.7.3 No Director shall be disqualified by his office from entering into any contract, arrangement, transaction or proposal with the Company either with regard to his tenure of any other office or place of profit or acting in a professional capacity for the Company or as a vendor, purchaser or otherwise. Subject to the provisions of the Statutes and save as therein provided, no such contract, arrangement, transaction or proposal entered into by or on behalf of the Company in which any Director or person connected with him is in any way interested, whether directly or indirectly, shall be liable to be avoided, nor shall any Director who enters into any such contract, arrangement, transaction or proposal or who is so interested be liable to account to the Company for any profit or other benefit realised by any such contract, arrangement, transaction or proposal by reason of such Director holding that office or of the fiduciary relationship thereby established, but such Director shall declare the nature of his interest in accordance with the Statutes.

4.2.7.4 A Director shall in the absence of some other material interest than is indicated below be entitled to vote and be counted in the quorum in respect of any resolution concerning any of the following matters, namely:

4.2.7.4.1 the giving of any security, guarantee or indemnity to him in respect of money lent or obligations incurred by him at the request of or for the benefit of the Company or its subsidiary;

4.2.7.4.2 the giving of any security, guarantee or indemnity to a third party in respect of a debt or obligation of the Company or its subsidiary for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;

4.2.7.4.3 any proposal concerning an offer of shares in or debentures or other securities of or by the Company or its subsidiary for subscription or purchase in which offer he is or is to be interested as a participant in the underwriting or sub-underwriting thereof;

4.2.7.4.4 any contract, arrangement, transaction or other proposal concerning any other body corporate in which he is interested, directly or indirectly and whether as an officer or shareholder or otherwise howsoever, provided that he has disclosed the nature of that interest to the Board in accordance with Section 317 of the Act;

4.2.7.4.5 any contract, arrangement, transaction or other proposal concerning the adoption, modification or operation of a superannuation fund or retirement death or disability benefit scheme under which he may benefit and which relates to both employees and Directors and which does not accord to any Director as such any privilege or advantage not generally accorded to the employees to whom such scheme or fund relates;

4.2.7.4.6 any contract, arrangement, transaction or other proposal concerning the adoption, modification, or operation of any scheme for enabling employees including full-time Directors and/or any subsidiary to acquire shares of the Company or any arrangement for the benefit of employees of the Company or its subsidiary under which the Director benefits in similar manner to employees and which does not accord to any Director as such any privilege or advantage not generally accorded to the employees to whom such scheme or arrangements relates; and

4.2.7.4.7 any proposal concerning any insurance which the Company is to purchase and/or maintain for the benefit of the Directors or persons who include the Directors.

4.2.7.5 If any question shall arise at any meeting as to the materiality of a Director's interest or as to the entitlement of any Director to vote and such question is not resolved by his voluntarily agreeing to abstain from voting, such question shall be referred to the Chairman of the meeting and his ruling in relation to any other Director shall be final and conclusive except in a case where the nature or extent of the interests of the Director concerned have not been fairly disclosed.

4.2.7.6 The Directors shall be paid out of the funds of the Company by way of fees for their services as Directors such sums (if any) as the Directors may from time to time determine (not exceeding in the aggregate an annual sum of £150,000 or such larger amount as the Company may by ordinary resolution determine). Such remuneration shall be divided between the Directors as they shall agree or, failing agreement, equally. Such remuneration shall be deemed to accrue from day to day.

4.2.7.7 Subject to the provisions of the Statutes, the Directors may from time to time appoint one or more of their body to such executive office as they may decide. His appointment shall be automatically determined if he ceases from any cause to be a Director, without prejudice to any claim for damages such Director may have for breach of any service contract between him and the Company. The salary or remuneration of any executive Director shall, subject as provided in any contract, be such as the Directors may from time to time determine, and may either be a fixed sum of money, or may altogether or in part be governed by the business done or profits made, and may include the making of provisions for the payment to him, his widow or other dependants, of a pension on retirement from the office or employment to which he is appointed and for the participation in pension and life assurance and other benefits.

4.2.7.8 The Directors may entrust to and confer upon a managing director or an executive director any of the powers and discretions exercisable by them upon such terms and conditions and with such restrictions as they may think fit, and either collaterally with or to the exclusion of their own powers and discretions and may from time to time revoke, withdraw, alter or vary all or any of such powers or discretions.

4.2.7.9 Where proposals are under consideration concerning the appointment (including fixing or varying the terms of appointment) of two or more Directors to offices or employments with the Company or any body corporate in which the Company is interested, such proposals may be divided and considered in relation to each Director separately and in such cases each of the Directors concerned (subject to the Articles) shall be entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment.

4.2.7.10 Subject to the provisions of the Statutes, the Company may, by ordinary resolution, suspend or relax certain of these provisions to any extent or ratify any contract, arrangement or transaction not duly authorised by reason of a contravention of those provisions.

4.2.7.11 Section 293 of the Act (which regulates the appointment and continuation in office of Directors who have attained the age of 70) does not apply to the Company.

4.2.7.12 Each Director shall have the power at any time to appoint as an alternate Director either (i) another Director or (ii) any other person approved for that purpose by a resolution of the Directors, and at any time to terminate such appointment.

4.2.7.13 At each annual general meeting of the Company one third of the Directors shall retire from office. The Directors to retire will be those who have been longest in office, or in the case of those who were appointed or re-appointed on the same day, will be (unless they otherwise agree) determined by lot.

.2.8 Borrowing Powers

4.2.8.1 The Directors may, save as the Articles otherwise provide, exercise all of the powers of the Company to borrow money and to mortgage or charge its undertaking, property, assets (present and future) and uncalled capital, or any part thereof, and, subject to the provisions of the Act and the Articles, to issue debentures, debenture stock and other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party.

4.2.8.2 The Directors shall restrict the borrowings of the Company and exercise all voting and other rights or powers of control exercisable by the Company in relation to its subsidiary undertakings (if any) so as to secure (so far, as regards subsidiary undertakings, as by such exercise they can secure) that the aggregate amount for the time being remaining outstanding of all monies borrowed by the Company and any such subsidiary undertakings (in this paragraph, "the Group") and for the time being owing to persons outside the Group shall not at any time, without the previous sanction of an ordinary resolution of the Company in general meeting, exceed twice the aggregate of (i) the amount paid up on the issued share capital of the Company and (ii) the total of the capital and revenue reserves of the Group (including any share premium account, capital redemption reserve and credit balance on the profit and loss account) all as shown in the last audited and consolidated balance sheet of the Group.

Directors' and other Interests

1 Immediately following Admission the interests of the Directors and the persons connected (within the meaning of section 346 of the Act) with them (all of which are beneficial save where otherwise stated) in the Ordinary Share capital of the Company which are required to be shown in the register maintained under section 325 of the Act or which are required to be notified by a Director (or, in the case of such a connected person, would be required to be notified by that person had he been a director) to the Company pursuant to sections 324 or 328 of the Act will be as follows:

Name	*Ordinary Shares*	*Percentage of the issued share capital on Admission*
David Thomas	40,597,788	51.28%
Geoffrey Russell	3,611,124	4.56%
Danielle Stewart	–	–
Ronald Bambra	2,815,660	3.56%

5.2 Save as disclosed above and save as set out below, the Directors are not aware of any interest (within the meaning of Part VI of the Act) in the Company's share capital which, immediately following the Placing and Admission, would amount to 3 per cent. or more of the Company's issued ordinary share capital.

Name	*Ordinary Shares*	*Percentage of the issued share capital on Admission*
Peter Mukherjee	3,611,112	4.56%
Pentagon Employee Share Benefit Trust	4,541,262	5.74%

5.3 Save as set out in sub paragraphs 5.1 and 5.2 above, none of the Directors nor any member of their respective immediate families, nor any person connected with them (under s346 of the Act) has any interest in the share capital of the Company.

5.4 There are no outstanding loans granted or guarantees provided by the Company to or for the benefit of any of the Directors or any person connected with them.

5.5 As at 27 March 2003 (being the latest practicable date prior to the publication of this Document) save as disclosed in this paragraph 5, the Directors are not aware of any person or persons who, indirectly or directly, jointly, or severally, at the date of this Document or following the Placing exercise or could exercise control over the Company.

6 Additional Information on the Board

6.1 In addition to directorship of the Company, the Directors hold or have held the following directorships or are or have been partners in the following partnerships within the five years prior to the date of this document:

Name	*Current Directorships and Partnerships*	*Past Directorships and Partnerships*
David Thomas	Pentagon Glass Tech Ltd Pentagon Glass Technologies Ltd Pentagon Glass (Franchising) Ltd Pentagon Auto-Tint Ltd God in the Boardroom Ltd Millesime Limited idiscoveri India Pvt Ltd Ahana Soft Pvt Ltd Stratethica Ltd	Procter & Gamble India Ltd Procter & Gamble Godrej Ltd Procter & Gamble Household Products Ltd Classgood Ltd
Geoffrey Russell	Pentagon Glass Tech Ltd Pentagon Glass Technologies Ltd Pentagon Glass (Franchising) Ltd Pentagon Auto-Tint Ltd	Web Site Direct Ltd
Danielle Stewart	Warrener Stewart Aplus Limited Aplus Computer Services Ltd Aplus Collaborative Group Ltd Warrener Stewart Ltd God in the Boardroom Ltd Stratethica Ltd Aplus Software Ltd Football Idol Ltd Soccer Idol Ltd	Channel Health Interactive Lifestyle Ltd
Ronald Bambra	None	

6.3 None of the Directors has:

6.3.1 any unspent convictions in relation to indictable offences;

6.3.2 had any bankruptcy order made against him or entered into any voluntary arrangements.

6.4 Save as disclosed in paragraph 6.1 above, none of the Directors has:

6.4.1 been a director of a company which has been placed in receivership, compulsory liquidation, administration, been subject to a voluntary arrangement or any composition or arrangement with its creditors generally or any class of its creditors whilst he was a director of that company or within the 12 months after he ceased to be a director of that company;

6.4.2 been a partner in any partnership which has been placed in compulsory liquidation, administration or been the subject of a partnership voluntary arrangement whilst he was a partner in that partnership or within the 12 months after he ceased to be a partner in that partnership; or

6.4.3 been the owner of any assets or a partner in any partnership which has been placed in receivership whilst he was a partner in that partnership or within the 12 months after he ceased to be a partner in that partnership.

5.3.6 been publicly criticised by any statutory or regulatory authority (including recognised professional bodies); or

5.3.7 been disqualified by a court from acting as a director of any company or from acting in the management or conduct of the affairs of a company.

7 Directors' service agreements and other arrangements

7.1 The Directors have entered into service agreements and other arrangements with the Company as follows:

7.1.1 David Thomas has a service agreement with the Company dated 25 March 2003 pursuant to which he is engaged as Chairman and employed by the Company at a salary of £50,000 per annum. The service agreement is for an indefinite period and terminable by either party on not less than 3 months' notice.

7.1.2 Geoffrey Russell has a service agreement with the Company dated 25 March 2003 pursuant to which he is engaged as Managing Director and employed by the Company full time at a salary of £60,000 per annum. The service agreement is for an indefinite period and terminable by either party on not less than 6 months' notice.

7.1.4 Ronald Bambra has a letter of engagement with the Company relating to his appointment as a non-executive Director dated 25 March 2003 pursuant to which he is entitled to fees of £24,000 per annum. The arrangement is for an initial period of one year and thereafter terminable by either party on not less than 3 months' notice.

7.1.5 Ronald Bambra also has a separate consultancy agreement with the Company dated 25 March 2003 pursuant to which his services are provided to the Company at a fee of £400 per day excluding VAT. The arrangement is for an initial period of 1 year and terminable by either party on not less than 1 months' notice.

7.1.6 Warrener Stewart (a firm of chartered accountants in which Danielle Stewart is a partner) has an engagement letter with the Company dated 25 March 2003 pursuant to which the services of Danielle Stewart are provided to the Company at a fee of £160 per hour excluding VAT. The arrangement is for an indefinite period and terminable by either party on not less than 1 months' notice.

7.1.7 There have been no amendments to any of the above contracts.

7.2 Save as set out in this paragraph 7, there are no existing or proposed service agreements between any of the Directors and the Company for any existing or proposed consultancy agreement pursuant to which the services of any Director are to be provided and which are not terminable by the Company without the payment of compensation (other than statutory compensation) within one year.

7.3 Keyman insurance cover is in place on the life of Geoffrey Russell.

7.4 Save as disclosed under paragraph 8 below no Director is or has been interested in any transaction which is or was unusual in its nature or conditions or significant to the business of the Group and which was effected by the Company or any of its subsidiaries which remains in any respect outstanding or unperformed.

7.5 No loans made or guarantees granted provided by any member of the Group to or for the benefit of any Director are outstanding.

7.6 The aggregate of the remuneration and benefits in kind paid to the Directors by the Company in respect of the period ended 30 September 2002 was £36,864. It is estimated that under arrangements currently in force the aggregate remuneration and benefits in kind to be paid to the Directors in the year ending 30 September 2003 will be approximately £110,000. None of the Directors has agreed to waive his or her entitlement to future emoluments.

8 Material contracts

The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by the Company within the two years immediately preceding the date of this document and are, or may be, material:

8.1 An agreement (the "Placing Agreement") dated 28 March 2003 between Seymour Pierce (1), Seymour Pierce Ellis (2) the Company (3) and the Directors (4) pursuant to which, conditional upon, inter alia, Admission, Seymour Pierce Ellis has agreed to use reasonable endeavours to procure placees for the Placing Shares proposed to be issued by the Company at the Placing Price, failing which Seymour Pierce Ellis has agreed to subscribe for such shares itself at the Placing Price.

The Placing Agreement contains indemnities and warranties from the Company and the Directors in favour of Seymour Pierce and Seymour Pierce Ellis. The liability of the Directors for breach of warranty is limited. The liability of the Company is unlimited. Seymour Pierce or Seymour Pierce Ellis may terminate the Placing Agreement in certain circumstances prior to Admission including circumstances where any warranties are found to be untrue or incorrect in any material respect. Under the Placing Agreement the Company has agreed to pay to Seymour Pierce a corporate finance fee of £60,000, and Seymour Pierce Ellis a broking fee of £10,000 plus commission of 3.5 per cent of the funds introduced by Seymour Pierce Ellis pursuant to the Placing and a further commission of 1 per cent of the funds introduced by the Company pursuant to the Placing together with all costs and expenses and VAT thereon, where appropriate.

The Placing Agreement contains lock-up agreements between the Directors (1), Seymour Pierce (2) and Seymour Pierce Ellis (3). The Directors have undertaken that they will not (and will procure, insofar as they are able, that their connected persons will not) dispose of Ordinary Shares or rights over shares ("Rights Over Shares") for a period of 12 months from Admission, save in certain limited circumstances, and then for a further 12 months will only dispose of Ordinary Shares or Rights Over Shares following consultation with the Company's nominated adviser and then only through the Company's broker.

8.2 By a lock up agreement dated 25 March 2003 between Peter Mukherjee (being a material Shareholder following Admission) (1), and the Company (2) ("the Lock Up Agreement") Peter Mukherjee has undertaken that he will not (and will procure, insofar as he is able that his connected persons will not) dispose of Ordinary Shares or rights over shares ("Rights Over Shares") for a period of 12 months from Admission, save in certain limited circumstances, and then for a further 12 months will only dispose of Ordinary Shares or Rights Over Shares following consultation with the Company's nominated adviser and then only through the Company's broker.

8.3 A nominated adviser agreement dated 25 March 2003 between the Company (1) and Seymour Pierce (2) pursuant to which the Company has appointed Seymour Pierce to act as Nominated Adviser to the Company for the purposes of the AIM Rules. The Company has agreed to pay Seymour Pierce a fee of £20,000 per annum for its services as Nominated Adviser under the agreement, together with all reasonable expenses and VAT. The agreement contains certain undertakings given by the Company and the Directors and indemnities given by the Company in respect of, inter alia, compliance with all applicable laws and regulations. The agreement continues for a fixed period of one year from the date of Admission and thereafter is subject to termination on the giving of three months' notice by either party.

8.4 A broker agreement dated 25 March 2003 between the Company (1) and Seymour Pierce Ellis (2) pursuant to which the Company has appointed Seymour Pierce to act as Broker to the Company for the purposes of the AIM Rules. The Company has agreed to pay Seymour Pierce Ellis a fee of £10,000 per annum for its services as Broker under the agreement together with all reasonable expenses and VAT. The agreement contains certain undertakings given by the Company and the Directors and indemnities given by the Company in respect of, *inter alia*, compliance with all applicable laws and regulations. The agreement continues for a fixed period of one year from the date of Admission and thereafter is subject to termination on the giving of three months' notice by either party.

8.5 A letter of appointment dated 25 March 2003 between the Company (1) and Warrener Stewart (2) pursuant to which the Company has agreed to pay a fee of £30,000 together with VAT and disbursements to Warrener Stewart for its services provided in connection with the Admission.

8.6 A loan agreement dated 25 March 2003 between the Company (1) and David Thomas (2) pursuant to which David Thomas has loaned on an unsecured basis £207,090 to the Group (£120,000 plus accrued interest of such loan to be repaid by the Company out of the proceeds of the Placing and the balance to be repaid no later than 1 January 2004). That proportion of the loan to be repaid by 1 January 2004 will bear interest at the rate of 2% per annum above the base rate from time to time of National Westminster Bank plc (such interest to be paid with repayment of principal).

8.7 A share purchase agreement dated 25 March 2003 between David Thomas, Peter Mukherjee, Geoffrey Russell, Ronald Bambra, Martin Westney [and the trustees of the Employee Share Benefit Trust ("the Vendors") (1) and the Company (2) pursuant to which the Company purchased from the Vendors their shares in Pentagon Glass Tech, Pentagon Franchising, Pentagon Glass Technologies Limited and Pentagon Auto-Tint Limited in consideration of the issue to the Vendors of 54,164,860 Ordinary Shares credited as fully paid and the payment of £200.

9 Share Option Schemes

On 25 March 2003 the Company established an employee share benefit trust and an enterprise managment incentive scheme, details of which are as follows:

9.1 Employee Share Benefit Trust

On 25 March 2003 the Company established an employee share benefit trust to hold 4,541,262 Ordinary Shares of the Company. The trustees of the employee share benefit trust are David Thomas, Geoffrey Russell and Danielle Stewart. All employees of the Group will be eligible to participate in the grant of any options or other benefits granted by such trust at the discretion of the trustees.

9.2 Enterprise Management Incentive Scheme

The Company plans to grant options to Geoffrey Philip Russell over 3,166,674 Ordinary Shares of the Company under the enterprise management incentive scheme pursuant to Schedule 14 of the Finance Act 2000. The options will be exercisable at 0.1p per share between 3 and 5 years after the date of grant and will be subject to performance criteria to be set by the remuneration committee. The options will lapse automatically if not exercised by the fifth anniversary of the date of grant or on the option holder ceasing to be an employee of the Group for any reason.

In addition to the above options, the Company will be able to grant further options over a maximum of 15 per cent. of the number of Ordinary Shares in issue from time to time to employees of the Group pursuant to the enterprise management incentive scheme at a price of not less than 0.1p per option share.

10 Litigation

10.1 The Company

Since incorporation the Company has not been involved in, nor is it currently engaged in any legal or arbitration proceedings which has or may have a significant effect on the Company's financial position and, so far as the Directors are aware, there are no such proceedings pending or threatened against the Company.

10.2 Pentagon Glass Tech Limited, Pentagon Glass Technologies Limited, Pentagon Tech (Franchising) Limited and Pentagon Auto-Tint Limited

There are no legal or arbitration proceedings (including any such proceedings which are pending or threatened against or being brought by any of the above named companies) which have, or may have had during the 12 months preceding the date of this document, a significant effect on the financial position of the Group.

11 Working capital

The Directors are of the opinion, having made due and careful enquiry, that following Admission and taking account of the net proceeds of the Placing, the Company will have sufficient working capital for its present requirements, that is for at least twelve months from Admission.

12 United Kingdom Taxation

The statements set out below are general in nature and are intended only as a general guide to certain aspects of current UK law and practice and apply only to certain categories of persons. The summary does not purport to be a complete analysis of all the potential tax consequences of acquiring, holding and disposing of Ordinary Shares and only relates to the position of shareholders who are the beneficial owners of their Ordinary Shares and who hold their Ordinary Shares as investments; in particular it does not address the position of certain classes of shareholders, such as dealers in securities.

Prospective purchasers of Ordinary Shares who are in any doubt about their tax position, and in particular those who are subject to taxation in any jurisdiction other than the UK, are strongly recommended to consult their own tax advisers concerning the tax consequences of the acquisition, ownership and disposal of Ordinary Shares.

This summary is based upon UK law and practice as of the date of this document. UK law and practice may be subject to change, possibly with retroactive effect.

12.1 *Dividends*

No tax is withheld on dividends paid by Pentagon.

In respect of dividends on Ordinary Shares paid on or after 6 April 1999, individual shareholders who are resident in the UK for tax purposes are entitled to a tax credit at the rate of one ninth of the cash dividend or ten per cent. of the aggregate of the cash dividend and the associated tax credit. Dividend income will be treated as the top slice of an individual's income. Shareholders receiving dividends will be liable to income tax (if at all) on the aggregate of the dividend and the associated tax credit at, in the case of starting and basic rate taxpayers, the Schedule F ordinary rate (10 per cent. in 2002-2003) or, in the case of higher rate taxpayers, the Schedule F upper rate (32.5 per cent. in 2002-2003). The tax credit is offset against the total income tax liability. Taxpayers who, after taking into account dividend income, are liable to UK income tax at only the starting or basic rate will have no further liability to income tax. Higher rate taxpayers will, after taking into account the tax credit, have an additional tax liability of 25% of the cash dividend.

No repayment of the tax credit in respect of dividends can be claimed by a UK resident shareholder, except where the shares are held in a Personal Equity Plan or an Individual Savings Account. In such a case, a claim can be made for repayment in respect of dividends paid before 6 April 2004. Special rules for obtaining a proportion of the tax credit apply for dividends received by charities before 6 April 2004.

UK tax resident corporate shareholders (other than dealers and certain finance companies) are not liable to UK corporation tax or income tax in respect of dividends.

Non-UK resident shareholders and shareholders subject to tax in a jurisdiction other than the UK should consult an appropriate professional adviser concerning their liabilities to tax on dividends received.

12.2 *Taxation of chargeable gains*

A disposal of all or any part of a holding of Ordinary Shares may, depending on the shareholder's individual circumstances, give rise to a liability to pay UK taxation on chargeable gains. Individuals, personal representatives and trustees resident or ordinarily resident for tax purposes in the UK may be entitled to indexation relief, based on the acquisition cost of the shares, up to 5 April 1998 and to taper relief for the period from 6 April 1998. Both of these reliefs may serve to reduce the chargeable gain. Companies are not entitled to taper relief, but are entitled to an indexation allowance, to take account of inflation which may reduce the chargeable gain.

12.3 *UK Stamp duty and stamp duty reserve tax*

Other than in respect of depositary receipts and clearance services (to which special rules apply):

(i) The allotment and issue of Ordinary Shares by the Company pursuant to the Placing will not normally give rise to a charge to stamp duty or stamp duty reserve tax ("SDRT");

(ii) Agreements to transfer Ordinary Shares within CREST will be subject to SDRT normally at the rate of 0.5 per cent. of the amount or value of the consideration. The charge to SDRT arises, in the case of an unconditional agreement to transfer such shares within CREST, on the date of the agreement and, in the case of a conditional agreement, on the date the agreement becomes unconditional. The SDRT will normally be collected from the transferee by the CREST member through whom the transaction is effected and paid to the Inland Revenue on the date agreed between the Inland Revenue and the operator of the CREST system;

(iii) There is normally no additional stamp duty or SDRT liability where Ordinary Shares are taken out of CREST (otherwise than pursuant to a transfer on sale) or where Ordinary Shares are deposited in CREST for conversion into uncertificated form (otherwise than pursuant to a transfer on sale or in contemplation of such sale). A transfer of Ordinary Shares on a CREST transfer form pursuant to a transfer on sale for conversion into uncertificated form will not generally give rise to a charge to stamp duty but will attract an SDRT liability normally at the rate of 0.5 per cent. on the amount or value of the consideration;

(iv) Where a stamp duty liability arises, this is payable by 30 days after the date on which the stampable transfer is executed. Interest and penalties are normally charged if stamp duty or SDRT are paid after the due date. Transfers of Ordinary Shares will be liable to ad valorem stamp duty normally at the rate of 0.5 per cent. of the actual consideration paid. The stamp duty liability will be rounded up to the nearest multiple of £5. A charge to SDRT, normally at the rate of 0.5 per cent. of the consideration paid, arises, in the case of an unconditional agreement to transfer shares, on the date of agreement, or, in the case of a conditional agreement, on the date the agreement becomes unconditional. The SDRT is payable on the seventh day of the month following the month in which the charge arises. However, where an instrument of transfer is executed and duly stamped before the expiry of a period of six years beginning with the date of that agreement (or the date on which the agreement becomes unconditional, as the case may be), the SDRT charge is cancelled to the extent that the SDRT has not been paid and, if any of the SDRT has been paid, a claim may be made for it to be repaid.

12.4 *UK Inheritance Tax*

The Ordinary Shares will be assets situated in the UK for the purposes of UK inheritance tax. A gift of such assets by, or on the death of, an individual holder of such assets may (subject to certain exemptions and reliefs, in particular Business Property Relief) give rise to a liability to UK inheritance tax. This is regardless of whether or not the individual holder is domiciled or deemed to be domiciled in the UK and whether or not the holder is resident and/or ordinarily resident in the UK for tax purposes. For inheritance tax purposes, a transfer of assets at less than full market value may be treated as a gift and particular rules apply where the donor reserves or retains some interest or benefit in the property being transferred. Special rules also apply to close companies and to trustees of settlements who hold Ordinary Shares bringing them within the charge to UK inheritance tax.

13 General

13.1 The gross proceeds of the Placing will be £750,000 and the net proceeds after deduction of the expenses are estimated at £500,000. The total costs and expenses relating to Admission and the Placing are payable by the Company and are estimated to amount to approximately £250,000 including Value Added Tax.

13.2 Seymour Pierce and Seymour Pierce Ellis have given and not withdrawn their respective written consents to the inclusion in this document of references to their respective names in the form and context in which they appear.

13.4 BDO Stoy Hayward has given and not withdrawn its written consent to the inclusion of references to its name in the form and context in which they appear and to the inclusion of their report in Part II of this document and has accepted responsibility for the report set out in Part II for the purposes of paragraph 45(1)(b)(iii) of Schedule 1 to the Regulations.

13.5 Other than the current application for Admission, the Ordinary Shares have not been admitted to dealings on any recognised investment exchange nor has any application for such admission been made, nor are there intended to be any other arrangements for dealings in the Ordinary Shares.

13.6 The accounting reference date of the Company is 30 September.

13.7 For the purposes of paragraph 21(a) of Part IV of Schedule I to the Regulations, as the Placing is fully underwritten there is no minimum amount which must be raised for the Company pursuant to the Placing.

13.8 The Placing Price represents a premium over nominal value of 2.9 pence per Ordinary Share.

13.9 The existing Ordinary Shares are in registered form. In connection with the Placing temporary documents of title will not be issued. It is expected that definitive share certificates will be despatched by hand or first class post by 9 April 2003. In respect of Ordinary Shares to be held in uncertificated form, it is expected that Shareholders' CREST accounts will be credited on 2 April 2003

13.10 Save as disclosed in this document, the Directors are unaware of any exceptional factors which have influenced the Company's activities.

13.11 Save as disclosed in this document, the Directors are not aware of any patents or other intellectual property rights, licences or particular contracts which are or may be of fundamental importance to the Company's business.

13.12 Save as disclosed in this document, there has been no significant change in the trading or financial position of the Group since 30 September 2002, the date to which the last audited accounts of the Company were prepared.

13.13 Save as disclosed in this document, no person directly or indirectly (other than the Company's professional advisers and trade suppliers) has in the last twelve months received or is contractually entitled to receive directly or indirectly from the Company on or after Admission, any payment or benefit from the Company to the value of £10,000 or more or securities in the Company to such value or entered into any contractual arrangements to receive the same from the Company at the date of this document.

13.14 Save as disclosed in this document there are no significant investments in progress.

13.15 The financial information for the relevant accounting period set out in the Accountants' Report in Part II of this document concerning the Group do not constitute statutory accounts within the meaning of s240 of the Act.

13.16 Monies received from applicants pursuant to the Placing will be held in accordance with the terms of the placing letters issued by the Company until such time as the Placing becomes unconditional in all respects. If the Placing does not become unconditional in all respects by 30 April 2003 application monies will be returned to the applicants at their risk without interest.

13.17 Geoffrey Russell has personally guaranteed the Group's bank overdraft facilities up to the amount of £50,000.

14 Availability of Prospectus

Copies of this document will be available to the public, free of charge, from the offices of Seymour Pierce, 29/30 Cornhill, London EC3V 3NF from the date of this document until at least one month after Admission.

Dated: 28 March 2003